

**STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION**

**PENNICHUCK WATER WORKS, INC.  
DOCKET DW 21-\_\_\_**

**PETITION TO ESTABLISH A TEMPORARY EMERGENCY PURCHASE  
WATER RATE FOR THE MERRIMACK VILLAGE DISTRICT**

**SWORN DIRECT PREFILED TESTIMONY**

**OF**

**DONALD L. WARE**

**October 21, 2021**

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1 **I. BACKGROUND**

2 **Q. What is your name and what is your position with Pennichuck East Utility, Inc.?**

3 **A.** My name is Donald L. Ware. I am the Chief Operating Officer of the Pennichuck Water  
4 Works, Inc. (PWW or the Company). I have worked for the Company since 1995. I am  
5 a licensed professional engineer in New Hampshire, Massachusetts, and Maine.

6 **Q. Please describe your educational background.**

7 **A.** I have a Bachelor in Science degree in Civil Engineering from Bucknell University in  
8 Lewisburg, Pennsylvania and I completed all the required courses, with the exception of  
9 my thesis, for a Masters degree in Civil Engineering from the same institution. I have a  
10 Masters in Business Administration from the Whittemore Business School at the  
11 University of New Hampshire.

12 **Q. Please describe your professional background.**

13 **A.** Prior to joining the Company, I served as the General Manager of the Augusta Water  
14 District in Augusta, Maine from 1986 to 1995. I served as the District's engineer  
15 between 1982 and 1986. Prior to my engagement with the District, I served as a design  
16 engineer for the State of Maine Department of Transportation for six months and before  
17 that as a design engineer for Buchart-Horn Consulting Engineers from 1979 to 1982.

18 **Q. What are your responsibilities as Chief Operating Officer of the Company?**

19 **A.** As Chief Operating Officer, I am responsible for the overall operations of the Company,  
20 including customer service, water supply, distribution, and engineering.

21

1 **II. DESCRIPTION OF EMERGENCY WATER NEED**

2 **Q. What is the purpose of your testimony?**

3 **A.** My testimony explains why PWW is seeking approval for an emergency water rate for  
4 water sold to the Merrimack Village District (MVD), due to a current situation as it  
5 relates to MVD’s ability to comply with and supply water that is in compliance with the  
6 Maximum Contaminant Level (MCL) set by the State of NH for Perfluorooctanoic Acid  
7 (PFOA), as administered by the New Hampshire Department of Environmental Services  
8 (NHDES).

9 **Q. Please describe the reasons and rationale that are driving this request at this time.**

10 **A.** On September 23, 2021, the MVD received notice from the NHDES that the water  
11 produced from 4 of its 6 wells had failed the State of NH/NHDES PFOA standard of 12  
12 parts per trillion (ppt), based upon quarterly samples averaged for a 12-month trailing  
13 period. MVD operates 6 wells at present, in supplying water for their distribution  
14 system, as well as water delivered to other consecutive systems linked to their  
15 distribution systems. Those wells are: Wells 2, 3, 4, 5, 7 and 8. Based upon the  
16 emerging PFOA contamination situation surrounding the Saint-Gobain site in northern  
17 Merrimack, Wells 4 and 5 had previously been found to be contaminated with PFOA  
18 significantly above the current and previous emergency standards, and treatment was  
19 installed and placed online in the Summer of 2020, such that water being produced from  
20 those wells would be in compliance with the NHDES’ PFOA standard. A plan was also  
21 put in place and approved by the residents of the Town of Merrimack, to install treatment  
22 on the remaining wells, with Wells 7/8 slated for MVD to have treatment facilities online  
23 in mid-2021 and Wells 2/3 slated for that installation to be online in mid-2022. Based

1 upon that plan's overall timeframe, and certain unforeseen and uncontrollable  
2 circumstances which impeded the 2021 milestone, Wells 7, 8 and 2, 3 do not currently  
3 have treatment to remove PFOA. At present, the untreated water from these wells  
4 averages between 13 ppt and 25 ppt (based on a four-quarter running average per the  
5 NHDES' monitoring rules).

