

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 18-189

**PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND
PITTSFIELD AQUEDUCT COMPANY, INC.**

2018 CIAC Tariff Amendments

Order Suspending Tariff and Establishing Prehearing Conference

ORDER NO. 26,211

January 18, 2019

This order suspends proposed tariffs filed by Pennichuck Water Works, Inc. (PWW), Pennichuck East Utility, Inc. (PEU), and Pittsfield Aqueduct Company, Inc. (PAC), that, if approved, would add the cost of federal income tax associated with contributions in the aid of construction, both property and payments, to the contributor; and schedules a prehearing conference.

On December 19, 2018, PWW, PEU, and PAC (collectively the Companies), filed multiple revisions to the Companies' tariffs governing the recovery of resulting tax costs now associated with contributions in the aid of construction (CAIC) from both property or payments received by the Companies, resulting from changes in federal tax law enacted in 2017. The 2017 tax law changes removed the CIAC tax exemption from taxable income for regulated water utilities. The Companies' revised tariff pages to address that change, supporting documents, and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at <http://www.puc.state.nh.us/Regulatory/Docketbk/2018/18-189.html>.

The filing raises, *inter alia*, whether the proposed tariff amendments would result in just and reasonable rates pursuant to RSA 378; whether the proposed tariff amendments would

adequately address the Companies' tax liabilities while providing fair compensation; and whether alternative tariff amendments are available.

The issues presented require investigation and thus suspension of the tariffs under RSA 378:6, I(b) is appropriate. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that Pennichuck Water Works, Inc.'s, Pennichuck East Utility, Inc.'s, and Pittsfield Aqueduct Company, Inc.'s tariff pages pertaining to contributions in the aid of construction taxes, presented on Bates Pages 8 through 45 of the December 19, 2018, filing, are hereby **SUSPENDED** pursuant to RSA 378:6, I(b), pending an investigation for three months from issuance of this order; and it is

FURTHER ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire on February 6, 2019 at 10 a.m., at which each party will provide a preliminary statement of its position with regard to the filing and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

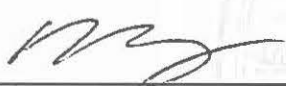
FURTHER ORDERED, that immediately following the Prehearing Conference, the Companies, Staff of the Commission, and any Intervenors shall hold a Technical Session to review the filing and establish a procedural schedule to govern the remainder of the proceedings in this docket; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, the Companies shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order no later than January 25, 2019, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before February 4, 2019; and it is

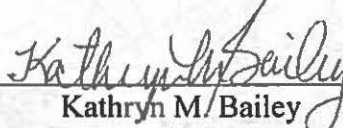
FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any person seeking to intervene in the proceeding shall submit to the Commission an original and six (6) copies of a Petition to Intervene with copies sent to the Companies and the Office of the Consumer Advocate on or before February 4, 2019, such Petition to Intervene stating the facts demonstrating how their rights, duties, privileges, immunities, or other substantial interest may be affected by the proceeding, consistent with N.H. Code Admin. Rule Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before February 6, 2019.

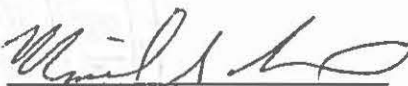
By Order of the Public Utilities Commission of New Hampshire this eighteenth day of January, 2019.



 Martin P. Honigberg
 Chairman

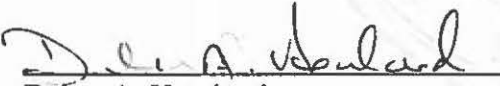


 Kathryn M. Bailey
 Commissioner



 Michael S. Gaimo
 Commissioner

Attested by:



 Debra A. Howland
 Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, 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.