

THE STATE OF NEW HAMPSHIRE



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August 28, 2013

Debra A. Howland, Executive Director  
N.H. Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301

Re: DW 12-254, Forest Edge Water Company, Inc.  
Staff Recommendation on Tariff Changes

Dear Ms. Howland:

Staff has had an opportunity to review the changes proposed by Forest Edge Water Company, Inc. (Forest Edge) to its tariff and offers the following recommendations. Attached to this letter is a redlined version comparing the company's existing tariff to the proposed changes.

Staff has no objection to the change to paragraph 1, C that eliminates the company's obligation to extend water mains at its own expense. It is usual and customary that a third party, such as a developer, pays for a main extension. This is because the cost of a main extension paid for by the company will be placed into rate base and impact the rates of existing customers. As a practical matter, Forest Edge is nearly built out in its franchise territory, and it is unlikely that a main extension would occur within its existing franchise. Mr. Lake, an intervenor, recommended that the cost per foot be provided in the tariff for main extensions. Staff does not believe this is appropriate as costs change over time.

Staff has no objection to the proposed changes to paragraphs 2, 3, 4, 5, and 6 as these are relatively routine clarifications to the terms of service. Mr. Lake recommended that in paragraph 5 "waste" and "improper use" be defined. That paragraph already refers to running water to prevent freezing, but Staff believes that the terms are self-defined in that water is provided for routine domestic use, i.e. bathing, drinking, cooking, etc. Uses other than domestic use such as commercial uses, sale of water, etc. do not require further definition and Staff believes that the company should be free to make reasonable judgments about water use and not be restricted by prescribed definitions in the tariff. In paragraph 6, Mr. Lake requests that the company be required to notify customers that water is being shut down for "emergency or repairs" and provide an estimate for restoration of service. Staff believes that Mr. Lake misinterprets the language in the tariff provision, in that "shut off the water on such direct pressure installations" applies to the water feed into the appliance, not the water service to the property.

DW 12-254, Forest Edge Water Company, Inc.  
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With respect to paragraph 7, Mr. deFeyter, an intervenor, requested additional language that the company make reasonable efforts to restore water supply as soon as possible. Staff does not object to that recommendation, but notes that it is redundant since RSA 374:1 requires the utility to provide safe and adequate service. Paragraph 7 merely gives Forest Edge the ability to restrict water use in the event such measures are necessary to protect the system and conserve supply. Mr. Lake stated that this provision is unnecessary “where water supply is so plentiful.” While groundwater may be plentiful, the ability of a small system like that of Forest Edge may not always be able to deliver adequate supplies under all conditions, and Staff recommends the company not be denied the ability to restrict non-essential water uses when such restrictions would be prudent.

Although the company did not propose any change to paragraph 8, Mr. Lake suggests that the company should show each customer where their curb cock is located; criticizes the company for alleged lack of maintenance with respect to turning “shut off valves” on and off yearly; and provides additional recommendations for the installation of blow-off valves in the distribution system at intervals no more than 1,000 feet. Staff does not believe these issues belong in the tariff as they do not pertain to terms of service.

Staff has no objection to the proposed changes to paragraphs 9 and 10. With respect to paragraph 9, Mr. Lake asserts that customers should have the “right” to employ a qualified plumber or contractor to turn curb cock valves or to install a “repair service line” to a property. Staff strongly disagrees. The utility is the owner of all utility property and in no instances should personnel other than company personnel be permitted to operate valves or otherwise access utility property. With respect to paragraph 11, Mr. deFeyter recommends language that the company shall not be responsible for damage only if the event is not due to the lack of reasonable care on the part of the company. Staff believes this express language is acceptable, however, even if it were not included, the Commission would hold Forest Edge accountable for its standard of care. Of concern to Staff is Forest Edge’s recommended 10-day interruption of service. Staff is of the opinion that interruptions in water service for that length of time are onerous. Staff agrees with Mr. deFeyter’s proposed 48-hour interruption period before consideration of customer refunds is triggered. Mr. Lake objects to the inclusion of “shortage of supply” as a reason for damage that may be “caused by shut offs in the mains or service pipes”. He also indicates that the company must provide proof that it made every effort to avoid interruption of service. Staff disagrees with Mr. Lake’s positions on these two matters, in that it is not unreasonable that older small systems like Forest Edge sometimes have service interruptions due to circumstances beyond the company’s control. As for the company providing proof that it took all efforts to avoid outages, Staff believes this is unnecessary as all utilities are required to provide safe and adequate service and can be held accountable by the Commission if they fail to take reasonable steps to do so.

