

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 13-130**

**PENNICHUCK WATER WORKS, INC.**

**Permanent and Temporary Rate Increase Proceeding**

**Order Suspending Proposed Tariffs and Scheduling Prehearing Conference**

**ORDER NO. 25,524**

**June 20, 2013**

Pennichuck Water Works, Inc. (PWW) provides water service through its core system to approximately 24,600 customers in the City of Nashua as well as the Towns of Amherst, Hollis, Merrimack, and Milford. PWW also serves an approximate additional 2,150 customers in the Towns of Bedford, Derry, Epping, Plaistow, Newmarket, and Salem. On May 1, 2013, PWW filed a notice of intent to increase customer rates. On May 31, 2013, PWW filed proposed tariff pages along with testimony and schedules, pursuant to N.H. Code of Admin. R. Chapter Puc 1600, supporting its proposed rate increase and requested waiver of certain provisions of N.H. Admin. Rule Puc 1604.01. Specifically, PWW seeks waiver of the provisions of Puc 1604.01(a)(1) pertaining to internal financial reports, because it already files such reports with the Commission; Puc 1604.01(a)(18) pertaining to SEC 10K and 10Q forms because Pennichuck Corp. is no longer publicly traded and no longer files such forms; Puc 1601.01(a)(25) and (26) pertaining to duplicating the filing requirements of this subsection for PWW's parent company, because many of the requirements do not pertain to the parent, and that PWW has already certified as to the level of expenses of the parent passed down to PWW. Staff and the Office of the Consumer Advocate (OCA) concurred with these requests, with the OCA noting that its assent should not be construed as agreement that the information is not relevant and that it

receive an electronic copy of the documents. In addition, PWW also filed a petition seeking approval for temporary rates in this proceeding. PWW's filing was made in accordance with Paragraph III.B.5. of the Settlement Agreement approved by the Commission in Order No. 25,292 issued on November 23, 2011 in Docket No. DW 11-026.<sup>1</sup>

PWW seeks a permanent increase in its annual gross operating revenues of \$34,016, or 0.12%, effective July 1, 2013, based on a test year ending December 31, 2012. PWW proposes to apply its requested rate increase of 0.12% uniformly across its various customer classes. As a result, PWW projects that an average residential customer who annually uses ten thousand three hundred cubic feet of water (211 gallons per day) will see their annual water charge increase by \$0.24 from \$583.98 to \$584.22.

With respect to its temporary rate petition, PWW requests that the Commission make current rates effective on a temporary basis, thereby resulting in no increase. PWW requests that temporary rates take effect on July 1, 2013, on a service rendered basis. Should temporary rates be approved, customers' bills will be reconciled with any permanent rates approved by the Commission in this proceeding.

With regard to PWW's rule waiver requests made as part of its May 31 filing, we find those requests to be reasonable, because Staff and the parties will have an opportunity to explore those matters in the discovery phase. We, therefore, grant the requested waivers of N.H. Admin. Rule Puc 1604,01(a)(1), (10), (18), (25), and (26).

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<sup>1</sup> Order No. 25, 292 in DW 11-026 approved a Settlement Agreement relative to the City of Nashua's acquisition of Pennichuck Corporation which is the parent company of the three regulated water utilities, Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. Paragraph III.B.5. of the approved Settlement Agreement provided that the three regulated utilities would simultaneously file their respective first post-acquisition full rate cases not later than June 1, 2013.

PWW's filing raises, *inter alia*, issues related to: RSA 378:7 and whether the proposed temporary and permanent rates are lawful, just, and reasonable; whether test year expenses and *pro forma* adjustments are reasonable; RSA 378:28, and whether the calculation of rate base represents prudent investment in property that is used and useful; whether the special rate making structure, which includes the City Bond Fixed Revenue Requirement (CBFRR); the Rate Stabilization Fund (RSF); the Municipal Acquisition Regulatory Asset (MARA); and the City of Nashua's Eminent Domain Costs, remains just and reasonable.

**Based upon the foregoing, it is hereby**

**ORDERED**, that Pennichuck Water Works, Inc.'s NHPUC NO. 6 WATER – Proposed First Revised Pages, 43, 44, 45 and Proposed Second Revised Page 47 are hereby suspended; and it is

**FURTHER ORDERED**, that a Prehearing Conference, pursuant to N.H. Code Admin. R. Puc 203.15, be held before the New Hampshire Public Utilities Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on July 17, 2013 at 10:00 a.m. at which each party and the Commission Staff will provide a preliminary summary of its positions with regard to the filing; and it is

**FURTHER ORDERED**, that immediately following the Prehearing Conference, PWW, the Commission Staff, and any intervenors hold a technical session to review the issues and recommend a proposed procedural schedule for consideration of the issues raised by the filing; and it is

**FURTHER ORDERED**, that, pursuant to N.H. Code Admin. R. Puc 203.12, PWW notify all persons desiring to be heard at this hearing by publishing by July 1, 2013 a display

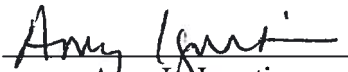
advertisement pertaining to the Prehearing Conference, details of which shall be determined in consultation between PWW and the Executive Director; and it is

**FURTHER ORDERED**, that, pursuant to N.H. Code Admin. R. Puc 203.12, any party seeking to intervene in the proceeding shall submit to the Commission seven (7) copies of a petition to intervene with copies sent to PWW and the Office of the Consumer Advocate on or before July 12, 2013, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Code Admin. R. Puc 203.17 and RSA 541-A:32, I(b); and it is

**FURTHER ORDERED**, that any party objecting to a petition to intervene make said objection on or before July 17, 2013; and it is


**FURTHER ORDERED**, that, pursuant to N.H. Code Admin. R. Puc 203.12(a)(5), each party has the right to have an attorney represent them at their own expense.

By order of the Public Utilities Commission of New Hampshire this twentieth day of June, 2013.

  
Amy Ignatius  
Chairman

  
Michael D. Harrington  
Commissioner

Attested by:

  
Debra A. Howland  
Executive Director