

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

DOCKET NO. DW 11-__

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 \$12.59 per customer for public fire protection service in the Town of Litchfield which is reflected in the Company's tariff. *See* Fifth Revised Page 43, which is attached as Exhibit 1. That charge was based on a January 30, 2008 cost of service study submitted by the Company in DW 07-032, which concluded that \$252,605.76 of revenue was required to provide service to the 198 hydrants in Litchfield, New Hampshire. *See* Exhibit 2, Schedule 2, page 1.

2. On March 10, 2011 the Company received a letter from the Town of Litchfield informing the Company that the Town's voters had approved the following article relating to the fire hydrants in Litchfield:

To see if the Town will enter into a contract with Pennichuck East Utilities to assume responsibility for Fire Protection charges for water system users. And further, to see if the Town will vote to raise and appropriate the sum of \$69,989 for that purpose. This amount represents the cost for 3 months of service in 2011

and is apportioned from an estimated annual cost of \$279,952. If this article is approved, future appropriations for Fire Protection Charges will be included in the operating budget of the Town.

A copy of this letter is attached as Exhibit 3. Based on the Town of Litchfield's letter, the Town has voted to pay the annual fire protection charges with an estimated annual cost of \$279,952, resulting in an estimated \$23,329 monthly payment to the Company instead of individual customers being billed for fire protection. The calculation of the Litchfield Public Fire Protection charge which supports the charge referenced in the Town vote is provided as Exhibit 4. It is based on the January 30, 2008 Cost of Service Study, and the number of public fire hydrants in service and customers at the end of 2010.

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 Litchfield. The proposed tariff Page 44A, which provides for the \$69.53 per hydrant a month charge as well as a monthly availability fee of \$8,318.51 for municipal fire protection to the Town, is attached as Exhibit 5. The Company is also seeking to cancel its existing tariff Fifth Revised Page 43, as proposed in Exhibit 6, to eliminate the \$12.59 monthly Litchfield Public Hydrant Fee for each of its Litchfield customers. The Company seeks to make this tariff change effective October 1, 2011 based on the Town of Litchfield's vote.

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 general metered customers in Litchfield and will otherwise have no impact on any of its other customers. In addition, the proposed changes are consistent with the public interest because the adoption of the new rate for the Town and the elimination of the Litchfield Public Hydrant Fee are revenue neutral. The proposed rates developed in DW 07-032 and applied against the year end 2010 number of

customers (1,826) and the current number of hydrants (211) will result in the Company's annual public fire protection revenues from the Town of Litchfield remaining at the 2010 level of approximately \$276 thousand. Given that the Town of Litchfield has approved an article allowing for this change, and that the proposal will result in a lower monthly charge for the Company's Litchfield 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
- C. Grant such other relief as may be consistent with the public interest.

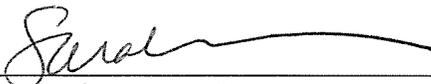
Respectfully submitted,

PENNICHUCK EAST UTILITY, INC.

By its Attorneys,

McLANE, GRAF, RAULERSON & MIDDLETON,
PROFESSIONAL ASSOCIATION

Date: May 19, 2011

By: 

Sarah B. Knowlton
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Portsmouth, NH 03802
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I, Donald L. Ware, President of 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 19th, 2011


Donald L. Ware

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

Sworn to and subscribed before me this 19th day of May 2011.

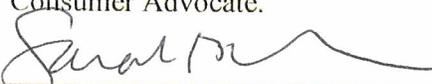



Justice of the Peace/Notary Public

My Commission Expires:

Certificate of Service

I hereby certify that on this 19 day of May, 2011, a copy of this Verified Petition has been forwarded by electronic mail to the Office of Consumer Advocate.


Sarah B. Knowlton