

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DW 09-102

PENNICHUCK EAST UTILITY, INC. & PITTSFIELD AQUEDUCT COMPANY, INC.

Petition for Approval of Revisions to Miscellaneous Utility Service Fees

Order *Nisi* Granting Petition

O R D E R N O. 25,007

August 13, 2009

I. BACKGROUND

On May 19, 2009, Pennichuck East Utility, Inc. (PEU) and Pittsfield Aqueduct Company, Inc. (PAC) filed a joint petition seeking approval to alter miscellaneous utility service fees. PEU is a regulated public utility pursuant to RSA 362:2 and RSA 362:4 and provides water service to approximately 5,486 customers in 15 municipalities in Southern and Central New Hampshire. PAC is also a regulated public utility and is currently providing water service to approximately 836 customers in Center Barnstead (Locke Lake), 648 customers in Pittsfield, 209 customers in North Conway (Birch Hill), and 80 customers in Middleton (Sunrise Estates).

PEU and PAC state that they share customer service personnel with each other and their corporate affiliate, Pennichuck Water Works, Inc. (PWW). In PWW's present rate case, Docket No. DW 08-073, it came to light that the miscellaneous utility service fees had not changed since 1999 and were outdated. A request to update these fees was made in PWW's rate case and to maintain consistency, PEU and PAC seek the same increases. With their petition, PEU and PAC supplied cost analyses to support the rate increases. Specifically, PEU and PAC seek to increase: (1) the service pipe connection fee from \$85.00 to \$160.00; (2) the service connection and disconnection/collection charge from \$28.00 to \$46.00 during regular hours; and (3) the service

connection and disconnection/collection charge from \$40.00 to \$63.00 during non-regular hours. PEU and PAC state that maintaining consistent fees among themselves and PWW will reflect current costs and minimize confusion on the part of the customer service personnel who perform work for all three utilities.

On June 15, 2009, Staff filed a letter recommending the Commission approve the requested fee revisions, but recommended PEU and PAC file revised tariff pages that comply with the thirty-day notice requirement of N.H. Code of Admin. Rules Puc 1603.07(a). Also, on June 15, 2009, the Office of Consumer Advocate (OCA) filed a letter stating that it did not oppose the change in service fees so long as an opportunity for a hearing was provided through an order *Nisi*. OCA did not take a position on the amount of the fees.

II. COMMISSION ANALYSIS

Pursuant to RSA 378:5 and 378:7, the Commission is authorized to investigate whether the rates, fares, charges or prices a utility has proposed are just and reasonable. See, e.g., *Pittsfield Aqueduct Company, Inc., et al.*, Order No. 24,606, 91 NH PUC 137, 142 (2006). Moreover, pursuant to RSA 378:3, unless the Commission otherwise orders, no changes are to be made to any rate, fare, charge, or price except after proper notice.

As has been noted, PEU's and PAC's service fees have not been updated since 1999 when the Commission approved the fees for PEU's and PAC's affiliate, PWW. See *Pennichuck Water Works, Inc.*, Order No. 23,133, 84 NH PUC 89 (1999). PEU's and PAC's cost analyses demonstrate that costs have increased since 1999 and that the present rates are no longer sufficient to cover the cost to provide the services. We note that the same rates were investigated and approved in PWW's, Docket No. DW 08-073. As for the consistency in rates among PEU,

PAC, and PWW, the three utilities share customer service personnel and the cost to provide the services is similar. For the foregoing reasons, we find that the proposed fees are just and reasonable.

As for the effective date of the fees, we note that N.H. Code of Admin. Rules Puc 1603.07(a) requires regulated utilities to provide thirty-days notice to the Commission and to the public, as directed by the Commission, prior to the effective date of such tariff changes. We thus issue this order on a *Nisi* basis to provide an opportunity for proper notice to the public and for public comment.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. are authorized to revise their utility service fees as identified above; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than August 24, 2009 and to be documented by affidavit filed with this office on or before September 14, 2009; and it is

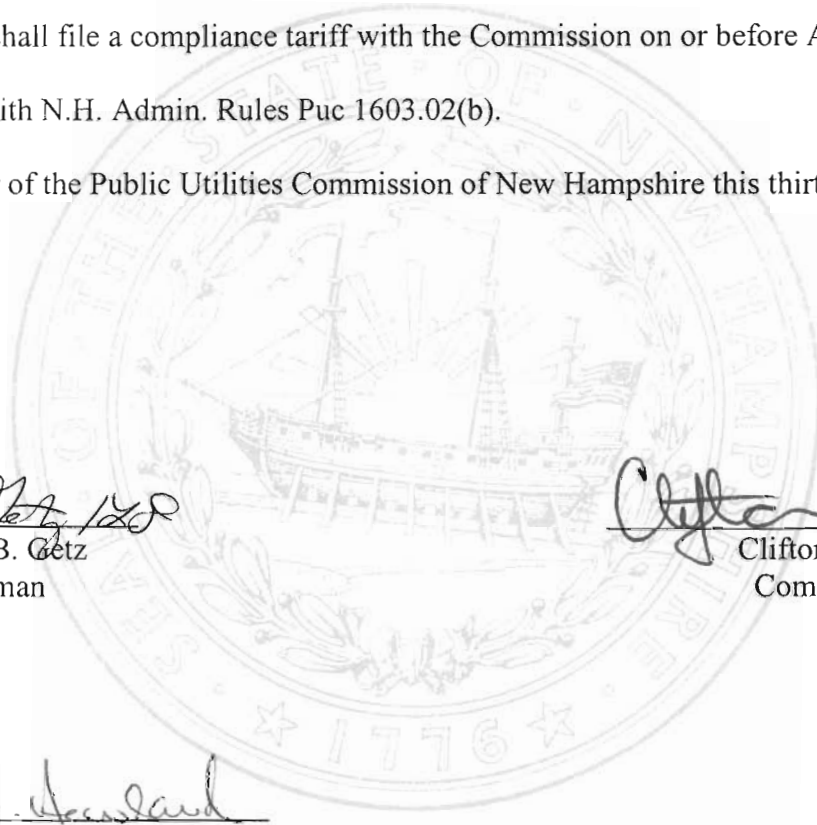
FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than August 31, 2009 for the Commission's consideration; and it is


FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than September 7, 2009; and it is


FURTHER ORDERED, that this Order *Nisi* shall be effective thirty days from the date of publication as required above; and it is

FURTHER ORDERED, that Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc. shall file a compliance tariff with the Commission on or before August 27, 2009, in accordance with N.H. Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this thirteenth day of August, 2009.




Thomas B. Getz
Chairman


Clifton C. Below
Commissioner

Attested by:


Debra A. Howland
Executive Director