

DW 02-051

HOLIDAY ACRES WATER AND WASTEWATER SERVICES

Prehearing Conference Order Setting Procedural Schedule

O R D E R N O. 23,973

May 17, 2002

APPEARANCES: Eugene F. Sullivan, III, Esq., on behalf of Holiday Acres Water and Wastewater Services and Community Water and Wastewater Services, Limited Partnership; Lynmarie Cusack, Esq. on behalf of the Staff of the New Hampshire Public Utilities Commission.

I. INTRODUCTION AND PROCEDURAL HISTORY

A joint petition by Holiday Acres Water and Wastewater Services (Holiday Acres), a regulated public utility under RSA 362:2 and 362:4, and Community Water and Wastewater Services, Limited Partnership (Community) was filed with the New Hampshire Public Utilities Commission (Commission) on March 26, 2002. The Petition requested approval of the transfer of assets and franchise from Holiday Acres to Community, a separate utility company formed by the owner of Holiday Acres. The filing was made in compliance with the Commission's Order No. 23,931 (March 8, 2002), in docket number DW 01-244.

As a result of the filing the Commission issued an Order of Notice (OON) on April 11, 2002, scheduling a prehearing conference for April 29, 2002. The OON indicated that the filing raised issues related to the transfer of the

utility assets to Community, the establishment of Community as a regulated utility, the operational aspects of the utilities, and possible provision of services by Holiday Acres to Community under RSA 366.

The OON also summarized the filing noting that Community was formed in New Hampshire on June 6, 2001 to control the water supply and sewage collection assets formerly controlled under Holiday Acres Joint Venture Trust. The OON further described that the general partner of the Limited Partnership is Community Water and Wastewater Services, Inc., a New Hampshire corporation owned and controlled by Stephen A. Hynes and Donna Hynes.

The Prehearing Conference was held on April 29, 2002, before the Commission's General Counsel, Gary Epler, who presided as the Hearings Examiner. Pursuant to the OON, Holiday Acres timely published the notice in a newspaper of statewide circulation. No requests for intervention were filed nor were there any ratepayers present at the conference.

Staff and the Company met in a technical session after the conference at which time they developed a proposed schedule for the completion of the docket. On May 2, 2002, Staff submitted the proposal to the Executive Director. The letter recommended the following schedule:

Data Requests to Company	May 10, 2002
Responses from Company	May 24, 2002
Technical Session/Settlement	June 3, 2002 at 1:30
Hearing on Settlement	June 13, 2002 at 1:30

The letter also suggested that if no settlement could be reached, the Parties and Staff would submit testimony on June 10, 2002, and recommend a further procedural schedule.

II. POSITION OF THE PARTIES

A. Joint Petitioners

The Joint Petitioners request that the Commission find that it will be in the public good for Holiday Acres to transfer its utility assets, works, and franchise to Community; that Holiday Acres be authorized to discontinue the provision of regulated utility services; and that Community be authorized to provide water supply and sewage disposal services as a public utility in New Hampshire. The Joint Petitioners contend that separating the utility functions from other services that Holiday Acres provides to tenants of its mobile home park will avoid the commingling of costs and functions that has occurred to date, thus allowing the regulated utility rates to more accurately reflect the true cost of utility service. The Joint Petitioners further aver that Community, upon a finding that the proposed transfer is in the public good, will adopt the existing tariffs of Holiday

Acres on file with the Commission. In addition, the Joint Petitioners indicate that, as a part of the proposed transfer, the Partnership interest will be pledged to secure the debt approved by the Commission in its Order No. 23,908 (January 25, 2002) in Docket No. DW 01-244, thereby removing the possibility that the assets of the Park and those of the utilities would ever merge in the event of foreclosure.

B. Staff

Staff took no position with regard to the petition but recommended that an initial round of discovery be completed before it could assent to the transfer to the Limited Partnership. Staff noted that it preferred to see the current tariffs in effect, should the transfer be approved, for only a short period and that it believed an investigation into the Company's rates was warranted given in light of concerns noted in previous proceedings.

III. COMMISSION FINDINGS

We have reviewed the proposed schedule and believe that it is administratively sufficient to accommodate the issues in the docket. We, therefore, approve the schedule as submitted.

Based upon the foregoing, it is hereby

ORDERED, that the Procedural Schedule for the above-

captioned docket is APPROVED.

By order of the Public Utilities Commission of New
Hampshire this seventeenth day of May, 2002.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary