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THE STATE OF NEW HAMPSHIRE



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NHPUC 24APR/14px3:43

April 24, 2014

Debra A. Howland, Executive Director New Hampshire Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301

Re: DW 14-022, Hampstead Area Water Company, Inc. Request to Expand Franchise in Atkinson, New Hampshire Staff Recommendation for Approval

Dear Ms. Howland:

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The purpose of this letter is to offer Staff's recommendation with respect to the petition of Hampstead Area Water Company, Inc. (HAWC) in the above-referenced docket. HAWC seeks to extend its water utility business to serve customers in three new proposed franchise areas in Atkinson, NH. HAWC's petition also requests approval to operate a water system inside of the new franchise areas; for approval of acquisition of assets; and for approval to apply its currently authorized tariff rates in the new franchise areas. Staff has reviewed the filing and the Company's responses to both Staff's and OCA's discovery requests.¹ Based upon this review, Staff supports the petition and recommends the Commission grant HAWC's petition. This recommendation is based upon HAWC's technical, managerial, financial, legal, and other capabilities which enable it to effectively serve the proposed expansion areas in Atkinson.

HAWC has received a request from the Environmental Protection Agency (EPA) for new water service for up to thirty (30) homes north of West Side Drive along the Emery Drive and Oak Ridge Drive area and in the Deer Run Road area in the Town of Atkinson. EPA seeks to connect these customers to a community water system due to 1,4-Dioxane Contamination of the groundwater in this area. HAWC proposes to expand its franchise and provide water service to these homes, which will be served by extending a water main from its current Atkinson-Hampstead core system. This proposed new franchise area is shown as Franchise Key Number 12 (located to the west of route 121) on the Plan Map in Exhibit 4 of the filing and is described by metes and bounds also contained in Exhibit 4 of the filing.

¹ All discovery requests are attached. Voluminous documentation provided in response to Staff 1-4 is omitted.

DW 14-022 HAWC Request to Expand Franchise in Atkinson, New Hampshire Staff Recommendation Page **2**

HAWC will be acquiring the new water system extension from the EPA entirely as Contributions in Aid of Construction (CIAC). The EPA has contracted with an Emergency Response Company (ERS), Guardian Environmental Services, to construct 10,800 linear feet of 8" and 6" main with 6 fire hydrants. The ERS was selected through processes set by the EPA; HAWC was able to review the contract to be certain construction criteria adhered to HAWC's specifications, but had no say in the ERS selection process. HAWC will inspect the system construction to see that the extension will be constructed according to its specifications. The cost of the assets being acquired is \$1,224,300. The out of pocket cost to HAWC is estimated to be \$10,000. These costs consist primarily of HAWC man-hours for meetings, reviewing of plans, contracts and correspondence with the EPS, DES and the Project Engineer regarding the feasibility and planning for the water main extension.

In addition to the area just described, a portion of a Pennichuck East Utility Inc. (PEU) franchise is also located within the contamination area. PEU has agreed to surrender this franchise area to HAWC as it agrees that it is in the best interest of the customers to do so. PEU does not currently serve any customers in this franchise, as all are on private wells. No infrastructure is involved in this transaction between PEU and HAWC, and no consideration, monetary or otherwise was provided to PEU for this transaction. A letter evidencing the agreement to transfer the franchise area is included as Exhibit 11 of the Filing. The franchise area to be transferred is shown as Franchise Key Number 12A on the Plan Map in Exhibit 4 of the Filing, and is also described by metes and bounds in Exhibit 4 of the Filing.

HAWC also seeks an additional new franchise area in an area East of Route 121 that does not fall within the contaminated area. The area is also shown as Franchise Key Number 12 but is the area located to the east of Route 121 on the map in Exhibit 4 of the filing. HAWC indicates that there is development potential by a company related to HAWC, Centerview Hollow Land Company, LLC, for a large tract of land in this area, shown as Tax Map 17, Lot 54. Additionally, there are individual homeowners that have requested water service since HAWC's construction of its Hampstead-Atkinson interconnection, but these customers to this point in time have not been within HAWC's current franchise. There are approximately 80 homes located in this area and several pieces of land that may be serviced by HAWC in the future. There are no costs associated with this portion of the proposed expansion contained in this filing.

HAWC proposes to charge its existing consolidated metered rates in all three proposed franchise areas. The rate is \$10.00 base charge per month with a consumption charge of \$5.02 per 100 cubic feet of water consumed. The Commission found this rate to be just and reasonable pursuant to RSA 378:28 and approved it in Docket No. DW 12-170 in Order No. 25,519.

On January 17, 2014, HAWC notified the Town of Atkinson selectmen of the proposed petition to franchise a limited area along Emery Drive in Atkinson. HAWC requested the selectmen to confirm this notification; the confirmation was received by the

DW 14-022 HAWC Request to Expand Franchise in Atkinson, New Hampshire Staff Recommendation Page **3**

Commission on January 30, 2014. Staff requested that HAWC re-notify the Town of Atkinson selectmen clarifying that the franchise area requested will contain charges for 6 hydrants and also includes the area East of Route 121. Confirmation of the second notification to Atkinson was received on March 25, 2014. The Office of the Consumer Advocate (OCA) participated in the review of this docket, and has authorized Staff to represent that the OCA does not oppose the proposed franchise expansion requested by HAWC in this docket.

HAWC currently provides water service to 3,215 customers in twelve towns in southern New Hampshire, including 1,088 in the Town of Atkinson. Staff believes that HAWC, through its operation of such systems and through the information in the instant filing, has demonstrated that it has the technical, managerial, financial, legal, and other capabilities to enable it to serve the proposed expansion areas in Atkinson. For the reasons indicated above, Staff concurs with HAWC's proposal to provide service to, and charge its existing rates in, the proposed franchise areas. Staff recommends the Commission approve HAWC's franchise request.

If you have any questions regarding this matter, please contact me.

Sincerely,

Descoteau

Robyn J. Descoteau Utility Analyst III

Attachments: Staff Data Responses, Set 1 – see pages 4-10 Staff Data Responses, Set 2 – see pages 11-18 OCA Data Responses, Set 1 – see pages 19-47 OCA Data Responses, Set 2 – see pages 48-55 Letter from Town of Hampstead Selectmen dated 3/24/14 – see pages 56-57

cc: Service list

Answers

Date request received: 02-20-14	Date of Response: 03-03-14	
Staff 1-1	Witness: Charles Lanza	
In the Technical Specifications prepared by W	eston Solutions Section 01010 Summary o	

In the Technical Specifications prepared by Weston Solutions, Section 01010, Summary of Work, scope of work:

- i. 1.2(b) Services: The contract is written as, "The installation of water services to designated residences is not included at this time but may be added to this work."
- ii. 1.2(c) House Service Connections: The contract is written as, "The work of completing the water services, making connections to existing plumbing within the designated residences including valves, backflow preventer, meter and remote reader, where specified, and fittings, and disconnecting the existing private water services in not included at this time but may be added to the work."
 - a) Will HAWC be responsible to complete this work?
 - b) Will HAWC bear any expense for either the service or meter connection?

Response:

- a) HAWC will not be responsible for the work described in 1.2(b) & (c).
- b) HAWC is providing the meter and backflow device. The service and meter connection costs will be borne by the EPA.

Answers

Date request received: 02-20-14Date of Response: 03-03-14Staff 1-2Witness: Charles LanzaRE: Attachment 2, Exhibit 3, and Exhibit 5: Please reconcile the number of customers indicated

RE: Attachment 2, Exhibit 3, and Exhibit 5: Please reconcile the number of customers indicated of 18 customers to the Petition and Harold Morse's Testimony of approximately 30 homes.

Response: Due to the nature of the contamination the number of homes is subject to change as the DES and EPA continue to sample the homes. As of 2/26/14 there are now 19 homes being proposed as the MCL for 20 Brookside Terrace has met the EPA's limit. 30 homes were initially chosen based on discussions with EPA, and that additional homes would likely be added to the 18, but the total would likely remain less than 30.

Answers

Date request received: 02-20-14 Staff 1-3

Date of Response: 03-03-14 Witness: Charles Lanza

Please discuss the proposed expansion to the area east of Route 121:

- a) Is this area involved in any way with the EPA violations?
- b) How many customers are estimated in this specific area?
- c) Are any costs associated with this portion of the proposed expansion?
- d) Does HAWC foresee any capital improvements to this area in the next 5 years?

Response:

- a) The area East of Route 121 is not involved with the EPA violations
- b) There are approximately 80 homes located in this area and a dozen pieces of undeveloped land that may be serviced in the future.
- c) There are no costs associated with this portion of the proposed expansion.
- d) A related company owns some of the undeveloped land in this parcel. The related company's current plans are to start to develop the parcel within the next 2 years. Any water plant constructed in this parcel will be sold to HAWC under terms used in previous developments with the related company.

Answers

Date request received: 02-20-14	Date of Response: 03-03-14	
Staff 1-4	Witness: John Sullivan	
RE: Prefiled Testimony of John Sullivan: Pleas	se provide supporting documentation for the	
\$10,000 of out of pocket expenses.		

Response: From June 2012 through February 2014 the Company spent approximately 132 man hours totaling about \$9,000 for numerous meetings, plan and file reviews, contract preparations, and correspondence with the EPA, DES, and the Project Engineer regarding the feasibility and planning for the NH Dioxane Water main extension. The backup is attached. *

* Backup is available upon request. Staff is omitting from attachment due to volume of data provided by HAWC.

Answers

Date request	received:	02-20-14	
Staff 1-5			

Date of Response: 03-03-14 Witness: John Sullivan

Referencing Continuing Property Records: Hampstead Area Water Company's Continuing Property Records are usually kept with much more detail than what was provided in the filing; will more continuing property detail, such as size and type, be provided as construction is completed?

