

STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

June 16, 2021

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

RE: DW 21-115 Pennichuck Water Works, Inc. Special Contract #5 with Anheuser-Busch, LLC
DW 11-018 Pennichuck Water Works, Inc. Special Contract #4 with Anheuser-Busch, LLC
Staff Recommendation Regarding Motion to Extend
Special Contract #4

Dear Ms. Howland:

Commission Staff (Staff) submits the following recommendation regarding Pennichuck Water Works, Inc.'s (PWW's or the Company's) motion to extend its fourth special contract with Anheuser-Busch, LLC (AB), during the pendency of the Commission's review of its proposed, fifth special contract.

On June 4, 2021, PWW filed a request for approval of its fifth special contract with AB (the Fifth Contract). The currently effective fourth special contract between PWW and AB (the Fourth Contract) expires on June 30, 2021. On June 14, 2021, PWW filed a motion (the Motion) requesting a temporary extension of the expiration date of the terms of the Fourth Contract, from June 30, 2021 to the date the Commission issues its approval of the Fifth Contract.¹

In support of the Motion, the Company indicated that before the Fifth Contract can be approved the Commission will be reviewing (1) a new cost of service (COS), (2) whether the rates PWW proposes to charge AB support the costs, and (3) the contract itself. The extension would provide "ample review opportunity," enabling the Commission to ensure the contract is consistent with the public interest. PWW believes an extension satisfies RSA 378:18 and asserts it is in the public interest that PWW deviate from the general rate schedules during the extension period because AB is a

¹ PWW filed its motion in Docket DW 11-018. Because it was not filed in DW 21-115, a copy of PWW's June 14th letter and motion are included here, as an attachment to this letter

critical, large customer of PWW² and has invested in the infrastructure used to obtain water from PWW.

PWW states that, upon approval of the Fifth Contract, it will request a reconciliation of the extension period revenue for the difference between the Fourth and the Fifth Contract rates. The Company states that this will make the parties whole, and will further protect customers, the public, PWW, and AB.

PWW filed its Motion based on Staff's suggestion, provided in an e-mail exchange. Both Staff and the Company agree that an extension of the Fourth Contract is necessary in order to allow the Commission sufficient time to complete the review process of the proposed Fifth Contract. Staff believes, because AB is PWW's largest customer in terms of consumption, that an extension of the currently effective special contract meets the requirement of RSA 378:18. Staff, therefore, recommends the Commission grant PWW's motion for a temporary extension of the Fourth Contract.

Thank you for your attention to this matter.

Sincerely,

/s/ David Goyette

David Goyette
Utility Analyst III, Gas-Water Division

cc: Service List

Attachments: PWW Letter and Motion for Extension of Special Contract #4

² According to Testimony of Donald L. Ware, p 10, ln. 6-10, Anheuser-Busch is "far and away PWW's largest customer in terms of demand." Mr. Ware indicated that in calendar year 2020, AB used 265,881 1000/gals of PWW water, "or about 6.3% of PWW's total average daily usage in 2020."



Marcia A. Brown
Attorney at Law

Environmental Law ▪ *Utility Law*

June 14, 2021

ELECTRONIC AND MAIL DELIVERY
Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N.H. 03301

Re: DW 11-018 – Pennichuck Water Works, Inc. and Anheuser-Busch, LLC
Motion to Extend Special Contract

Dear Director Howland:

Attached please find for filing, Pennichuck Water Works, Inc.'s motion to extend the fourth special contract approved in this docket. As stated in the motion, the fifth special contract is under consideration in Docket No. DW 21-115.

Thank you for your assistance with this filing. Please do not hesitate to contact me if you have any questions.

Very Truly Yours,

A handwritten signature in black ink that reads "Marcia A. Brown".

Marcia A. Brown

Enclosures

cc: Docket Related Service List

STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

Docket No. DW 11-018

PENNICHUCK WATER WORKS, INC.

**MOTION TO EXTEND FOURTH SPECIAL CONTRACT
WITH ANHEUSER-BUSCH**

NOW COMES, Pennichuck Water Works, Inc. (PWW) and requests that the Commission approval, pursuant to RSA 378:18, an extension of the fourth special contract between PWW with Anheuser-Busch, LLC (AB) for water service to the AB's Merrimack, New Hampshire facility in Merrimack, New Hampshire. In support of this request, PWW states as follows:

1. PWW is authorized by the Commission to provide water service in the City of Nashua and towns of Amherst, Bedford, Derry, Epping, Hollis, Merrimack, Milford, Newmarket, Plaistow, and Salem, New Hampshire as well as in Tyngsboro, Massachusetts.

2. AB is a New Hampshire business registered with the N.H. Secretary of State to do business in the State. AB owns and operates a facility in Merrimack. AB has been a long-time customer of PWW and has received service largely under special contracts. The first contract for water service was dated March 3, 1969. A second contract between AB and PWW was dated July 1, 1995. A third contract between AB and PWW was dated October 5, 2004. The present, fourth special contract (Fourth Contract) was dated January 18, 2011 and approved by the Commission in the instant docket by Order No. 25,230 on June 9, 2011. This Fourth Contract expires June 30, 2021.

3. On June 4, 2021, PWW filed its petition for approval of a fifth special contract (Fifth Contract) between AB and PWW as well as pre-filed testimony of Donald L. Ware and

attachments in support of the petition. The Commission docketed this request as DW 21-115. The fifth special contract is attached hereto as Attachment A. Testimony of Donald L. Ware in support of the contract is attached as Attachment B. A cost of service study supporting the proposed rates in the fifth contract is attached to Mr. Ware's testimony as Attachment DLW-1.

4. As part of the Fifth Contract, AB and PWW request the Commission temporarily extend the terms of the Fourth Contract until the Commission approves the Fifth Contract. See paragraph 3 of Attachment A. See pages 9 and 10 of Attachment B. Also, upon approval of the Fifth Contract, the parties request approval of a reconciliation of the difference between the Fourth and Fifth Contracts. *Id.*

5. PWW has been asked by Staff to also file this extension request and reconciliation request in the instant docket, DW 11-018.

6. PWW believes this temporary extension request satisfies RSA 378:18 and that it is in the public interest that PWW deviate from the general rate schedules because of the same reasons previously found on multiple occasions by the Commission: (1) that AB has paid for infrastructure to obtain water service from PWW; and (2) because AB is a critical large customer of PWW.¹ Also, a new cost of service study has been conducted to inform the parties as to the costs to provide service to AB and what the rates should be charged to support those costs. Attachment DLW-1. Furthermore, the Commission will be reviewing anew the cost of service study, the special contract, and rates PWW proposes to charge AB in Docket No. DW 21-115. Therefore, there is ample review opportunity, pursuant to RSA 541-A:31, to ensure that the rates, including the temporary extension, and departure from the general schedules are consistent with

¹ See, DR 95-046, Order No. 21,564 (3/7/1995); DW 04-228, Order No. 24,441 (3/4/2005); DW 11-018, Order No. 25,230 (6/9/2011).

the public interest. The proposed reconciliation mechanism will make the parties whole and will further protect customers, the public, PWW, and AB.

WHEREFORE, PWW respectfully requests the Commission:

- A. Approve a temporary extension of the fourth special contract until the Commission approves the fifth special contract; and
- B. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

PENNICHUCK WATER WORKS, INC.

By its Attorney,

Date: June 14, 2021

By: *Marcia A. Brown*
Marcia A. Brown, NH Bar #11249
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Certificate of Service

I hereby certify that a copy of the foregoing petition and supporting materials have been emailed this day to the Docket Related Service List for this docket.

Marcia A. Brown
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