

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 10-090

PITTSFIELD AQUEDUCT COMPANY, INC.

Permanent and Temporary Rate Increase

**Order Approving Settlement Agreement, Permanent Rates, and
Water Infrastructure and Conservation Adjustment Mechanism**

ORDER NO. 25,229

June 8, 2011

APPEARANCES: McLane, Graf, Raulerson & Middleton, P.A. by Sarah B. Knowlton, Esq., for Pittsfield Aqueduct Company, Inc.; Mitchell Municipal Group, P.A. by Laura A. Spector, Esq., for Town of Pittsfield; Office of the Consumer Advocate by Rorie E.P. Hollenberg, Esq., on behalf of residential ratepayers; and Staff of the Public Utilities Commission by Marcia A. B. Thunberg, Esq.

I. PROCEDURAL HISTORY

Pittsfield Aqueduct Company, Inc. (PAC) provides water service to approximately 650 customers in the Town of Pittsfield. On April 6, 2010, PAC filed a notice of intent to file rate schedules. On May 6, 2010, PAC filed revised tariff pages, with an effective date of June 6, 2010, which were designed to increase its annual revenues by \$121,328, or 19.98%. PAC also filed for a step increase to raise its revenue requirement by \$32,230, or an additional 5.31%, to recover plant additions to be placed in service during 2010. PAC also requested a Water Infrastructure and Conservation Adjustment (WICA) surcharge to cover the replacement and rehabilitation of water main, water services, water gate valves, fire hydrants, and water meters. The WICA charge, if approved, would allow PAC to increase its rates annually between 5% and 7.5% between rate cases. Lastly, PAC sought a temporary increase to its revenue requirement of

\$115,355, or an overall increase of 19%, to take effect with service rendered on and after June 6, 2010.

On June 4, 2010, the Commission issued Order No. 25,106 and suspended PAC's proposed tariffs and scheduled a prehearing conference for July 14, 2010. On April 23, 2010, the Office of the Consumer Advocate (OCA) filed a letter stating that it would be participating on behalf of residential ratepayers. On June 21, 2010, the Town of Pittsfield filed a Petition to Intervene. The prehearing conference was held as scheduled and the Commission granted intervenor status to the Town of Pittsfield. After the conclusion of the prehearing conference, PAC, the OCA, Staff, and the Town of Pittsfield participated in a technical session and developed a proposed procedural schedule to govern the remainder of the proceeding, which the Commission approved on July 19, 2010. On September 8, 2010, Staff and PAC filed a settlement agreement on temporary rates and presented the agreement at the hearing held on September 15, 2010.

On October 8, 2010, the Commission issued Order No. 25,154, approving temporary rates designed to increase PAC's revenue requirement by \$60,713, or 10%, to \$667,846 annually, effective for service rendered on or after June 16, 2010. Pursuant to the settlement agreement, PAC agreed to recoup the difference between the temporary rates and the rates actually billed at the conclusion of the rate case.

On March 14, 2011, the OCA filed the testimony of Scott J. Rubin and Stephen R. Eckberg; Staff filed the testimony of Mark A. Naylor, Jayson P. Laflamme, and James L. Lenihan. On April 21, 2011, PAC filed rebuttal testimony of Testimony of Donald L. Ware and Bonalyn J. Hartley.

On April 21, 2011, Staff filed an executed settlement agreement between PAC and Staff. On April 22, 2011, the OCA asked that Mr. Rubin be excused from testifying at the hearing. On April 25, 2011, PAC filed a motion for protective order and confidential treatment regarding its response to OCA discovery requests 2-6 and 2-15, which PAC amended on May 11, 2011.

On April 26, 2011, the Commission held a hearing on the merits. On April 28, 2011, Staff filed the results of its audit, which verified the accuracy of the cost of improvements to the Berry Pond Dam. These costs had been included in the settlement agreement as part of a proposed step increase to PAC's revenue requirement.