Response: The Company does not have a direct contract with the ERS doing the construction. The Company's contract with the EPA calls for the EPA to have its ERS provide HAWC with detailed As-Builts and costs. The Company expects that what it receives from the ERS will satisfy the PUC requirements for CPR's.

Answers

Date request received: 02-20-14	Date of Response: 03-03-14	
Staff 1-6	Witness: Charles Lanza	
Please comment on the potential for additional wat	er customers from within or nearby the	
proposed franchise area whether through future co	nnection to the proposed water lines or	

Please comment on the potential for additional water customers from within or nearby the proposed franchise area, whether through future connection to the proposed water lines or by other means, including the extent to which any interest has been expressed in such service.

Response: At this time the EPA is funding the connection of 19 homes and there are an additional 25+ homes that have detections of 1.4 Dioxane that are below the threshold that the EPA is willing to service. The Company cannot estimate how many of these additional homes will be interested in connecting to the system in the near future.

Beyond these homes there are numerous additional homes along the project that will have the potential to connect to the system.

There has also been interest in communities to the East of 121 along Stone Pound Lane, Farview Hill Road, and Woodside Way in the past. Homeowners in these communities have poor water quality and three to four residents have contacted HAWC regarding extending service to their neighborhoods.

Answers

Date request received: 02-20-14 Staff 1-7 Date of Response: 03-03-14 Witness: Charles Lanza

Please state how prospective customers will be informed of who provides water service and of the rates to be charged.

<u>Response:</u> Prospective Customers will receive a letter that water service is being provided along their street to gauge their interest and should they be interested, rates will be provided.

F LegalHAWCDW-14-022 Enery Drive Extension/Discovery/Stall's Data Requests/DW 14-022 HAWC Answers To Stall Data Requests - Set 1 02-20-14 Docs

Answers

Date request received: 03-19-14Date of Response: 03-28-14Staff 2-1Witness: Harold Morse

Has the company provided any notice to property owners in the proposed franchise area east of Route 121 about this request?

Response:

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Harold Morse has verbally notified the owners of both large parcels located in the proposed franchise area and they have no objection. The Company has not notified each individual property located therein.

Answers

Date request received: 03-19-14 Staff 2-2

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Date of Response: 03-28-14 Witness: Harold Morse

Does the company have any knowledge as to whether this request for franchise in the areas east of Route 121 would be welcomed by any of the owners of these larger tracts of land?

Response:

See answer to 2-1.

Answers

Date request received: 03-19-14Date of Response: 03-28-14Staff 2-3Witness: Harold Morse

The company's letter to the Atkinson Selectmen does not mention the request for franchise authority in areas east of Route 121, or for acquisition of the franchise rights of PEU. Please provide notice to the Atkinson Selectmen as to these additional requests for franchise authority and request a response be provided to the Commission.

Response:

See attached letter and map designating the various requested franchise components.

F\Legal\HAWC\DW-14-022 Emery Drive Extension\Discovery\Staff's Data Requests\DW 14-022 HAWC Staff Data Requests - Set 2 - Answers Of Company 03-19-14.Docx



54 SAWYER AVENUE, ATKINSON, NH 03811

TEL: 603.362.4299 FAX: 603.362.4936 www.hampsteadwater.com

March 19, 2014

Board of Selectmen Town of Atkinson 21 Academy Avenue Atkinson, NH 03811

Dear Board Members:

This letter is to advise you that the Hampstead Area Water Company, Inc. has filed a petition with the State of New Hampshire Public Utilities Commission to franchise a limited area in your town.

The purpose of the franchise area will be to serve Dioxane contamination site, along Emery Drive in Atkinson and to serve an area of Atkinson east of Route 121, as there are several large tracts of land that are developable and the Company has also had numerous requests to provide service to homeowners in that area. Please refer to the map attached.

Also, there will be a total of 6 hydrants installed in the Emery Drive area. The annual cost charged by the Company to the Town for these hydrants is \$200 per hydrant. The total cost per annum of these new hydrants will be \$1,200. A copy of the tariff page allowing this charge is attached.

We request that the Board of Selectmen acknowledge, in writing, to the Public Utilities Commission that they have been duly notified of this proposed petition to franchise this limited area, as well as the cost to be charge per annum for these hydrants. We have provided a form which you can sign and mail in the enclosed stamped envelope.

By signing this letter you are **not** waiving any right to intervene, should you so desire, nor to appear before or take part in the franchise proceedings before the PUC, should you so desire, but are only acknowledging that we have notified you of this proposed franchised petition.

If you have any questions, please do not hesitate to call me at the above number at extension 113.

Very truly yours. Robert C. Levine General Counsel

RCL/ja encl.

F/LegaNHAWC\DW-14-022 Emery Drive Extension\Pleadings\Exhibit 09 Emery Dr Ltr To Atkinson Selectmen Revised 03-19-14.Docx

DW 14-022

HEPLIC 25MAR'14PH2:07

TOWN OF ATKINSON

Deborah Howland Public Utilities Commission 21 Fruit Street, Suite 10 Concord, New Hampshire 03301-2429

RE: Petition of Hampstead Area Water Company, Inc. for a water system extension to service homes along Emery Drive, in Atkinson, NH.

Dear Ms. Howland:

Please be advised that the Atkinson Selectmen have been notified of the proposed petition to acquire and operate a water system extension to serve the along Emery Drive, located in Atkinson, New Hampshire, which will consist of up to 30 homes, due to Dioxane contamination of the individual water wells of these homes and to franchise a limited area in our town.

We have been informed that the purpose of the franchise area will be to serve Dioxane contamination site, along Emery Drive in Atkinson and to serve an area of Atkinson east of Route 121, as there are several large tracts of land that are developable and the Company has also had numerous requests to provide service to homeowners in that area. We have been provided a map showing this.

Also, there will be a total of 6 hydrants installed in the Emery Drive area. The annual cost charged by the Company to the Town for these hydrants is \$200 per hydrant. The total cost per annum of these new hydrants will be \$1,200. We have been provided a copy of the tariff page allowing this charge.

Our address is 21 Academy Avenue, Atkinson, New Hampshire 03811, and our telephone number is 603-362-5266.

Dated: 24 MARIY

Atkinson Board of Selectmen

By: White Montal

Title: Chainman of the Board of Selectionen.

TOWN OF ATKINSON

Deborah Howland Public Utilities Commission 21 Fruit Street, Suite 10 Concord, New Hampshire 03301-2429

RE: Petition of Hampstead Area Water Company, Inc. for a water system extension to service homes along Emery Drive, in Atkinson, NH.

Dear Ms. Howland:

Please be advised that the Atkinson Selectmen have been notified of the proposed petition to acquire and operate a water system extension to serve the along Emery Drive, located in Atkinson, New Hampshire, which will consist of up to 30 homes, due to Dioxane contamination of the individual water wells of these homes and to franchise a limited area in our town.

We have been informed that the purpose of the franchise area will be to serve Dioxane contamination site, along Emery Drive in Atkinson and to serve an area of Atkinson east of Route 121, as there are several large tracts of land that are developable and the Company has also had numerous requests to provide service to homeowners in that area. We have been provided a map showing this.

Also, there will be a total of 6 hydrants installed in the Emery Drive area. The annual cost charged by the Company to the Town for these hydrants is \$200 per hydrant. The total cost per annum of these new hydrants will be \$1,200. We have been provided a copy of the tariff page allowing this charge.

Our address is 21 Academy Avenue, Atkinson, New Hampshire 03811, and our telephone number is 603-362-5266.

Dated:_____

Atkinson Board of Selectmen

By:_____

Title: _____

NHPUC NO. 2 WATER

Fifth Revised Page 21 issued in lieu of Fourth Revised Page 21

HAMPSTEAD AREA WATER CO., INC.

MUNICIPAL FIRE PROTECTION SERVICE-HAMPSTEAD

RATE SCHEDULE - "GM"

AVAILABILITY:

This schedule is available to all municipal fire service in the Company's franchise area in the Hampstead Core System for the purposes of public safety, where such service is paid for from tax revenues by and of the Town of Hampstead:

CHARACTER OF SERVICE:

The Town of Hampstead shall notify the Company, in writing, of an appropriate vote by the governing body of the city, town, village, or other political subdivision stating where hydrants are to be placed. Such notification must be received by the Company before the installation of any hydrant. The installation and maintenance of hydrants and the supplying of water through such hydrants is for the sole use of the authorized fire fighting personnel for the control and extinguishment of any fire or for any other use authorized by the Company. Rending of service under this schedule shall in no way be construed to hold the Company liable to furnish at any time or any specific point in its distribution system any minimum flow or pressure, either static or residual.

RATES:

Annual Hydrant Charge: \$200.00 per annum for each fire hydrant installed, payable in advance for each hydrant installed.

Annual Availability Fee: \$2,000.00 per annum payable in advance in addition to the Annual Hydrant Charge.