6 **III. EFFECT OF MVD'S WATER QUALITY PROBLEMS ON PWV CUSTOMERS**

7 **Q. Why is PWV concerned about water quality issues of the MVD?**

8 **A.** PWV is concerned about MVD water issues because PWV, as one of the consecutive  
9 systems alluded to above, has about 376 customers in Bedford who get their water supply  
10 exclusively from MVD and, as another one of the consecutive systems, an additional 75  
11 customers in Amherst who get supplemental water supply from the MVD. Until MVD  
12 can get the Per- and Polyfluoroalkyl Substances (PFAS) treatment facilities up and  
13 running on its untreated wells those PWV customers who depend upon MVD as their  
14 exclusive supplier of water will be receiving water that is in violation of the NHDES  
15 PFOA standard of 12 ppt.

16 **IV. STATE MUTUAL AID GROUP**

17 **Q. Please describe the State's Public Works Mutual Aid Group.**

18 **A.** PWV and MVD are part of the New Hampshire Public Works Mutual Aid Group which  
19 was established to allow communities to share resources with one another to help  
20 alleviate emergencies. PWV views MVD's inability to produce PFOA compliant water  
21 as an emergency and is proposing to provide PFOA compliant water to MVD at its  
22 variable cost of production (the cost of power, chemicals, and carbon) until MVD can get  
23 treatment installed and operational on its non-compliant wells. PWV believes that this

1 assistance, and the basis of the costs used to derive this rate is analogous to any  
2 emergency rates which would be sought for similar situations as this with any other third  
3 parties, is what is envisioned by the New Hampshire Public Works Mutual Aid group.  
4 Also, in light of the many concerns in the State about the presence and adverse health  
5 effects of PFOA, the Company, its management team, and its Board of Directors, feel  
6 very strongly that the ability to aid in this situation where water is available in conformity  
7 with the State' MCL, to both the MVD, and the Company's customers, is an essential  
8 imperative, and the consideration of this rate request should be expeditiously considered  
9 to the benefit of those residents and customers.

10 **V. HISTORY OF MVD'S VIOLATION AND PFAS STANDARD**

11 **Q. Why was MVD issued a Violation notice of the PFAS standard at this time?**

12 **A.** The State standard for certain PFAS compounds, which included a specific standard for  
13 PFOA, went into effect during the third quarter of 2020 and is based on a "four-quarter  
14 running average" such that that the first official compliance period for PFOA was the  
15 third quarter of 2021 (or as of September, 2021). It was the first "four-quarter running  
16 average" for each of MVD's wells 2, 3, 7 and 8 that exceeded the State Standard of 12  
17 ppt and resulted in the September 23, 2021 Notice of Violation from the NHDES to the  
18 MVD.

19 **Q. The NHDES standard for 12 ppt for PFOA was under consideration back in 2019.  
20 Why didn't MVD initiate the design and construction of treatment on Wells 2, 3, 7  
21 and 8 when the NHDES proposes a standard of 12 ppt for PFOA, allowing them to  
22 avoid this Violation?**

1 A. The MVD did react to the proposed standard and, in the winter of 2019, got approval  
2 from its rate payers, via the passage of several warrant articles, to install treatment on all  
3 of its wells. The approved plan was to have the treatment designed, constructed and  
4 online for Wells 7 and 8 by the end of July 2021 and the treatment online for Wells 2 and  
5 3 by July 2022. At the time this vote was taken and approved, the NHDES had not yet  
6 established the final PFAS standards, and as such, MVD's approved plans were prudent  
7 and anticipatory of the needs for treatment, the compliancy needed, and the timing for  
8 which that compliancy could occur given all of the design, construction, and installation  
9 elements of this overall project.

10 **Q. Please explain why the treatment for Wells 7 and 8 did not go online in July of 2021**  
11 **as originally projected?**

12 A. The simple response is the direct and indirect impact of COVID-19. The pandemic  
13 created supply chain difficulties which hampered the ability to procure the granulated  
14 carbon treatment vessels, which no one could have envisioned in the winter of 2019. To  
15 further exacerbate that situation, one of the two carbon treatment vessels that were  
16 procured initially, was damaged in transit to the site, and had to be reordered, creating a  
17 further time delay in getting the treatment for these two wells online. The MVD and its  
18 engineers have worked tirelessly to get the proposed treatment systems up and running as  
19 soon as practical in the current environment.

