

Rosebrook Water Company
before the
New Hampshire Public Utilities Commission

DW 12-306
Introductory Letter

Rosebrook Water Company (“Rosebrook” or “Company”) respectfully requests that the Commissioners accept this filing in support of its request for an increase in rates so as to generate enough revenue to allow the Company to earn its rate of return and cover its operating expenses. If the rate filing is accepted as submitted, the Company would realize an annual increase in revenues of \$70,058. The permanent revenue increase of \$70,058 would enable the Company to earn a 10.78% rate of return on its rate base of \$455,043. The average residential customer’s proposed annual bill would increase from \$212.30 to \$283.54, an increase of \$72.24 or 33.56%.

During the twelve months ended December 31, 2011, the Company’s net operating income amounted to \$40,575. In 2011 the Company benefitted when two affiliated entities wrote off amounts the Company owed, resulting lower expenses and higher earnings. If not for the write offs, the Company would have experienced a net loss in 2011. In 2012 the Company expects to incur a net loss. The Company has made a number of proforma adjustments in its filing. The proforma adjustments are an attempt to adjust test year revenue and expenses to what the Company believes such revenue and expenses need to be in order for the Company to recover its costs and to earn a fair and reasonable return on its investment.

The Company is also proposing to make the existing rates temporary until such time as the NHPUC makes a final decision on permanent rates. The proposed temporary rate date would be the date in which the Company provides notice to its customers. The Company believes that the net loss position justifies making the existing rates temporary.

With respect to the specific rate filing and its exhibits and supporting schedules, the Company has engaged the services of Stephen P. St. Cyr of St. Cyr & Associates to prepare the rate filing and to draft and present testimony on the merits of the case. Enclosed is his testimony, the schedules and supporting documentation and the other rate filing requirements.

SPStCyr
11/20/12