TERMS OF PAYMENT:

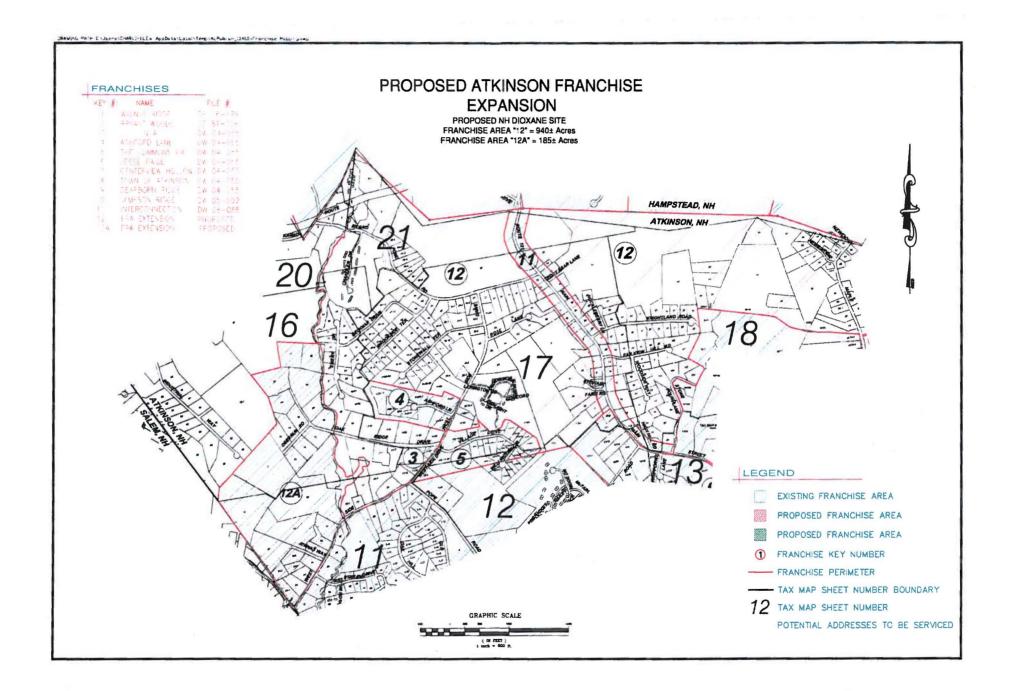
Bills under this rate are net and will be rendered annually and are due and payable upon presentation.

SPECIAL PROVISIONS:

All hydrants, lead valves, branches and other appurtenances shall remain the property of the Company.

Authorized by NHPUC Order # 24,747 in Docket DW-06-155

Issue	May 15, 2007	_ issued by the her
Effective:	May 4, 2007	Title: Peter A Lewis
LIICCIIVC.	May 4, 2007	



Date request received: 02-21-14	Date of Response: 03-03-14	
OCA 1-1	Witness: Charles Lanza	
Does drawing 002 (see identification in lowe	r right hand corner of site location map)-	
the first map in exhibit 3 - represent all new	construction from the connection to	

the first map in exhibit 3 – represent all new construction from the connection to cxisting 10" PVC water main on Main Street (Route 121) in the upper right hand corner of the drawing?

Response: Yes.

Date request received: 02-21-14 OCA 1-2

Date of Response: 03-03-14 Witness: Charles Lanza

Exhibit 11 provides a letter from Pennichuck East Utilities (PEU) indicating that it agrees to surrender a portion of its existing franchise area which is included in HAWC's franchise expansion request.

- a) Please identify on one of the maps provided an identification of the area of PEU's existing franchise area within HAWC's proposed expansion.
- b) Has HAWC provided any consideration (monetary or otherwise) to PEU to secure this agreement/arrangement? If so, please provide details.
- c) Does PEU provide currently water service to any customers in this part of the franchise area covered by the agreement represented in Exhibit 11? If so, please provide information about any PEU assets that HAWC will be acquiring as part of its proposed expansion, including value, and
- d) please provide information about the current costs associated with serving these customers.

Response:

- a) The PEU figure is shown on Exhibit 4 and is depicted as area "12A". There is a green hatching that corresponds to the PEU franchise area to be ceded to HAWC.
- b) No.
- c) No, PEU has no infrastructure in this area.
- d) PEU does not serve these customers therefore there is no cost information.

Date request received: 02-21-14 OCA 1-3

Date of Response: 03-03-14 Witness: Charles Lanza

Absent PEU's relinquishment of its existing franchise territory would HAWC be able to extend its mains to serve the customers as requested by the EPA? (see question 3 asking for identification on map).

Response: Not in PEU's franchise area.

Date request received: 02-21-14 OCA 1-4

Date of Response: 03-03-14 Witness: Charles Lanza

Petition page 2 of 5 states, "there are individual homcowners that have requested hookup..." Please quantify the number of such requests and provide evidence of these requests.

<u>Response:</u> There has been interest in communities to the East of 121 along Stone Pound Lane, Farview Hill Road, and Woodside Way in the past. Homeowners in these communities have poor water quality and three to four residents have contacted HAWC regarding extending service to their neighborhoods. There may be 80+ homes that could be serviced.

Date request received: 02-21-14 OCA 1-5

Date of Response: 03-03-14 Witness: Charles Lanza

Reference testimony of Morse at page 2 (Exhibit 7, page 2 or page 202 of the 208 page pdf file). The testimony states that 6 additional fire hydrants will be installed in conjunction with the proposed system expansion?

- a) Has the Company performed the necessary engineering evaluation to determine that the existing system can support the additional requirements for fire flow? If so, please provide. If not, please explain.
- b) Have the appropriate municipal authorities confirmed that they will pay for the additional fire hydrant annual tariff fees and rates? If so, please provide evidence of these confirmations. If not, please explain.

Response:

- a) The plans for this expansion were designed by Weston Solutions in conjunction with HAWC (regarding HAWC's specifications only), the EPA, NHDES & the Town of Atkinson. These hydrants will meet the flushing requirements of HAWC and will provide a level of fire protection similar to hydrants in the rest of the HAWC Core Distribution System.
- b) Historically the Town of Atkinson has paid the fees in the tariff for each hydrant in Town that is installed on public or private ways by the developer. In addition the Town is appropriating the funds for three of the six hydrants within this project as they are additional beyond the flushing requirements of HAWC.

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Date request received: 02-21-14 OCA 1-6

Date of Response: 03-03-14 Witness: Robert Levine

Pctition page 2 of 5 paragraph 9 states, "construction of this system extension is proposed to be performed by and under the direction, supervision and control of Emergency Services Contractor chosen by the EPA."

- a) Please explain the Company's understanding of how this contractor will be selected by the EPA.
- b) Would any affiliate of HAWC participate in the EPA selection process to act as the contractor? If so, please provide details about HAWC's participation, past, present or future.

Response:

a) The EPA has already selected Emergency Services Contractor for regions throughout the US. That was established before the EPA contacted HAWC. When HAWC was approached to provide water service by the EPA, the Company indicated that any assets constructed must be to HAWC's specification or HAWC would not accept the asset. While HAWC was provided a copy of the contract for this matter, HAWC had absolutely nothing to do with the negotiation of that contract.

b) No.

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Date request received: 02-21-14 OCA 1-7 Date of Response: 03-03-14 Witness: Charles Lanza

Reference Testimony of Morse at page 2 which states, "EPA has contracted with their Emergency Response Contractor..." Please identify this contractor.

Response: The ERS is Guardian Environmental Services out of Delaware.

Date request	received: 0		Date of Response: 03-03-14
<u>OCA 1-8</u>	·	Witness:	Charles Lanza (8a & 8b) John Sullivan (8c)
Pet	ition page 3	of 5 first sentence sta	tes "HAWC will be conducting inspections of
the	work, which	h is to be done to HA	WC specifications."
	a) Please	explain the process w	hereby HAWC will conduct inspections during
	the con	istruction process to e	nsure that the work is done to HAWC
	specifi	cations.	
	b) How	will HAWC be compe	nsated for conducting these inspections?
	c) Will s	ach costs be included i	n the overall CIAC amount?
Respo	nse:		

- a) HAWC representatives perform multiple inspections during construction. They are unannounced and occur frequently.
- b) HAWC is being compensated through the \$3.00 per Lineal Foot Extension Fee per the tariff, as with any other developer requiring a main extension.
- c) The estimated Fee is \$32,400 based upon the length of the extension (10,800 feet) of the main pursuant to the tariff charge (\$3.00 per foot). The Company costs to do the inspections will be deducted from this Fee and treated as CIAC. If the Fee exceeds the costs the overage will be recorded as income. If the costs exceed the Fee then the excess costs will be added to HAWC's cost of the expansion.

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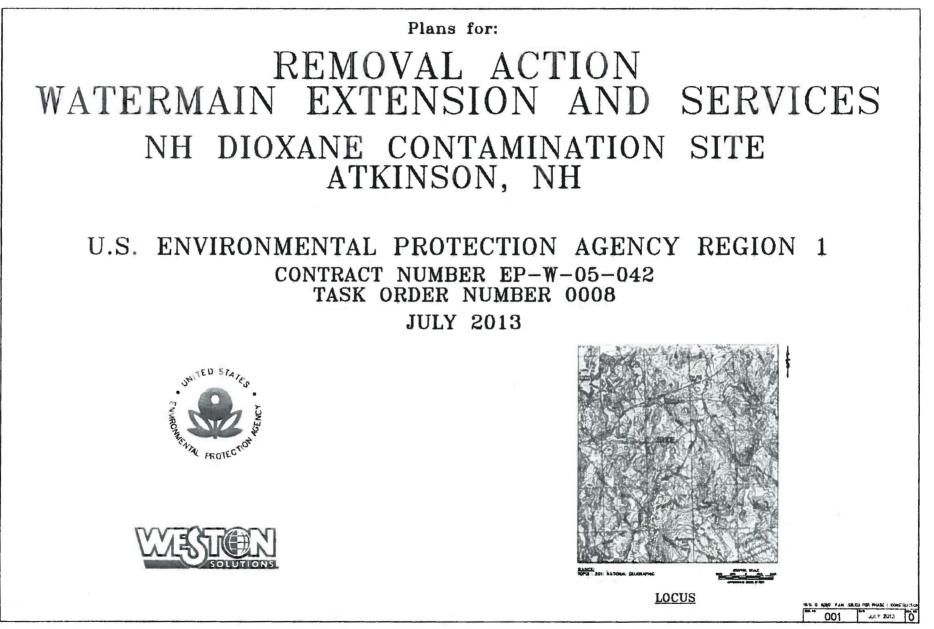
Date request received: 02-21-14 OCA 1-9

