

STATE OF NEW HAMPSHIRE
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 08-065

AMENDMENT TO PETITION FOR APPROVAL PERMANENT RATES TO ADD
REQUEST FOR TEMPORARY RATES

The Petitioner, Hampstead Area Water Company, Inc. (HAWC) respectively amends its petition the N.H. Public Utilities Commission (Commission) for approval of permanent rates by adding a request for temporary rates. In support of this Petition, HAWC says:

1. On June 25, 2008, HAWC filed its schedules along with supporting testimony for an increase in permanent rates for all of its current franchises. In its Petition, HAWC proposed to increase its annual revenue by \$167,193, or by 13.77%. The currently effective rates do not allow the Company to earn its last allowed rate of return of 6.28%. The overall rate of return for the year ending 2007 was 4.81% . The Company needs a 13.77% increase to raise its overall rate of return to 6.28%. If the proposed revenue requested in the Petition is approved, the average annual amount for a residential customer will increase from \$424.92 to \$483.42, which is an annual increase of \$58.50 or 13.77%.
2. That the general rate increase is needed because it has financed three projects, consisting of a hydrology study, a new billing software system, and the acquisition of three vehicles. The hydrology study is ongoing, the software system went into service in 2007, and two of the three vehicles are in service. HAWC has had additions to its rate base, increases in its operating and maintenance expenses, and is seeking a 9.75% return on equity.

3. By this amendment to the Petition, the Company is requesting a temporary revenue increase of \$85,356, effective July 1, 2008. The temporary revenue increase of \$85,356 enables the Company to earn a 6.22% proforma rate of return on its investment, reflected in a proforma rate base of \$3,666,443. The average annual amount for a residential customer will increase from \$424.92 to \$454.78, an increase of \$29.87 or 7.03%. See Pre-filed testimony of Stephen St. Cyr and Schedules attached.
4. That for temporary rates, the Company proposes to increase its revenue by \$85,356 in order to allow the Company to recover its costs and to earn a fair and reasonable return on its investment. HAWC is proposing a temporary rate as follows:

<u>Meter Size</u>	<u>Base Charge</u>	<u>Consumption Rate (per 100 cubic feet)</u>
5/8" meter	\$25.00	\$4.13
3/4 " meter	\$50.00	\$4.13
1" meter	\$75.00	\$4.13
1 ½" meter	\$150.00	\$4.13
2" meter	\$250.00	\$4.13

5. A temporary rate would provide for additional revenue for HAWC to help alleviate its deficit from proceeding with such a significant shortfall. It would also assist the consumers throughout the systems served by HAWC to absorb a rate increase, if one is ordered by spacing out the increase in rates. Accordingly, it is appropriate to have a temporary rate established at this time, as it would be in the public good for HAWC to have a temporary rate established.
6. HAWC is requesting this temporary rate be effective as of July 1, 2008.

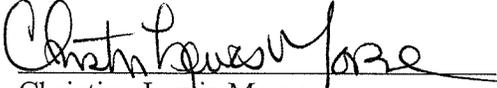
WHEREFORE your Petitioner prays:

- A. That the Commission find that it would be in the public good for HAWC to be permitted to charge the temporary rate as proposed;
- B. That the Commission, by appropriate order, grant HAWC permission to charge the temporary rate as proposed, effective July 1, 2008;

C. That the Commission make such further findings and orders as may be appropriate on the circumstances.

Dated the 18th day of September, 2008.

Respectfully submitted,
HAMPSTEAD AREA WATER COMPANY, INC.


Christine Lewis Morse
Vice President

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