

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 19-___

Pennichuck Water Works, Inc.
General Rate Proceeding

MOTION FOR WAIVER OF CERTAIN RATE CASE FILING REQUIREMENTS

NOW COMES, Pennichuck Water Works, Inc. (“PWW”), in accordance with N.H. Admin. Rule Puc 201.05, and hereby moves the New Hampshire Public Utilities Commission (the “Commission”) to waive certain provisions of N.H. Admin. Rule Puc 1604.01 *Contents of a Full Rate Case*, Puc 1604.07, *Contents of Filing Requirement Schedules*. In support of its motion, PWW states as follows:

Background

1. PWW is a regulated public utility that is wholly-owned by Pennichuck Corporation (“Penn Corp”), which is, in turn, a corporation that is wholly-owned by the City of Nashua, New Hampshire (the “City”). The City acquired its ownership of Penn Corp on January 25, 2012, pursuant to Order No. 25,292 in Docket No. DW 11-026. In approving the acquisition, the Commission also approved modifications to PWW’s revenue requirement structure. PWW’s revenue requirement structure has since been modified in subsequent general rate proceedings, the most significant changes occurring in the 2016 rate case.

2. By Order No. 26,070, in Docket No. DW 16-806, the Commission approved a non-traditional revenue requirement structure for PWW that included a trailing 5-year average test period instead of actual, *pro formed*, data from a single test year. In lieu of traditional rate

base and other traditional components, the new rate structure also included the following three essential components:

- City Bond Fixed Revenue Requirement (“CBFRR”),
- Operating Expense Revenue Requirement (“OERR”) which contains sub-revenue requirements for material and non-material operating expenses, and
- Debt Service Revenue Requirement (“DSRR”) which contains sub-revenue requirements for the principal and interest on all outstanding debt plus a 10% overcover on the principal and interest to meet the bond covenants.

Staff and PWW submitted, for Commission approval, schedules containing these components.

The Commission approved the procedures and methodologies contained in those schedules and ordered PWW to use the schedules in future rate cases. PWW is poised to file a general rate case which will include the approved, modified schedules. Because these schedules depart from those required under PART Puc 1604, PWW is seeking express waiver of portions of that rule to the extent Commission Order No. 26,070 has rendered certain filings inapplicable or unnecessary. For other materials under the rule, PWW seeks a waiver because the material has already been provided and is available at the Commission.

Puc 1604.01 Information

3. Puc 1604.01(a)(1) requests internal financial reports. PWW seeks a waiver of this rule because the information has already been provided to the Commission in PWW’s regular monthly submissions to the Commission. Production of this same information in the rate filing would be unnecessarily duplicative. Pursuant to Puc 201.05(b)(2), PWW believes it has satisfied the rule by an alternative method.

4. Puc 1604.01(a)(18) requests the amount of assets and costs allocated to non-utility operations. PWW seeks a waiver of this rule because, as with the information in Puc 1604.01(a)(1), this information has already been provided to the Commission in PWW's monthly reports to the Commission. Production of this same information in the rate filing would be unnecessarily duplicative. Pursuant to Puc 201.05(b)(2), PWW believes it has satisfied the rule by an alternative method.

5. Puc 1604.01(a)(19) requests balance sheets and income statements for the previous two years if they have not previously been filed with the Commission. PWW seeks a waiver of this rule because this information has already been provided to the Commission in PWW's monthly reports to the Commission. Producing this same information in the rate filing would be unnecessarily duplicative. Pursuant to Puc 201.05(b)(2), PWW believes it has satisfied the rule by an alternative method.

6. Puc 1604.01(a)(20) requests quarterly income statements for the previous two years if they have not previously been filed with the Commission. PWW seeks a waiver of this rule because this information has already been provided to the Commission in PWW's monthly reports to the Commission. Producing this same information in the rate filing would be unnecessarily duplicative. Pursuant to Puc 201.05(b)(2), PWW believes it has satisfied the rule by an alternative method.

7. PWW seeks a waiver of the below information because PWW no longer incurs or generates this information because it is municipally-owned and no longer a publicly traded company and because of its modified revenue requirement structure. The Commission approved PWW's municipal ownership in Order No. 25,292 in Docket No. DW 11-026 (November 23,

2011) which modified PWW's revenue requirement structure. The Commission approved additional changes to PWW's revenue requirement structure in Order No. 25,693 in Docket No. DW 13-130 (July 15, 2014) and in Order No. 26,070 in Docket No. DW 16-806 (November 7, 2017).

- a. Puc 1604.01(a)(2) relative to Annual Reports to stockholders;
- b. Puc 1604.01(a)(6) relative to a list of advertising charged in the test year;
- c. Puc 1604.01(a)(9) relative to a Chart of Accounts, if different;
- d. Puc 1604.01(a)(10) relative to a utility's Securities and Exchange Commission 10K forms and 10Q forms;
- e. Puc 1604.01(a)(12) relative to a utility's most recent depreciation study;
- f. Puc 1604.01(a)(15) relative to officer and executive incentive plans; and
- g. Puc 1604.01(a)(16) relative to voting stock of Officers and Directors of a utility.

Puc 1604.07 Information

8. PWW also seeks a waiver of the below information because PWW no longer incurs or generates this information because it is municipally-owned and is no longer a publicly traded company, it has an approved modified revenue requirement structure, or because the information is being provided on a different, Commission-approved schedule.

- a. Puc 1604.07(a)(11) "Schedule 3 - Rate Base" (for the reason that the Company's approved revenue requirement structure is no longer based on traditional rate base);

b. Puc 1604.07(a)(12) “Schedule 3A - Working Capital” (for the reason that the Company’s approved revenue requirement structure no longer includes traditional working capital); and

c. Puc 1604.07(a)(13) “Schedule 3 Attachment - Pro Forma Adjustment Rate Base” (for the reason that this or similar information will be provided in the Computation of Revenue Deficiency).

Conclusion

9. For the above reasons, PWW believes that the Commission’s prior orders pertaining to PWW have rendered certain filings inapplicable or unnecessary. To the extent additional waiver of the rules is necessary, PWW believes that the Commission’s granting of the instant waiver request for the upcoming rate proceeding serves the public interest and will not disrupt the orderly and efficient resolution of that proceeding. The purpose of the rule has been satisfied by the Commission’s receipt of that information and that information is available for review at the Commission. The intent of the rule is also satisfied where information is provided in another schedule.

10. PWW has contacted the Commission’s Staff and the Office of the Consumer Advocate. The Office of the Consumer Advocate objects to PWW’s request. Staff assents to the relief requested on the condition that if the information called for by the referenced rules is not somehow contained in prior filings, Staff reserves the right to request it from PWW.

WHEREFORE, PWW respectfully requests that the Commission:

- A. Grant this motion for waiver; and
- B. Provide such other relief as is just and equitable.

Respectfully submitted,

PENNICHUCK WATER WORKS, INC.

By its Attorney,

NH Brown Law, PLLC

Date: April 25, 2019

By: *Marcia A. Brown*
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Certificate of Service

I hereby certify that on this 25th day of April, 2019, a copy of this motion has been emailed and sent by first class mail to the Office of the Consumer Advocate.

Marcia A. Brown
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