

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 22-085

PENNICHUCK WATER WORKS, INC.

Petition for Approval of Special Contract with Merrimack Village District

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING
AND NOTICE OF PREHEARING CONFERENCE**

On December 16, 2022, Pennichuck Water Works, Inc. (PWW) filed a petition requesting approval of a special contract for wholesale water supply between PWW and Merrimack Village District (MVD) pursuant to RSA 378:18. In support of its petition, PWW filed the direct testimony of Donald L. Ware, PWW's Chief Operating Officer, and related attachments, including a copy of the proposed contract and a statement of special circumstances. It also filed the direct testimony of MVD Superintendent Ronald Miner, Jr. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at

www.puc.nh.gov/regulatory/Docketbk/2022/22-085.html.

I. BACKGROUND AND PROCEDURAL HISTORY

MVD's water system includes six large wells that can provide 100 percent of its essential water supply, water storage facilities, and three booster stations, including one along Route 101A in Merrimack where the MVD and PWW water systems interconnect. Direct Testimony of Donald L. Ware, December 16, 2022 (Ware Testimony), at 4, 12-14; Petition (Pet.) at ¶¶ 2-3. MVD obtains water from PWW at this interconnection point on an as-needed basis to supplement its water supply when one or more of its wells are out of service or during periods of heavy usage in the summer. Ware Testimony at 4, 13; Direct Testimony of Ronald Miner, Jr., December 16, 2022

(Miner Testimony), at 2. MVD presently pays the General Service-Metered (GM) rates for water it obtains from PWW.

In Order No. 26,597 (March 25, 2022), issued in Docket No. DW 21-134, the Commission approved a special contract between PWW and MVD providing for sale of emergency bulk water supply from October 1, 2021 to December 31, 2022 as a result of per- and polyfluoroalkyl contaminants in several MVD wells. Mr. Miner stated that MVD would like to enter into a wholesale supply arrangement with PWW as a reliable option that would allow MVD to meet its maximum daily demands while it brings other sources within its system online. Miner Testimony at 6. In addition, the proposed special contract for wholesale water supply would better reflect the actual cost of the water service PWW provides to MVD than the applicable tariffed rate. Ware Testimony at 13.

Under the proposed special contract, MVD would guarantee a minimum purchase of 91.24 million gallons of water per year, equivalent to 121,992 hundred cubic feet (CCF) or 250,000 gallons per day (GPD). *Id.* at 6, 9. MVD would agree to a minimum annual average daily usage of 250,000 GPD and a maximum daily usage of 500,000 GPD. *Id.* The rates in the proposed special contract are based on a cost of service study commissioned by PWW. *Id.* at 7, 10-11. PWW would bill MVD monthly for the following: a base fixed fee of \$15,143.13 (\$181,718 annually); a volumetric charge of \$0.9403 per CCF, which would be subject to approved Qualified Capital Project Adjustment Charges; and a meter charge of \$78.33. *Id.* at 7-9.

The proposed special contract would have an initial three-year term beginning on September 1, 2023, with three one-year extension periods. *Id.* at 12; Miner Testimony at 3-4. If approved, MVD would pay \$300,548 per year based on MVD's purchase of 250,000 GPD, compared to \$499,857 based on current GM rates. Ware

Testimony at 14. Under the proposed contract terms, MVD would become PWW's sixth largest customer in terms of demand. *Id.* at 12. PWW and MVD have requested that the Commission approve the proposed contract by June 1, 2023, so that MVD has the needed water supply in time for any increased summer demand. According to the petition, approval of the contract prior to September 1, 2023 would create a "stub year" running from June 1 through August 31, 2023, which will not factor into the proposed usage credits under the proposed contract. Pet. at ¶ 6; Miner Testimony at 3.

On December 21, 2022, the New Hampshire Department of Energy (DOE) filed its appearance in this docket. PWW and the DOE agreed to the following proposed procedural schedule, which PWW filed on January 6, 2023:

Data Requests (DRs), Set # 1	January 18, 2023
Data Responses, Set # 1	February 1, 2023
DRs, Set # 2	February 15, 2023
Data Responses, Set # 2	March 1, 2023
Technical Session (Virtual)	March 15, 2023, at 10:00 a.m.
DRs, Set # 3	March 16, 2023
Data Responses, Set # 3	March 30, 2023
File Settlement Agreement or DOE Report	April 27, 2023

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issue: whether special circumstances exist to support Commission approval of the proposed special contract between PWW and MVD as just and consistent with the public interest under RSA 378:18. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting the prehearing conference and any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a

specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

Based upon the foregoing, it is hereby

ORDERED, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issue pursuant to RSA chapter 541-A, RSA 378:18, and the Commission's procedural rules; and it is

FURTHER ORDERED, that the parties' proposed procedural schedule is APPROVED; and it is

FURTHER ORDERED, that the Commission will hold a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on March 9, 2023, at 9:00 a.m., at which each party should be prepared to address any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

FURTHER ORDERED, that during the prehearing conference, the Commission will consider the matters listed in Puc 203.15(c) and (d); and it is

FURTHER ORDERED, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is

FURTHER ORDERED, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to PWW and any other

parties on the service list, on or before February 24, 2023. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before March 6, 2023; and it is

FURTHER ORDERED, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is


FURTHER ORDERED, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or ClerksOffice@puc.nh.gov. All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, PWW shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before February 17, 2023. In addition, the Clerk shall publish this

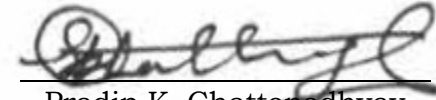
order of notice on the Commission's website no later than two business days after the date of issue; and it is

FURTHER ORDERED, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

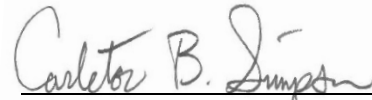
So ordered, this thirteenth day of February, 2023.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

Service List - Docket Related

Docket#: 22-085

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Email Addresses

ClerksOffice@puc.nh.gov
Suzanne.G.Amidon1@energy.nh.gov
mab@nhbrownlaw.com
Energy-Litigation@energy.nh.gov
larry.goodhue@pennichuck.com
david.n.goyette@energy.nh.gov
jay.kerrigan@pennichuck.com
jayson.p.laflamme@energy.nh.gov
jill.lavoie@mvdwater.org
ocalitigation@oca.nh.gov
George.Torres@Pennichuck.com
donald.ware@pennichuck.com