

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 09-051

ORDER OF NOTICE

On March 13, 2009, Pennichuck East Utilities (PEU) and Pittsfield Aqueduct Company, Inc. (PAC) (collectively, the Joint Petitioners) filed a Joint Petition for Approval of the Transfer of Assets and Franchise Rights and Long Term Indebtedness. PEU is a regulated public utility pursuant to RSA 362:2 and RSA 362:4 and provides water service to approximately 5,486 customers in 15 municipalities in Southern and Central New Hampshire. PAC is also a regulated public utility and is currently providing water service to 836 customers in Center Barnstead (Locke Lake), 648 customers in Pittsfield, 209 customers in North Conway (Birch Hill), and 80 customers in Middleton (Sunrise Estates).

In this docket, PAC seeks authority to transfer the assets and franchise rights of its Locke Lake, Birch Hill, and Sunrise Estates systems to PEU. PEU seeks authority to assume certain long term debt of PAC associated with those assets. PAC asserts that it has made substantial capital improvements to bring these systems into compliance with regulatory requirements including over \$2.2 million into Locke Lake, \$104,000 into Sunrise Estates and \$1.7 million into Birch Hill.

The Joint Petitioners asset transfer request stems from PAC's current rate case in Docket No. DW 08-052. In that docket, PAC has requested permanent rate increases of 44.01% for Pittsfield customers and 311.91% for Locke Lake, Birch Hill and Sunrise Estate customers (collectively, North Country customers). On December 31, 2008, the Commission approved temporary rates for PAC, granting a 40% increase in rates for Pittsfield customers and an

increase in rates for North Country customers that result in an average annual residential bill that is 25% over the approved Pittsfield rate. PAC asserts that given the significant impact of the proposed rates on North Country customers, it can provide service to customers in a more cost effective manner if the assets used to serve the North Country customers are transferred to PEU. Additionally, PAC believes that the transfer is in the public interest because it will ultimately result in lower rates for North Country customers and will provide longer term rate stability.

PAC has filed modified rate schedules in Docket No. DW 08-052¹ that, if approved, would establish rates for North Country customers within PEU. PEU asserts that its existing customers will not experience any difference in their rates at the time of the acquisition, but will experience an impact in future rate filings that may be made by PEU.

The filing raises, inter alia, issues related to RSA 374:22 and 26 and PEU's financial, managerial, and technical capabilities; RSA 378 and the rates, fares and charges to be applied to PEU's customers in the existing franchise areas, and RSA 369:1 and the assumption of the long term debt currently held by PAC associated with North Country assets.

Based upon the foregoing, it is hereby

ORDERED, that on May 21, 2009 at 9:00 a.m., PAC, PEU, Commission Staff, OCA, and any Intervenors hold a Technical Session at the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire to review the petition and allow the Joint Petitioners to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.01, the Joint Petitioners shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than April 27, 2009, in a newspaper with general circulation in

¹ On March 13, 2009, PAC and PEU filed a Motion to Consolidate dockets DW 08-052 and this current docket, DW 09-051. The motion is currently pending a decision by the Commission.

those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before May 21, 2009; and it is

FURTHER ORDERED, that PEU and PAC send a copy of this Order of Notice to current and known prospective customers, and the Clerk of the Towns of Barnstead, Conway, and Middleton, New Hampshire, by first class U.S. Mail, postmarked no later than May 7, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and seven copies of a Petition to Intervene with copies sent to the Joint Petitioners and the Office of the Consumer Advocate on or before May 18, 2009, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.02 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before May 21, 2009.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of April, 2009.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.