

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7279

Investigation into Colonial Estates Water Company's)
rates, which took effect April 1, 2007)

Order entered: 12/13/2007

ORDER ACCEPTING STIPULATION AND CLOSING DOCKET

REPORT

Pursuant to 30 V.S.A. § 8, and based on the record and evidence before me, I present the following report to the Board. Please note that I have been appointed by the Public Service Board ("Board") to replace Thomas Lyle as the Hearing Officer in this docket.

On December 11, 2006, Colonial Estates Water Company ("Colonial") filed with the Vermont Public Service Board ("PSB") a request to permanently increase its rates by 66.67%, to take effect January 1, 2007. The Company amended the filing on December 27, 2006, to reflect an effective date of April 1, 2007. On March 16, 2007, the Vermont Department of Public Service ("Department") recommended that the proposed rates be allowed to go into effect, subject to refund pending the outcome of an investigation. The proposed rates were allowed to go into effect on April 1, and the PSB opened Docket 7279 to investigate the rates.

On November 27, 2007, the parties in this docket, the Department and Colonial, filed a stipulation (the "Stipulation") that settles all outstanding issues and sets new rates effective January 1, 2008. According to the Stipulation, rates for Colonial have not increased since 1987, resulting in a shortfall. The annual cost of service for Colonial, as adjusted by the Department, is \$20,050. The rate structure agreed to in the Stipulation includes a \$12.50 quarterly connection charge plus \$0.03 per cubic foot of usage. In addition, the rates that were allowed into effect on April 1 created an overcollection of \$4,125; rather than attempting to recreate the year's usage pattern to refund the overcharge to the exact ratepayers, the Stipulation calls for the overcollection to be returned in equal amounts to each of the systems's 75 customers in the form of a credit of \$13.75 per quarter per customer for four quarters ($\$13.75 \times 4 \times 75 = \$4,125$).

I conclude that the settlement embodied in the Stipulation will result in just and reasonable rates, and I recommend that it be accepted by the Board. The exhibits to the Stipulation include a form for the General Rate Tariff for Colonial. The Board should require that a tariff not inconsistent with that exhibit be filed by December 28, 2007.

Dated at Montpelier, Vermont, this 13th day of December, 2007.

s/John P. Bentley
John P. Bentley, Esq.
Hearing Officer

ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The report and conclusions of the Hearing Officer are accepted.
2. The Stipulation filed by Colonial Estates Water Company and the Vermont Department of Public Service is accepted.
3. Colonial Estates Water Company shall file a tariff consistent with the form attached to the Stipulation by December 28, 2007.

Dated at Montpelier, Vermont, this 13th day of December, 2007.

s/James Volz)	PUBLIC SERVICE
)	
)	
s/David C. Coen)	BOARD
)	
)	
s/John D. Burke)	OF VERMONT

OFFICE OF THE CLERK

FILED: December 13, 2007

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.