20 **Q. When does MVD expect the treatment for Wells 7 and 8 to be online?**

21 A. The treatment for Wells 7 and 8 is expected to go online no later than the end of March  
22 2022.

23 **Q. When does MVD expect the treatment for its remaining wells to be online?**

1 A. I should note that according to MVD, Well 3 is being permanently decommissioned and  
2 is being replaced by Well 9. Treatment for Wells 2 and 9 is expected to go online  
3 sometime during the summer of 2022.

4 **Q. Can MVD produce all the water needed from Wells 4 and 5 to meet the demands of**  
5 **its customers, if no outside water is sourced?**

6 A. No. Well 4 and 5 can produce about 0.60 MGD (million gallons per day) on a year-  
7 round basis and can be pushed for a period of months to an average daily production level  
8 of about 0.75 MGD. The base winter demand for MVD is about 1.6 to 1.7 MGD, leaving  
9 a shortfall of 1.0 to 1.1 MGD if MVD were to terminate the use of its PFOA non-  
10 compliant wells, until those wells have treatment installed.

11 **VI. PWW TO PROVIDE WATER TO MVD**

12 **Q. Can PWW provide enough water to MVD to allow it to operate without using its**  
13 **non-compliant wells?**

14 A. Yes, under its existing permits, PWW has sufficient capacity to provide up to 1.0 MGD  
15 to MVD through an existing interconnection with MVD's distribution system on Route  
16 101A in Amherst. PWW's water meets the current NHDES PFOA MCL. When  
17 combined with the production of MVD's wells 4 and 5, this 1.0 MGD will allow MVD to  
18 meet its non-seasonal water demand under all but emergency conditions (ie,: (1) the  
19 temporary loss of operation of Wells 4 or 5, (2) a significant power outage (more than 12  
20 hours) at the interconnection pump station, or (3) a large fire or water main break that  
21 requires additional capacity above base demands to be produced for a period of days).  
22 An emergency situation such as one of these could require MVD to temporarily turn back



1 on one or more of its non-compliant wells to provide water during the emergency, and  
2 then shut those wells back off immediately after the emergency passes.

3 **Q. Please explain why MVD has an existing interconnection with PWW.**

4 **A.** MVD has an existing direct interconnection with PWW on Route 101A in Amherst  
5 which is used to supplement MVD's overall water capacity needs. Given the size of  
6 that interconnection, PWW that can deliver up to 1.0 MGD. MVD has taken water from  
7 this interconnection in the past when there has been a well failure, well maintenance, fire  
8 event, high summer demand, etc. As these are neither health based needs like the current  
9 situation, nor a need that would persist for a prolonged period of time, MVD and the  
10 Company have not requested a special rate for usage of that interconnection to date, as  
11 this short term procurement of water via the interconnection is subject to the Company's  
12 full retail water rates. Should MVD require a long term usage from this interconnection  
13 of a guaranteed minimum daily and monthly quantity, MVD and the Company will  
14 pursue the approval of a special contract to establish a special purchased water rate for  
15 that defined purpose, and the cost of service that would be applicable to those specified  
16 parameters.

17 **Q. You stated that PWW can supply 1.0 MGD and satisfy MVD's non-seasonal water  
18 demand under all but emergency conditions. Please explain what would happen if  
19 an emergency condition arose, where would MVD obtain water?**

20 **A.** As stated above, an emergency situation such as one of these could require MVD to  
21 temporarily turn back on one or more of its non-compliant wells to provide water during  
22 the emergency, and then shut those wells back off immediately after the emergency  
23 passes. This situation would not put either the MVD or the Company in violation of the

1 NHDES PFOA MCL, as the impact of a situation like this would not materially alter the  
2 overall PFOA levels in the system for any significant period of time, and/or alter the  
3 overall hydraulics of the system long term.

