

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

Docket No. DW 18-_____

Pennichuck Water Works, Inc.

**Petition for Approval of
Small Diameter Private Fire Protection-Non-Metered Service**

Pennichuck Water Works, Inc. (“PWW” or “Company”) is a New Hampshire corporation and regulated water utility that provides service to approximately 28,000 customers in a number of municipalities in southern New Hampshire including the City of Nashua, and the Towns of Amherst, Bedford, Derry, Epping, Hollis, Merrimack, Milford, Newmarket, Newton, Plaistow, and Salem. PWW is owned by Pennichuck Corporation, which in turn is wholly owned by the City of Nashua. PWW respectfully petitions the Commission to authorize additional service categories within its unmetered Private Fire Protection Service customer class. In support of this request, PWW states as follows:

1. PWW has seen a recent increase in the number of residential customers seeking private fire protection service for service connections of less than 4”. PWW expects that by the end of 2018, it will have less than thirty (30) customers taking such fire protection service.

PWW expects this number of customers to grow in the future.

2. PWW’s current rates within the Private Fire Protection Service class do not have a separate rate structure for service connections less than 4”.

3. PWW’s affiliate, Pennichuck East Utility, Inc. (“PEU”), has seen an increase in the number of customers seeking private fire protection service for connections less than 4”. It responded by establishing rate groups for 1½”, 2”, 3”, and 4” service connections. The Commission approved PEU’s fire protection rates in Order No. 25,696 in Docket No. DW 13-

126, on July 25, 2014.

4. Now that PWW is also receiving requests for small diameter private fire protection service, PWW proposes to similarly add rate groups for 1½”, 2”, 3”, and 4” service connections within its private fire protection-non-metered customer class. As described in the accompanying testimony of Donald L. Ware, Chief Operating Officer for PWW, PWW proposes rates that are based on elements of its last cost of service study and a ¼ factor, similar to how PEU’s small diameter private fire protection rates are structured. The ¼ factor simply means that the rate will be one-quarter the amount for a connection that is half the size of the subject connection. As seen below, the 2” connection is half the size of the 4” connection and its rate is one-quarter of the 4” rate.

Private Fire Protection Service-Non-Metered	Proposed Rate
1½” connection	\$6.51
2” connection	\$15.50
3” connection	\$26.02
4” connection	\$62.03

PWW proposes revisions to page 45 of its tariff to add these smaller diameter fire protection services and rates.

5. PWW believes that establishing such rate groups is beneficial because, at present, without such rate groups, some of these customers are paying more than is necessary. When contractors or developers install larger meters on a single service to accommodate both the domestic and fire protection flows, it results in meters under-reporting water use. Also, the larger meters require more frequent inspections, thereby increasing costs to PWW to maintain them.

6. PWW proposes an additional rate for those customers who take service for domestic and private protection purposes through a single service and a 1” meter. PWW proposes the rate to recognize that these customers ought to be grandfathered and not be penalized on account of a contractor or developer installing one service connection for both the domestic and fire protection services instead of two service connections. PWW believes a rate based on the typical 5/8” metered residential service (which is currently \$22.58 per month) plus a charge for a 1½” private fire protection service (proposed rate of \$6.51) best equates to the type of service the customer would otherwise have installed at a cost the customer would otherwise be paying. PWW proposes revisions to page 43 of its tariff to address these grandfathered customers.

7. PWW proposes additional revisions to page 32 of its tariff to mandate that future domestic and private fire protection services not be combined into one service connection. PWW provided as an attachment to Ms. Ware’s testimony, an illustration of the technical specifications it proposes to require for two services entering a customer’s residence. PWW seeks to avoid practical problems such as if a mechanical problem developed in the sprinkler system or a failure-to-pay situation arose that necessitated PWW shutting off the fire protection service but not the domestic service. In such a situation, PWW would have no means of shutting off one service or the other without shutting off both services.

8. PWW has solicited the Commission’s Staff’s position on the proposed fire protection rates and other proposed tariff changes and Staff has indicated its support for a petition to create appropriate charges and service configurations for small diameter fire services.

WHEREFORE, PWW respectfully requests that the Commission:

- A. Approve PWW's request to establish additional service categories to its Private Fire Protection Service as described herein;
- B. Charge rates to customers within these additional service categories as described herein;
- C. Approve the proposed changes to tariff pages 32, 43, and 45; and
- D. Grant such other and further relief as may be just and equitable.

Respectfully submitted,

PENNICHUCK WATER WORKS, INC.

By its Attorney,

NH BROWN LAW, PLLC

Date: April 27, 2018

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Certificate of Service

I hereby certify that a copy of the foregoing petition and supporting materials have been emailed this 27th day of April, 2018 to the Office of the Consumer Advocate.

Marcia A. Brown
Marcia A. Brown, Esq.