

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 13-128

PITTSFIELD AQUEDUCT COMPANY, INC.

Permanent and Temporary Rate Increase Proceeding

Order Suspending Proposed Tariffs and Scheduling Prehearing Conference

O R D E R N O . 25,525

June 20, 2013

Pittsfield Aqueduct Company, Inc. (PAC) provides water service to approximately 626 customers in the Town of Pittsfield, NH. On April 29, 2013, PAC filed with the Public Utilities Commission (Commission) a Notice of Intent to File Rate Schedules. On May 31, 2013, PAC 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, PAC 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 PAC's parent company, because many of the requirements do not pertain to the parent, and that PAC has already certified as to the level of expenses of the parent passed down to PAC. 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, PAC also filed a petition seeking approval for temporary rates in this proceeding. PAC'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 11-026.¹

PAC seeks a permanent increase in its annual gross operating revenues of \$63,909, or 9.34%, effective July 1, 2013, based on a test year ending December 31, 2012. PAC states that this increase is based on increases in capital and operating costs as well as investment in its treatment systems to ensure continued compliance with the Safe Drinking Water Act.

With respect to its temporary rate petition, PAC requests a \$47,878, or 7.00%, increase in its annual gross operating revenues to take effect on July 1, 2013, on a service rendered basis. In support of its request for temporary rates, PAC asserts that its current rates do not provide sufficient funds in order to cover the costs of short term borrowings. Therefore, PAC seeks temporary rates to generate revenues sufficient to minimize borrowings in order to maintain operations. PAC proposes to spread the proposed temporary increase uniformly across all customer classes. As a result of the requested temporary rate increase, PAC projects that an average residential single family home that annually uses seven thousand cubic feet of water (143 gallons per day) will see their annual water charge increase by approximately \$48 from \$686 to \$734, or \$4 per month. Should temporary rates be approved, customers' bills will be reconciled with any permanent rates approved by the Commission in this proceeding.

With regard to PAC'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

¹ 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.

those matters in the discovery phase. We, therefore, grant the requested waivers of N.H. Admin. Rule Puc 1604(a)(1), (10), (18), (25) and (26).

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 PAC's rate design remains reasonable; 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 Pittsfield Aqueduct Company, Inc.'s NHPUC NO. 5 WATER – Proposed Ninth Revised Page 38, 39, and 40; Proposed Second Revised Page 44, Proposed Third Revised Page 44, Proposed Second Revised Page 46, 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 19, 2013 at 1:30 p.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, PAC, 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

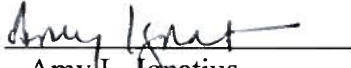
FURTHER ORDERED, that, pursuant to N.H. Code Admin. R. Puc 203.12, PAC notify all persons desiring to be heard at this hearing by publishing by July 1, 2013 a display advertisement pertaining to the prehearing conference, details of which shall be determined in consultation between PAC and the Executive Director; and it is

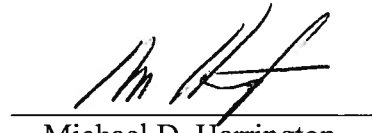
FURTHER ORDERED, that, pursuant to N.H. Code Admin. R. Puc 203.12, any party seeking to intervene in the proceeding shall submit to the Commission seven (7) copies of a petition to intervene with copies sent to PAC and the Office of the Consumer Advocate on or before July 12, 2013, such petition stating 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 19, 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 L. Ignatius
Chairman


Michael D. Harrington
Commissioner

Attested by:


Debra A. Howland
Executive Director

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 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.