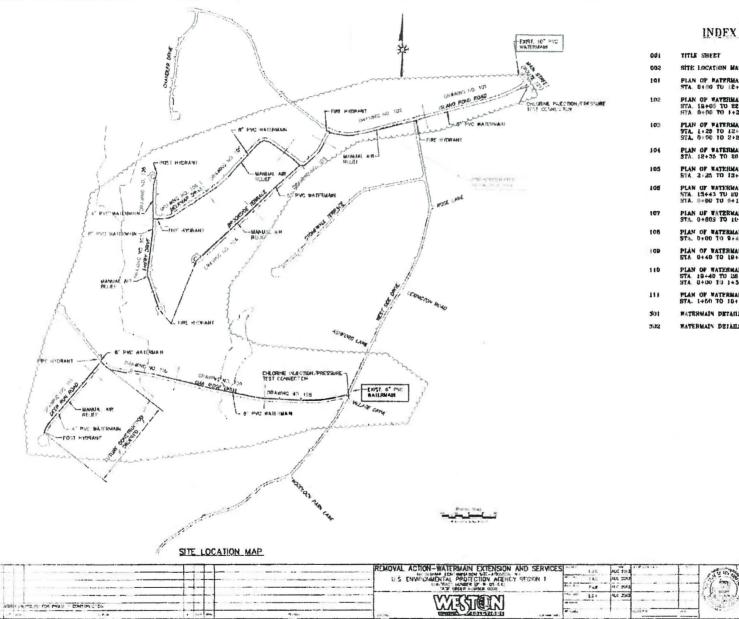
Date of Response: 03-03-14 Witness: Charles Lanza

Please provide a map similar to that provided as Exhibit 3 which shows the existing HAWC plant currently installed in one color and the proposed additional plant in another color. Please also identify the points of interconnection to the existing HAWC core system.

<u>Response:</u> The entire plan set aside from a small section on Drawing No. 101 and 108 consists of proposed additional plant. A blue line has been added to Exhibit 3 to indicate existing water main and all other water main in black is proposed. The connections to the existing HAWC core system are depicted with blue boxes. See the revised Exhibit 3, attached.

OCA 1-9





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INDEX OF DRAWINGS

- SITE LOCATION MAP AND INDEX TO DRAFINGS
- PLAN OF WATERHAIN STA. 0+00 TU 12+05 ISLAND POND BOAD
- PLAN OF WATERMAIN STA. 18+05 TO 22+90 ISLAND POND ROAD STA 0+00 TO 1+25 BROOKSIDE TERRACE
- PLAN OF WATERMAIN STA. 1+25 TO 12+35 BROOKSIDE TERRACE STA. 0+00 TO 2+25 BRIENAP DRIVE
- PLAN OF WATERMAIN STA. 12+35 TO 20+65 BROOKSIDE TERRACK
- PLAN OF WATERMAIN STA 2+25 TO 13+45 BELKNAP DRIVE
- PLAN OF WATERMAIN STA. 13443 TU 20+35 BELKNAP DRIVE STA. 0+00 TO 0+15N AND 0+005 EMFRY DRIVE
- PLAN OF WATERMAIN STA. 0+805 TO LU-SOB EMBRY DPIVE
- PLAN OF WATERMAIN STA. 0400 TO 9440 OAK PIDGE DRIVE
- PLAN OF WATERMAIN STA 0+40 TO 10+40 OAK RIDGE DRIVE
- PLAN OF WATERMAIN STA. 19-40 TO 28+90 OAK RIDGE DRIVE STA. 0+00 TO 1+50 DEER RIN ROAD
- PLAN OF WATERMAIN STA. 1+50 TO 10+10 DEEB RUN ROAD