II. POSITIONS OF THE PARTIES AND STAFF

A. Pittsfield Aqueduct Company, Inc. and Staff

The positions of PAC and Staff are embodied in the settlement agreement set forth below. With respect to the motion for protective order and confidential treatment, PAC stated that its response to OCA 2-6 included information identifying a dozen customers, including the amounts billed under their accounts. In responding to OCA 2-15, PAC stated it provided proprietary models, formulas, functions and links in electronic format of PAC's expert witness Mr. John Palko of AUS Consultants pertaining to PAC's cost of service and revenue calculations. PAC claimed that this information is proprietary to AUS Consultants. PAC argued that RSA 91-A:5, IV exempts from public disclosure any "records pertaining to internal personnel practices [and] confidential, commercial or financial information" PAC further argued that the Commission regularly "protect[s] data relating to customer-specific power purchases and prices" under RSA 91-A:5, IV because "customers possess a reasonable expectation that such information [will] remain private." *Retail Competition Pilot Program*, 81 NH PUC 899, 900 (1996). "Customer information that is financially or commercially sensitive

to the customer or which, if released, would likely constitute an invasion of privacy for the customer” is protected under RSA 91-A:5, IV. *City of Nashua*, 90 NH PUC 316, 316 (2005).

B. Town of Pittsfield

The Town took no position on the settlement agreement. The Town expressed some frustration with rate increase fatigue; however, it understood the need for rate cases and the right of PAC to earn a reasonable rate of return.

C. Office of the Consumer Advocate

The OCA took no position on the revenue requirement proposed by PAC and Staff and did not oppose the proposed rate design. The OCA opposed the WICA provision proposed in the settlement agreement, as it expected that the pilot WICA approved in Docket No. DW 08-098 for Aquarion Water Company, Inc. would be evaluated before it was extended to other utilities. *See, Aquarion Water Company, Inc.*, Order No. 25,019, 94 NH PUC 510 (2009). The OCA stated that PAC had not sustained its burden to demonstrate the necessity of the WICA. The OCA asserted that there is no objective evidence that the WICA will result in less frequent rate cases and claimed that there is contradictory evidence on whether the WICA will improve service quality. Given the City of Nashua’s pending proposed acquisition of Pennichuck Corporation, PAC’s parent, the OCA stated it could not support a mechanism that could enable PAC to stay out during a period of time when the expenses for PAC and its regulated affiliates are expected to be reduced by \$1.7 million. The OCA also stated that it did not favor single issue ratemaking mechanisms such as WICA because other components of traditional ratemaking would not be evaluated.

OCA witness Stephen R. Eckberg, recommended conditions in the event the Commission approved a WICA for PAC, including requirements that the program exist for a specified period

of time and be evaluated, contain a formal advanced review process for proposed projects, contain a formal advanced review process for costs, allocate costs to customer classes on an equi-proportional basis, include spending limits, limit eligible projects to non-revenue producing improvements, include items contained in PAC's long-term capital asset management plan, and contain customer education regarding the WICA surcharge. The OCA noted that its support of the Aquarion WICA was part of a comprehensive settlement addressing numerous issues in the case. It requested that the Commission deny the WICA proposed in this docket.

III. SUMMARY OF THE SETTLING PARTIES' TERMS OF AGREEMENT

A. Revenue Requirement

Staff and PAC recommend that the Commission authorize a revenue requirement of \$713,242 based on a pro forma test year rate base of \$1,900,499, operating expenses of \$376,763, and an overall rate of return of 7.60%.¹ This revenue requirement is an increase of \$105,983, or 17.45%, over pro forma test year operating revenues of \$607,259.

B. Step Adjustment for Capital Additions

Staff and PAC recommend that PAC be authorized to implement a further increase in its annual revenue requirement of \$19,339, effective as of the date of the Commission order approving the agreement, for costs associated with investments of \$112,883 for upgrades to the Berry Pond Dam which were mandated by the New Hampshire Department of Environmental Services (DES). As indicated in its April 28, 2011 filing, Staff has audited this amount and confirmed its accuracy.

