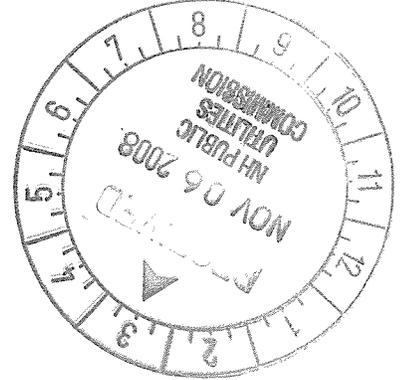


**STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
INTER-DEPARTMENTAL MEMORANDUM**

Date: November 6, 2008

TO: Commissioners
FROM: F. Anne Ross, Hearing Examiner *FAR*
RE: DW 08-098 Aquarion Water Company of New Hampshire
Rate Case – Prehearing Conference



HEARING EXAMINER'S REPORT
Prehearing Conference, November 5, 2008

Commission Docket DW 08-098

This case involves a request to increase permanent rates and for temporary rates for the duration of this docket. In addition, the company has requested several new rates to compensate it for additional infrastructure investment, for extensions and for over sizing new infrastructure to accommodate future growth.

Appearances

Steven V. Camerino, Esq. of McLane, Graf, Raulerson & Middleton, PA on behalf of
Aquarion Water Company of New Hampshire

Mark S. Gearreald, Esq. on behalf of
Town of Hampton

John J. Ratigan, Esq. of Donahue, Tucker & Cindella, PLLC on behalf of
Town of North Hampton

Henry Fuller on behalf of
North Hampton Water Commission

Robert Renny Cushing on behalf of himself and
Susan Kepner, Dennis Kepner, and Michael Pierce

Rorie E. B. Hollenburg, Esq. of the Office of Consumer Advocate on behalf of
Residential Ratepayers

Marcia A.B. Thunberg, Esq. on behalf of
Staff of the Public Utilities Commission

Intervention Requests

The Town of Hampton, the Town of North Hampton, the North Hampton Water Commission and Mr. Cushing each requested intervention.

All of the intervenors stated that they would be directly impacted by the company's proposed rate increases.

No party objected to the intervention requests

Order of Notice Issues

The company explained that due to inadvertent error it failed to mail the order of notice directly to the town clerks of Hampton, North Hampton and Rye. The company noted, however, that it had contacted each of the three towns prior to the prehearing conference to inform them of the rate filing as well as the time and place of the prehearing conference.

Preliminary Positions

The company gave a summary of its permanent rate request.

The Town of Hampton noted that 76% of the company's customers lived in town and indicated its concerns about the level of the proposed rate increases.

The Town of North Hampton, the North Hampton Water Commission and Mr. Cushing each requested an additional two weeks to file preliminary positions with the Commission.

OCA took no position on the company filing, indicating that it would need time to analyze the proposed rates.

Staff took no position on the company filing and stated that it would conduct an audit of the company's books and records as well as the company's plant in service.

Interested Customers

Several customers attended the hearing, but declined to make any public statements. At hearing, I told the customers that the Commission planned to schedule an evening hearing to take public comment on the company's rate proposals.

Technical Session

Following the prehearing conference the parties participated in a technical session to discuss and recommend a procedural schedule.

Recommendations

1. I recommend that the Commission grant all intervention requests.
2. I recommend that the Commission allow the Town of North Hampton, the North Hampton Water Commission and Mr. Cushing an additional two weeks to file written preliminary statements.
3. I recommend that the Commission direct the company to file a written description of the contacts made and information shared with the three towns prior to the prehearing conference.