SITE LOCATION MAP AND

002

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457 7712

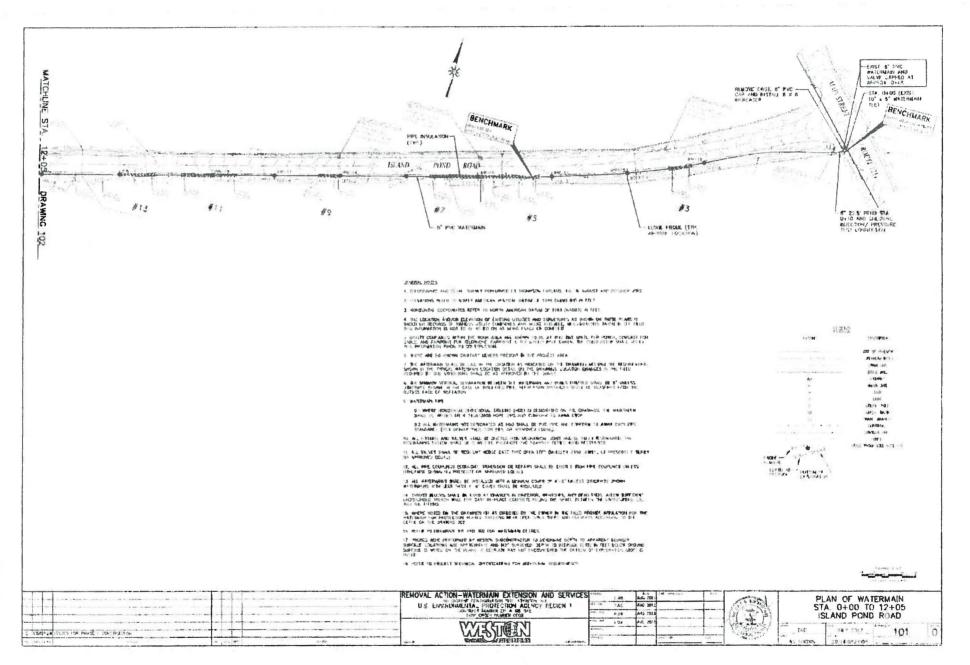
BURNET SCIENCE

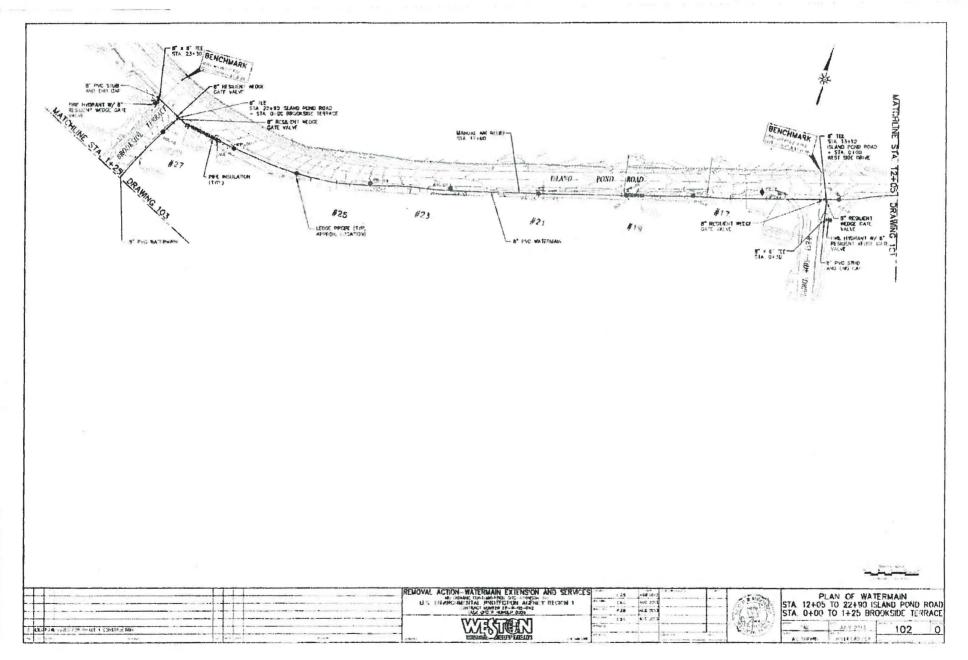
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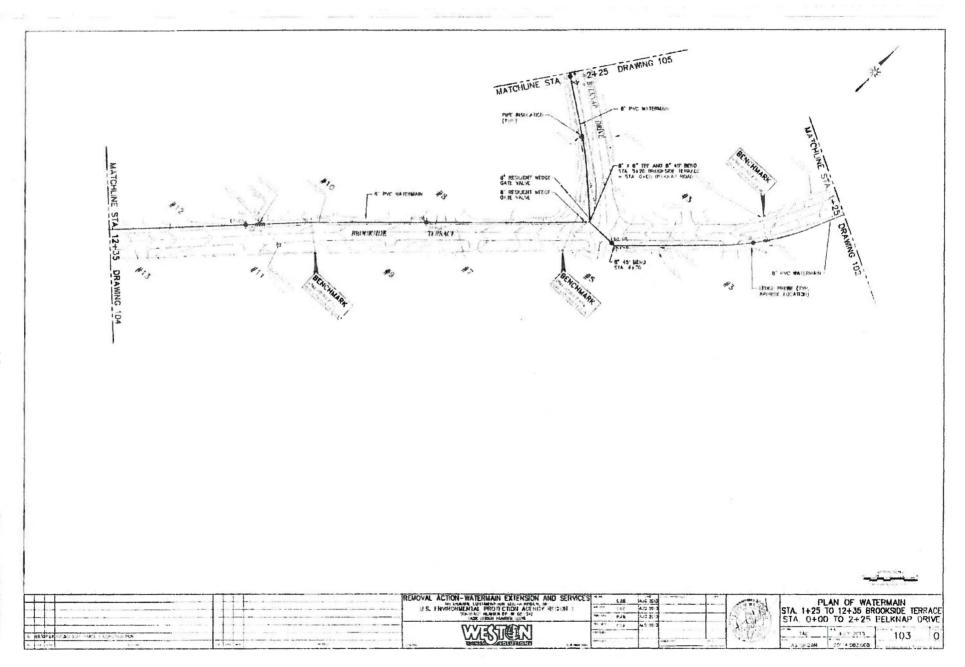
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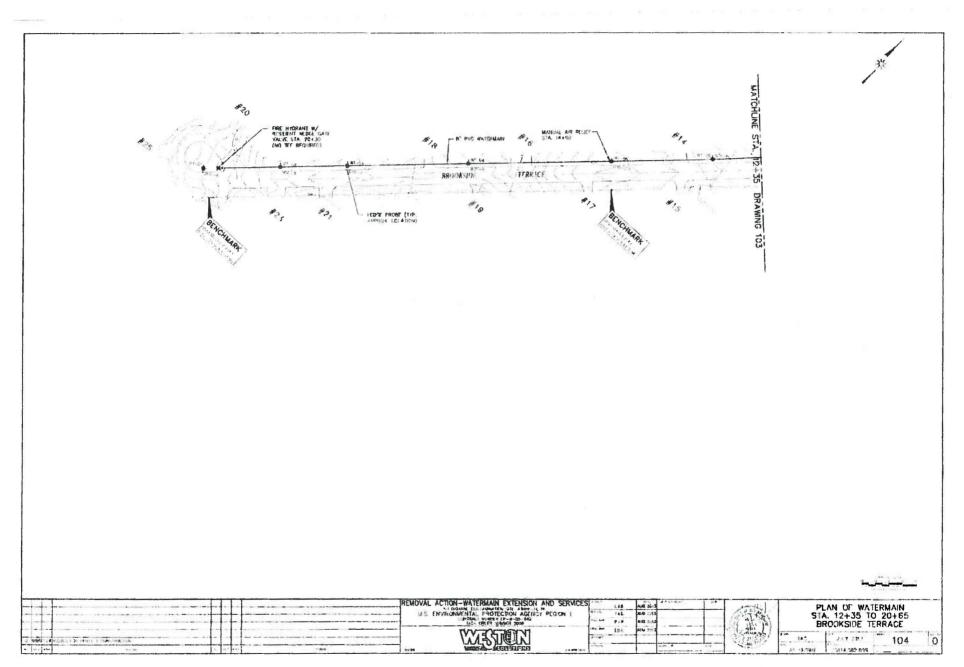
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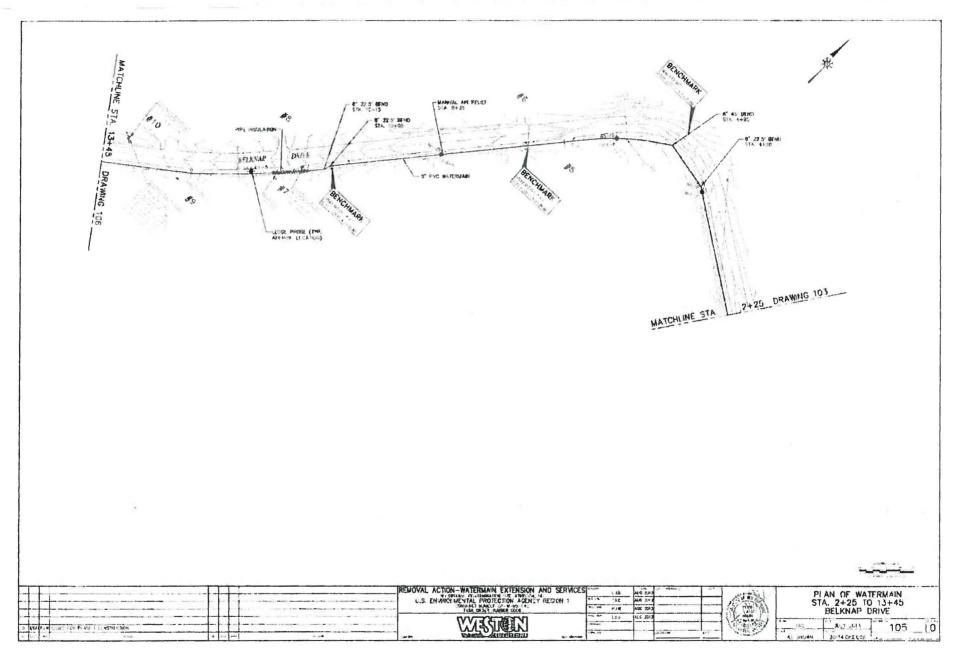
- WATERMAIN DETAILS 1
- WATERMAIN DEIALS 2