¹ The overall rate of return is based on a cost of equity of 9.75%, a cost of long-term debt of 7.0% and a capital structure of 49.5% debt and 50.5% equity.

C. Rate Design

Staff and PAC recommend no changes to PAC's current rate design. Staff and PAC recommend reducing PAC's residential 5/8-inch metered customer count by 5 in recognition of the fact that some accounts have remained inactive and are projected to have no activity in the foreseeable future.

D. Rate Impact

According to Staff and PAC, the proposed increase in revenue requirement will impact customer rates as follows: general metered customers will see a 15.32% overall increase. A residential customer using 5.93 hundred cubic feet (ccf) a month, with 5/8 inch metered service, would see an increase in their monthly bill of \$8.63, or \$103.61 per year. The step adjustment would result in an additional increase to their bill of \$1.52 per month or \$18.22 per year. Private fire protection service would increase by 8.95% and public fire protection would increase by 27.31%; the step adjustment would result in increases of 11.90% and 30.76% respectively.

E. Effective Date and Recoupment

Staff and PAC recommend that the proposed rates be effective for service rendered on and after June 16, 2010, the first effective date of temporary rates approved in Order No. 25,154 (October 8, 2010). Staff and PAC expect to propose a twelve-month surcharge but will wait until after the order approving permanent rates before proposing specific surcharge amounts and a recovery period. PAC agrees to not reconcile with temporary rates that portion of the revenue requirement increase associated with the step adjustment for capital additions to Berry Pond Dam.

F. Rate Case Expense Surcharge

Staff and PAC recommend that the Commission allow PAC to recover its reasonable and prudent rate case expenses for this docket. PAC estimated a surcharge to recover rate case expenses would be approximately \$85 per customer. PAC agrees to file its request and supporting documentation with the Commission following receipt of the Commission's final order approving permanent rates.

G. Water Infrastructure and Conservation Adjustment Charge (WICA)

Staff and PAC request that the Commission approve a WICA surcharge for certain capital improvements made by PAC according to provisions substantially similar to a WICA pilot approved for Aquarion Water Company, Inc., Order No. 25,019, 94 NH PUC 510 (2009). Staff and PAC agree that eligible projects include mains, valves, services, and hydrants and that any surcharge be limited to a 5% increase in any one year, with a maximum increase of 7.5% between full rate cases. The surcharge would change every other year as projects are proposed to be completed every other year. PAC agrees to file a three year budget no later than December 31 of each year for the WICA replacement program. The filing would be broken down into: period 1 projects, which would be those proposed to be constructed in the succeeding 12 months; period 2 projects, involving construction in the next 24 months; and period 3 projects, which would be constructed in the 24 months following period 2. Staff and PAC propose that period 1 projects would be for review and informational purposes, period 2 projects be subject to final Commission review and approval, and period 3 projects would be for advisory purposes and discussion. Under the proposal, Staff or any party could request a hearing prior to the Commission authorizing a project as eligible for cost recovery. Any surcharge would become effective on a service rendered basis on April 1 and if the Commission determined further

investigation was necessary the surcharge would go into effect on a temporary basis until the investigation was resolved; any difference between the temporary and final surcharge would be subject to reconciliation. The impact of taxes on the capital improvements would be accounted for. The WICA would continue on a pilot basis until modified or discontinued by the Commission and will automatically terminate at the time of the final order in PAC's next general rate case.

IV. COMMISSION ANALYSIS

Pursuant to RSA 541-A:31,V(a), informal disposition may be made of any contested case at any time prior to the entry of a final decision or order, by stipulation, agreed settlement, consent order or default.. The Commission encourages parties to attempt to reach a settlement of issues through negotiation and compromise "as it is an opportunity for creative problem-solving, allows the parties to reach a result more in line with their expectations, and is often a more expedient alternative to litigation." *Concord Electric Co.*, Order No. 24,046, 87 NH PUC 595, 605 (2002) (quoting *Granite State Electric Co.*, Order No 23,966, 87 NH PUC 302, 306 (2002)). Notwithstanding a settlement among the parties, the Commission must independently determine whether the settlement results comport with applicable standards. *Id.*

