

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 15-133

PENNICHUCK WATER WORKS, INC.

Special Contract with Tyngsborough Water District

Summary of Order *Nisi* No. 25,800 Granting Petition

July 28, 2015

In an order *nisi* issued today, the Commission approved a special contract between Pennichuck Water Works, Inc. (PWW), and the Tyngsborough (Massachusetts) Water District (TWD), because special circumstances exist that render a departure from PWW's general rate schedules just and consistent with the public interest. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2015/15-133.html>.

On May 1, 2015, PWW filed for approval of a special contract with TWD, which takes water service under PWW's G-M tariff rate. The special contract includes the following terms: a usage rate of \$2.094 per hundred cubic feet (CCF), a minimum daily purchase of 250,000 gallons of water, a base monthly fixed fee of \$21,287.60, a fixed monthly charge of \$38.75 for administrative costs, an upfront payment of \$30,000 for replacement of the 6-inch meter and the costs associated with this proceeding, and a limit to TWD's peak day demand and peak hourly demand of 400,000 gallons and 400 gallons per minute, respectively. In its filing, PWW provided support for its position that, under the special contract, it will fully recover the costs of serving TWD and more fixed-costs revenue than TWD currently contributes under the tariff rate,

approximately \$256,305. The Commission Staff and the Office of the Consumer Advocate, after investigation, supported the Commission's approval of the special contract.

In the order *nisi*, the Commission found that service to TWD constitutes a special circumstance because of its high level of consumption and the low level of cost associated with providing that service. Importantly, the special contract will generate a net contribution to PWW's fixed costs. The Commission further found that the terms and conditions of this contract with TWD are just and reasonable, and consistent with the public good in accordance with RSA 378:18.

To ensure that all interested parties receive notice of this docket and have an opportunity to request a hearing, the Commission delayed the effectiveness of these approvals until August 27, 2015. All persons interested in responding to the Commission's approvals may submit their comments or file a written request for a hearing no later than August 14, 2015. Any party interested in responding to such comments and request for hearing shall do so no later than August 21, 2015. Following consideration of any comments and request for hearing received, the Commission may further extend the effective date of its approvals. The Commission's approvals shall become final and effective on August 27, 2015, unless the Commission orders otherwise.