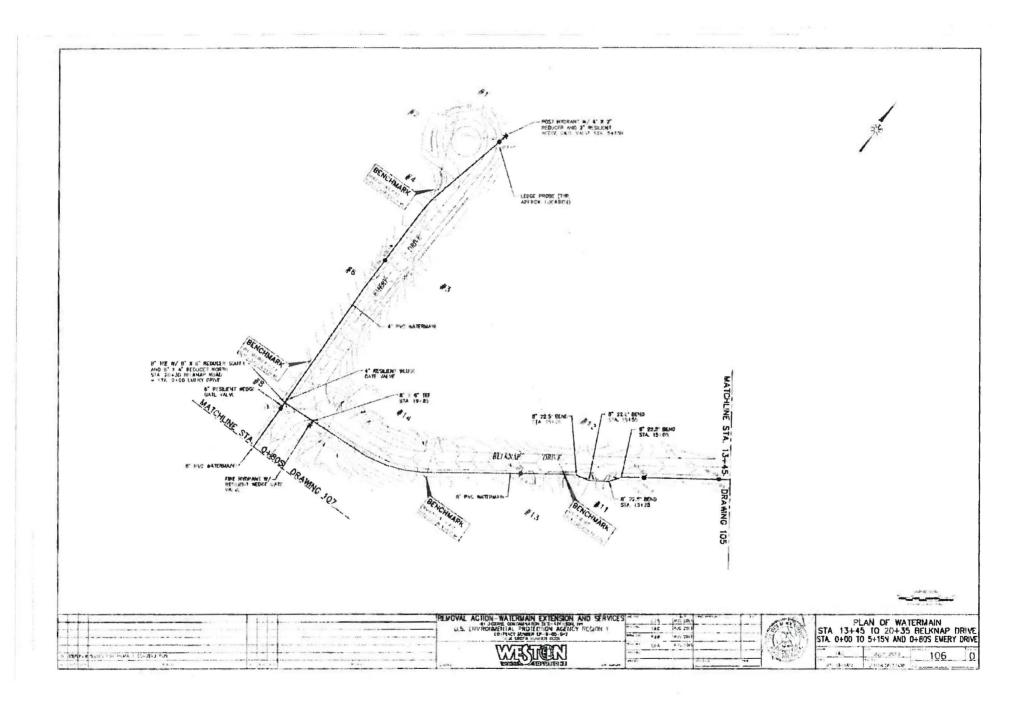


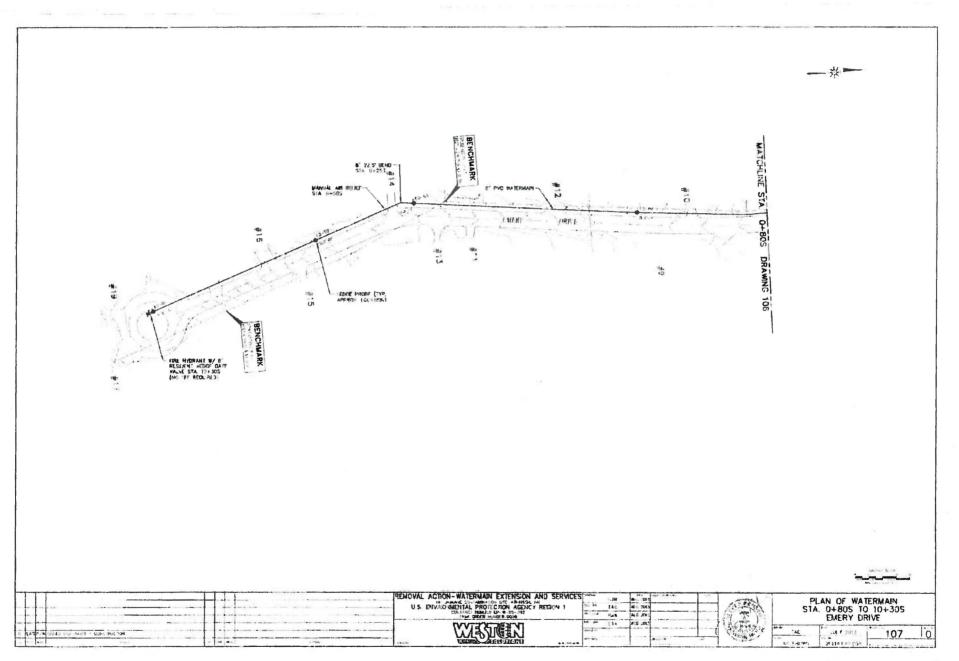


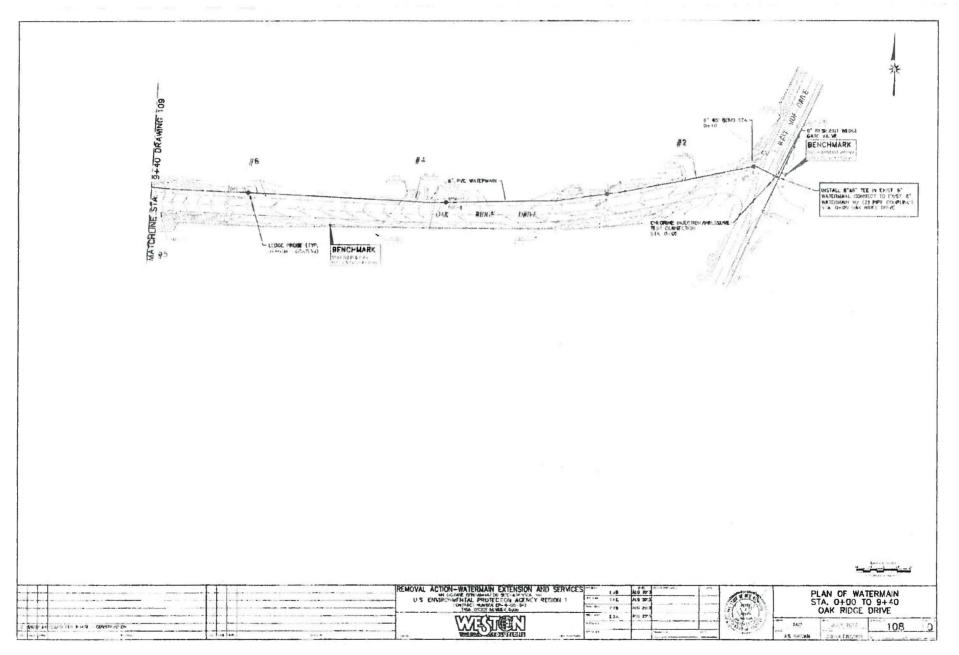


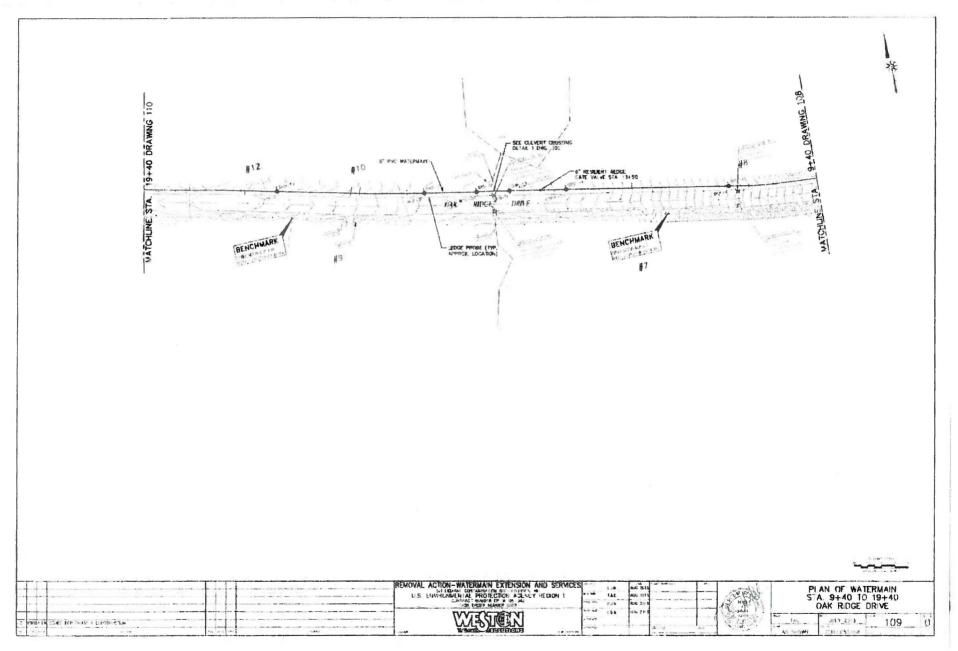


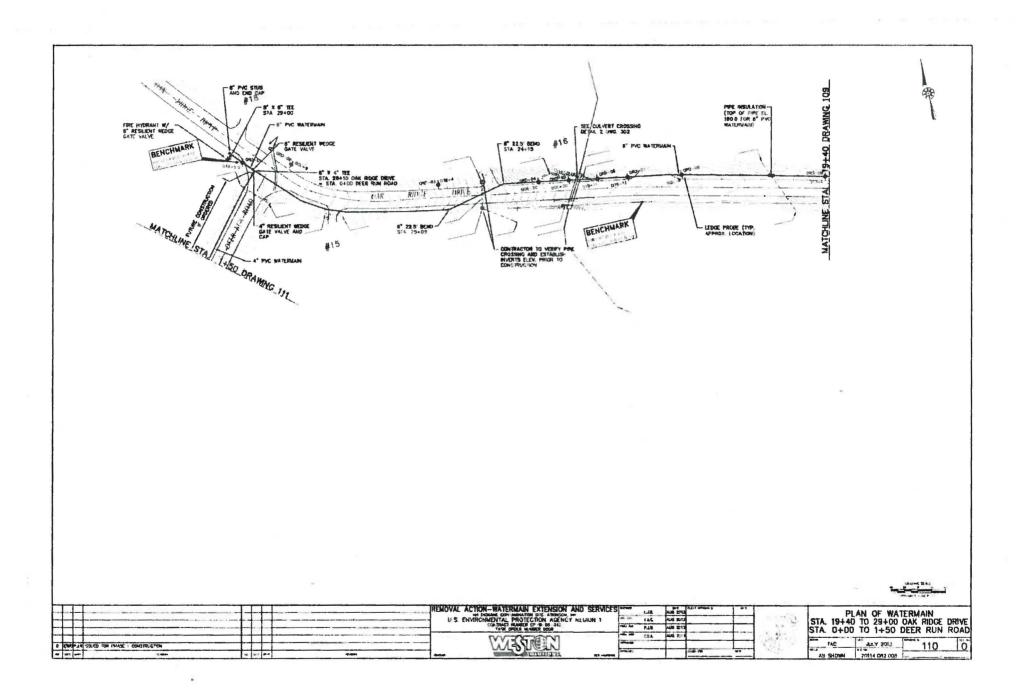


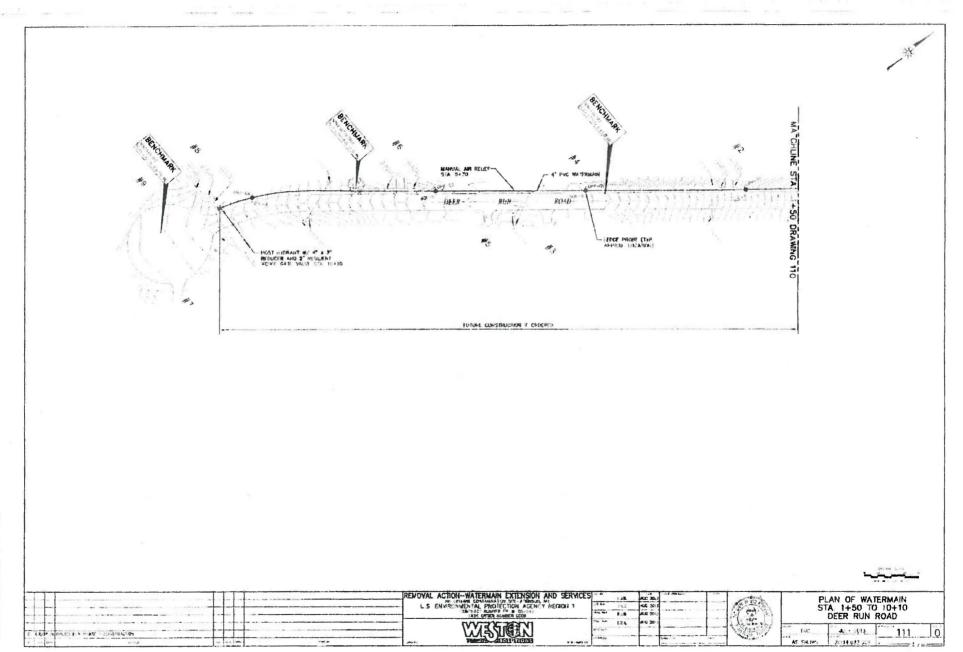


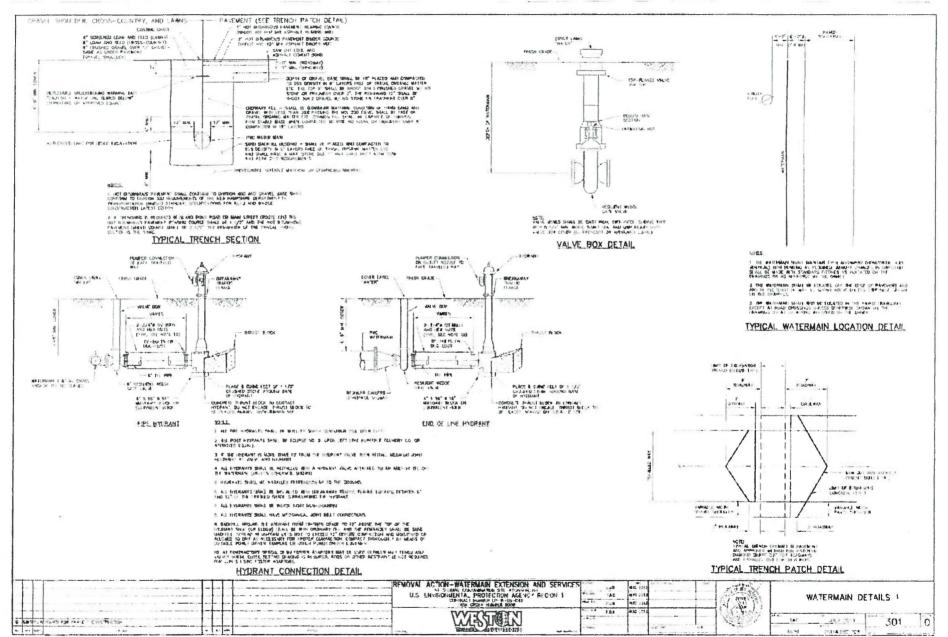


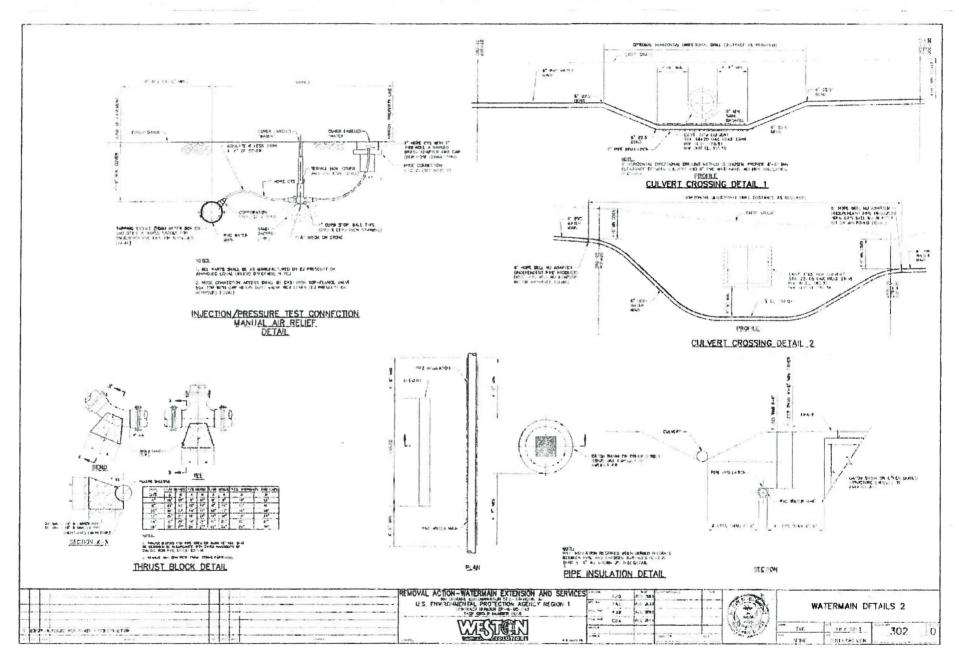












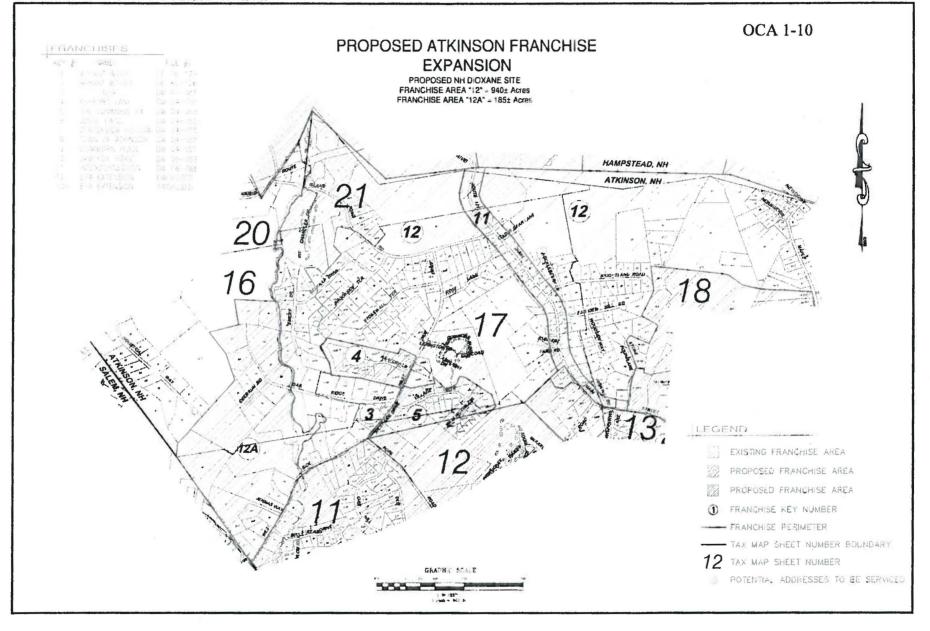
Date request received: 02-21-14 OCA 1-10

Date of Response: 03-03-14 Witness: Charles Lanza

Using the map provided as Exhibit 4 please mark or otherwise identify the specific locations of the "up to 30 homes" that the EPA has asked the Company to provide service to. There are many lots identified on the map but the lots in question are not clearly identified.

Response: The EPA currently has 19 homes that are proposed to be serviced. 20 Brookside Terrace has been added since the submission of this petition. Exhibit 4 has been revised and the yellow dots represent lots to be serviced. There is a possibility that periodic water quality sampling will capture additional homes that exceed the MCL for 1,4 Dioxane; therefore it is unknown at this time which homes will be added in excess of the 19 listed in Attachment 2 of the Weston Solutions Contract.





Date request received: 02-21-14 OCA 1-11

Date of Response: 03-03-14 Witness: John Sullivan

Please provide an estimate of, and the timing expectations for, the annual revenues expected from the new customers added as a result of the proposed expansions (EPA-related and non-EPA-related). Please provide support and assumptions for the estimates.

<u>Response:</u> Based on 2013 revenue and customers the average annual revenue per HAWC customer is \$481. Assuming 19 new customers the estimated additional annual revenue would be $19 \times $481 = $9,139$. These 19 customers are estimated to be hooked up to the system in the Spring or early Summer of 2014. The revenue for any new customers related to this expansion would be estimated at the same \$481 per year.

Date request received: 02-21-14 OCA 1-12

Date of Response: 03-03-14 Witness: Charles Lanza

- a) Please provide the timing of and any other available information about the franchise expansion proposed in the area east of Route 121, which consists of land owned by an affiliated company.
- b) Please explain why the Company combined its request for this franchise expansion with the EPA-related franchise request.
- c) Please confirm that the Company, through this financing petition, is not seeking approval of any financing, costs or other liabilities associated with the franchise expansion proposed in the area east of Route 121.

Response:

- a) It was deemed expedient at this time to include that expansion as part of this petition as the land was recently acquired by an affiliated company of HAWC, rather than incur redundant costs in petitioning separately. The area contains land own by an affiliated company but also includes other land which other prospective owners have or may ask for service.
- b) See a above.
- c) There is no financing request for that area of franchise expansion. It is expected that the costs incurred will be negligible as they are appendant to the present petition.

Date request received: 02-21-14 OCA 1-13

Date of Response: 03-03-14 Witness: Charles Lanza

Please identify and provide contact information for HAWC's contact with the EPA tor purposes of the proposed franchise expansion related to the EPA request.