N.H. Code Admin. R. Puc 203.20 (b) requires us to determine, prior to approving disposition of a contested case by settlement, that the settlement results are just and reasonable and serve the public interest. RSA 378:7 authorizes us to fix rates after a hearing upon determining that the rates, fares, and charges are just and reasonable. In determining whether rates are just and reasonable, we must balance the customers' interest in paying no higher rates than are required with the investors' interest in obtaining a reasonable return on their investment. *Eastman Sewer Company, Inc.*, 138 N.H. 221, 225 (1994). Additionally, in circumstances where

a utility seeks to increase rates, the utility bears the burden of proving the necessity of the increase pursuant to RSA 378:8. We apply these authorities to the case at hand.

In its initial filing, PAC had sought to increase its revenue requirement by 19.98% and noted its rate of return for its test year ending December 31, 2009 was 4.12%, below its authorized rate of return of 8.07%. PAC cited as reasons for the reduced rate of return: an increase in property taxes of 116%, increases in liability insurance, higher maintenance expense, and a 12% decline in usage since its last rate case. Staff's testimony indicated PAC adjusted its request down to 17.73% after discovery revealed that several adjustments were necessary. Exh. 3 at Laflamme 3. In its pre-filed testimony, Staff recommended that PAC's revenue requirement increase by \$105,983, or by 17.45% for a total revenue requirement of \$713,242. Exh. 3 Laflamme at 4.

In reaching agreement, Staff and PAC support the revenue requirement proposed in Staff's testimony. This revenue requirement is \$45,396 higher than the revenue requirement for temporary rate purposes of \$667,846, approved by Commission Order No. 25,154, (October 8, 2010). Staff and PAC state that the revenue requirement represents a reasonable compromise of all issues relating to the revenue requirement including allowed overall rate of return, return on equity, capital structure, pro forma adjustments, capital additions to rate base, and operating expenses. The agreed upon revenue requirement is an increase of \$105,983 over test year revenues and is based on an overall rate of return of 7.60%, a cost of equity of 9.75% and a cost of long-term debt of 7.0%. The settling parties propose a total rate base of \$1,900,499. Exh. 6 at 1. The settlement agreement contains agreed upon adjustments to rate base, revenues, and expenses. Staff audited the plant additions and corroborates that they are used and useful in the

provision of utility services. The OCA takes no position on this revenue requirement and the Town of Pittsfield did not oppose the settlement agreement.

Having reviewed the proposed revenue requirement and its components, as well as the proposed pro-forma adjustments, we find that the revenue requirement presented by Staff and PAC in the settlement agreement is just and reasonable and represents a reasonable compromise of the issues. Further, we find that the rate base used to calculate the revenue requirement is prudent, used, and useful in accordance with RSA 378:28.

Staff and PAC agree that PAC will not change its rate design. The OCA does not oppose the rate design and the Town of Pittsfield took no position on this issue. In its Cost of Service Study, dated April, 2010, PAC had asked to increase the residential general metered customer fixed charge by 61.9% and the volumetric rate by 4.3%. The overall increase for the metered class would have been 22.99%. Staff objected to the reallocation and stated that although the increase would enhance PAC's revenue and financial stability in light of declining sales, it would place a significant burden on customers and reduce customers' ability to lower their water bill by reducing consumption or to allocate financial resources in a manner best suited to their economic situation. Exh. 3, Lenihan at 7. We note that Staff and PAC agreed to reduce PAC's metered customer count by 5 to recognize that those properties appear to be no longer occupied. We also note that PAC did not propose conservation rates to encourage customers to reduce consumption and, given that PAC's consumption has declined over the past years, we agree that conservation rates are not required at this time. We will accept this settlement on rate design, as the terms are in the public interest. Additionally, we approved the present rate design as reasonable in PAC's last rate case, Docket No. DW 08-052, Order No. 25,051 (December 11, 2009) and neither Staff

nor any party has offered any evidence or argument that the present rate design is no longer reasonable.

