

DW 02-112

**STATE LINE PLAZA WATER COMPANY**

**Show Cause Proceeding**

**Order Directing State Line Plaza Water Company to Show Cause Why the Company and its Officers Should Not Receive Additional Fines or Be Subject to Additional Sanctions for Failure to File Annual Reports and Failure to Comply With Commission Directives**

**O R D E R   N O.   23,992**

**June 11, 2002**

**I. BACKGROUND AND PROCEDURAL HISTORY**

By Order No. 23,800 (October 11, 2001), the New Hampshire Public Utilities Commission (Commission) opened Docket No. DW 01-199 to determine what action to take with regard to the failure of two water utilities within the Commission's jurisdiction, Riverside Water Works, Inc. (Riverside) and State Line Plaza Water Company (State Line), to submit annual reports as required by Puc 607.07(b) and Puc 609. State Line had not filed its 1999 report or its 2000 report. RSA 374:17 provides that any public utility that does not file reports required by the Commission at the time specified by the Commission shall forfeit the sum of \$100 per day unless excused or granted an extension of time. Additionally, RSA 365:42 authorizes the Commission to impose sanctions against officers or agents of public utilities in appropriate circumstances.

Pursuant to Order No. 23,800, a hearing was held on October 29, 2001. State Line did not appear. Riverside appeared through counsel and the issues relating to Riverside were resolved, which the Commission acknowledged in Order No. 23,875 (December 21, 2001).

Staff contacted State Line by telephone subsequent to the October 29, 2001 hearing and was advised that the Company had not received notice of the hearing. On December 11, 2001 Staff advised the Commission that it had reached an agreement with State Line for bringing the Company into compliance with its obligations to file annual reports. Staff recommended the imposition of \$500 fines for each of the two delinquent reports, with such fines to be suspended provided State Line (1) filed its 1999 annual report on or before December 31, 2001, (2) filed its 2000 annual report on or before January 31, 2002, and (3) filed its 2001 annual report on or before March 31, 2002 pursuant to the applicable rule.

On December 21, 2001, the Commission issued Order No. 23,875, in which it approved the agreement between Staff and State Line. The Commission indicated that, absent State Line's compliance for filing its delinquent reports on the agreed upon dates, the suspended \$500 fines would be imposed without further hearings.

On January 11, 2002, Mark A. Naylor, the Director of

the Commission's Gas & Water Division advised Executive Director & Secretary Debra A. Howland that State Line had failed to file its 1999 report by December 31, 2001. On January 29, 2002, Ms. Howland issued a letter to State Line requesting a check in payment of the \$500 fine, as well as an indication from the Company as to its intentions with regard to its 1999 report. On March 8, 2002, Mr. Naylor advised Ms. Howland that State Line had not responded to her January 29 letter, and had also missed the January 31, 2002 deadline for its 2000 report. On March 14, 2002, Ms. Howland again wrote to the Company, requesting a response, payment of both fines, and State Line's intentions as to bringing itself into compliance. The Commission has received no response. Staff has further advised the Commission that State Line has also failed to file its 2001 report by March 31, 2002.

## **II. COMMISSION ANALYSIS**

We are disturbed by State Line's continued refusal to file its annual reports, and its refusal to respond to the requests of our Executive Director. Reports submitted pursuant to RSA 374 are critical to the Commission's effective oversight.

We reiterate that effective oversight of water utilities becomes a "near impossibility" when utilities ignore reporting requirements. *Central Water Co.*, 84 NH PUC at 578-79.

In Order No. 23,875 we put State Line on notice that further non-compliance with its reporting obligations as a public

utility would have the effect of triggering appropriate sanctions. Thus, we will order the establishment of a hearing where State Line will be required to show cause why the Company and its Officers should not be subject to additional fines and other sanctions, pursuant to RSA 365:41 and 365:42, for failure to submit annual reports, failure to comply with the payment of fines ordered in our Order No. 23,875, and failure to respond to the requests made by our Executive Director.

**Based upon the foregoing, it is hereby**

**ORDERED**, that State Line Plaza Water Company appear before the Commission in a hearing at the offices of the Commission, 8 Old Suncook Road, Concord, New Hampshire, on July 3, 2002 at 10:00 a.m., to show cause why State Line Plaza Water Company and its Officers should not be subject to fines and other sanctions for failure to submit annual reports as required by Puc 607.07(b) and Puc 609, for failure to comply with the payment of fines as previously ordered by this Commission, and for failure to respond to requests of the Commission's Executive Director regarding these matters.

By order of the Public Utilities Commission of New  
Hampshire this eleventh day of June, 2002.

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Thomas B. Getz  
Chairman

Susan S. Geiger  
Commissioner

Nancy Brockway  
Commissioner

Attested by:

Debra A. Howland  
Executive Director & Secretary