Response: Charles Lanza 54 Sawyer Avenue Atkinson, NH 03811 Phone: 603-362-1916

F 1LegaRHAWCiDW-14-022 Emery Drive Extension/Discovery/OCA's Data Requests/OCA Discovery Set 1 - Answers By Company 02-21-14 Docx

13

Date request received: 03-19-14 OCA 2-1

Date of Response: 03-28-14 Witness: Charles Lanza

Reference the Company's response to OCA 1-5(b). The OCA's question intended to ask whether the Company had specifically informed the Town of Atkinson that the current plan for expansion in the Emery Road area to serve the EPA determined homes would increase the Town's annual bill from the Company for tariff charges related to an additional six (6) hydrants. The Company's current tariff charges indicate that these six hydrants would incur a total annual incremental charge of \$13,200 to the Town of Atkinson. Please indicate whether this specific information has been conveyed to the Town and if the Town has specifically acknowledged these additional costs.

Response: The Company has expanded it's letter to the Town of Atkinson to address these points and delivered it to the Selectmen's office. See Attached.

Date request received: 03-19-14	Date of Response: 03-28-14
OCA 2-2	Witness: Charles Lanza
Reference the Company's response to OCA 1-13.	The OCA's question intended to ask for

the name and contact information of the EPA representative responsible for this project. That is, the person at the EPA whom Mr. Lanza (or other Company representative) contacts to discuss the project.

Response:

The EPA On-Scene Coordinator is John McKeown. His contact information is as follows:

Office (617) 918-1793

Email: mckeown.john@epa.gov

EPA New England, Region 1

5 Post Office Sq. Suite 100

Boston, MA 02109

Date request received: 03-19-14Date of Response: 03-28-14OCA 2-3Witness: Robert C. LevineReference the Company's responses to OCA 1-4, OCA 1-12, Staff 1-3 and Staff 1-6. Other

than service to customers pursuant to its existing tariff, is the Company or any of its affiliates planning to engage in any other business activities within the proposed franchise expansion areas? Please specify the location of any such activities.

Response:

Centerview Hollow Land Company, LLC, an affiliated company, owns Tax Map 17, Lot 54 and may develop that parcel in the next few years. Otherwise there is no intent for the Company or any of its affiliates to pursue any other business activities within the proposed franchise area.

Date request received: 03-19-14	Date of Response: 03-28-14	
OCA 2-4	Witness: Charles Lanza	
Defense the Company's norman to Staff 1 (and Staff 1 7		

Reference the Company's response to Staff 1-6 and Staff 1-7.

- a) When does the Company plan to market its services to prospective customers in the franchise expansion area west of Route 121?
- b) When does the Company plan to market its services to prospective customers in the franchise expansion area east of Route 121?
- c) Please provide a copy of the letter to prospective customers that the Company will use in its marketing efforts.

Response:

- a) There are no plans to market its service to prospective customers west of Route 121.
- b) Prospective customers east of Route 121 will receive information by letter regarding the water line extension when it is operational.
- c) The Company has not formulated a letter in this regard regarding this franchise area. In the past, the Company did send letters for the prospective customers along the Interconnection running along Route 121. Attached is a sample of those letters.



