

NHPUC NO. 1 WATER

Original Page 43B

PENNICHUCK EAST UTILITY, INC.

**RATE SCHEDULE**

**PUBLIC FIRE PROTECTION SERVICE**

**SCHEDULE FIRE PROTECTION – NON-METERED**

**TOWN OF RAYMOND  
GREEN HILLS WATER SYSTEM**

Application:

This schedule is applicable to all hydrants rendered in the Company's Town of Raymond and Green Hills Water System service area for the purpose of public safety.

Character of Service:

The installation and maintenance of fire hydrants, and the supplying of water through such hydrants, is for the sole use of authorized fire fighting personnel for the control and extinguishment of any fire, or for any other use authorized by the Company. The Company will make every effort to maintain normal pressures at all times on the distribution system, but shall not be held liable for the failure of either the supply or distribution division of its system to adequately furnish its normal quantity of water when such failure is due to the elements, natural causes, breaks, leaks, unusual or concurrent droughts, or waste or unlawful use of water.

Rate:

Monthly Hydrant Charge

For all fire hydrants installed, there shall be a Customer Hydrant Charge of \$4.22 per Customer per month.

Terms of Payment:

Bills under this rate are net; will be rendered monthly, and are due and payable at the office of the Company on the due date as stated on water bill.

Special Provisions:

All hydrants, lead valves, branches and other appurtenances shall remain the property of the Company.

Issued: April 4, 2008

Issued by   
Bonalyn J. Hartley

Effective: May 29, 2007

Title: Vice President, Administration

Authorized by NHPUC Order No. 24,840 in Docket No. DW 07-032 dated April 4, 2008.



JOHN R. PALKO  
Principal

AUS CONSULTANTS

155 Gaither Drive, Suite A  
Mt. Laurel, NJ 08054  
856.234.9200, ext. 214 • Tel  
856.234.8371 • Fax  
jpalko@ausinc.com

January 30, 2008

VIA EMAIL & FIRST CLASS MAIL

Ms. Bonalyn J. Hartley  
Vice President – Administration  
Pennichuck Water Works  
P.O. Box 1947  
25 Manchester Street  
Merrimack, NH 03054

Re: Pennichuck East Settlement Rates

Dear Ms. Hartley:

In accordance with your request and authorization, AUS Consultants has developed a schedule of rates and charges designed to generate the settlement revenue of \$4,852,485 from the customers of Pennichuck East Utility, Inc. The analyses and procedures set forth in this letter report are based on the information in and the results of the cost of service allocation and rate design study developed by AUS Consultants in June 2007 together with the year 2009 elements of the Two-Year Rate Plan forwarded to Pennichuck East by letter dated November 14, 2007.

Certain modifications to the billing parameters were made to reflect changed conditions. The volumetric usage was reduced by 9,090 ccf from 556,879 ccf to 547,789 ccf to eliminate usage billed in error. The four fire hydrants at the Pelham School were moved from the municipal fire protection class to the private fire protection class. Of the ten fire hydrants previously in the municipal fire protection class in Bow, one was removed entirely while seven were transferred to the private fire protection class, leaving two as municipal.

Further, rather than charging for municipal fire hydrants on a per hydrant basis in Bow, Raymond, and Windham, monthly per customer fire protection surcharges were developed. The monthly per customer fire protection surcharges are conceptually similar to the fire protection surcharge currently in effect in Litchfield.

The results of the rate design are set forth on a series of five schedules identified as Schedules 1 through 5 and attached hereto.

Ms. Bonalyn J. Hartley  
Pennichuck Water Works  
January 30, 2008  
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Schedule 1 summarizes the revenues which would be attained from the settlement rates. As shown thereon, there is a \$3,904 difference between the generated revenues and the settlement revenue requirement. This difference is only 0.08% of the settlement revenue requirement.

Schedule 2 sets forth the municipal fire protection settlement rates and charges and settlement revenues by municipality.

Schedule 3 sets forth the private fire protection settlement rates and settlement revenues.

Schedule 4 sets forth the monthly customer (or minimum) charges and the settlement revenue generated from these charges.

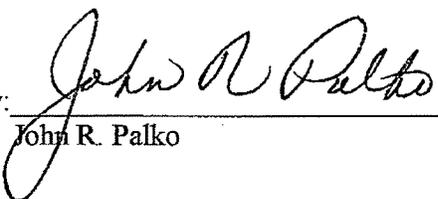
Schedule 5 illustrates the development of the settlement volumetric rate and calculates the settlement volumetric revenue.