Staff and PAC recommend rates that yield a proposed overall revenue requirement increase of 17.48%. Exh. 6 at 25. General metered customers rates would increase by 15.32%, private fire protection would increase by 8.95%, and public fire protection would increase by 27.31%. We note that the Town of Pittsfield, which is a public fire protection customer, does not oppose the settlement agreement. We further note that the allocation of the 17.48% rate increase is consistent with the rate design approved in Order No. 25,051. Given that the proposed rates are also based on a revenue requirement that we found to be just and reasonable and on a rate base that was audited and is prudent, used, and useful, we find the proposed rates to be just and reasonable in accordance with RSA 378:7 and 378:28.

Pursuant to RSA 378:29, temporary rates are effective until the final determination of the rate proceeding. If the final rates are in excess of the temporary rates, the public utility is permitted to amortize and recover the sum of the difference. By Order No. 25,154 (October 8, 2010) we approved a temporary increase to customer rates of 10%. The permanent rate increase we are approving today represents an overall increase of 17.48%, thus PAC is entitled to recover the difference. To fully reconcile the permanent rate increases with temporary rates, PAC will file a reconciliation report that will identify the funds to be recouped for each customer class and will propose a surcharge to recover the funds. Although the specific surcharge is unknown at this time, Staff and PAC anticipate recommending a twelve-month surcharge for customers. We will render a decision on this issue after review of the recommendations.

The Commission employs step adjustments to rates as a means of ensuring that a regulated utility retains its ability to earn a reasonable rate of return after implementing large

capital projects, which increase the utility's rate base. Step adjustments can avoid placing a utility in an earnings deficiency immediately after a rate case in which the revenue requirement was based on an historic test year and a smaller rate base. Staff and PAC recommend a step adjustment to revenues for capital improvements made by PAC to its Berry Pond Dam. These capital improvements were mandated by DES and amounted to an additional \$112,883 in plant. At hearing, PAC testified that in 2007 there were changes in the underlying regulations pertaining to dam classifications causing the Berry Pond Dam to be reclassified. The reclassification necessitated PAC making changes to the dam's spillway capacity and downstream slope. Hearing of April 26, 2011 (Tr. 4/26/11) at 21-22. PAC completed these improvements in October 2010. *Id.* The dam provides the impoundment for the water supply for the Town of Pittsfield. *Id.* According to the agreement, the step increase will result in a 3.13% increase to general metered rates, a 2.95% increase to private fire protection rates, and a 3.45% increase to public fire protection rates. For the residential 5/8-inch meter customer using an average of 5.93 ccf per month, their bill would increase an additional \$1.52 per month, or \$18.22 annually.

RSA 378:28 requires us to make a finding that plant, equipment, or capital improvements are prudent, used, and useful before including such items in permanent rates. Having reviewed the record, including testimony at hearing and Staff's audit, we find that the capital improvements proposed in the step adjustment were prudently incurred and are presently used and useful in the provision of utility service. According to the terms of the settlement agreement, these step adjustment revenues will not be reconciled with temporary rates, consistent with the limits of RSA 378:29. The settling parties have requested that PAC be allowed to implement the step increase to rates effective as of the date of the Commission's order approving permanent

rates. N.H. Code Admin. R. Puc 1203.05 requires that changes in rates occur on a service rendered basis. Thus the step increase will be effective for service rendered on or after the date of this order. Having reviewed how the step increase revenues will be allocated in rates, we also find that the resulting increases to rates are just and reasonable.

The proposed pilot Water Infrastructure and Conservation Adjustment mechanism would allow PAC to place into rates a surcharge to recover significant ongoing costs of replacing aging infrastructure. The program would be initiated by PAC filing a budget of proposed projects on or before December 31 of each year. Staff and the parties would have an opportunity to comment on these projects and request a hearing. The Commission would be asked to approve the listed projects for inclusion in a WICA charge. WICA charges would go into effect on April 1 every other year. The projects must be used and useful and in service by the effective date of the proposed WICA. Staff and PAC propose that, if further investigation is deemed necessary, the Commission may approve the WICA charge on a temporary basis and order that it be reconciled once the final charge is determined. Once the permanent WICA charge is determined, it will be implemented on all bills issued after the date of such order and any positive or negative variance in actual revenues collected versus projected revenues under the temporary WICA surcharge would not be recouped or refunded. For the first year a WICA is in place for any given project or projects, the associated property tax expense would be prorated to recognize only that portion of the year that the project was actually assessed for taxes.