Staff has no objection to the proposed changes to paragraph 12 regarding deposits. Mr. Lake states that the interest rate should be 6% and must be returned to the customer within 10 days of the request to terminate service. Staff disagrees. The Commission’s administrative rules contained in Puc 1203.03 govern all matters with respect to customer deposits. The company’s proposed language in paragraph is consistent with Puc 1203.03.



DW 12-254, Forest Edge Water Company, Inc.  
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Staff agrees with Mr. deFeyter that paragraph 13 is unnecessary since the fees are identified in paragraph 15.

Staff has no objection to the proposed changes to paragraph 14 with the exception of paragraph 14(A)(3)(b) and (c). The last sentence in those subparagraphs references "a fee." Staff recommends those paragraphs cite to paragraph 15, where the fees are already identified. Mr. deFeyter recommends a paragraph 14(B)(9) to state that in the event a disconnection is through no fault of the customer that the company should waive the service connection fees. Staff does not oppose this suggestion and believes it is foreseeable that any such aggrieved customer could complain to the Commission for resolution of the dispute. Mr. Lake objects to 14(A)(1)(c) but his comment is inconsistent with the language of the paragraph. Mr. Lake objects to 14(A)(3)(b) and 14(A)(3)(c) with respect to the reference to the rate charged by the system operator. Staff repeats its recommendation that the references be to paragraph 15 where the specific fees are identified.

Staff has no objection to the proposed changes to paragraphs 15(A), (B), (C), (D), and (E). Mr. Lake states that the costs of collection are "onerous" in 15(A). Staff suggests the language with respect to costs of collection is reasonable. With respect to paragraph 15(B), he states that there will be no service calls to any of the company's main lines to the curb cock valve. Staff agrees. The company's lines are the company's maintenance responsibility.

Staff has no objection to the proposed changes to paragraph 16. Mr. Lake, however, insists there be no right of access to any customer property without a signed agreement allowing such access, and spelling out when such access may occur.

In addition to his comments as detailed herein, Mr. Lake takes issue with the Terms of Payment on the General Service – Unmetered Rate Schedule, particularly the 5% late fee. Staff does not believe this late fee is unreasonable, but recommends it be clarified as "5% per annum".

If you have any questions, please feel free to contact either Mark Naylor, Director of the Gas & Water Division or attorney Marcia Brown at (603) 271-2431.

Sincerely,



Marcia A. Brown  
Staff Attorney

cc: Service List

FOREST EDGE WATER COMPANY, INC.

ORIGINAL PAGE NO. \_\_\_\_\_

NHPUC NO. \_\_\_\_\_ WATER

TARIFF  
FOR  
WATER SERVICE  
IN  
CONWAY, NEW HAMPSHIRE

Authorized by NHPUC Order No. \_\_\_\_\_  
in Docket No. DW \_\_\_\_\_  
dated \_\_\_\_\_, 2013

Issued: \_\_\_\_\_

Issued by: Forest Edge Water Company, Inc.

Effective: \_\_\_\_\_

By: Nathaniel Sullivan, President

| FOREST EDGE WATER COMPANY, INC.

ORIGINAL PAGE NO. \_\_\_\_

NHPUC NO. \_\_\_\_\_ WATER

TABLE OF CONTENTS

	<u>PAGE</u>
SERVICE AREA	1
TERMS AND CONDITIONS	1
RATE SCHEDULES	7

## SERVICE AREA

The territory authorized to be served by Forest Edge Water Company, Inc. (the "Company") and to which this tariff applies: a limited area in the Town of Conway, Carroll County, New Hampshire, and as more specifically shown on a map filed separately with the NHPUC and incorporated in this tariff by reference.

## TERMS AND CONDITIONS

1. *Service Extensions:*

Extensions will be made to existing mains provided:

- A. The highway in which extension is to be located has established grades and has been dedicated to public use;
- B. The Company will extend its mains after the requesting customer has made a contribution in aid of construction to the Company, equal to the estimated cost of the proposed extension. Adjustments will be made when the actual cost has been determined; or
- C. ~~The company will extend its mains at its own expense.~~

2. *Applications for Service:*

Applications for service should be made to Forest Edge Water Company, Inc. Whether or not a signed application for service is made by the customer and accepted by the Company, the rendering of service by the Company, and its use by the customer, shall be deemed a contract between the parties subject to all provisions of this tariff applicable to the service.