54 SAWYER AVENUE, ATKINSON, NH 03811

TEL: 603.362.4299 FAX: 603.362.4936 www.hampsteadwater.com

March 19, 2014

Board of Selectmen Town of Atkinson 21 Academy Avenue Atkinson, NH 03811

Dear Board Members:

This letter is to advise you that the Hampstead Area Water Company, Inc. has filed a petition with the State of New Hampshire Public Utilities Commission to franchise a limited area in your town.

The purpose of the franchise area will be to serve Dioxane contamination site, along Emery Drive in Atkinson and to serve an area of Atkinson east of Route 121, as there are several large tracts of land that are developable and the Company has also had numerous requests to provide service to homeowners in that area. Please refer to the map attached.

Also, there will be a total of 6 hydrants installed in the Emery Drive area. The annual cost charged by the Company to the Town for these hydrants is \$200 per hydrant. The total cost per annum of these new hydrants will be \$1,200. A copy of the tariff page allowing this charge is attached.

We request that the Board of Selectmen acknowledge, in writing, to the Public Utilities Commission that they have been duly notified of this proposed petition to franchise this limited area, as well as the cost to be charge per annum for these hydrants. We have provided a form which you can sign and mail in the enclosed stamped envelope.

By signing this letter you are **not** waiving any right to intervene, should you so desire, nor to appear before or take part in the franchise proceedings before the PUC, should you so desire, but are only acknowledging that we have notified you of this proposed franchised petition.

If you have any questions, please do not hesitate to call me at the above number at extension 113.

erv_truly yours Robert C. Levine General Counsel

RCL/ja encl.

F'LegaNHAWC\DW-14-022 Emery Drive Extension\Pleadings\Exhibit 09 Emery Dr Ltr To Atkinson Selectmen Revised 03-19-14 Docx

TOWN OF ATKINSON

Deborah Howland Public Utilities Commission 21 Fruit Street, Suite 10 Concord, New Hampshire 03301-2429

RE: Petition of Hampstead Area Water Company, Inc. for a water system extension to service homes along Emery Drive, in Atkinson, NH.

Dear Ms. Howland:

Please be advised that the Atkinson Selectmen have been notified of the proposed petition to acquire and operate a water system extension to serve the along Emery Drive, located in Atkinson, New Hampshire, which will consist of up to 30 homes, due to Dioxane contamination of the individual water wells of these homes and to franchise a limited area in our town.

We have been informed that the purpose of the franchise area will be to serve Dioxane contamination site, along Emery Drive in Atkinson and to serve an area of Atkinson east of Route 121, as there are several large tracts of land that are developable and the Company has also had numerous requests to provide service to homeowners in that area. We have been provided a map showing this.

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Our address is 21 Academy Avenue, Atkinson, New Hampshire 03811, and our telephone number is 603-362-5266.

Dated:

Atkinson Board of Selectmen

By:_____

Title:

NHPUC NO. 2 WATER

Fifth Revised Page 21 issued in lieu of Fourth Revised Page 21

HAMPSTEAD AREA WATER CO., INC.

MUNICIPAL FIRE PROTECTION SERVICE-HAMPSTEAD

RATE SCHEDULE - "GM"

AVAILABILITY:

This schedule is available to all municipal fire service in the Company's franchise area in the Hampstead Core System for the purposes of public safety, where such service is paid for from tax revenues by and of the Town of Hampstead:

CHARACTER OF SERVICE:

The Town of Hampstead shall notify the Company, in writing, of an appropriate vote by the governing body of the city, town, village, or other political subdivision stating where hydrants are to be placed. Such notification must be received by the Company before the installation of any hydrant. The installation and maintenance of hydrants and the supplying of water through such hydrants is for the sole use of the authorized fire fighting personnel for the control and extinguishment of any fire or for any other use authorized by the Company. Rending of service under this schedule shall in no way be construed to hold the Company liable to furnish at any time or any specific point in its distribution system any minimum flow or pressure, either static or residual.

RATES:

Annual Hydrant Charge: \$200.00 per annum for each fire hydrant installed, payable in advance for each hydrant installed.

Annual Availability Fee: \$2,000.00 per annum payable in advance in addition to the Annual Hydrant Charge.

TERMS OF PAYMENT:

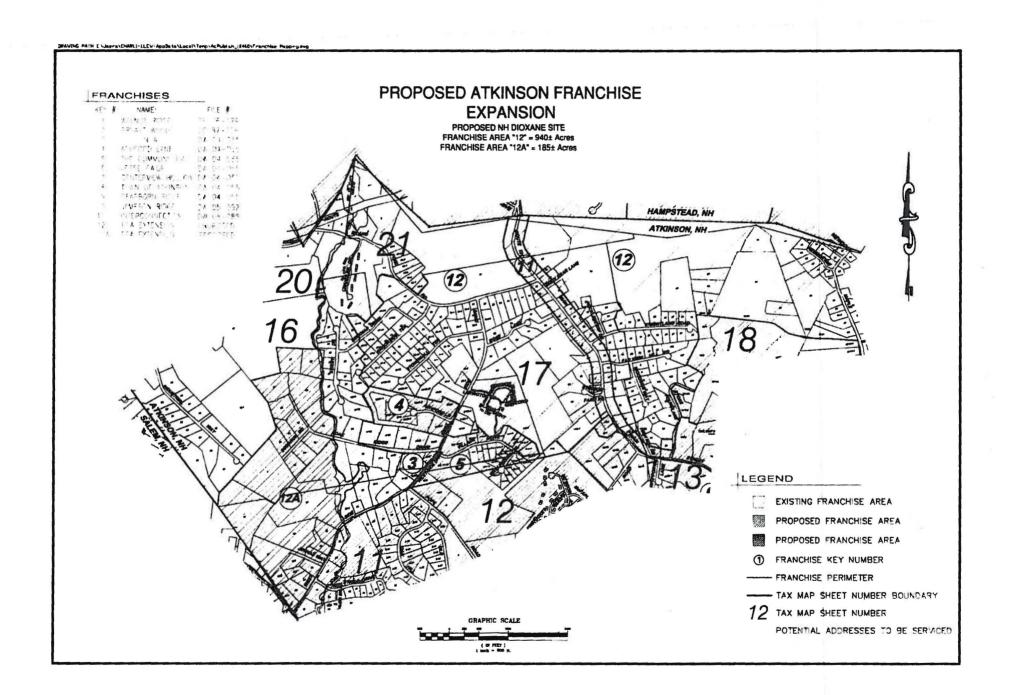
Bills under this rate are net and will be rendered annually and are due and payable upon presentation.

SPECIAL PROVISIONS:

All hydrants, lead valves, branches and other appurtenances shall remain the property of the Company.

Authorized by NHPUC Order # 24,747 in Docket DW-06-155

		DL DL
Issue	May 15, 2007	
Effective:	May 4, 2007	Title: President
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TEL: 603.362.4299 FAX: 603.362.4936 www.hampsteadwater.com

April 10, 2013

Address Atkinson, NH 03811-2519

Re: Water System Connection at XX Main St

Dear Property Owner,

The purpose of this letter is to make you aware that Hampstead Area Water Company, Inc. (HAWC) owns and operates a water main located in front of your property. Whether the property is residential, commercial, or an unoccupied lot you may want to consider connecting to our services. If you have any issues or concerns with the quality or quantity of water from your existing groundwater well that serves your property, connecting to the water main provides clean safe drinking water that meets all state standards, and with an elevated storage tank in Hampstead, it also provides water during power outages. In addition, connecting to our services will eliminate the need for any filters, pumps, or tanks you may currently maintain for your groundwater well. Please note that our construction service season is April 15th to November 15th.

HAWC is a privately owned public utility, servicing customers since 1977. HAWC is regulated by the NH Public Utilities Commission (NHPUC) as well as the NH Department of Environmental Services (NHDES). HAWC currently owns and operates 17 community water systems located in 10 communities throughout southern New Hampshire serving 3,100 customers. In the event of an emergency or water related issue HAWC maintains a 24 hour call center with certified water operators to diagnose and make any necessary repairs in a timely manner.

We would like to thank you in advance for your interest in connecting to our services. To schedule an appointment and receive a no cost/no obligation proposal, please call Amy Doucette, Water System Coordinator at 603-362-4299 or via email at amy@hampsteadwater.com. For more information on HAWC please visit our website at www.hampsteadwater.com.

Sincerely,

Harold J. Morse President

NHPLIC 25MAR'14PH2:07

TOWN OF ATKINSON

Deborah Howland Public Utilities Commission 21 Fruit Street, Suite 10 Concord, New Hampshire 03301-2429

RE: Petition of Hampstead Area Water Company, Inc. for a water system extension to service homes along Emery Drive, in Atkinson, NH.

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Our address is 21 Academy Avenue, Atkinson, New Hampshire 03811, and our telephone number is 603-362-5266.

Dated: 24 MARIY

Atkinson Board of Selectmen

By: frittembald

Title: Chairman of Hu Board of Selectioner,

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov amanda.noonan@puc.nh.gov bob@lewisbuilders.com Christina.Martin@oca.nh.gov

jayson.laflamme@puc.nh.gov

marcia.brown@puc.nh.gov

mark.naylor@puc.nh.gov

robyn.descoteau@puc.nh.gov

Rorie.E.P.Hollenberg@oca.nh.gov

Stephen.R.Eckberg@oca.nh.gov

steve.frink@puc.nh.gov

susan.chamberlin@oca.nh.gov

Docket #: 14-022-1 Printed: April 24, 2014

FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND

DEBRA A HOWLAND EXECUTIVE DIRECTOR NHPUC 21 S. FRUIT ST, SUITE 10 CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.