

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

Docket No. DW 18-_____

Pennichuck East Utility, Inc.

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

Pennichuck East Utility, Inc. (“PEU” or “Company”) is a New Hampshire corporation and regulated water utility that provides service to approximately 7,000 customers in the towns of Atkinson, Barnstead, Bow, Chester, Conway, Derry, Exeter, Hooksett, Lee, Litchfield, Londonderry, Middleton, Pelham, Plaistow, Raymond, Sandown, Tilton, Weare, and Windham. PEU is owned by Pennichuck Corporation, which in turn is wholly owned by the City of Nashua. PEU respectfully petitions the New Hampshire Public Utilities Commission (“Commission”) to approve an additional service category for 1” metered customers within its general metered (G-M) service customer class and approve specifications for installations of small-diameter private fire protection services. In support of this request, PEU states as follows:

1. On July 25, 2014, the Commission approved PEU’s small-diameter fire protection rates in Order No. 25,696 in Docket No. DW 13-126.
2. PEU has encountered an increase in the number of life safety sprinkler systems being installed in residential dwellings within its service territory. These systems are recommended by the International Code Council’s International Residential Code, Section P2094, *Dwelling Unit Fire Sprinkler Systems*. This increase has resulted in an increase in requests for small-diameter private fire protection service.
3. As developers have installed the life safety sprinkler systems, they have done so in an inconsistent manner. For example, some developers have installed what PEU describes as

Option 1: a single, larger service line (1-1/2" or 2" versus a 1" service) from PEU's curbsto to the house and a 1" meter instead of the typical 5/8" meter. As a result, the customer pays a monthly minimum charge of \$51.76 for a 1" meter (as noted on page 38 of PEU's tariff) instead of the monthly minimum charge of \$17.19 for a 5/8" meter. Other developers have installed what PEU describes as Option 2: two services into the home, one 1" service line from the curbsto to the house with a 5/8" meter to provide for domestic flows and a 1-1/2" non-metered service line from the curbsto to the house to provide for the fire protection flows. Under Option 2, PEU currently charges a monthly minimum charge of \$17.19 for the 5/8" service plus the private fire protection non-metered rate of \$8.06 per month. As the above options illustrate, some customers pay \$51.76 while others pay \$25.25. These two options are more fully described in the pre-filed direct testimony of Donald L. Ware, Chief Operating Officer for PEU.

4. PEU seeks to prevent future inconsistent installations and the resulting different customer charges by grandfathering those customers taking domestic and fire protection service, on or before December 31, 2018, through a single, oversized meter and prohibiting such single installations in the future.

5. To effectuate these changes, PEU seeks to create an additional rate group within PEU's general metered customer class for this grandfathered group. These changes to tariff page 38 can be seen on Attachment DLW-A, attached to Mr. Ware's testimony. PEU proposed a grandfathered rate that combines the 5/8" metered charge of \$17.19 and the monthly fire protection charge for 1 1/2" services of \$8.06, for a total of \$25.25. PEU proposes installation specifications for small-diameter private fire protection service that expressly eliminates a single, oversized meter for two services as an installation option. PEU would require two services into the home, one metered domestic service and one non-metered service for fire protection, for

those customers requesting small diameter fire protection service. These service installation changes are reflected on the proposed tariff page 28-A as well as on the proposed technical specifications for private fire protection service installations, both of which are attached to the pre-filed direct testimony of Mr. Ware.

6. PEU believes the above changes are necessary to address rate equity and cost issues. For example, at present, without the grandfathered rate group, some customers are paying twice as much as other customers for private fire protection. PEU is also losing water. A 1” meter only registers low flows down to $\frac{3}{4}$ gpm whereas a 5/8” meter can register flows as low as $\frac{1}{4}$ gpm. Therefore, when developers upsize meters from a 5/8” to a 1” to pass the required fire protection flow, usage between $\frac{1}{4}$ and $\frac{3}{4}$ gpm is either unregistered or under-registered. PEU is also incurring higher meter testing costs. That is because a 1” meter requires testing every 4 years whereas a 5/8” meter requires testing every 10 years. This difference results in 1” meter testing costs to PEU that are 2.5 times the cost for a typical residential home. The requested changes will address these concerns.

7. Other policy reasons for limiting the grandfathered rate group to those customers taking service on or before December 31, 2018 include that customers ought not to be penalized on account of a contractor or developer installing one service connection for both the domestic and fire protection services. Going forward, with the proposed tariff changes, the grandfathered customer group will remain small.

8. PEU proposes revisions to page 28-A of its tariff to mandate that future domestic and private fire protection services not be combined into one service connection. PEU 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. PEU 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 PEU shutting off the fire protection service but not the domestic service. In such a situation, PEU would have no means of shutting off one service or the other without shutting off both services.

9. PEU has discussed the above rate changes with the Commission's Staff and is aware that Staff wishes to address these issues in PEU's rate case in Docket No. DW 17-128.

WHEREFORE, PEU respectfully requests that the Commission:

A. Approve PEU's request to establish an additional 1" metered rate in its General Service – Metered (G-M) rate group for customers taking domestic and fire protection service through a single, meter on or before December 31, 2018, as described herein;

B. Allow PEU to prohibit customers from taking domestic and fire protection services through a single service facility, as described herein;

C. Approve the proposed changes to tariff pages 28-A and 38; and

D. Grant such other and further relief as may be just and equitable.

Respectfully submitted,

PENNICHUCK EAST UTILITY, INC.

By its Attorney,

NH BROWN LAW, PLLC

Date: May 25, 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 25th day of May, 2018 to the Office of the Consumer Advocate.



Marcia A. Brown, Esq.