AUS Consultants appreciates the opportunity to develop the settlement rates and to present this letter report for your consideration.

Please advise should you have any questions or comments or should you require the development of additional rate scenarios.

Respectfully submitted,

AUS Consultants

By:   
\_\_\_\_\_  
John R. Palko

atts.



Pennichuck East Utility, Inc.  
Settlement Rates and Revenues

Schedules to  
Accompany  
Letter Report

Schedules 1 through 5

AUS Consultants

January 30, 2008

Pennichuck East Utility, Inc.  
Summary of Revenues  
Settlement Rates and Revenues

<u>Description</u>	<u>Settlement Revenue</u>
GWS Volume Revenue	\$ 3,018,317.39
GWS Customer Charge Revenue	1,122,756.24
Total GWS Revenue	\$ 4,141,073.63
Total Private Fire Revenue	148,309.68
Total Municipal Fire Revenue	567,005.40
Grand Total Revenue	\$ 4,856,388.71
Settlement Revenue Requirement	4,852,485.00
Difference	\$ 3,903.71
	0.08%

Pennichuck East Utility, Inc.  
Municipal Fire Protection  
Settlement Rates and Revenues

	<u>Hydrants</u>	<u>Settlement</u>
<u>Bow</u>	2	
Customer Bills	10	
Monthly Customer Rate	\$	16.89
Annual Revenue	\$	2,026.80
<u>Litchfield</u>	198	
Customer Bills	1,672	
Monthly Customer Rate	\$	12.59
Annual Revenue	\$	252,605.76
<u>Londonderry</u>	194	
Monthly Hydrant Rate	\$	69.53
Monthly Availability Fee	\$	7,194.66
Annual Revenue	\$	248,201.76
<u>Pelham Fire</u>	28	
Monthly Hydrant Rate	\$	69.53
Monthly Availability Fee	\$	698.75
Annual Revenue	\$	31,747.08

Pennichuck East Utility, Inc.  
Municipal Fire Protection  
Settlement Rates and Revenues

	<u>Hydrants</u>	<u>Settlement</u>
<u>Pelham School</u>	0	
Monthly Hydrant Rate		Private
Annual Revenue		\$ -
<u>Raymond</u>	12	
Customer Bills	240	
Monthly Customer Rate		\$ 4.22
Annual Revenue		\$ 12,153.60
<u>Windham</u>	20	
Customer Bills	410	
Monthly Customer Rate		\$ 4.12
Annual Revenue		\$ 20,270.40
<u>Total Municipal Fire</u>		
Annual Revenue		\$ 567,005.40

Pennichuck East Utility, Inc.  
Private Fire Protection Service  
Settlement Rates and Revenues

<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Settlement Rates</u>
1 1/2"	0	0	\$ 7.94
2"	13	156	14.12
3"	0	0	31.78
4"	7	84	56.50
6"	22	264	127.14
8"	19	228	226.00
10"	0	0	353.12
12"	2	24	508.50
Hydrant	40	480	91.80

<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Settlement Revenue</u>
1 1/2"	0	0	\$ -
2"	13	156	2,202.72
3"	0	0	0.00
4"	7	84	4,746.00
6"	22	264	33,564.96
8"	19	228	51,528.00
10"	0	0	0.00
12"	2	24	12,204.00
Hydrant	40	480	44,064.00
Totals	103	1,236	\$ 148,309.68

Pennichuck East Utility, Inc.  
GWS Customer Charges (Minimum Charges)  
Settlement Rates and Revenues

<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Settlement Rates</u>
5/8"	4,789	57,468	\$ 16.20
3/4"	31	372	34.44
1"	86	1,032	48.76
1 1/2"	35	420	106.14
2"	36	432	157.47
3"	4	48	334.10
4"	0	0	524.54
6"	0	0	1,049.05
8"	0	0	1,310.21
10"	0	0	1,484.31
	4,981	59,772	

<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Settlement Revenue</u>
5/8"	4,789	57,468	\$ 930,981.60
3/4"	31	372	12,811.68
1"	86	1,032	50,320.32
1 1/2"	35	420	44,578.80
2"	36	432	68,027.04
3"	4	48	16,036.80
4"	0	0	0.00
6"	0	0	0.00
8"	0	0	0.00
10"	0	0	0.00
Totals	4,981	59,772	\$ 1,122,756.24

