

DR 97-218

PENNICHUCK WATER WORKS, INC.

Franchise and Rate Request

Order NISI Approving Request for Franchise and Rates

ORDER NO. 23,100

January 6, 1999

On October 6, 1997, Pennichuck Water Works, Inc. (Pennichuck), filed with the New Hampshire Public Utilities Commission (NHPUC) a petition to engage in business as a public utility in a limited area of the town of Plaistow and for approval of rate schedules under which said service would be provided. Pennichuck anticipates that the proposed franchise area will serve approximately 30 dwelling units in an area known as the Sweet Hill Development. Pennichuck has also requested authority to provide water to customers in the southeast portion of the town of Plaistow, which includes the above-referenced development. The proposed franchise area is attached as Appendix B to the petition.

In addition, Pennichuck is seeking approval from the Commission to charge rates in the proposed franchise area of \$1.33 per hundred cubic feet and a monthly customer charge of \$7.89, which equates to \$211.72 annually for a customer consuming

8800 cubic feet.¹ The rates requested are the same as Pennichuck charges its approximately 20,000 core customers in the City of Nashua as established in Docket DR 97-058. Pennichuck also provides service to community water system customers in a number of towns in the southern portion of the state.

This petition was held in abeyance pending approval from the New Hampshire Department of Environmental Services (DES) under RSA 374:22, III. A letter from DES supporting acquisition of the system was received and entered into the file on November 10, 1998.

We have reviewed Pennichuck's petition. RSA 374:22 and RSA 374:26 provide that the Commission shall not issue a franchise unless it would be for the public good. The public good standard requires the petitioning utility to demonstrate, *inter alia*, the legal, technical, managerial and financial expertise to operate a public water utility. See e.g., Re: Pennichuck Water Works, Inc. 73 NHPUC 279 (1988). Based on the record in this proceeding, including Pennichuck's demonstrated managerial ability and financial soundness, the approval of DES as required in RSA 374:22, III concerning the suitability and

¹In its most recent rate case, DR 97-058, Pennichuck assumed a residential consumption rate of 12,000 cubic feet per year and estimated that an average residential customer's bill would be \$253.61 annually.

availability of water which the Commission received from DES on November 10, 1998, and the consent of the Town of Plaistow as expressed in Appendix D of the filing, the Commission finds that granting the franchise is in the public good.

Based on the small size of the Sweet Hill Development and for the reasons stated in previous decisions concerning the appropriateness of charging system core rates to small systems or previously unserved and undeveloped areas, we will approve the core system rates of Pennichuck for Sweet Hill Development customers. See Order No. 22,532 in DE 97-021 and Order No. 22,883 in DR 97-058.

Based upon the foregoing, it is hereby

ORDERED NISI, that Pennichuck's request to provide water service in the proposed franchise area is APPROVED pursuant to RSA 374:22 and RSA 374:26; and it is

FURTHER ORDERED, that the rates proposed by Pennichuck are APPROVED; and it is

FURTHER ORDERED, that Pennichuck shall mail a copy of this Order Nisi to all Sweet Hill Development residents by first class mail dated no later than January 13, 1999; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules, Puc 1604.03 or Puc 1605.03, Pennichuck shall cause a copy of this Order Nisi to be published once in a statewide newspaper of

general circulation, such publication to be no later than January 13, 1999 and to be documented by affidavit filed with this office on or before January 20, 1999; and it is


FURTHER ORDERED, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than January 27, 1999; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than February 3, 1999; and it is

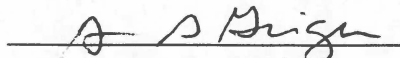
FURTHER ORDERED, that this Order Nisi shall be effective February 5, 1999, unless the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that Pennichuck shall file a compliance tariff with the Commission on or before February 5, 1999, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

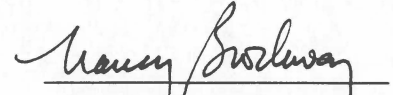
By order of the Public Utilities Commission of New
Hampshire this sixth day of January 1999.



Douglas L. Patch
Chairman



Susan S. Geiger
Commissioner



Nancy Brockway
Commissioner

Attested by:



Thomas B. Getz
Executive Director and Secretary