4 **Q. Does the N.H. Department of Environmental Services support this solution to**  
5 **MVD's violation? Please explain.**

6 A. Yes. The Company has had discussions with the NHDES, at various levels within that  
7 organization, indicating what is being sought in this filing. They have indicated their  
8 support of this solution, as it brings about a solution for the time period until treatment is  
9 installed and producing water from the non-compliant wells, that would be in compliancy  
10 with the PFOA MCL.

11 **Q. Will this supply arrangement to MVD satisfy the needs of PWW's consecutive water**  
12 **systems you previously mentioned?**

13 A. Yes. As I stated earlier, PWW owns and operates the Greenfield Farms/Cabot  
14 Preserve/Parker Ridge water system in Bedford. That system is comprised of about 376  
15 customers. MVD is the exclusive source of water for this subdivision. PWW also owns  
16 and operates the Souhegan Woods system in Amherst. That system is comprised of  
17 about 75 customers and receives supplemental water from MVD. PWW ordinarily  
18 purchases water from MVD for these systems. PWW's supply of water to MVD during  
19 this emergency will mean that PWW's customers in these systems will continue to  
20 receive safe and adequate water as required by RSA 374:1. Additionally, as a  
21 precautionary measure, and to provide some relief to the MVD system and the overall  
22 water needs, the Company has "shut off" the interconnection to the Souhegan Woods  
23 system for the time being, and plans to leave that turned off until the non-compliant wells

1 are treated and back online. The Company has the ability to do this, as that  
2 interconnection is a supplementary connection for that system, as its wells and storage in  
3 the system can meet the base demands there. Should an emergency situation (ie. a pump  
4 failure on those wells, or a fire, where additional capacity is needed) the connection can  
5 be turned back on temporarily, until that emergency has passed.

6 **Q. Will this supply arrangement impinge on PWW’s supply needs?**

7 **A.** No. The Company has ample capacity to meet the needs through the existing  
8 interconnection.

9 **VII. PROPOSED RATE**

10 **Q. Why is PWW seeking to propose an emergency rate in lieu of just charging MVD its  
11 current retail rate?**

12 **A.** The retail rate is not intended for this type of situation. MVD owns its own  
13 infrastructure. The retail rate is predicated upon the premise of an ongoing customer of  
14 the Company, purchasing water along with all of the other customers, with a water rate  
15 that is designed not only for variable cost of production, but also the long-term carrying  
16 costs of supplying water inclusive of capital costs. Here, MVD would take water from  
17 PWW at the Route 101A interconnection point and then transport the water within its  
18 own system.

19 Next, this is an emergency situation relating to the delivery of “health based” water in  
20 compliancy with the PFAS standards in the State, to both MVD and PWW’s customers.

21 That is not to be understated, as to the importance and urgency of this filing and request.

22 In addition to the retail rate being more than the cost to serve MVD, charging the retail

23 rate would essentially bankrupt MVD. The cost of 1.0 MGD at PWW’s current retail rate

1 (\$4.03 per hundred cubic feet (CCF)), would result in a charge of about \$5,388 per day,  
2 or approximately \$161,600 per month (based on a 30-day month). This would be a short-  
3 term boon for PWW's water revenues but this would constitute a subsidy from MVD to  
4 PWW and its customers. To put this in perspective, if the retail rate was charged for a  
5 period of around 5 months (late October to late March), until the expected treatment  
6 comes online for Wells 7 and 8, the additional operating cost for the purchased water  
7 from PWW (by MVD) would be about \$808,160. This is almost 20% of MVD's annual  
8 operating budget and is not an expense it has budgeted for. Over and above the  
9 magnitude of this large cost of MVD purchasing water at PWW's retail rate for this 5-  
10 month period is the important fact that MVD only has about \$140,000 in its currently  
11 available and approved discretionary funds from which it could use those funds to  
12 purchase water from PWW. As such, this cost is well above and beyond that which is in  
13 MVD's current budget and would require them to seek approval for those excess needed  
14 funds via a public meeting (including a significant time delay for that process in this  
15 emergency situation) where the MVD Board would seek the authority from its rate payers  
16 to spend these additional funds. Absent that entire process approving those additionally  
17 needed funds, MVD could only purchase water from PWW to supplement the water from  
18 Wells 4 and 5 for a about 1 month, based upon its existing available funds, and then it  
19 would need to revert back to using water from MVD's PFOA non-compliant wells to  
20 provide water to its customers (which is entirely contrary to the overall intentions of a  
21 public water utility, in supplying water in compliancy with water standards, if at all  
22 possible). This very "tug of war" between costs and health based production and supply  
23 is something that is imperative in its ability to swing the pendulum to providing health

