

DW 12-254

FOREST EDGE WATER COMPANY

Temporary and Permanent Rate Proceeding

STIPULATION AGREEMENT ON TEMPORARY RATES

I. BACKGROUND

Forest Edge Water Company (Forest Edge) is a regulated water utility pursuant to RSA 362:2 and 362:4, and provides water service to approximately 42 customers in the Town of North Conway. On August 20, 2012, Forest Edge filed a Notice of Intent to file rate schedules and, on September 25, 2012, filed its rate schedules requesting an increase in its annual revenues of \$8,056 or 41.4%. On October 9, 2012, Forest Edge filed a request for temporary rates pursuant to RSA 378:27. Forest Edge sought temporary rates designed to increase its revenues by \$3,998 or 20.54%, for effect, October 1, 2012. Forest Edge provided prefiled direct testimony, schedules and other supporting documentation in support of the proposed temporary and permanent increases.

Forest Edge seeks to increase its annual revenues by \$8,056 in order to earn an overall rate of return of 7.57%. The company reported an operating loss for its test year of 2011. Forest Edge cited management and bookkeeping expenses incurred following its last rate case test year, along with significant legal and mapping expenses incurred in 2012, as reasons for this rate case filing. Forest Edge indicates that its rates approved by the Commission in its DW 08-160 rate case did not provide for recovery of management costs which it began incurring in 2010, and thus the company states it has been unable to pay this expense. Forest Edge indicates that it has incurred significant legal expense as a result of a billing dispute with a customer, which it seeks to recover in this docket. In addition, the company states that a requirement from the

DW 12-254 Forest Edge Water Company
Temporary Rate Stipulation

Department of Environmental Services for mapping of its facilities has caused additional expense which it seeks to recover in rates. Overall, the company's proposed revenue requirement, if approved, would result in quarterly rates for its current 42 customers of \$163.79, a 41.4% increase over its current quarterly rate of \$115.84. The temporary rate request of Forest Edge would increase quarterly customer rates to \$139.64, an increase of 20.54%. Forest Edge customers are not metered, and thus charges flat rates to all customers.

II. PARTIES AND SCOPE OF THE STIPULATION

A. This Stipulation is entered into by Forest Edge and the Staff of the Commission (Staff), representing all of the full participants in this Docket.

B. This Stipulation constitutes Forest Edge and Staff's recommendation to the Commission with respect to temporary rates in this Docket.

C. Under this Stipulation, Forest Edge and Staff agree to this joint submission to the Commission as resolution of the issues specified herein only.

D. This Stipulation shall not be deemed an admission by Forest Edge or Staff that any allegation or contention in this proceeding by Forest Edge or Staff, other than those specifically agreed to herein, is true and valid. This Stipulation shall not be deemed to foreclose any party from taking any position in any future proceedings.

E. Forest Edge and Staff agree that all supporting documentation should be admitted as full exhibits for the purpose of consideration of this Stipulation, and be given whatever weight the Commission deems appropriate.

III. STIPULATED TERMS

A. Revenue Requirement – Forest Edge and Staff agree to a revenue requirement which currently supports the existing rates for the Company.

DW 12-254 Forest Edge Water Company
Temporary Rate Stipulation

B. Temporary Customer Rate – Forest Edge and Staff agree that the following temporary rate based upon the agreed upon revenue requirement is just and reasonable. The parties agree that the current permanent rates shall be the temporary rates. Those temporary rates are as follows:

\$463.36 per year or \$115.84 per quarter.

C. Effective Date - Forest Edge and Staff agree that the effective date for these temporary rates should be November 1, 2012 on a service rendered basis.

D. Reconciliation - Forest Edge and Staff agree that temporary rates will be subject to reconciliation pursuant to RSA 378:29 after the final determination of rates in this docket.

IV. MISCELLANEOUS

A. This Stipulation is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept the Stipulation in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Stipulation, and Forest Edge or Staff is unable to agree with said changes, conditions or findings, the Stipulation shall be deemed to be withdrawn and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose.

B. Forest Edge and Staff agree that the Commission's acceptance of the Stipulation does not constitute continuing approval of, or precedent for, any particular issue in this proceeding other than those specified herein.


C. This Stipulation may be executed in multiple counterparts, which together shall constitute one agreement.

IN WITNESS WHEREOF, the signatories below have executed this Stipulation, each being fully authorized to do so, as of the day indicated below.

DW 12-254 Forest Edge Water Company
Temporary Rate Stipulation


FOREST EDGE AREA WATER COMPANY
By its ~~owner~~ *president*

Date: December 21st 2012

By: 
Nathaniel Sullivan

STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
By its Attorney,

Date: December __, 2012

By: 
Marcia A. Brown, Esq.