

STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

Docket No. DW 24-071

**PENNICHUCK WATER WORKS, INC.
SPECIAL CONTRACT WITH TYNGSBOROUGH WATER DISTRICT**

ASSENTED-TO MOTION TO EXTEND CURRENT FIRST SPECIAL CONTRACT

NOW COMES, Pennichuck Water Works, Inc. (PWW) and requests that the Commission approve, pursuant to RSA 378:18, an interim extension of the first special contract between PWW and the Tyngsborough Water District (TWD) for water service in the event the Commission does not approve the second special contract before the termination of the first special contract on or about July 27, 2024. In support of this motion, PWW states:

1. The first special contract between PWW and TWD was approved by the Commission in *Pennichuck Water Works, Inc.*, Docket No. DW 15-133, Order No. 25,800 (July 28, 2015). This first contract enabled TWD to purchase water at wholesale rates for a term of three years, with two automatic renewals of three years, for a total of nine (9) years. That contract was based on a 2015 cost of service study. That contract expires July 27, 2024.

2. On May, 6, 2024, PWW filed a petition for Commission approval of a second special contract between the parties, for effect July 28, 2024 to seamlessly transition TWD from the existing to the new contract. That second contract is based on a 2024 cost of service study.

3. A comparison of the first and second special contracts is shown on a table on page 2 of the petition. The second special contract contains new rates for: a fixed monthly Demand Charge, and Monthly Meter Charge. These new rates are similar to new terms added to PWW's

recent Commission-approved special contracts: Town of Milford (Docket No. DW 22-070, Order *Nisi* No. 26,763 (January 20, 2023)); Merrimack Village District (Docket No. DW 22-085, Order *Nisi* No. 26,848 (June 14, 2023)); and Anheuser-Busch, LLC (Docket No. 21-115, Order No. 26,647 (July 1, 2022)).

4. In its May 6th filing, PWW requested the ability to charge TWD the existing contract terms until the Commission approves the proposed second contract, in the event approval occurs after July 27, 2024. The Commission has authorized extension of PWW's special contracts pending its review of subsequent proposed special contracts. See Docket No. DW 21-115 involving Anheuser-Busch, LLC. PWW requests this same extension because an extension will avoid the complication of the start and stop of rates when one special contract ends and PWW has to charge its general tariff rates, only to resume special contract rates once the subsequent contract is approved. For simplicity, PWW and TWD are not requesting reconciliation; the parties wish the second contract rates to go into effect as soon as practicable.

5. PWW has been asked by the Department of Energy to file this express six-month extension request to allow for enough time to adequately review this filing. The Department of Energy, the only other party to this docket, assents to this motion.

6. The public benefit of the extension is that it: (1) will allow for a seamless transition for TWD from one contract to the next; and (2) will avoid interim general tariff rates that do not consider the unique cost to serve TWD.

7. PWW believes this temporary extension, if needed, satisfies RSA 378:18 and the public interest for the same reasons articulated in the petition and the accompanying pre-filed direct testimony of Donald L. Ware: (1) that TWD has another source of water supply and could decide to not take water from PWW; (2) TWD has its own storage which mitigates peak usage

and reduces the cost to serve TWD; (3) TWD owns its own infrastructure which again reduces the cost to serve TWD; and (4) because TWD is a critical large customer to PWW and its customers because TWD will contribute almost \$228,000 annually to PWW's fixed costs that, if TWD were not a customer of PWW, PWW would have to collect from PWW's other customers.

8. The Commission has used the authority of RSA 378:18 broadly to approve just and reasonable rates to meet the unique needs of parties. See, e.g., *Aquarion Water Company of New Hampshire, Inc.*, Docket No. DW 16-804, Order No. 25,938 (August 22, 2016) at 4 (approving special contract rates for water supply to the Wiggin Farm Homeowner's Association which was facing an emergency loss of its own water supply).

9. Based on the statutory authorities, traditional ratemaking policy, and past Commission orders, PWW believes the Commission has adequate authority to approve the relief requested in this motion.

10. In conclusion, allowing the first contract to be temporarily extended during the Commission's instant review, to the extent it is needed, will allow ample review opportunity pursuant to RSA 541-A:31 to ensure that the rates, including the temporary extension and departure from the general tariff schedules, are consistent with the public interest.

WHEREFORE, PWW respectfully requests the Commission:

- A. In the event Commission approval of the proposed second special contract between PWW and TWD occurs after July 27, 2024, approve a temporary extension of not more than six months of the current special contract between PWW and TWD; and
- B. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

PENNICHUCK WATER WORKS, INC.

By its Attorney,

Date: June 5, 2024

By: Marcia A. Brown
Marcia A. Brown, NH Bar #11249
NH Brown Law, PLLC
20 Noble Street
Somersworth, NH 03878
(603) 219-4911
mab@nhbrownlaw.com

Certificate of Service

I hereby certify that a copy of the foregoing motion has been emailed this day to the Docket Related Service List for this docket.

Date: June 5, 2024

Marcia A. Brown
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