

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 22-070

PENNICHUCK WATER WORKS, INC.

Petition for Approval of Special Contract with Town of Milford

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

On October 21, 2022, Pennichuck Water Works, Inc. (PWW) filed a petition requesting approval of a new special contract for wholesale water supply between PWW and the Town of Milford (Milford or the Town) 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. 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/2022/22-070.html.

I. BACKGROUND AND PROCEDURAL HISTORY

The Commission approved a 15-year special contract for wholesale water supply that PWW and Milford entered into in 1987, after Milford lost the use of two of its wells due to contamination. *See Re Pennichuck Water Works*, Order No. 19,027, 73 NH PUC 88, 88-89 (March 7, 1988) (decision includes a dissent by Commissioner Bisson). PWW also built a booster station in Milford in 1987. Direct Testimony of Donald L. Ware, October 21, 2022 (Ware Testimony), at 8, 12. In 2003, the Commission approved a new special contract for a 20-year term with automatic renewal for two 10-year extensions, unless a party provided notice of a request to terminate. *See Order No. 24,122* (February 6, 2003). That contract will expire after February 5, 2023 but

permits Milford to extend it twice for 10-year periods. *Id.* at 3, 8; Ware Testimony at 4. The current petition is a result of PWW and the Town jointly seeking to terminate the existing contract and enter into a new one. Petition at ¶ 3.

Milford is PWW's fifth largest customer, in terms of demand. Ware Testimony at 15. In the summer of 2021, Milford notified PWW that it did not wish to renew the second special contract but requested a new contract based on its current needs. *Id.* at 4, 9. Milford presently has two large wells in a single well field, which can provide 100 percent of the town's water supply, and its own water storage facilities, which result in its usage being steady. *Id.* Its contract with PWW provides Milford with a second water supply source in the event one of these wells is not operational or becomes contaminated. *Id.* at 15.

PWW commissioned a Cost of Service Study (COSS) to determine the appropriate rates to charge Milford based on its reduced water needs. *See id.* at 7-9. The parties agreed to a new proposed special contract (Contract) with an initial 5-year term and three automatic 5-year renewal periods and rates based on the COSS, to take effect on February 6, 2023. *See id.* at 6, 9. Pursuant to the terms of the Contract, PWW will pay the costs of demolishing the booster station built in 1987, which has reached the end of its useful life. *Id.* at 11. Milford will pay all costs to design, permit, and construct a new booster station, which it will then own, operate, and maintain. *Id.* PWW will provide a meter for the new booster station to measure the volume and rate of water that Milford uses. *Id.* at 10-11.

Under the Contract, Milford would guarantee a minimum annual purchase of 58,556 hundred cubic feet of water or 120,000 gallons per day (GPD). *Id.* at 5-7, 10. PWW would send Milford a monthly bill consisting of three parts: a fixed monthly charge; a monthly volumetric charge; and a fixed monthly meter charge. *See id.* at 4-5,

10. The base contract rate would be subject to any approved Qualified Capital Project Adjustment Charges or permanent rate increases in effect prior to February 6, 2023. *Id.* at 7. Based on Milford's guaranteed minimum usage of 120,000 GPD, Milford would pay \$206,214 per year under the proposed Contract, compared to \$228,784 under the existing contract. *Id.* at 7.

On October 26, 2022, the New Hampshire Department of Energy (DOE) filed its appearance in this docket. PWW and DOE have proposed the following procedural schedule, which PWW submitted to the Commission for approval on November 3, 2022:

Data Requests (DRs) to PWW, Set # 1	October 27, 2022
Data Responses from PWW, Set # 1	November 10, 2022
DRs to PWW, Set # 2	November 18, 2022
Data Responses from PWW, Set # 2	November 29, 2022
Technical/Settlement Session (virtual)	December 7, 2022, at 9:30 a.m.
DRs to PWW, Set # 3	December 8, 2022
Data Responses from PWW, Set # 3	December 15, 2022
File Settlement/Report	January 5, 2023

II. ISSUES PRESENTED

The filing presents, *inter alia*, the following issue: whether special circumstances exist to support Commission approval of the proposed new special contract between PWW and Milford 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 issues 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 December 15, 2022, 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, immediately following the prehearing conference, PWW shall make appropriate personnel available for the parties to hold a technical session to review the filing; 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 December 2, 2022. 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 December 12, 2022; 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

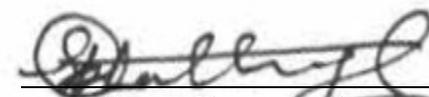
publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before November 22, 2022. In addition, the Clerk shall publish this order of notice on the Commission's website 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.

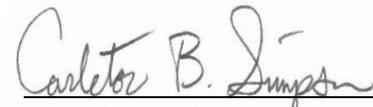
So ordered, this fourteenth day of November, 2022.



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#: 22-070

Printed: 11/14/2022

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