Staff testified that WICA is not a new concept for water utilities and that a number of states have adopted the program. Tr. 4/26/11 at 41. The benefits to the program are that it increases cash flow to the utility, increases reliability through consistent replacement of aging infrastructure mitigates rate shock to customers by permitting recovery in between rate cases,

and requires the utility to work closely with the municipality's construction schedule to reduce costs such as paving. Tr. 4/26/11 at 40-41. Staff testified that under the WICA process, the Commission will have greater oversight of projects than under the current E-22 process. Tr. 4/26/11 at 42.

The OCA objects to the WICA proposal. It argues that it is inappropriate to consider a WICA mechanism at this time and that such consideration ought to wait until after Docket No. DW 11-026, the City of Nashua's request to purchase PAC's parent, Pennichuck Corporation, is concluded. The OCA's concerns are that the WICA constitutes single issue ratemaking, PAC has not demonstrated a need for the WICA, there is no objective evidence that the WICA will result in less frequent rate cases, and if there are less frequent rate cases, then savings such as the \$1.7 million projected savings identified in Docket No. DW 11-026 would not be passed along to ratepayers.

We disagree with the OCA's assertion that the WICA authorized for Aquarion Water Company on a pilot basis must be fully evaluated before another WICA mechanism can be put into effect. Pilot use of the WICA by PAC at the same time as Aquarion will provide useful information on which to evaluate the mechanism and we will not require the Aquarion evaluation to be complete before considering it for this company. With respect to PAC's need for the WICA, we note that PAC filed the present rate case because it was earning a 4.12% rate of return and that as of February 2010, that rate of return had declined to 2.95%. In Docket No. DW 08-052, PAC filed to increase rates and experienced a negative 4.0% rate of return. *See, Pittsfield Aqueduct Company, Inc.*, Order No. 24,929, 93 NH PUC 639, 644 (2008). PAC attributed the negative rate of return to an increase in net plant in service of approximately 377% over the prior 21 months. *Id.* We find that there is sufficient history to indicate that capital improvements

contribute to underearning and that the WICA mechanism with PAC is worth exploring for the specified duration.

The OCA listed a number of conditions that should be included, if the Commission were to approve a WICA for PAC. Most of the conditions have been embodied in Staff and PAC's proposal; the only one that is not expressly identified is how customers will be educated on the surcharge and how it will appear on PAC's bill. We direct Staff and the parties to discuss how PAC should inform customers of the surcharge. Review of the education materials on WICA developed in Docket No. DW 08-098 may be informative.

Having reviewed the filing and considered the testimony and evidence presented by the parties, we find the WICA mechanism to be reasonable and we approve it. The mechanism complies with RSA 378:30-a, which prohibits the inclusion in rates of the cost of utility assets not yet in service to customers. WICA-eligible capital improvements must be used and useful in accordance with RSA 378:28 prior to their inclusion in a WICA charge. In accordance with the terms of the settlement agreement, we will review the effectiveness of the WICA in PAC's next rate proceeding.

Having reviewed the record, including the settlement agreement and evidence presented at hearing, we find that the terms of the settlement agreement represent an appropriate balancing of ratepayer interests and the interests of PAC's investors under current economic circumstances and are consistent with the public interest. We further find that PAC's investments in rate base used to serve its customers are prudent and used and useful, pursuant to RSA 378:28. We will adopt and approve the terms of the settlement agreement and approve the revenue requirement and rates contained therein.

