

**STATE OF NEW HAMPSHIRE**

**BEFORE THE**

**PUBLIC UTILITIES COMMISSION**

**Docket No. DW 18-\_\_\_\_\_**

**PENNICHUCK EAST UTILITY, INC.**

**VERIFIED PETITION FOR APPROVAL OF SPECIAL CONTRACT  
FOR WOODMONT COMMONS IN LONDONDERRY**

The Pennichuck East Utility, Inc. (“PEU” or “Company”) requests Commission approval, pursuant to RSA 378:18, to deviate from its general tariff and enter into a special contract with Pillsbury Realty Development, LLC, (“Pillsbury”) for water service to the Woodmont Commons Planned Unit Development (“Woodmont Commons”) in Londonderry New Hampshire. In support of this request, PEU states as follows:

1. PEU is authorized by the Commission to provide water service in sections of Londonderry, New Hampshire that includes Woodmont Commons.
2. Pillsbury is a New Hampshire business registered with the N.H. Secretary of State to do business in the State. Pillsbury is the developer of Woodmont Commons and operates under the trade name of Woodmont Commons. Pillsbury has received approval from the Town of Londonderry to develop Woodmont Commons. According to the N.H. Department of Environmental Services, new development cannot occur in Woodmont Commons until adequate fire flows are addressed.
3. PEU and Pillsbury have determined that the most suitable means of supplying Woodmont Commons with the water service it needs is for PEU to construct a larger water storage tank than it had initially planned and to have Pillsbury share in the cost of that larger tank.

4. Pursuant to RSA 378:14, no public utility “shall charge or receive a greater or different compensation for any service rendered to any person, firm, or corporation than the compensation fixed for such service by the schedules on file with the Commission and in effect at the time such service is rendered.” PEU has a tariff and rate schedules on file with the Commission that depict the rates and terms of service.

5. Pursuant to RSA 378:18, the Commission may deviate from RSA 374:14 and approve special rates for utility service if it finds that “special circumstances exist which render such departure from the general schedules just and consistent with the public interest...” RSA 378:18.

6. PEU believes special circumstances exist which render a departure from PEU’s general schedules because although PEU’s tariff does not directly authorize PEU to charge for the cost to provide service to Woodmont Commons, it does set forth a path for approving the charging of costs. PEU’s tariff (Original Page 35 and First Revised Page 36) enables PEU to collect from customers, in advance, for the cost of constructing main extensions necessary to serve the new customer. Also, System Upgrade Fees (Second Revised Page 37) may be charged customers for the construction of new water facilities. But pursuant to paragraph 5 on First Revised Page 36, “[s]pecial contracts will be negotiated whenever in the opinion of the Company this regular extension tariff should not be used or is not feasible or economical. Each special contract shall be submitted to the Commission for approval.” It is the opinion of PEU that the regular extension provisions of the tariff are not feasible or economical and that a special contract is needed.

7. As identified in schedules attached to the Pre-Filed Direct Testimony of John J. Boisvert, the storage tank will cost approximately \$2.8 million. This is a considerable expense.

In addition, as explained at pages 5 and 6 of Mr. Boisvert's testimony, zones 610 and 498 are distinct zones given the difference in pressure between the zones. Thus, construction of the water storage tank near Woodmont Commons in zone 610, will not benefit the rest of customers in zone 498. Also, growth projections show that much of the larger storage tank's size is to serve Woodmont Commons.

8. As proposed in the special contract attached to Mr. Boisvert's testimony, the parties agree that Pillsbury will pay for fifty-one percent (51%) of the costs to construct the tank. Specifically, the costs are for: local and state permitting, design of the tank, bidding, site and utility construction, construction of the tank foundation and structure, and testing and inspection of the tank. The special contract is designed to cover the construction of the storage tank. After the tank is completed and in-service and Pillsbury has made its payments, the parties propose the special contract be terminated. After termination, PEU will be responsible for all future maintenance and operating costs and customers within Woodmont Commons will be served according to the terms, conditions, and rates in PEU's general tariff. As to new, non-Woodmont Commons customers served by the tank, PEU anticipates seeking Commission approval to [institute a capital recovery surcharge after the tank is in service](#).

9. As described in the pre-filed direct testimony of John Boisvert, the proposed special contract will benefit PEU, PEU's customers, Woodmont Commons, and the public. The cooperation between PEU and Pillsbury in addressing water supply needs in the Town of Londonderry is consistent with the New Hampshire legislature's investigation of regional cooperation among water utilities and the removal of barriers to regional water supply proposals. See, 2000 N.H. Laws Ch. 64 (investigation of regulatory barriers to regional cooperation) and 2002 N.H. Laws Ch. 141.7 (legislature investigated the feasibility of regional water systems).

10. PEU and Pillsbury seek Commission approval of the special contract no later than

September, 2018.

WHEREFORE, PEU respectfully requests the Commission:

- A. Approve the proposed special contract between PEU and Pillsbury; and
- B. Grant such other and further relief as may be just and reasonable.

Respectfully submitted,

PENNICHUCK EAST UTILITY, INC.

By its Attorney,

Date: June 27, 2018

By: Marcia A. Brown  
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I, John J. Boisvert, Chief Engineer of Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc., being first duly sworn, hereby depose and say that I have read the foregoing verified petition, and the facts alleged therein are true to the best of my knowledge and belief.

Dated: 6/25/2018

John J. Boisvert  
 John J. Boisvert

STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

Sworn to and subscribed before me this 25<sup>th</sup> day of June, 2018.

Suzanne L. Ansara  
 Justice of the Peace/Notary Public

My Commission Expires:



Certificate of Service

I hereby certify that a copy of the foregoing petition and supporting materials have been emailed this 27th day of June to the Office of the Consumer Advocate.

*Marcia A. Brown*

Marcia A. Brown