

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

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January 25, 2017

NHPUC 25 JAN 17 PM 12:25

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

Re: DW 17-003 Pennichuck East Utility, Inc. and Manchester Water Works
Joint Petition to Modify Franchise Boundary
Litchfield, NH
Staff Recommendation for Approval

Dear Ms. Howland:

The purpose of this letter is to offer Staff's recommendation with respect to the joint petition of Pennichuck East Utility, Inc. (PEU) and Manchester Water Works (MWW) in the above-referenced docket. PEU provides water service to approximately 7,000 customers in 19 New Hampshire towns, including Litchfield. MWW is a municipal water utility that provides water to customers within the City of Manchester, NH and portions of surrounding towns. PEU and MWW filed a joint petition on January 5, 2017 seeking permission to modify PEU's franchise area in the Town of Litchfield to allow MWW to serve three residential lots in Litchfield each containing a single-family home with compromised groundwater.

The New Hampshire Department of Environmental Services (NHDES) has requested PEU and MWW's assistance in expanding public water supply in the Town of Litchfield due to the presence of perfluorooctanoic acid ("PFOA") in the groundwater. Three residential lots on the Litchfield/Manchester line have been identified with compromised groundwater and are in need of a public water supply. While these three lots are within PEU's franchise territory, a water main needs to be extended to provide them with service. Following a study by PEU, it has been determined that a MWW main is in closer proximity to the lots than PEU's closest main. It would be more economical and logical to extend the MWW main to provide safe drinking water to these residents. The lots are identified on Litchfield Tax Map 23 as Lots 33, 34, and 35. MWW proposes to provide service to these lots in accordance with its terms of service and at rates on file with the Commission. PEU would be relieved of its obligation to provide service to the three lots.

Petition Attachment A shows a diagram of the proposed franchise exchange area. Lots 33, 34, and 35 are identified as 588, 589, and 590. The diagram details existing mains, the PEU main extension that would be needed absent this petition, and the proposed MWW main extension.

Petition Attachment B contains a letter from the NHDES stating that it has reviewed its records of MWW and confirms that the suitability and availability criteria of NH RSA 374:22 III has been met for the expansion of water service to the three lots referred to in the filing. NHDES supports the request to modify PEU's franchise to allow MWW to provide water service to the three lots identified on Litchfield Tax Map 23 as Lots 33, 34, and 35.

Petition Attachment B also contains a letter from the Town of Litchfield confirming that the Litchfield Board of Selectmen had reviewed the joint petition. The Town also confirmed that it was notified in March 2016 by NHDES of the groundwater contamination in parts of Litchfield. The Town agreed that this petition is the most cost effective way to connect these homes to a public water supply. The Selectmen voted on December 17, 2016 with "No-Objection" to support the joint petition.

Staff supports the joint petition by PEU and MWW to modify PEU's franchise area in the Town of Litchfield to allow MWW to serve three residential lots known on Litchfield Tax Map 23 as Lots 33, 34, and 35 at MWW rates on file with the Commission and relieve PEU of the obligation to provide service to the stated lots.

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

Sincerely,

A handwritten signature in black ink that reads "Robyn Descoteau". The signature is written in a cursive, flowing style.

Robyn J. Descoteau
Utility Analyst, Gas/Water Division

cc: Service list

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.

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Docket #: 17-003-1 Printed: January 25, 2017

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
EXECUTIVE DIRECTOR
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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.**