Regarding PAC's motion for confidential treatment, RSA 91-A:5, IV states, in relevant part, that records of "confidential, commercial, or financial information" are exempted from disclosure. The Commission has also found that "[c]ustomer information that is financially or commercially sensitive to the customer or which, if released, would likely constitute an invasion of privacy for the customer" are protected under RSA 91-A:5, IV. *City of Nashua*, Order No. 24,495, 90 NH PUC 316, 317 (2005). In determining whether such information should be deemed confidential, we first consider whether there is a privacy interest that would be invaded by the disclosure. *See, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH.*, Order No. 25,094 (April 29, 2010) at 11. Second, when a privacy interest is at stake, the public's interest in disclosure is assessed. *Id.* at 12. Disclosure should inform the public of the conduct and activities of its government; if the information does not serve that purpose, disclosure is not warranted. *Id.* Finally, when there is a public interest in disclosure, that interest is balanced against any privacy interests in non-disclosure. *Id.* This is similar to the Commission's rule on requests for confidential treatment. *See* N.H. Code Admin. R. Puc 203.08.

Applying the above considerations, we conclude that a privacy interest exists in the customer-specific information and the proprietary models provided by AUS Consultants and that such privacy interest would be invaded by the disclosure of the information. We note that the information sought to be protected was not introduced into evidence and thus was not in the record for the Commission's consideration. As such, there is no indication that disclosure of the information will inform the public about the workings of the Commission. No party or person has objected to confidential treatment or asserted that disclosure would inform the public about the activities of the government. Accordingly, in balancing the interests of PAC in protecting this information with the public's interest in disclosure, we conclude that the information should

be protected and we grant PAC's motion. Consistent with N.H. Code Admin. R. Puc 203.08(k), our grant of this motion is subject to our on-going authority, on our own motion, on the motion of Staff, or on the motion of any member of the public, to reconsider our determination.

Based upon the foregoing, it is hereby

ORDERED, that the terms of the settlement agreement are hereby adopted and APPROVED as discussed herein; and it is

FURTHER ORDERED, that Pittsfield Aqueduct Company, Inc.'s request for an overall permanent increase to its annual revenue requirement of 17.45% is GRANTED on a service rendered basis effective June 16, 2010, as detailed above; and it is

FURTHER ORDERED, that Pittsfield Aqueduct Company, Inc.'s request for an overall permanent increase to its annual revenue requirement of 3.18% for capital improvements made at its Berry Pond Dam, as discussed herein, is GRANTED on a service rendered basis effective as of the date of this order; and it is

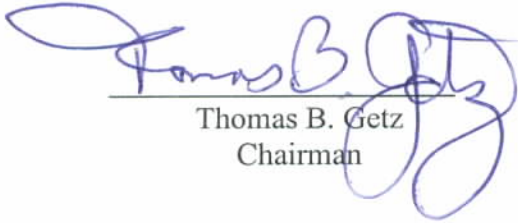
FURTHER ORDERED, that Pittsfield Aqueduct Company, Inc. shall file with the Commission its calculation and reconciliation of temporary and permanent rates no later than thirty (30) calendar days from the date of this order; and it is

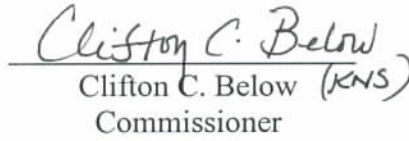
FURTHER ORDERED, that Pittsfield Aqueduct Company, Inc. shall file with the Commission tariff pages in compliance with this order within fifteen (15) days of the date of this order; and it is

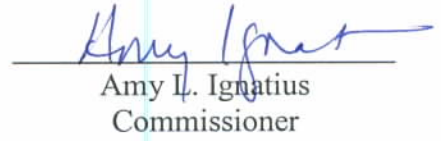
FURTHER ORDERED, that the pending motion for protective order and confidential treatment is GRANTED.

By order of the Public Utilities Commission of New Hampshire this eighth day of June,


2011.


Thomas B. Getz
Chairman


Clifton C. Below (KNS)
Commissioner


Amy L. Ignatius
Commissioner

Attested by:


Debra A. Howland
Executive Director

