

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 17-118

HAMPSTEAD AREA WATER COMPANY, INC.

Permanent and Temporary Rate Proceeding

Order Authorizing Recovery of Updated Rate Case Expenses

ORDER NO. 26,248

May 6, 2019

In this order, the Commission authorizes Hampstead Area Water Company to recover authorized rate case expenses through a one-time surcharge of \$8.12 per customer.

I. PROCEDURAL HISTORY

On November 28, 2018, the Commission approved a return on equity and a resulting step increase in customer rates for Hampstead Area Water Company, Inc. (HAWC or the Company). *Hampstead Area Water Company, Inc.*, Order No. 26,195 at 6 and 7. As authorized in Order No. 26,195, HAWC submitted a timely request for recovery of its rate case expenses for that phase of the Company's rate proceeding. HAWC updated its request on March 27, 2019. The Office of the Consumer Advocate (OCA) filed a letter of participation on January 29, 2018.

The docket filings in this matter, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at <http://www.puc.state.nh.us/Regulatory/Docketbk/2017/17-118.html>.

II. POSITIONS OF THE PARTIES

A. HAWC

HAWC originally requested approval to recover \$20,581 for expenses incurred in connection with the return on equity phase of its rate case. The Company updated its request on

March 27, 2019, to include the \$9,367 cost of an outside consultant. HAWC also replaced two estimated charges with the appropriate actual charges. As a result, HAWC's updated filing requested recovery of an additional \$29,833 in rate case expenses.

The Company proposed to recover that amount through a one-time \$8.12 surcharge assessed to each of its 3,676 non-Bow Lake water customers.¹ The one-time surcharge would be billed to customers following the five monthly surcharges of \$8.42 associated with the previous phase of its rate proceeding. *See Hampstead Area Water Company, Inc.*, Order No. 26,185 at 4 (October 30, 2018).

B. Staff

Commission Staff (Staff) recommended approval of HAWC's recovery of \$29,833 in rate case expenses. Staff agreed that recovery should occur in June 2019, after the expiration of the monthly surcharges approved in Order No. 26,185. Staff expected the one-time surcharge would be assessed in HAWC's June 2019 bills. Both HAWC and the OCA concurred with Staff's recommendation.

III. COMMISSION ANALYSIS

The Commission has historically treated prudently-incurred rate case expenses as a legitimate cost of service appropriate for recovery through rates. *Pennichuck East Utility, Inc.*, Order No. 26,222 at 5 (February 26, 2019). Consistent with that policy, we have reviewed HAWC's rate case expenses as well as Staff's recommendation that the Company be authorized

¹ Bow Lake customers are not subject to the rates established in Docket No. DW 17-118, as those customer rates are addressed in Docket No. 17-145. *See Hampstead Area Water Company, Inc.*, Order No. 26,153 at 5 ("After meter installation is completed and notice provided, HAWC's existing consolidated water rates will be applied to Bow Lake's customers.").

to recover \$29,833 through a one-time surcharge of \$8.12 to be collected from each of its 3,676 non-Bow Lake water customers once the previously-approved five monthly surcharges have all been assessed. We note that no party objected to the amount of rate case expenses proposed by the Company and recommended by Staff.

We find that HAWC's recovery of \$29,833 in rate case expenses is just and reasonable and in the public interest under RSA 378:7 and N.H. Code Admin. Rules Puc 1904.02(a)(3). We approve the Company's recovery of \$29,833 from its 3,676 non-Bow Lake customers billed through a one-time surcharge of \$8.12 per customer.

Based upon the foregoing, it is hereby

ORDERED, that Hampstead Area Water Company is authorized to recover \$29,833, representing the Company's just and reasonable rate case expenses for the return on equity phase of its rate proceeding; and it is

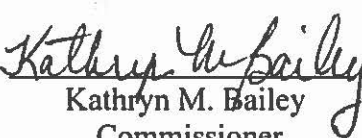
FURTHER ORDERED, that Hampstead Area Water Company is authorized to assess its 3,676 non-Bow Lake customers a one-time surcharge of \$8.12 per customer to recover those rate case expenses, to be billed after completion of its five monthly surcharges authorized in Order No. 26,185; and it is

FURTHER ORDERED, that Hampstead Area Water Company shall file compliance tariffs within 15 days following the date of this order reflecting the rate case expense surcharge approved herein.

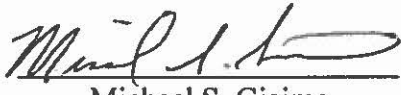
By Order of the Public Utilities Commission of New Hampshire this sixth day of May,
2019.



Martin E. Honigberg
Chairman

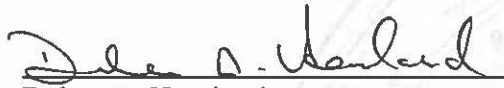


Kathryn M. Bailey
Commissioner

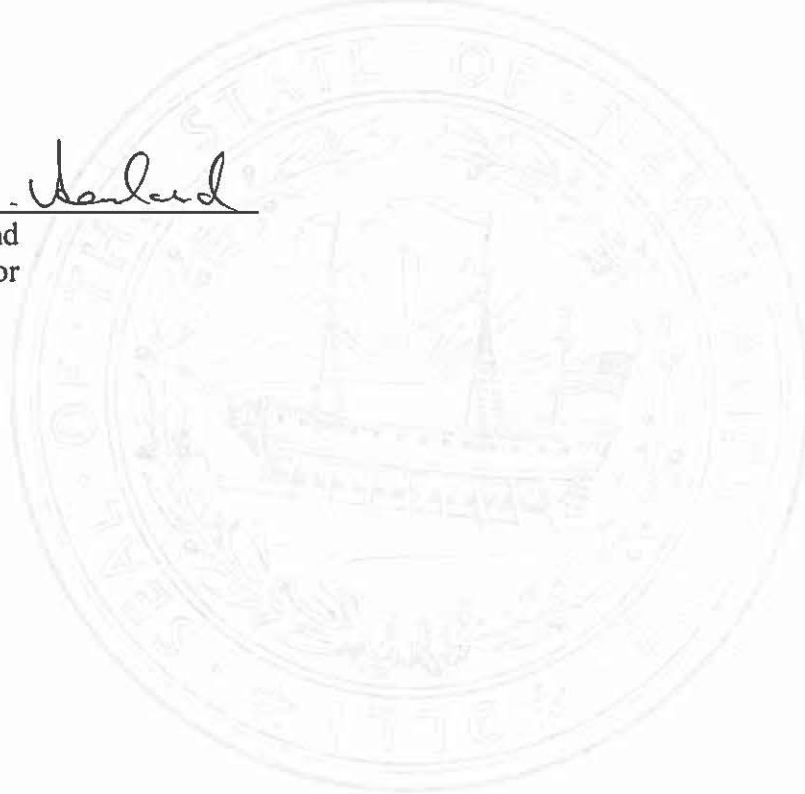


Michael S. Giaino
Commissioner

Attested by:



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