

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DW 18-189

**PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND
PITTSFIELD AQUEDUCT COMPANY, INC.**

2018 CIAC Tariff Amendments

**Pillsbury Realty Development, LLC's Position Statement
and Conditional Request for a Hearing**

Pillsbury Realty Development, LLC (“Pillsbury”) submits this position statement related to the above-captioned docket and says:

1. On December 19, 2018, Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. (“the Companies”) requested that the Commission amend their tariff pages to reflect recent changes in federal tax law in order to recover the tax liabilities associated with the receipt of contributions in aid of construction (“CIAC”). Pillsbury timely intervened. Pillsbury cited, as a basis for intervention, the financial impact that the tariff amendments would have on Pillsbury with respect to a proposed special contract between Pillsbury and PEU that is the subject of Docket No. DW 18-101. See Pillsbury’s Pet. to Intervene, dated Feb. 1, 2019. The Commission granted Pillsbury full intervenor status with respect to the proceedings.

2. Following discovery and a technical session, on March 25, 2019, Staff provided a recommendation of approval for the proposed tariff amendments with certain additions. Within its recommendation, Staff noted Pillsbury “indicated that, ‘at this time, Pillsbury takes no position on staff’s recommendation in light of its discussions with PEU concerning cost

allocations involving the special contract in Docket No. 18-101.” Staff Recommendation, March 25, 2019, at 3.

3. PEU and Pillsbury have successfully negotiated a resolution of the unanticipated tax costs associated with Pillsbury’s CIAC (representing 51% of the estimated costs of the water storage tank, which is the subject of the special contract in Docket No. DW 18-101). The CIAC tax costs associated with the water storage tank will be shared according to the same ratio as the other costs associated with the tank—namely, 51% to Pillsbury and 49% to PEU. PEU filed a revised special contract incorporating the resolution of the unanticipated tax costs in Docket No. DW 18-101. As part of its submission to the Commission, PEU provided a letter of support from Pillsbury with respect to the revised special contract. At the present time, the Commission has not approved the revised special contract, although Staff did previously recommend approval of the original special contract on November 28, 2018. A Supplemental Order of Notice was issued in Docket No. DW 18-101 on April 10, 2019, which scheduled a prehearing conference—at which each party will provide a preliminary statement with regard to the revised special contract—for May 9, 2019 with a technical session immediately following.

4. Provided the Commission approves the revised special contract in Docket No. DW 18-101 in the form proposed by Pillsbury and PEU, Pillsbury has no objection to the tariff revisions being approved. Absent such prior approval of the revised special contract, Pillsbury requests a hearing in the present docket to address the impact of the Companies’ proposed tariffs and to seek imposition of the “net present value” or some other similar, alternative methodology yielding just and reasonable charges. However, Pillsbury respectfully points out that administrative efficiency supports resolving Docket No. DW 18-101 prior to any hearing in the instant matter.

Respectfully submitted,

PILLSBURY REALTY DEVELOPMENT, LLC

By Its Attorneys

GALLAGHER, CALLAHAN & GARTRELL, P.C.

Dated: April 15, 2019

By:


Donald J. Pfundstein, Esq. (NH Bar #2016)

Matthew V. Burrows, Esq. (NH Bar#20914)

214 North Main Street

Concord, NH 03301

pfundstein@gcglaw.com

burrows@gcglaw.com

(603) 228-1181

Certificate of Service

I hereby certify that on this date, a copy of the foregoing was sent to the Service List as well as the Office of the Consumer Advocate via electronic mail.

Dated: April 15, 2019

By:


Donald J. Pfundstein, Esq.