

STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

Docket No. DW 17-_____

PENNICHUCK WATER WORKS, INC.

**PETITION FOR APPROVAL OF SPECIAL CONTRACT
WITH PENNICHUCK EAST UTILITY, INC.**

Pennichuck Water Works, Inc. (“PWW” or “Company”) requests Commission approval, pursuant to RSA 378:18, to deviate from its general tariff and provide wholesale water service to Pennichuck East Utility, Inc. (“PEU”) under a special contract. In support of this request, PWW states as follows:

1. Pursuant to RSA 378:14, no public utility “shall charge or receive a greater or different compensation for any service rendered to any person, firm, or corporation than the compensation fixed for such service by the schedules on file with the Commission and in effect at the time such service is rendered.” Exceptions to this rule arise and pursuant to RSA 378:18, the Commission may deviate from RSA 374:14 and approve special rates for utility service if it finds that “special circumstances exist which render such departure from the general schedules just and consistent with the public interest...” RSA 378:18.

2. PWW proposes to provide wholesale water service to PEU under terms that will enable PWW to recover the cost to provide such wholesale service and provide long-term stability in water supply to PEU and revenues to PWW. As described in the pre-filed testimony of Donald L. Ware and the Statement of Special Circumstances, the proposed special contract between PWW and PEU will benefit each utility, its customers, and the public. Additionally,

special circumstances exist that render the proposed departure from PWW's general tariff schedules just and reasonable and consistent with the public interest.

3. The primary reasons why the proposed special contract is consistent with the public interest is that PEU's source of supply from the Town of Hudson has decreased as a result of new permitting restrictions from the N.H. Department of Environmental Services on the Town of Hudson's wells. PEU is adding over 400 new customers in Litchfield to respond to the Perfluorinated Octanoic Acid ("PFOA") contamination. This will result in about a 25% increase in Litchfield's customer base resulting in an estimated 16% increase in water supply within the year for Litchfield. PEU's additional water supply demand will exceed its existing water sources (Hudson Wells and the PWW-Hudson interconnection via the Taylor Falls pumping station) and PEU will not be able to meet its calculated maximum daily demand. The proposed PWW to PEU interconnection will be year-round. The existing PWW to Hudson to PEU interconnection is seasonal. If one of Hudson's three wells fail during the winter months, the remaining supply would be insufficient to meet the water supply needs of Hudson and PEU. The water supply shortage would require the emergency operation of the Taylor Falls Booster seasonal connection. The proposed PWW to PEU interconnection will eliminate this risk as well as provide a second feed during the summer months should the Taylor Falls connection be compromised.

4. The cooperation between PWW and PEU in addressing water supply concerns in the Towns of Litchfield, Londonderry, Pelham, and Windham is consistent with the New Hampshire legislature's investigation of regional cooperation among water utilities and the removal of barriers to regional cooperation. See, 2000 N.H. Laws Ch. 64 (investigation of regulatory barriers to regional cooperation) and 2002 N.H. Laws Ch. 141.7 (legislature investigated the feasibility of regional water systems).

5. PWW and PEU seek Commission approval of the special contract no later than October 1, 2017.

WHEREFORE, PWW respectfully requests the Commission:

- A. Approve the proposed special contract between PWW and PEU,
- B. Authorize PWW to provide wholesale water service to PEU pursuant to the terms of the proposed special contract; and
- C. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

PENNICHUCK WATER WORKS, INC.

By its Attorney,

Date: April 24, 2016

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Certificate of Service

I hereby certify that a copy of the foregoing petition and supporting materials have been mailed by first class mail and emailed this 24th day of April 2017 to the Office of the Consumer Advocate.

Marcia A. Brown
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