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April 26, 2019

Re: DW 18-128, Hampstead Area Water Company, Inc.
Petition for Emergency Service, Temporary Franchise, Approval of Contract and
Application of Existing Rates
Second Extension of Deadline

To the Parties:

On March 27, 2019, Hampstead Area Water Company, Inc. (HAWC or the Company) filed a second petition to extend its water service agreement with the Tisdale Trailer Park in Salem (Tisdale). In that petition, HAWC requested the Commission's permission to continue providing emergency bulk water service to Tisdale, under the existing terms approved in Order No. 26,174 (September 14, 2018). The Company sought an extension until the Commission issues an order on HAWC's petition to expand its franchise in the Town of Salem, which includes Tisdale, currently pending in Docket No. DW 19-011. Commission Staff (Staff) filed a recommendation supporting HAWC's second petition for extension on April 19, 2019.

HAWC and Tisdale entered into the contract due to E. coli contamination of Tisdale's water system. In Order No. 26,174, the Commission approved HAWC's contract with Tisdale until November 1, 2018, finding "the terms of the water supply contract to be just and consistent with the public interest." *Id.* at 4. Under the terms of the agreement, the Company would provide Tisdale with a one-inch service and charge a monthly meter rate of \$30.00 and a volumetric charge of \$5.95 per hundred cubic feet (ccf). *See id.* at 3-4.

On November 15, 2018, HAWC filed a petition for permission to extend its agreement with Tisdale beyond the November 1, 2018, deadline, and to continue to charge the rate approved in Order No. 26,174. By secretarial letter dated November 20, 2018, the Commission granted HAWC's petition to extend the agreement until April 30, 2019, or the date an order is issued by the Commission on HAWC's franchise expansion petition, whichever is sooner.

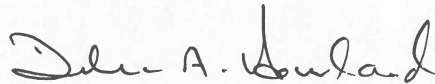
On April 19, 2019, Staff recommended that the Commission approve, without a hearing, HAWC's second petition for extension. Staff recommended that the deadline be extended until the

Commission issues an order on HAWC's petition to expand franchise in Docket No. DW 19-011. Staff concluded that the continued water service should be provided pursuant to the terms approved in Order No. 26,174.

Staff noted that the Commission approved an increase in the bulk water sale contract's original consumption charge of \$5.95 per ccf to \$6.11 per ccf. *See Hampstead Area Water Co., Inc.*, Order No. 26,165 (July 31, 2018) and *Hampstead Area Water Co., Inc.*, Order No. 26,195 (November 28, 2018). Staff, however, stated that despite Order No. 26,174's approval of a one-inch service and a monthly meter rate charge of \$30.00, HAWC has been charging Tisdale for a two-inch service, at a base charge of \$100 per month, without the Commission's approval. *See* Order No. 26,174 at 3-4. Staff recommended that, due to the impending April 30, 2019, deadline and Tisdale's lack of an alternative potable water supply, the Commission address the issue of any overcharge in Docket No. DW 19-011.

The Commission has found that HAWC's request for an extension of the April 30, 2019 deadline is reasonable. The Commission has determined that, under the existing special circumstances, HAWC should continue to provide Tisdale with emergency bulk water service until the Commission issues an order on the Company's franchise expansion petition in Docket No. DW 19-011. As this extension will not unduly delay any proceeding or adversely affect the rights of any party, the Commission has granted HAWC's petition to extend its water service agreement with Tisdale consistent with Staff's recommendation dated April 19, 2019. The Commission will address any issues regarding the charges permitted under Order No. 26,174 in Docket No. DW 19-011.

Sincerely,



Debra A. Howland
Executive Director

cc: Service List (Electronically)
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