

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 18-090

PENNICHUCK EAST UTILITY, INC.

Small Diameter Private Fire Protection Non-Metered Service

Order Suspending Proposed Tariff

ORDER NO. 26,152

June 26, 2018

In this order, the Commission suspends a proposed set of Pennichuck East Utility, Inc., tariff provisions for small diameter private fire protection non-metered service, and related tariff adjustments.

On May 29, 2018, Pennichuck East Utility, Inc. (PEU), filed tariff changes to accommodate non-metered private fire protection service to customers currently using smaller diameter connections, and to provide pricing and installation specificity for these connections. In support of its petition, PEU filed the testimony of Donald L. Ware, its Chief Operating Officer. Mr. Ware indicated that PEU receives applications from building developers installing “life safety” sprinkler systems in newly constructed homes, as recommended by the International Code Council’s International Residential Code, Section P2094. Ware Testimony at 3. These systems require non-metered private fire protection service connections.

According to PEU, its current tariff is ambiguous regarding the installation of such services. As a result, certain developers are installing a single, larger service line instead of following the better practice of installing two service lines, one for domestic flows and one for fire protection flows. To allow for greater flows, those developers are installing 1 inch meters (\$51.76 per month) instead of the typical 5/8 inch meters (\$17.19 per month). Thus, customers

in those homes are paying more than necessary for domestic service. In addition, PEU states that 1 inch meters contribute to PEU's unaccounted-for or lost water and greater meter testing costs, as 1 inch meters are less sensitive and require more frequent testing than 5/8 inch meters.

To address this issue, PEU is proposing tariff provisions to require that single-family residential customers with fire protection service be required to have two services, both with outside shut-off valves. PEU also proposes to "grandfather" existing single service customers taking service on or before December 31, 2018, with 1 inch meters for combined fire protection and domestic use water systems. PEU has identified 82 existing services eligible for grandfathering treatment, with 22 additional services possible before the end of 2018. PEU proposes to charge those grandfathered customers the approved monthly charge for a 5/8 inch meter (\$17.19 per month) plus the charge for a 1 1/2 inch fire protection rate under the proposed tariff (or \$8.06 per month, for \$25.25 per month total). This grandfathered rate would only apply to those customers with this type of service and for meters installed and placed into service on or before December 31, 2018.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2018/18-090.html>.

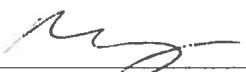
This filing raises, *inter alia*, several issues; whether the proposed tariff provisions are just and reasonable under RSA Chapter 378, RSA 374:1, and RSA 374:2; whether the affected classes of PEU customers are being treated consistently under the terms of the proposed tariff; and whether the proposed tariff will ensure consistent quality of service, fair terms of service, and fair and accurate billing for PEU customers.

Here, PEU's proposed tariff provisions warrant further investigation. We will therefore, suspend the proposed tariff pages filed by PEU pending our investigation for a period of three months, or until September 27, 2018, pursuant to RSA 378:6, I(b).

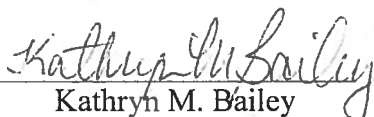
Based upon the foregoing, it is hereby

ORDERED, that the proposed tariff pages regarding the non-metered private fire protection service by PEU are hereby **SUSPENDED** pursuant to RSA 378:6, I(b), through September 27, 2018, pending investigation and further order of the Commission.

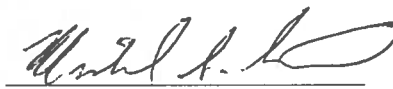
By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of June, 2018.



Martin P. Honigberg
Chairman

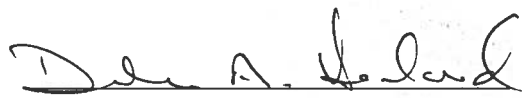


Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director