

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

DOCKET NO. DW 10-__

RE: PENNICHUCK EAST UTILITY, INC.

**Verified Petition of Pennichuck East Utility, Inc. for Approval of Revisions to
Fire Protection Tariff**

NOW COMES Pennichuck East Utility, Inc. ("PEU" the "Company") and petitions the New Hampshire Public Utilities Commission ("Commission") pursuant to Puc 1605.01 to approve a revision to the Company's fire protection tariff. In support of this petition, the Company states as follows:

1. Pennichuck East Utility, Inc. is a public utility providing retail water service in 18 towns in New Hampshire. During PEU's last rate case, *see* Docket DW 07-032, the Commission approved a monthly fire protection charge of \$4.22 per customer for public fire protection service in the Town of Raymond Green Hills Water System. *See* Original Page 43B of the Company's tariff, attached here as Exhibit 1 and Order No. 24,840. That charge was based on a January 30, 2008 cost of service study submitted by the Company in DW 07-032, which concluded that \$12,153.60 of revenue was required to provide service to the 12 hydrants in Raymond, New Hampshire. *See* Exhibit 2, Schedule 2, page 2. These hydrants are used to serve the Company's customers in its Green Hills water system.¹

2. On April 19, 2010, the Company received a letter from the Town of Raymond informing the Company that its Board of Selectmen had approved the following resolution relating to the fire hydrants in Green Hills:

¹ At the time the Cost of Service study was filed, the Company had 240 customers in Green Hills. As of the date of this Verified Petition, the Company has 235 customers in Green Hills.

Provided that Pennechuck [sic] Water Works, Inc. agrees to request a rate adjustment from the state Public Utilities Commission to allow them to lower the hydrant fees for their customers in the Green Hills area [sic] of Raymond, the Town of Raymond will agree to provide Pennechuck [sic] Water Works, Inc., the sum of \$7,200 which represents a payment of \$600 for each hydrant in the Green Hills development area, with the payment to be effective upon the approval of the reduced rate by the PUC.

With this agreement Pennechuck [sic] Water Works, Inc. further agrees that the payment of \$7,200 will only be used to benefit their customers in the Green Hills area of the Town of Raymond.

A copy of this letter is attached as Exhibit 3. Based on the Town of Raymond's letter, the Town has voted to contribute \$600 a month per hydrant towards the \$12,153.60 monthly revenue requirement, resulting in a \$7,200 monthly payment to the Company.

3. In order to implement the Town's proposal, the Company is seeking a revision to its tariff to create a municipal fire protection rate for the Town of Raymond. A copy of the proposed tariff, which provides for the \$600 per hydrant a month charge to the Town, is attached as Exhibit 4. The Company is also seeking to change its existing tariff (Original Page 43B) to provide for a \$1.76 monthly charge for each of its Green Hills customers, which would generate the residual revenue requirement of \$4,953.60. A copy of the Proposed First Revised Page 43B is attached as Exhibit 5. The monthly rate of \$1.76 would be billed to the Company's 235 Green Hills customers, in lieu of the currently monthly rate of \$4.22. This rate change would result in an annual savings to Green Hills customers of \$29.52.

4. The Company submits that these revisions to its tariff are in the public interest because they will result in lower monthly rates for the Company's Green Hills customers. In addition, the proposed changes are consistent with the public interest because the adoption of the new rate for the Town and the corresponding reduction in the rate for the Green Hills customers are revenue neutral because when combined, they will generate the same revenue requirement

approved by the Commission in DW 07-032. Given that the Town of Raymond has approved a resolution allowing for this change, and that the proposal will result in a lower monthly charge for the Company's Green Hill customers, the Company avers that the proposed rate change is in customers' interest as well as in the public interest.

5. For these reasons, the Company requests that the Commission approve the proposed revisions to its fire protection tariff.

WHEREFORE, PEU respectfully requests that the Commission:

- A. Find that the proposed revisions to the Company's fire protection tariff as described above are consistent with the public interest;
- B. Issue an Order Nisi authorizing the Company to adopt the Proposed First Revised Page 43B and the Proposed Original Page 43D; and
- C. Grant such other relief as may be consistent with the public interest.


Respectfully submitted,

PENNICHUCK EAST UTILITY, INC.

By its Attorneys,

McLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

Date: June 1, 2010

By: 

Sarah B. Knowlton
100 Market Street, P.O. Box 459
Portsmouth, NH 03802
Telephone: (603) 334-6928
email: sarah.knowlton@mclane.com

I, Bonalyn J. Hartley, Vice President of Administration for Pennichuck East Utility, Inc., being first duly sworn, hereby depose and say that I have read the foregoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

Dated: May 28, 2010


Bonalyn J. Hartley

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

Sworn to and subscribed before me this 28 day of May 2010.

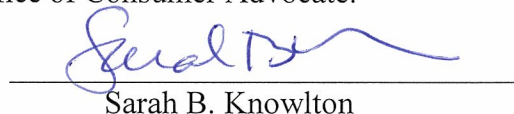

Justice of the Peace/Notary Public

My Commission Expires:

KAREN GIOTAS
Notary Public - New Hampshire
My Commission Expires December 12, 2011

Certificate of Service

I hereby certify that on this 1st day of June, 2010, a copy of this Verified Petition has been forwarded by electronic mail to the Office of Consumer Advocate.


Sarah B. Knowlton