

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 12-355**

**DOCKHAM SHORES ESTATES WATER COMPANY, INC.**

**Permanent Rate Case**

**Order Authorizing Recovery of Rate Case Expenses**

**ORDER NO. 25,616**

**December 31, 2013**

**I. BACKGROUND**

On October 14, 2013, the Commission issued Order No. 25,582 approving a Stipulation Agreement on permanent rates for Dockham Shores Estates Water Company, Inc. (Dockham Shores). Contained in that Stipulation Agreement were provisions pertinent to recovery of rate case expenses. Specifically, Dockham Shores agreed to submit a proposal for the recovery of rate case expenses within fifteen days from the date of the Commission's final order.

On October 31, 2013, Dockham Shores submitted a proposal along with supporting documentation for recovery of \$8,636.05 in rate case expenses. Dockham Shores proposed that this amount be collected via a quarterly surcharge of \$17.99 per customer over eight quarterly billing periods.<sup>1</sup>

On December 27, 2013, the Commission Staff (Staff) filed a recommendation on Dockham Shore's proposal for recovery of rate case expenses. Staff stated that it had conducted a thorough review of the information submitted by Dockham Shores in support of its proposal. Staff attached the company's summary of its rate case expenses to its recommendation letter.

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<sup>1</sup> The number of customers upon which Dockham Shores based the monthly surcharge was the 60 customers agreed to by the settling parties in the Stipulation Agreement.

Staff proposed that the rate case expense amount of \$8,636.05 be revised to an amount of \$7,486.05; a decrease of \$1,150. Staff explained that the amounts deducted from the Company's recommendation relate to the Commission Staff on-site Audit which was conducted pursuant to Puc 607.05(b). According to Staff, such expenses are generally excluded from the rate case expense recovery. The revised amount to be collected per customer is \$124.77 via a quarterly surcharge of \$15.60 per customer over eight quarterly billing periods.

## **II. COMMISSION ANALYSIS**

We have long considered that prudently incurred rate case expenses are legitimate service costs of a utility that should be included in rates. *See EnergyNorth Natural Gas, Inc., d/b/a National Grid NH*, Order No. 25,064, 95 NH PUC 13, 17 (Jan. 15, 2010). Consistent with that policy, we have reviewed Dockham Shore's rate case expense summary as well as Staff's recommendations. We agree with Staff that the costs amounting to \$1,150 for expenses related to the Commission Audit should be disallowed. We, therefore, approve the amount of rate case expenses proposed by Staff of \$7,486.05.

We agree that spreading the surcharge over eight quarterly billing periods results in just and reasonable rates for both the Company and its customers. Accordingly, we will approve Dockham Shore's imposition of a surcharge in the amount of \$15.60 per customer per quarter over eight quarterly billing periods.

**Based upon the foregoing, it is hereby**

**ORDERED**, that Dockham Shores Estates Water Company, Inc. is authorized to recover \$7,486.05, representing its prudently incurred rate case expenses; and it is

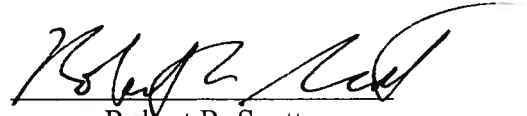
**FURTHER ORDERED**, that Dockham Shores Estates Water Company, Inc. is authorized to charge a quarterly surcharge in the amount of \$15.60 per customer over eight quarterly billing periods or until the full amount is collected, whichever is earlier; and it is

**FURTHER ORDERED**, that Dockham Shores Estates Water Company, Inc. shall file a compliance tariff within fourteen calendar days of the date of this order.

By order of the Public Utilities Commission of New Hampshire this thirty-first day of December, 2013.



Michael D. Harrington  
Commissioner



Robert R. Scott  
Commissioner

Attested by:



Lori A. Davis  
Assistant Secretary