

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

RE: PITTSFIELD AQUEDUCT COMPANY, INC.

DOCKET NO. DW 10-090

PETITION FOR TEMPORARY RATES

Pittsfield Aqueduct Company, Inc. ("PAC" or the "Company"), pursuant to RSA 378:27, petitions the New Hampshire Public Utilities Commission (the "Commission"), to fix, determine and prescribe, effective with service rendered on or after June 6, 2010, or the date on which customers are notified, whichever is sooner, reasonable temporary rates pending the Commission's final decision on the Company's request for permanent rate relief in this docket. In support thereof, the Company states as follows:

1. On April 6, 2010, in accordance with Puc Rule 1604.05, the Company filed a Notice of Intent to file Rate Schedules with the Commission and the New Hampshire Attorney General.
2. Contemporaneous with this Petition for Temporary Rates, the Company is filing revised tariff pages to Tariff NHPUC No. 5— Water, proposing an increase in the Company's permanent rates. The Company is proposing a permanent rate increase of 19.98% which will generate an additional amount of \$121,328 in annual operating revenues. The proposed rates are based on a December 31, 2009 test year. The Company is also proposing a step increase based on capital improvements that will have been used and useful by December 2010. Specifically, the Company is proposing a 5.31% step increase which will generate an additional \$32,230 in annual revenue.

3. As described in the testimony of Bonalyn J. Hartley in Support of Temporary Rates, the Company is requesting that the Commission grant it an increase in annual operating revenue of \$115,355 on a temporary basis, which represents an overall increase of 19% and an effective increase of 16.79% for general metered customers. The Company has calculated its revenue deficiency for purpose of temporary rates based on the Company's actual performance during the test year with no pro forma adjustments, and is based on its books and records on file with the Commission. The Company requests that the temporary rates take effect on June 6, 2010 on a service rendered basis or the date customers are first noticed, whichever is earlier.

4. The Company is seeking a rate increase on a temporary basis because its rate of return has eroded significantly from its allowed return. In DW 08-052, the Company was granted a rate increase which was predicated on an 8.07% rate of return (*see* Order 25,051). As set forth in Ms. Hartley's testimony in Support of Temporary Rates, as of December 31, 2009, the Company's overall rate of return was 4.12% or 395 basis points below the last allowed return. The Company's rate of return during the test year was substantially below its allowed rate of return due to significant increases in its property tax, insurance and payroll, as well as a decline in water usage, which has translated to reduced revenues. In addition, the Company has expended approximately \$82,000 in capital improvements since its last test year, December 31, 2007.

5. Unless temporary and, ultimately, permanent rate relief is granted, the Company will not earn a reasonable rate of return on the cost of its property used and useful in the public service. The continuation of current rates will result in the confiscation of the Company's property.

6. The reports on file with the Commission and supporting documentation filed in connection with the Company's permanent rate request and with this Petition demonstrate that the Company is earning substantially below its allowed rate of return. The Company therefore requests that the Commission order a temporary rate increase, as described above. Based on Ms. Hartley's testimony, temporary rates as proposed are just and reasonable, and therefore should be granted.

WHEREFORE, the Company respectfully requests that the Commission:

- A. Grant this Petition for Temporary Rates, allowing the Company an increase in the amount of \$115,355 in annual operating revenue and to be effective on June 6, 2010 on a service rendered basis, or the date on which customers are notified, whichever is sooner;
- B. Order such temporary rates to remain in effect until a determination of the Company's request for a permanent rate increase; and
- C. Grant such other relief as is just and equitable.

Respectfully submitted,

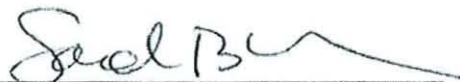
PITTSFIELD AQUEDUCT COMPANY, INC.

By Its Attorneys

MCLANE, GRAF, RAULERSON &
MIDDLETON, P.A.

Dated: May 6, 2010

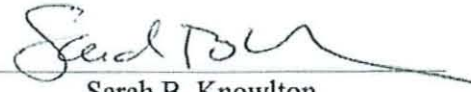
By:



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Certificate of Service

I hereby certify that a copy of this Petition for Temporary Rates has been hand delivered to Meredith Hatfield, Esq. this 6th day of May, 2010.


Sarah B. Knowlton