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3. *Service Pipe:*

The Company will install and maintain the service pipe from the main to the property line. The Company will own and maintain the service pipe up to the property line. Each customer will provide, own, and maintain the service pipe from the property line, and will install a stop and waste cock easily accessible and located inside the building near the service entrance.

4. *Pipes and Fixtures:*

All piping and fixtures shall be maintained by the customer in good repair, free from leaks and protected against freezing at the customer's expense. Failure to do so as soon as possible after a problem is detected may result in service discontinuance.

5. *Use of Water:*

All persons shall avoid unnecessary waste of water. They shall not allow water to run to

prevent freezing or longer than necessary for proper use. Water will not be supplied at fixture rates for any continuous flow device. The Company shall determine what constitutes waste or improper use and will restrict the same when necessary. The Company shall not be responsible for damage caused by water leaking or escaping from the customer owned portion of the service line or from the customer's piping, plumbing, or fixtures.

6. *Hot Water Tanks:*

All customers having direct pressure hot water tanks or appliances must place proper automatic vacuum relief valves in the pipe system to prevent any damage to such tanks or appliances should it become necessary to shut off the water on such direct pressure installations. Service will be provided to such direct pressure installations only at the customer's risk, and in no case will the Company be liable for any damage occasioned thereby.

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7. *Restricted Use:*

When necessary to conserve supply, the Company may restrict the use of hand hoses, lawn sprinklers, above or underground irrigation systems, and other non-essential water consuming equipment, including swimming pools.

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8. *Stoppage and Damage:*

The water may be shut off for repairs or construction by a representative of the Company, in which case the Company will use reasonable efforts to notify the customers affected. The Company shall not be responsible for any damage caused by periodic cleaning of pipes, opening or closing of valves, or any other cause due to no lack of reasonable care on the part of the Company.

9. *Tampering:*

No person shall open, close, or tamper with any and all gates, valves, shut offs, standpipes, or other property of the Company, other than an authorized representative or employee of the Company.

10. *Billing:*

Bills will be rendered periodically in accordance with the "terms and payment" specified in the rate schedule and are due and payable within thirty days of presentation.

11. *Company Liability:*

A. The Company will not be responsible for any damage caused by shut offs in the mains or service pipes, because of shortage of supply, setting, or removing meters, repairs, construction, or for other reasons beyond the control of the Company. No

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refunds to customers served on fixture rates will be made unless the interruption is in effect for a continuous period in excess of ten days, in which case a proportional refund will be made. Notice of shut off will be given when practicable; however, nothing in this rule shall be construed as requiring the giving of such notice.

- B. The Company will not be responsible for damage caused by dirty water which may be occasioned by periodic cleaning of pipes, reservoirs, or standpipes, or the opening or closing of any gates, valves, or hydrants, or any other cause due to no lack of reasonable care on the part of the Company.

12. Deposit:

The Company reserves the right to require a deposit subject to the regulations of the Public Utilities Commission. In the event the Company requires a deposit, the customer's account will be credited annually with interest equal to the prime rate on all deposits from the date of deposit to the date of termination. Deposits, plus any accrued interest thereon, less any amount due the Company, will be refunded within sixty days of termination of service.

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13. Service Charge:

A charge of equal to the hourly rate charged by the system operator per hour will be assessed for each visit to the customer's premises for the purpose of establishing or re-establishing water service at the Company curb cock, during normal Company hours. (deleted->) After normal company working hours, the charge shall be \$75.

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14. Disconnection:

A. Disconnection With Notice.

- 1. Service may be disconnected, with appropriate notice, for nonpayment of a bill subject to the regulations of the Public Utilities Commission found in PUC 1203.11 for the following reasons:

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- a. The customer has failed to pay within thirty days following the postmarked date of any proper undisputed bill or deposit request;
- b. The customer has failed to abide by the terms of a payment agreement made with the Company;
- c. The customer refuses to give reasonable access to his or her premises for necessary inspection of Company property; and
- d. The Public Utilities Commission orders the disconnection.