1 compliant water, unlike decisions that have been made in other parts of the country (and  
2 widely publicized throughout the country and the region), where decisions were not made  
3 in this same vein, and supported and/or ignored by the direct (a municipality or public  
4 water system) and indirect (regulators) parties to those situations.

5 If PWW can sell water to MVD at its variable cost of production, which is about \$0.67  
6 per CCF, for the duration of the water quality emergency, then MVD's expected  
7 additional costs for purchasing 1.0 MGD of water for about 5 months (until treatment  
8 goes online for Wells 7 & 8) would be about \$134,360. This aggregate sum is within the  
9 bounds of the budgetary authority granted to MVD until its next annual meeting in the  
10 spring of 2022, which in turn would not require a special meeting and vote to purchase  
11 water from PWW necessary to allow MVD to keep all of its PFOA non-compliant wells  
12 off line until the treatment facilities are completed on those wells.

13 **Q. Please explain the basis of the \$0.67 per CCF emergency rate.**

14 A. The basis is PWW's actual variable cost of producing water in 2020 inclusive of  
15 projected increases in PWW's power and chemical costs that are anticipated to occur in  
16 2022.. 2020 is being used as the basis for this calculation, as it is the most recent year for  
17 which the Company has a full year's worth of data to support the calculation. This cost is  
18 detailed in Attachment DLW-1 to this testimony. It is the total cost of electricity,  
19 chemicals, and consumed carbon capacity divided by the total gallons of raw water  
20 delivered to the Company's water treatment plant, treated at the water treatment plant,  
21 and then delivered into PWW's distribution system for consumption by its customers.  
22 The 2020 electric expenses, and chemical expenses have then been adjusted to proform  
23 the projected 2022 electric and chemical expenses based upon the current market

1 conditions and projections as to what will happen to those conditions over the next year.

2 In Attachment DLW-1, the 2020 Electrical energy supply cost per KWH is projected to

3 increase from its current level of \$0.0695 per KWH to \$0.1200 per KWH. Additionally,

4 the incurred electric distribution cost of each KWH (as one of the elements included in

5 the Company's total cost of electricity) is projected to increase by 10% in the model. The

6 cost of chemicals from 2020 to 2022 is expected to increase by about 15% and is treated

7 in the cost model accordingly. Finally, the most recent cost per pound of carbon is

8 included in the model based upon the most recent carbon change out the Company

9 completed May 2020. The carbon is expected to last for about two years and be replaced

10 or "changed out" again in May 2022.

11 **Q. What if PWW's projection of increases to electrical and chemical expenses are**  
12 **incorrect, either too high or too low?**

13 A. PWW is proposing that the rate be set at \$0.67 per CCF until the earlier of: (1) November

14 1, 2022 or (2) the date for which all of MVD's wells have PFOA treatment installed and

15 that treatment is operational, allowing MVD to produce fully PFOA compliant water

16 exclusively from its own wells. PWW is proposing that a reconciliation occur after this

17 emergency period has expired, whereby a final rate (Actual Rate) would be established

18 for the time period that MVD needed PWW as an emergency source by: taking the total

19 variable expenses incurred during that time frame (power, chemicals and carbon) and

20 dividing that total by the millions of gallons produced during that time frame, in order to

21 determine the actual incurred variable cost of producing water during the emergency rate

22 period. The Actual Rate, as determined above, would then be multiplied by all the CCF's

23 used by MVD during the emergency rate period and a final bill would be generated and

1 compared against the amounts paid by MVD during time the emergency rate was in  
2 effect, and any difference (positive or negative) would then be settled up between PWW  
3 and MVD. The Company would anticipate that this reconciliation process and “settling  
4 up” between the parties would occur not later than 90 days after the emergency period  
5 expires.

