

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 07-032**

**PENNICHUCK EAST UTILITY, INC.**

**Permanent and Temporary Rate Proceeding**

**Supplemental Order of Notice Suspension of Proposed Tariffs**

**ORDER NO. 24,782**

**August 9, 2007**

Pennichuck East Utility, Inc. (PEU) provides water service to approximately 5,000 customers in limited areas of the towns of Atkinson, Bow, Chester, Derry, Exeter, Hooksett, Lee, Londonderry, Litchfield, Pelham, Plaistow, Raymond, Sandown, and Windham. PEU filed a Notice of Intent to file rate schedules on March 1, 2007, and it filed tariff schedules on April 20, 2007 proposing to increase rates to all of its general metered customers as well as to certain fire protection customers located in Litchfield, Londonderry, and Pelham. PEU seeks a permanent rate increase in annual revenues in the amount of \$864,285 or 20.92%. PEU asserts that the increase in revenues is required because its actual overall return on investment, as of December 31, 2006, was 4.94% or 336 basis points below its currently allowed rate of return of 8.30%.

Order No. 24,749 was issued on May 18, 2007 suspending the proposed tariffs and setting a prehearing conference and technical session for June 14, 2007. At the prehearing conference, the intervention request of the City of Nashua was granted. Staff and the parties proposed a procedural schedule to govern the remainder of the proceeding, which was approved on June 19, 2007. A hearing on temporary rates was held on August 7, 2007, and a hearing on permanent rates is scheduled for February 26, 2008.

On August 6, 2007, PEU informed the Commission that the towns of Bow, Raymond,

and Windham had not been provided notice of this proceeding. PEU has no rate currently in effect for municipal fire protection in these towns but, based on a cost of service study filed with the Commission on June 13, 2007, it proposes to charge monthly hydrant charges in Bow, Raymond, and Windham as follows:

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$56.30	\$70.38	\$84.45	\$98.53	\$112.60

At the temporary rate hearing held on August 7, 2007, the Company suggested that the fire protection rates for Bow, Raymond and Windham be made effective as of the date of an order on permanent rates in this proceeding.

The filing raises, inter alia, issues related to whether the proposed fire protection rates are lawful, just and reasonable as required by RSA 378:7 whether the proposed rate design is fair and reasonable; and whether the proposed effective date is appropriate.

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

**ORDERED**, that Pennichuck East Utility, Inc.’s NHPUC NO.1 WATER, Proposed Original Page 47, Proposed Original Page 48, and Proposed Original Page 49 are hereby suspended in order to conduct a thorough investigation prior to rendering a final order in this proceeding; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.01, Pennichuck East Utility, Inc. notify customers who may be subject to the municipal fire protection rates Pennichuck East Utility, Inc. proposes in the towns of Bow, Raymond, and Windham by mailing a copy of this order by first class mail to said customers no later than August 23, 2007, and that Pennichuck East Utility, Inc. confirm with the Commission on or before August 28, 2007 that said mailing was made; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Pennichuck East Utility, Inc. and the Office of the Consumer Advocate on or before September 7, 2007, 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. Admin. Rule Puc 203.02 (a)(2); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before September 14, 2007.

By order of the Public Utilities Commission of New Hampshire this ninth day of August, 2007.

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Thomas B. Getz  
Chairman

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Graham J. Morrison  
Commissioner

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Clifton C. Below  
Commissioner

Attested by:

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Lori A. Normand  
Assistance Secretary

Any individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-7319; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Preferably, notification of the need for assistance should be made one week before the scheduled event.