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2. Notice may be sent not less than thirty days after postmark date of the original bill. Written notice of the Company's intent to disconnect shall be postmarked at least fourteen days in advance of the date of disconnect.
3. Service shall be disconnected only between the hours of 8:00 a.m. to 3:30 p.m. on any regular business day, but not preceding a day on which the Company's business office will be closed.
  - a. Prior to disconnection, the Company employee disconnecting the service shall notify an adult occupant of the premises or leave a note if no adult is present. The note shall contain the procedure to have service re-established.
  - b. The Company employee disconnecting the service shall accept payment in full of the bill tendered prior to commencing the disconnection to prevent disconnection. In such event, the employee shall give a receipt and leave the service intact. The customer shall pay the Company a fee for reconnection in the amount of the rate charged by the system operator.
  - c. The Company will restore serviced promptly upon the customer's request when the cause for disconnection has been removed and the customer has paid a reconnection fee of an amount equal to the Company's normal service charge.
4. When a customer cannot pay a bill in full, the Company shall continue to serve the customer if the customer pays a reasonable portion, at least 25%, of the outstanding bill in reasonable installments and to pay all future bills within thirty days following the postmarked date of the bill.
5. Customer Appeals: If a customer disputes a bill, the customer must request a conference with the Company prior to the date of disconnect. The appeals process shall comply with the procedures prescribed by the Public Utilities Commission.
6. Medical Emergency: No service will be disconnected when the Company is advised that a medical emergency exists at the location or would result from the disconnection, in accordance with procedures set forth in Commission Rule No. 8.A.2.C.(1),(c).

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B. Disconnection Without Notice.

Service may be disconnected without notice for any one of the following reasons:

1. Willful waste of water;

2. Tampering with Company property;
3. Vacancy or abandonment of premises;
4. Cross-connecting the Company's service with any other supply source;
5. Violation of restricted use rules properly made by the Company;
6. The customer has obtained utility service in an unauthorized manner or used utility service fraudulently;
7. A condition dangerous to the health, safety, or utility service of others exists; or
8. Clear and present danger to life, health, or physical property exists.

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These requirements shall not impose a duty on Company to know of any dangerous condition, or to insure against any such condition.

15. Miscellaneous Charges:

A. Costs of Collection.

In the event a customer refuses fails to make payment to Company, and Company incurs expense in its effort to collect payment, the Company's reasonable costs of collection, including, but not limited to, court fees, sheriff's fees, witness fees, administrative fees, and attorney's fees, shall be payable by customer to Company and shall be added to the customer's account.

B. Service Calls.

There will be a charge for any and all service calls that occur due to no lack of reasonable care on the part of the Company. Effective until further notice, the hourly charge, not including materials, equipment use, or transportation, will be as follows:

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<u>During regular working hours:</u>	<u>\$60.00</u>
<u>Off regular hours and weekends:</u>	<u>\$90.00</u>

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C. Attorney's Fees. In the event of litigation between a customer and the Company, the prevailing party shall be awarded its reasonable attorney's fees and costs, including but not limited to filing fees, witness fees, and expenses.

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13. Service Connection Charge.

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There will be a service charge for turning off or turning on water at customer's request. The service charge will be equivalent to the sum of the cost of one hour of labor time as shown in Part B of this section.

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Penalty for Bad Checks.

Whenever a check or draft presented for payment is not accepted by the institution on which it is written, the Company will impose a charge of \$35.00 or the processing fee, whichever is greater.

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16. Right of Access:

Any authorized Company representative shall have the right to access and shall be permitted access to customer's premises at any time, upon reasonable notice under the circumstances, to inspect the plumbing, fixtures, and appliances supplied with water.

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## RATE SCHEDULES

### GENERAL SERVICE – UNMETERED

#### AVAILABILITY:

This service is applicable to all unmetered water service in the territory.

#### RATES:

\$463.37 per year or \$115.84 per quarter.

#### TERMS OF PAYMENT:

Bills are rendered quarterly, the first day of the quarter for the prior quarter (i.e., October 1, 2013 for the July 1 – September 30, 2013 period) and are due and payable upon presentation. If payment is not made within thirty days from postmarked date, disconnect action may be taken in accordance with regulations of the N.H. Public Utilities Commission. In addition, a 5% late fee shall be assessed to the customer after thirty days from postmarked date, and added to the customer's account.