

**STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**PUBLIC UTILITIES COMMISSION**  
**Docket No. DW 24-071**  
**PENNICHUCK WATER WORKS, INC.**

**SUPPLEMENTAL PETITION FOR APPROVAL OF SPECIAL CONTRACT**  
**WITH TYNGSBOROUGH WATER DISTRICT**

1. The Pennichuck Water Works, Inc. (PWW) files this supplemental request for Commission approval of the proposed special contract with the Tyngsborough Water District so as to reflect in the proposed rates revisions that became known in discovery.
2. On May 6, 2024, PWW petitioned the Commission for approval of a special contract with the Tyngsborough Water District. The existing contract between PWW and the Tyngsborough Water District was set to expire on July 28, 2024. At pages 2-3 of the petition, PWW included a table of the existing first special contract rates verses the proposed second special contract rates.
3. On June 24, 2024, by Order No. 27,024, the Commission granted a six-month extension to the existing special contract; it now expires on January 28, 2025.
4. As a result of discovery conducted in this proceeding, PWW found an error in its Excel workbook. PWW has corrected that error in the attached revised cost of service study (Attachment A). The revision caused a slight change, a decrease, to the volumetric rate and the annual fixed charge as shown in the below replacement rate table. PWW proposes no other changes than those shown in track-change font.

	<b>First Contract</b>	<b>Proposed Second Contract</b>
<b>Base Annual Fixed Fee/Demand Charge</b>	\$0	\$13,770 <del>66.33</del> <b>08</b> monthly (or 165,244 <del>193</del> per annum)
<b>Volumetric Rate (as of 12/31/2023<del>9/30/24</del>)</b>	\$2.5002/CCF	\$1.0582 <del>46</del> /CCF
<b>Minimum Purchase</b>	250,000 GPD	325,000 GPD per year
<b>Annual Ave Daily/Max Daily</b>	250,000/450000 GPD	325,000/525,000 GPD
<b>Peak Hour</b>	575,000 GPD	575,000 GPD
<b>Monthly Fixed Meter Charge for 6” meter</b>	No Fee	\$86.57 per month
<b>Guaranteed Annual Payment</b>	\$305,004 based on guaranteed daily usage of 250,000 GPD	\$334,420 based on guaranteed daily usage of 325,000 GPD <sup>1</sup>
<b>Term</b>	3 years with (2) three-year auto renewals	5-year Initial Term. (2) five-year auto renewals

5. The specific reason causing the rate change was that there was an error in that there should not have been any Account 603, Miscellaneous expenses allocated to TWD but the original study allocated \$13,130 of those expenses to TWD in the “Base” and “Max Day” columns of the Wholesale Allocation calculation in the cost of service analysis. In the initial cost of service study, \$7,503 was reflected under “Base” in row 11, column U and \$5,627 was reflected under “Max Day” in row 11, column V. These expenses were eliminated from that attached revised COSS model as found on page 3 of the attached PDF version of the cost of

---

<sup>1</sup> Within each five-year term, a Contract Year runs from September 1 through August 31st of the following year. In light of the extension of the first special contract, the first Contract Year will include the period of time prior to the start of the usual Contract Year and thus will run from January 28, 2025 to August 31, 2026 instead of September 1 through August 31st. This only applies to the first Contract Year. The guaranteed minimum yearly usage of 325,000 GPD/158,590 CCF is calculated on a Contract Year basis. Please note that measurement units (GPD, CCF, and GPM) vary because certain units of measurements are needed for the cost of service model and flow data for actual peak hour is measured in gallons per minute (GPM).

service study. In the confidential live Excel workbook the revision is found on Tab “Sch. 2 Pro Forma RR”, row 11, columns U and V. Per the American Water Works Assoc. COSS model methodology, Account 603 Miscellaneous Expenses, are not allocated to Special Contracts.

6. The second reason for filing this supplemental petition is to include an expanded explanation of the first “Contract Year” concept and how approval on January 28, 2025 fits into the calculation of the first “Contract Year” minimum guaranteed usage described in paragraph 7(e).

7. Pursuant to paragraph 7(c), the above-noted Base Annual Demand Charge is billed monthly (\$13,766.08). This monthly payment will not change due to the existence of an extended first Contract Year. Pursuant to paragraph 1, a Contract Year runs September 1<sup>st</sup> through August 31<sup>st</sup>. Also, per paragraph 1, the so-called stub year (January 28, 2025 to August 31, 2025) will be added to the first Contract Year for purposes of calculating the consumption credits<sup>2</sup> and whether TWD has satisfied the guaranteed minimum yearly usage under paragraph 7(e) of the contract. This stub year concept is important to calculating the Volumetric Charge consumption credits and benefits TWD’s ability to satisfy the guaranteed minimum usage. Because the consumption credits relate to the volumes used, the extended first Contract Year has no impact on the fixed Base Monthly Annual Demand Charge. This stub year concept was included in a prior special contract<sup>3</sup> approved by the Commission in 2023.

8. For the foregoing reasons, PWW respectfully requests the Commission approve the attached special contract (Attachment B), as revised to reflect the proposed revised rates.

---

<sup>2</sup> The minimum guaranteed purchase amount in the first, extended Contract Year would be 583 days x 434.5 CCF (or 253,313 CCF). After the end of the first extended contract year, the minimum annual usage will be either 365 or 366 days (leap year) times 434.5 CCF per day.

<sup>3</sup> Pennichuck Water Works, Inc. Special Contract NHPUC-2023-4 with Merrimack Village District. See also Docket No. DW 22-085 and Commission Order No. 26,848 (June 14, 2023) approving the contract.

9. The DOE, the only other party in this proceeding, assents to this revision to the cost of service study, proposed rates, and proposed revised second special contract.

WHEREFORE, PWW respectfully requests the Commission:

- A. Approve the proposed special contract between Pennichuck Water Works, Inc. and Tyngsborough Water District, such that it becomes effective on January 28, 2025; and
- B. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

PENNICHUCK WATER WORKS, INC.

By its Attorney,

Date: October 17, 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 supplemental petition and supporting materials have been emailed this day to the Commission's electronic service list for Docket No. DW 24-071.

Date: October 17, 2024

Marcia A. Brown  
Marcia A. Brown