

**AMENDMENT
(CONTRACT NO. NHPUC 2023-3)**

**TO SPECIAL CONTRACT – WATER
CONTRACT NO. NHPUC 1**

**PENNICHUCK WATER WORKS, INC.
WITH
PENNICHUCK EAST UTILITY, INC.**

Date of Signature: April 10, 2023

Effective Date of Agreement: October 10, 2018

Effective Date of Amendment: July 1, 2021

Date of Termination: October 9, 2038

Authorized by NHPUC Order No. 26,782, in Docket No. DW 22-040, Dated March 9, 2023.

AMENDMENT TO WHOLESALE WATER SUPPLY CONTRACT

Between

PENNICHUCK WATER WORKS, INC.

AND

PENNICHUCK EAST UTILITY, INC.

This amendment (“Amendment”) to the special contract entitled *Wholesale Water Supply Contract Between Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc.* (“Agreement”) is made and entered into on the date when signed by the party signing last in time and comprises the Amendment between the parties to said Agreement.

WHEREAS, Pennichuck East Utility, Inc (“PEU”) entered into the above-named Agreement with Pennichuck Water Works, Inc. (“PWW”) and that Agreement was approved by the Commission by Order No. 26,049 dated August 23, 2017 in Docket No. DW 17-071.

WHEREAS, PEU, as of July 1, 2021, is desirous of attaining more water from PWW to replace water supply lost due to the contamination of the Town of Hudson’s Dame and Ducharme wells with Perfluorooctanoic Acid (“PFOA”) above the standard established by the New Hampshire Department of Environmental Services (“NHDES”) for Safe Drinking Water; and

WHEREAS, PWW and PEU (together, “Parties” or individually, “Party”) now desire to amend the Agreement that was entered into on August 23, 2017 to set forth the terms, conditions, and rates with respect to PWW’s supply of water to PEU for the purpose of supplying PEU’s Litchfield, Londonderry, Pelham, and Windham customers.

NOW, THEREFORE, for the consideration set forth in this Amendment and for other good and valuable consideration, the sufficiency of which the parties acknowledge, the parties agree to the following changes to the below terms of the Agreement (new language is **bolded** and underlined; language to be deleted is ~~stricken~~):

1. Section 3(a) of the Agreement, entitled *Quality of Water*, shall be amended as follows:
 - (a) Maximum Daily Demand Subject to the provisions of Section 3(b), PEU shall have the right to take up to, but not in excess of, ~~sevensix~~ **and fifty** hundred thousand gallons of water per day (~~700,000~~ **650,000** gallons per day (“GPD”)) at the Interconnection Point (provided, however, that water taken for non-training firefighting purposes and other declared emergencies shall not be counted toward such maximum quantity).
2. Section 5 of the Agreement, entitled *Fees and Construction Expenses*, shall be amended as follows:

- (a) The Base Monthly Fixed Fee (“BMFF”) will be ~~\$10,101~~**16,081.55**. PWW may only adjust the BMFF in the event a new cost of service allocation study (“Cost of Service Study”) is obtained by PWW and approved by the NHPUC **and where the adjustment to the BMFF is** in direct response to **the need to comply with regulations of** the United States Environmental Protection Agency or the New Hampshire Department of Environmental Services **and where such compliance involves the need to make** material investment in, or upgrades to, the material water supply facilities that serve PEU including, for example, improvements to PWW’s Nashua water treatment plant, its raw water source of supply facilities, the dams along Pennichuck Brook and any distribution facilities necessary to serve PEU. The BMFF shall only be adjusted to the extent that the material upgrade **is necessary to comply with the regulations, is directly attributable to PEU’s cost of service, and is approved** required by the regulatory change as adjudicated by the NHPUC. ~~is directly attributable to PEU’s cost of service.~~
- (b) PEU shall pay a fixed annual fee of ~~\$121,213~~**192,979 (which is the BMFF times 12)**.
- (c) The initial volumetric rate for purposes of calculating the monthly volumetric charge will be ~~\$1.2635~~**0.9161** per one hundred cubic feet (“CCF”) for ~~300~~**400,000** GPD even if PEU uses less than ~~300~~**400,000** GPD. For volumes over ~~300~~**400,000** GPD, PEU will pay a volumetric rate of ~~\$1.2635~~**0.9161** per CCF. This rate is subject to final approval of the volumetric rate by the NHPUC (the “Volumetric Rate”) as part of the proceeding to approve this **amendment of the 2017 Agreement**. Thereafter, the Volumetric Rate may only be adjusted by the same percentage and at the same time as any future change in the volumetric rates for general metered service, as adjudicated by the NHPUC, which PWW charges to its core system customers in the City of Nashua. **The Volumetric Charge includes modifications made from time to time by adjustments to the Qualified Capital Project Adjustment Charge, as approved by the NHPUC. Source: Pennichuck Water Works, Inc., Docket No. DW 19-091, Order No. 26,429 (December 2, 2020).**
- If Commission approval of the revised volumetric rate occurs after July 1, 2021, the difference in revenues between what was actually billed for service July 1, 2021 forward and what would have been billed under the new approved rates will be used to create a bill credit. This bill credit will be returned to PEU as a bill credit over twelve months.**
- (d) The monthly fixed meter charge (“MFMC”) shall be set at ~~\$38.75~~**78.33** per month and reflects the cost to read and bill PEU on a monthly basis in addition to the cost to test the PEU wholesale meter on an annual basis. Thereafter, the MFMC may only be adjusted by the same percentage and at the same time as any future change in the volumetric rates for general metered service, as adjudicated by the NHPUC, which PWW charges to its core system customers in the City of Nashua.

(e) Minimum Annual Purchase Volume – PEU agrees to purchase a minimum of 195,187 CCF (or ~~400~~300,000 GPD) per calendar year January 1 through December 31st from PWW. If at the end of any calendar year PEU has not purchased its minimum guaranteed amount of ~~195,187~~146,390 CCF from PWW, then PEU will be obligated to pay PWW for the difference between the ~~195,187~~146,390 CCF and the volume of water purchased by PEU during that calendar year at the wholesale water rate in effect between PWW and PEU as of June 30th of that year.

(f) Invoices, Payments, and Disconnection of Service

(ii) With respect to payments relating to the minimum guaranteed purchase of ~~195,187~~146,390 CCF, in the event that PEU does not use the allotted base volume of ~~400~~300,000 GPD or ~~109,500,000~~146,000,000 gallons per year (~~195,187~~146,390 CCF per year) over the course of the contract year, then PEU will be required to make a payment within forty-five (45) days of the end of the contract year for the shortage in usage between the minimum required usage of ~~195,187~~146,690 CCF and the actual usage for that contract year.

3. Except as expressly amended by this Amendment, the terms of the Agreement shall remain in full force and effect.

4. This Amendment is subject to approval by the N.H. Public Utilities Commission.

IN WITNESS WHEREOF, PEU and PWW have caused this Amendment to be signed by their authorized representatives as of the date noted below.

PENNICHUCK WATER WORKS, INC.

Carl Am Howe
Witness

By: Donald L. Ware
Name: Donald L. Ware
Title: Chief Operating Officer
Date: April 10, 2023

PENNICHUCK EAST UTILITY, INC.

Carl Am Howe
Witness

By: Larry D. Goodhue
Name: Larry D. Goodhue
Title: Chief Executive Officer
Date: April 10, 2023

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