

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 12-170

HAMPSTEAD AREA WATER COMPANY, INC.

OBJECTION TO MOTION TO AMEND PETITION

Staff of the New Hampshire Public Utilities Commission (Staff) hereby objects to Hampstead Area Water Company, Inc.'s (HAWC) motion to amend its petition which was filed on December 28, 2012. In support of this objection, Staff states as follows:

1. HAWC filed its rate schedules five and a half months ago on July 27, 2012. The Commission suspended the taking effect of the tariff pages and approved a procedural schedule to govern Staff and the parties' review of the rate schedules and supporting materials.

2. Staff and the parties have conducted one round of discovery and have one more round of discovery before testimony is due. Commission Audit Staff has conducted an audit of HAWC's test year and is preparing its final audit report. The remaining discovery schedule is insufficient to conduct a review of the impact of HAWC's proposed changes to its rate request. Further, the Audit Staff is now engaged in other assignments and would need to schedule time for additional audit review. Proper review of the amended information will require a substantial modification to the existing procedural schedule. The existing schedule sets a hearing on the merits for May 23, 2013 and an extension to allow for additional discovery will likely push the schedule out beyond the twelve month suspension authority provided under RSA 378:6.

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3. The Commission approved temporary rates in this proceeding by way of Order No. 25,437 (November 8, 2012) and those rates were effective for service rendered on or after September 1, 2012. Presently, if a hearing is held on May 23, 2013 and the Commission issues an order by the end of June 2013, customers will be subjected to a temporary and permanent rate recoupment, pursuant to RSA 378:29, of ten months. Extending the schedule may result in a larger recoupment surcharge and implicates other issues with respect to whether or not any of the proposed costs in the instant motion are to be subject to recoupment.

4. Traditional review of a utility's revenue requirement involves a historical test year. Pursuant to N.H. Code Admin. Rule. Puc 1602.07, a test year is defined as "a utility's actual financial data for a 12-month period." HAWC has submitted a 2011 test year. In requesting the Commission allow review of only certain 2012 expenses, without a review of other changes in costs and revenues which may benefit customers, HAWC is essentially proposing to change the test year methodology and to add costs and plant additions outside of the test year. If the 2011 test year no longer represents HAWC's financial circumstances, then HAWC is free to withdraw its current case and file new rate schedules and other documents in compliance with N.H. Code Admin. Rule Chapter Puc 1600 in support of a 2012 test year.

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WHEREFORE, Staff respectfully requests the Commission:

- A. Deny HAWC's motion to amend its rate filing;
- B. Order such further relief as may be just and appropriate.

Respectfully Submitted,

Staff of the N.H. Public Utilities Commission
By its attorney,

January 7, 2013



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Certificate of Service

I hereby certify that on this 7th day of January, 2013, I caused a copy of the within objection to be sent via electronic mail to all parties on the service list of this proceeding.

By: 
Marcia A. Brown, Esq.