Pennichuck East Utility, Inc.  
GWS Volume Charges  
Settlement Rates and Revenues

	<u>Settlement Revenue</u>
Settlement Revenue Requirement	\$ 4,852,485.00
GWS Customer Charge Revenue	1,122,756.24
Total Private Fire Revenue	148,309.68
Total Municipal Fire Revenue	567,005.40
Balance From GWS Volume	\$ 3,014,413.68
Volume in CCFT	547,789
Rate per CCFT	\$ 5.51
Actual GWS Volume Revenue	\$ 3,018,317.39
Grand Total Revenue	\$ 4,856,388.71
Settlement Revenue Requirement	\$ 4,852,485.00
Difference	\$ 3,903.71
	0.08%



PEU Ex. 3  
**TOWN OF RAYMOND**  
4 Epping St., Raymond, NH 03077  
Christopher Rose, Town Manager  
Tel: (603) 895-4735 Ext. 113  
Fax: (603) 895-0903  
Email: [crose@townofraymondnh.com](mailto:crose@townofraymondnh.com)  
[www.raymond-nh.com](http://www.raymond-nh.com)

April 19, 2010



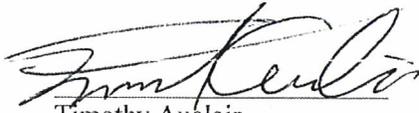
Mr. Donald Ware, P.E.  
President  
Pennechuck Water Works, Inc.  
P.O. Box 1947  
Merrimack, NH 03054-1947

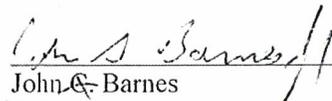
Dear Mr. Ware:

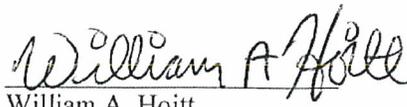
At the April 19, 2010 meeting of the Board of Selectmen of the Town of Raymond they approved the following resolution:

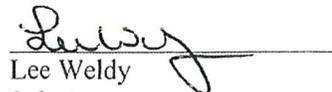
Provided that the Pennechuck Water Works, Inc. agrees to request a rate adjustment from the state Public Utilities Commission to allow them to lower the hydrant fees for their customers in the Green Hills area of Raymond, the Town of Raymond will agree to provide to Pennechuck Water Works, Inc., the 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 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.

  
Timothy Auclair  
Chairman, Board of Selectmen  
Town of Raymond

  
John Barnes  
Selectman

  
William A. Hoitt  
Selectman

  
Lee Weldy  
Selectman

  
Joyce Wood  
Selectman

NHPUC NO. 1 WATER

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PENNICHUCK EAST UTILITY, INC.

**RATE SCHEDULE**

**MUNICIPAL FIRE PROTECTION SERVICE**

**SCHEDULE FIRE PROTECTION – NON-METERED**

**TOWN OF RAYMOND  
GREEN HILLS WATER SYSTEM**

Application:

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Rate:

Monthly Hydrant Charge

For all fire hydrants installed, there shall be a monthly hydrant charge of \$600.00 per hydrant, payable in advance.

Terms of Payment:

Bills under this rate are net; will be rendered monthly, and are due and payable at the office of the Company on the due date as stated on water bill.

Special Provisions:

All hydrants, lead valves, branches and other appurtenances shall remain the property of the Company.

Issued: \_\_\_\_\_

Issued by   
Bonalyn J. Hartley

Effective: \_\_\_\_\_

Title: Vice President, Administration

NHPUC NO. 1 WATER

Proposed First Revised Page 43B

PENNICHUCK EAST UTILITY, INC.

Superseding Original Page 43B

**RATE SCHEDULE**

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Rate:

Monthly Hydrant Charge

For all fire hydrants installed, there shall be a Customer Hydrant Charge of \$1.76 per customer per month based on 235 customers.

Terms of Payment:

Bills under this rate are net; will be rendered monthly, and are due and payable at the office of the Company on the due date as stated on water bill.

Special Provisions:

All hydrants, lead valves, branches and other appurtenances shall remain the property of the Company.

Issued: \_\_\_\_\_

Issued by *Bonaly J. Hartley*  
Bonaly J. Hartley

Effective: \_\_\_\_\_

Title: Vice President, Administration