6 **Q. Why doesn't MVD seek a vote from its customers to expand their budgetary**  
7 **authority to purchase water from PWW at its retail rate and eliminate the need for**  
8 **PWW to seek an emergency rate?**

9 A. An affirmative vote from MVD's voters is not guaranteed. As noted above, a retail rate  
10 is above the cost to provide water to MVD and voters could view this as a subsidy and as  
11 unnecessary and thereby defeat the vote. Paying the retail rate would increase MVD's  
12 budget by 20% for the current fiscal year, which some voters may find objectionable  
13 regardless of the reason for the increase.

14 Also, as with many issues today, the public's view of PFOA and its potential health risks  
15 varies dramatically amongst individuals and entities. Some believe that water with any  
16 detectable level of PFOA (which can only currently be detected down to about 2 ppt) is a  
17 large health issue, whereas some believe that the EPA's current health advisory level of  
18 70 ppt (which is currently under heavy scrutiny, and is being reviewed by the EPA with  
19 the intent of establishing a national MCL by the end of 2023) is fully protective of human  
20 health. Depending on which crowd shows up at the emergency special meeting, the vote  
21 could range from:

- 22 1. Vote that no change to the current budget be approved, which would result in  
23 MVD not being above to buy water from PWW as a way for MVD to deliver

1 PFOA-compliant water to MVD’s customer until treatment was placed into  
2 service on its PFOA non-compliant wells 7 and 8. MVD would still purchase  
3 water from PWW when MVD’s combined wells (both PFOA compliant and  
4 PFOA non-compliant) can’t meet MVD’s base water needs, but this would be  
5 based upon consumption needs, not a need to be in compliance with the MCL.  
6 PWW’s customers would then be directly impacted by an adverse budgetary  
7 decision, in having the water supplied to them being excess of the PFOA  
8 MCL until such time the non-compliant wells are treated, or

9 2. Vote to purchase water from PWW at the current retail rate, such that MVD  
10 does not have to use any PFOA non-compliant wells for its water supply  
11 except in the event of an emergency as defined above, or

12 3. Begin a drawn-out process of deliberation, or deferral on the issue, by and  
13 between the voters. During which time, non-compliant water would continue  
14 to be delivered to residents in MVD and customers of the Company, at odds  
15 with the State’s health based MCL.

16 Based on conversations with the MVD Board, they believe that the most likely result  
17 would be a “no” vote due to the large additional cost and that people are already  
18 consuming PFOA non-compliant water. A “no” vote would leave PWW in a difficult  
19 position with its customers who get water from MVD as PWW has heard from many of  
20 those customers (and the leadership at the Town of Bedford) who are upset that there is  
21 PFOA in the water, and will be very upset when they are notified that the PFOA in their  
22 water supply is above the safe drinking water limits established by the NHDES, in spite  
23 of logical solutions (such as is being requested in this filing) available to avoid this, with



1 either cost or a regulatory approval barring that from being a reality. The term “lawsuit”  
2 has been mentioned numerous times by customers in their discussions with PWW  
3 regarding PFOA contamination. A suit of that type would cause the Company to take a  
4 similar action in reaction to that. And, it is vitally important to note that the Company  
5 and its Board feels that the ability to eradicate this troublesome situation, which is at odds  
6 with the Company’s core mission of providing clean, safe drinking water to its  
7 customers, by simply gaining approval of this emergency rate in conformity with the  
8 Mutual Aid alliance, is essential.

