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THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION 21 S. Fruit Street, Suite 10 Concord, N.H. 03301-2429

November 24, 2015

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Re: DW 12-254, Forest Edge Water Company Notice of Intention to File a Change in Rate Schedules Denial of Extension to File Step Adjustment

To the Parties:

On July 24, 2015, Forest Edge Water Company ("Company") requested a second extension of a step-adjustment filing deadline in the above-referenced proceeding ("Second Extension Request"). The Commission approved the step adjustment to rates and set the original filing deadline in Order No. 25,575. The step adjustment is intended to enable the Company to recover the costs of system mapping required by the N.H. Department of Environmental Services. The filing deadline passed on June 30, 2014. The Company sought and received an extension of that deadline in November of 2014, with a new filing deadline of June 30, 2015.

According to the Company, it has remained unable "to move forward on the mapping project due to the lack of cash." Specifically, the Company requested an additional extension of time, until June 30, 2016, to complete the project and file the associated step adjustment proposal.

On July 31, 2015, the Commission received a recommendation from its Staff opposing further the extension of the filing deadline. Staff noted that nearly two years has passed since the Company's rate case had concluded, and that that rate case was based on a 2011 test year. A step adjustment granted in 2016 would result in more than four years passing since the related rate case test year concluded. Staff asserted that this would amount to inappropriate single issue ratemaking. In addition, Staff also questioned whether the mapping project would be completed at all, given the Company's cash needs and its inability to complete the project following a rate case where the Company's water rates were increased.

On November 5, 2015, the Commission received correspondence from the Company in response to Staff's recommendation. The Company included copies of invoices from recent expenses to demonstrate that the Company has lacked the cash to complete the mapping project. The Company further argued that, absent an additional extension of time to complete the mapping project and file for recovery of that cost, it would likely be forced to file a full rate case, which is both time consuming and expensive.

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Puc 202.04 authorizes the Commission to grant extensions of time (except for postponement of hearings). Accordingly, the party seeking the extension must 1) request the extension before the deadline expires; 2) make a "good faith attempt to gain the consent of the other parties for the extension;" and 3) demonstrate "that circumstances would cause undue hardship or inconvenience unless the request were granted; and ... [the] extension would not unduly delay the proceeding or adversely affect the rights of any party."

After review, the Commission has determined to deny the Company's request for a second extension of time to file a step adjustment. The Company in both of its extension requests has not filed the request timely, as required by Puc 202.04(a). Further, with the considerable passage of time since the conclusion of the Company's rate case, the Company's step adjustment is essentially transformed into single-issue ratemaking. This adversely affects the rights of customers in that it cannot be determined that a rate increase resulting from a step adjustment is warranted.

Accordingly, the Commission has denied the Company's request to extend the time to file for a step adjustment to its rates.

Sincerely,

Debra A. Howland Executive Director

cc: Service List (Electronically)

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 12-254-1 Printed: November 24, 2015

FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND

EXEC DIRECTOR NHPUC 21 S. FRUIT ST, SUITE 10 CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

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PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN - DISCOVERY NHPUC 21 S. FRUIT ST, SUITE 10 CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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