

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 21-137**

**PENNICHUCK WATER WORKS, INC.**

**Petition for Approval of Modification of Accounting Treatment of Leases**

**Order *Nisi* Denying Withdrawal, Suspending Hearing,  
and Requesting Filings**

**O R D E R N O. 26,567**

**January 20, 2022**

On November 12, 2021, Pennichuck Water Works, Inc. (PWW, or the Company) filed a petition, with supporting testimony and exhibits, requesting an Approved Modification of Accounting Treatment of Leases. Specifically, PWW's petition requested Commission approval to account for the Company's lease obligations on a "cash requirement basis" rather than the accrual methodology required by the Financial Accounting Standards Board (FASB) to be applied pursuant to standard ASC 840 and updated FASB standard ASC 842. On December 7, 2021, PWW filed a proposed procedural schedule, developed in conjunction with the NH Department of Energy (Department) in this matter, requesting that the Commission postpone a decision on the petition until January 31, 2022. Based on the Company's filings, on December 21, 2021, the Commission issued a procedural order scheduling a hearing on this matter for January 21, 2022.

On January 13, 2022, PWW filed an amended petition to provide clarification of the accounting standard modification requested, as well as additional references to accounting standards, PUC rules and the State of New Hampshire Uniform System of Accounts for Water Utilities. On January 18, 2022, PWW filed a letter requesting

permission to withdraw its petition and asking the Commission to close this docket. PWW stated in its letter that, based on further consultation, its outside auditors had advised the Company that it continues to have authority to account for its lease obligations on a “cash requirement basis” pursuant to the State of New Hampshire Uniform Chart of Accounts for Water Utilities and consistent with Puc 607.07.<sup>1</sup> As a result, PWW requested that it be permitted to withdraw its petition, and that the Commission cancel the hearing scheduled for January 21, 2022 and close the instant docket without further action.

The Commission has reviewed the petition and the applicable statutes and administrative rules in light of the changes introduced by the FASB in 2016 and subsequent updates. Based on its review, the Commission directs PWW to file in this docket its analysis of the applicability of FASB 840 and 842 (as revised and updated) to PWW’s accounting practices and applicable requirements under New Hampshire law pursuant to RSA 374:8 and Puc 607. Specifically, the Company is directed to address the applicability of the FASB Accounting Standards Update No. 2016-02, Leases (Topic 842) issued in February 2016; Update No. 2018-11, Leases (Topic 842), Targeted Improvements, issued in July 2018; Update No. 2021-05, Leases (Topic 842) issued in July 2021, and other applicable sources, if any.

The Commission further requests that the Department file a recommendation by February 4, 2022, in conjunction with PWW and public comments, on the applicability of FASB 840 and 842, as revised, to the accounting practices and

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<sup>1</sup> We note that the Company’s January 18, 2022 letter refers to Puc 607.01, which pertains to pump station records; Puc 607.07 refers to the Uniform System of Accounts and is applicable here.

applicable requirements under New Hampshire law with respect to PWW, in New Hampshire.

Accordingly, we deny the Company's request at this time for withdrawal of its petition and cancel the January 21 hearing date until further notice.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at [www.puc.nh.gov/Regulatory/Docketbk/2021/21-137.html](http://www.puc.nh.gov/Regulatory/Docketbk/2021/21-137.html).

**Based upon the foregoing, it is hereby**

**ORDERED NISI**, that the request of PWW to withdraw its petition in this docket proceeding is **DENIED**; and it is

**FURTHER ORDERED**, that the hearing scheduled for Friday, January 21, 2022, at 9 a.m. is **CANCELLED** until further notice; and it is

**FURTHER ORDERED**, that PWW shall file its analysis of the applicability of FASB 840 and 842 (as revised and updated) to PWW's accounting practices and applicable requirements under New Hampshire law pursuant to RSA 374:8 and Puc 607 by February 4, 2022, as discussed herein; and it is

**FURTHER ORDERED**, that PWW shall cause a copy of this order to be published on the Company's website within two business days of the issuance of this order, to be documented by an affidavit filed with the Commission on or before February 4, 2022; and it is

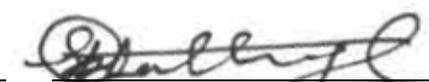
**FURTHER ORDERED**, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than February 4, 2022, for the Commission's consideration; and it is

**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than February 11, 2022; and it is

**FURTHER ORDERED**, that this order shall be effective February 25, 2022, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this twentieth day of January, 2022.

  
Daniel C. Goldner  
Chairman

  
Pradip K. Chattopadhyay  
Commissioner

  
Carleton B. Simpson  
Commissioner

## Service List - Docket Related

Docket# : 21-137

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