

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 14-176

MILL BROOK VILLAGE WATER SYSTEM

Request for Franchise Approval and Permanent Rate Proceeding

**Order Suspending Proposed Tariff
and
Scheduling Prehearing Conference**

ORDER NO. 25,710

August 28, 2014

This order suspends the proposed rates filed by Mill Brook, schedules a prehearing conference, and sets dates for interested parties to seek intervention.

On June 27, 2014, Mill Brook Village Water System (Mill Brook) filed a petition with the Commission requesting franchise approval to provide water service in a limited area in the Town of Thornton. The proposed franchise area includes the following developments: Mill Brook Village, Brookside Hollow, and The Falls at Mill Brook. Mill Brook also filed a notice of intent to file rate schedules to establish permanent rates.

Maranatha Construction (Maranatha), an affiliate of Mill Brook, built the water system in 1988 and began developing homes in 1989. The three developments contain a total of 64 lots. Maranatha has only sold 28 lots since 1989 and it does not expect the developments to be fully built out in the near future. In addition, Maranatha owns nine lots. Mountain River Development Associates, L.L.C., and Mountain River East Associates, also affiliates of Mill Brook, own the remaining land in the developments. The water system serves single family residential units which consist of homes and condominiums. Maranatha operates the water

system on behalf of Mill Brook. On February 21, 2014, the Department of Environmental Services (DES) approved Mill Brook's Water Conservation Plan. The DES lists the water system as Millsbrook (sic) Village Water System, ID# 2342110.

On August 7, 2014, Mill Brook filed rate schedules, pursuant to N.H. Code Admin. Rules Chapter Puc 1600, as well as materials supporting its proposed permanent rates. Mill Brook seeks a total revenue requirement of \$36,778, based on plant in rate base of \$73,358. Mill Brook filed an unnumbered tariff schedule indicating its plans to collect that revenue requirement from customers through permanent rates of \$994 per year or, in the alternative, \$248.50 per quarter or \$82.83 per month. Mill Brook does not provide metered service as is required by Commission rule Puc 603.03. Mill Brook provides only residential service and thus has only one customer class from which to recover costs. Because of the slow sale of lots, Maranatha has requested that its revenue requirement and rates be set on a build out of 37 rather than 64 lots. Mill Brook's compliance with the metering requirement and the appropriate number of lots to assume in setting rates will be issues in the proceeding.

On August 14, 2014, Staff filed a letter noting that Mill Brook reported a deficiency of \$29,736 for its test year ending December 31, 2013. In light of the magnitude of the deficiency, Staff requested that the Commission notice this proceeding to include a request for temporary rates so that such relief may be considered. Rather than requiring the company to file a proposal for temporary rates, the Commission will expedite the schedule in this docket in order to enable timely rate relief to Mill Brook if the evidence so warrants.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2014/14-176.html>.

The filing raises, *inter alia*, issues related to RSA 374:22 and Mill Brook's request to engage in business as a public water utility; Mill Brook's financial, managerial, and technical abilities; RSA 378:7 and the just and reasonableness of Mill Brook's proposed permanent rates; RSA 278:28 and whether the plant and equipment in Mill Brook's rate base are prudent, used, and useful. Each party has the right to have an attorney present at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that Mill Brook's tariff schedule proposing permanent rates of \$994.00 per year is hereby suspended; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on September 18, 2014, at 10:00 a.m. each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

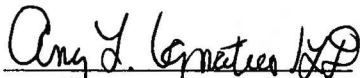
FURTHER ORDERED, that, immediately following the Prehearing Conference, Mill Brook, the Staff of the Commission, and any intervenors hold a Technical Session to review the petition and allow Mill Brook to provide any amendments or updates to its filing; and it is


FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Mill Brook shall notify all persons desiring to be heard at this hearing by mailing a copy of this Order of Notice no later than September 8, 2014, to all current and known prospective customers as well as the Clerk of the Town of Thornton, New Hampshire, by first class U.S. Mail, postmarked no later than September 8, 2014, and documented by affidavit filed with the Commission on or before September 15, 2014; and it is


FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a petition to intervene with copies sent to the joint petitioners and the Office of the Consumer Advocate on or before September 15, 2014, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rules Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before September 18, 2014.

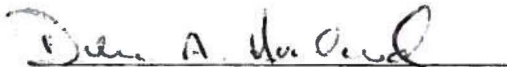
By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of August, 2014.


 Amy L. Ignatius
 Chairman


 Robert R. Scott
 Commissioner


 Martin P. Honigberg
 Commissioner

Attested by:


 Debra A. Howland
 Executive Director