

THE STATE OF NEW HAMPSHIRE

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May 31, 2019

Marcia A. Brown, Esq.
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P.O. Box 1623
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Re: DW 19-084, Pennichuck Water Works, Inc.
Request for Change in Rates
Grant of Waiver

Dear Ms. Brown:

On April 26, 2019, Pennichuck Water Works, Inc. (PWW) filed a motion for waiver of certain requirements of N.H. Code Admin. Rules Puc 1604 in connection with an upcoming request for change in rates. The Office of Consumer Advocate (OCA) filed a notice of its intent to participate in this proceeding and an objection to PWW's motion for waiver on April 30, 2019. In response to the OCA's objection, PWW filed a reply and modification of its waiver request on May 1, 2019.

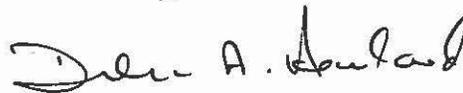
As modified, PWW's motion requested a waiver of Puc 1604.07(a)(11)-(13), which requires a utility filing a full rate case to include the following documents with its "Filing Requirement Schedules:" (11) "Schedule 3 – Rate Base;" (12) "Schedule 3A – Working Capital;" and (13) "Schedule 3 Attachment – Pro Forma Adjustment Rate Base." PWW noted that it is owned by the Pennichuck Corporation, which is owned by a municipality, the City of Nashua, and is not a publicly traded company. PWW maintained that these schedules do not apply to it, in that it has a non-traditional revenue requirement structure approved by the Commission. PWW disputed OCA's argument that the "Schedule 3 – Rate Base" and "Schedule 3A – Working Capital" would provide information useful in evaluating PWW's forthcoming rate request. OCA has taken no position with regard to the "Schedule 3 Attachment – Pro Forma Adjustment Rate Base."

Commission Staff (Staff) filed a letter on May 24, 2019 recommending that the Commission grant PWW's request to waive Puc 1604.07(a)(11)-(13). Staff stated that the return on rate base and depreciation components no longer pertain to PWW because, under PWW's current ratemaking methodology, a debt service component effectively replaced return on rate base and depreciation expense. Staff opined that it would be onerous for PWW to produce these comprehensive schedules when any benefits from them would be marginal. Further, Staff anticipated that, not only would

PWW include information about rate base in its balance sheet and income statement reports, but Commission Audit Staff would examine PWW's accounts comprising traditional rate base.

The Commission has reviewed PWW's modified request for waiver of Puc 1604.07(a)(11)-(13) and, based on Staff's recommendation, determined that the standards for waiver contained in Puc 201.05 have been satisfied. Accordingly, PWW's request to waive the requirements of Puc 1604.07(a)(11)-(13) has been granted.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is fluid and cursive, with the first name "Debra" being the most prominent part.

Debra A. Howland
Executive Director

cc: Service List (Electronically)
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