

Forest Edge Water Company  
before the  
New Hampshire Public Utilities Commission

DW 12-254  
Introductory Letter

Forest Edge Water Company (“FEWC” or ACompany@) respectfully requests that the Commissioners accept this filing in support of its request for an increase in rates so as to generate enough revenue to allow the Company to earn its rate of return and cover its operating expenses. If the rate filing is accepted as submitted, the Company would realize an annual increase in revenues of \$8,056. The permanent revenue increase of \$8,056 would enable the Company to earn a 7.57% rate of return on its rate base of \$37,369. The proposed quarterly rate amount for a customer would increase from \$115.84 to \$163.79, an increase of \$47.95 or 41.40%.

During the twelve months ended December 31, 2011, the Company=s net operating income (loss) amounted to (\$2,239). A significant expense contributing to the net operating loss is management / bookkeeping expenses. In DW 08-160 the Company was required to file with the Commission its management agreement. However, the test year had little, if any, management / bookkeeping expenses reflected. In 2012, the Company has also incurred significant legal expenses and DES required mapping expenses. At December 31, 2011 the Company had 42 customers. The Company has made a few proforma adjustments in its filing. The proforma adjustments are an attempt to adjust test year revenue and expenses to what the Company believes such revenue and expenses need to be in order for the Company to recover its costs and to earn a fair and reasonable return on its investment. The Company is requesting that the proposed rate be effective October 1, 2012.

With respect to the specific rate filing and its exhibits and supporting schedules, we have engaged the services of Stephen P. St. Cyr of St. Cyr & Associates to prepare the rate filing and to draft and present testimony on the merits of the case. Enclosed is his testimony, the schedules and supporting documentation and the other rate filing requirements.

SPStCyr  
09/24/12