9 **Q. Does PWW believe that offering the proposed rate due to this PFOA contamination**  
10 **event is the best way to protect its customers as well as the customers of MVD?**

11 A. Yes. Offering this rate is the best way to eliminate the need for MVD to operate and  
12 produce water from MVD’s PFOA non-compliant wells for the following reasons:

- 13 1. This will allow MVD to purchase water from PWW without having to seek an  
14 emergency approval from its rate payers, which is risky for the reasons noted above.
- 15 2. This will allow MVD to have access to sufficient fully PFOA compliant water at a  
16 slight increase in operating expenses to allow it to shut of its PFOA non-compliant  
17 wells until the treatment facilities are in service at those wells.
- 18 3. This will ensure that PWW’s customers, who receive their water from MVD, receive  
19 fully PFOA compliant water as soon as practical and for the duration of the  
20 emergency.
- 21 4. This will allow the Company and MVD to proactively communicate to their  
22 respective customers (along with the statutorily required Violation notice that must be  
23 provided to customers of both systems), the positive actions that are already being

1 taken or put into motion to alleviate this situation, as treatment facilities are being  
2 brought online for the non-compliant wells. Not only minimizing concerns for  
3 customers, but also delivering water that is compliancy with the standards.

4 5. The emergency rate is predicated upon PWW’s mutual aid responsibility to help  
5 MVD with water that is fully PFOA complaint with the NHDES drinking water  
6 standards until MVD can come into full compliance with the addition of treatment to  
7 MVD’s wells. It is being offered because there is an emergency as it pertains to the  
8 aggregate water quality provided from MVD’s wells, in spite of the fact that was not  
9 created through any fault of the MVD. The proposed emergency rate is a temporary,  
10 one time rate available only because of the water quality emergency facing the MVD,  
11 and PWW as a result, that it would not have faced except for the pollutions of its  
12 ground water sources by a third party and the unforeseen delays of MVD’s progress  
13 toward the completion of its PFOA treatment systems due to supply chain issues  
14 created directly and indirectly by the COVID pandemic.

15 6. The emergency rate, as proposed, is structured to ensure that the exact variable cost of  
16 producing the supplemental supply of water from PWW to MVD is paid for by MVD.  
17 Thereby assuring the Commission that the Actual Rate for this emergency period of  
18 time would neither subsidize nor benefit from this arrangement, but merely secure  
19 funding to pay for the cost of this water delivered.

20 This emergency rate has a defined “sunset” and a specific application resulting in a  
21 rate that will allow MVD to serve fully PFOA compliant water until their treatment is  
22 online. It will also ensure PWW’s customers receive fully compliant water during  
23 this time period.

1 **VIII. COMMISSION APPROVAL NEEDED BY DATE CERTAIN**

2 **Q. When does PWW need a final order from the Commission to ensure fully compliant**  
3 **water?**

4 **A.** As noted above, MVD can only purchase water from PWW at its retail rate for about 30  
5 days before it loses its budgetary authority to continue to do so. Therefore, to ensure the  
6 flow of PFOA compliant water from PWW to MVD during the duration of the PFOA  
7 water quality violation **it is essential that** an order allowing it to charge the proposed  
8 emergency rate prior to the stated 30-day period expiring. Based upon the fact that MVD  
9 began purchasing water from PWW, via the existing interconnection for this purpose, on  
10 October 20, 2021 an Order is needed from the NHPUC authorizing the proposed  
11 emergency rate, effective **on or before November 19, 2021 and that it be retroactive**  
12 **back to the start of MVD taking water service, October 20, 2021.**


13 **Q. Does this conclude your testimony?**

14 **A.** Yes.

**AFFIDAVIT**

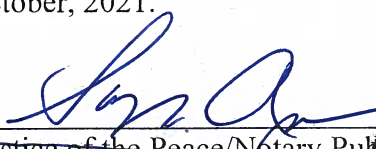
I, Donald L. Ware, P.E., Chief Operating Officer of Pennichuck Water Works, Inc., being first  
duly sworn, hereby depose and say that the foregoing testimony and facts alleged therein are true  
to the best of my knowledge and belief.

Dated: October 21, 2021

  
Donald L. Ware, P.E.

STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

Sworn to and subscribed before me this 21st day of October, 2021.

  
Justice of the Peace/Notary Public  
My Commission Expires:  
