



Marcia A. Brown
Attorney at Law

Environmental Law ■ *Utility Law*

September 26, 2024

VIA ELECTRONIC DELIVERY

Daniel C. Goldner, Chairman
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: DW 23-101 Pennichuck Water Works, Inc.; Pennichuck East Utility, Inc.;
and Pittsfield Aqueduct Company, Inc.

Joint Petition for Merger of Pennichuck East Utility, Inc. and Pittsfield
Aqueduct Company, Inc. into Pennichuck Water Works, Inc. and for
Approval of Rates

Supplemental Testimony of John J. Boisvert and Donald L. Ware

Dear Chairman Goldner:

Pursuant to the Commission's temporary filing requirements dated March 17, 2020, Pennichuck Water Works, Inc.; Pennichuck East Utility, Inc.; and Pittsfield Aqueduct Company, Inc. hereby file supplemental testimony concerning the Companies' revisions to their initially proposed rate design in this merger. The testimonies explain the changes proposed, as well as the reasons for the changes. An electronic version of the revised cost of service study attached to the testimony is being provided to the Commission under the confidential protection of Order No. 26,985 (March 29, 2024).

In summary, the Companies no longer recommend a rate design with rate tiers based on "Core" and "Non-Core" customer distinctions. Rather, the Companies now propose an inclining tier rate structure based on usage throughout the service territory:

Tier 1 – 0 to 7 CCF per month
Tier 2 – 8 to 20 CCF per month
Tier 3 - 21+ CCF per month

As explained in the testimony, the Companies believe affordability is better achieved by this rate design because the majority of single family residential customers' winter time use is captured in Tier 1. The Companies use winter time usage as a benchmark for non-discretionary water use because summer usage can have more discretionary outdoor water use than in the winter months.

In addition to the three tiers, the Companies propose a new rate group, G-M Multi-Family Volumetric rate, based upon the per-unit usage, and utilizing the above three tiers. The

Companies have approximately 2,990 multi-family accounts. Of those, approximately 2,300 have 5/8" meters, 245 have 3/4" meters, and 519 accounts have meters sized 1" and above. While the Companies have knowledge of these accounts by meter size and knowledge of the number of units for some accounts, the Companies do not have the exact number of units per multifamily building for all accounts. The Companies expect to complete review of public records such as tax assessor records so as to have complete unit data by PWW's next rate case filing. For those buildings with incomplete data, the Companies propose unit assumptions based on meter size and the flow the meter can pass.

A multi-family building with a regular 5/8" residential meter will be assigned 4 units, so that account can use 0-28 CCF for the first tier, 29-80 CCF in the second tier, and over 80 CCF in the third tier. This is the number of units times the CCF.

A multi-family unit with a 3/4" meter would be assigned 6 units, so that account can use 0-42 CCF in the first tier, 43-120 CCF in the second tier, and over 120 CCF in the third tier. Accounts with meters 1" or larger, will be assigned tiers based on the actual number of units served by the meter. Again, this assignment of units per building will only be done where the number of units is not already known. According to the Companies' records, the usage for the majority of multi-family units will fall within the first two tiers, thereby achieving the affordability the Companies seek.

Thank you for the Commission's assistance with this filing.

Very Truly Yours,



Marcia A. Brown

cc: Docket-Related Service List