

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

RE: THE HAMPSTEAD AREA WATER COMPANY, INC.

DW 19-147

**Assented-to Motion to Bifurcate Consideration
of the Company's proposed MSDC loan and CIAC Tax Loan**

The Hampstead Area Water Company, Inc. ("HAWC") moves, with the assent of counsel for Staff, to bifurcate this proceeding to allow for separate orders to be issued regarding HAWC's request for approval and authority under RSA 369:1-4 to:

(a) Accept a grant from the New Hampshire Department of Environmental Services (NHDES), Drinking and Groundwater Trust Fund, established under RSA 485-F, (DWGTF) in the amount of Three Million, Two Hundred Eighty-Three Thousand Seven Hundred Fifty (\$3,283,750.00)¹ Dollars, including HAWC's request for financing regarding the CIAC tax subject to various terms and conditions up to \$1,204,815.00² approved by the State of New Hampshire. (collectively, the "Grant Authority"); and

(b) Approve a proposed MSDC loan of \$392,500.00 (the "Proposed MSDC Financing"). HAWC files this Motion in response to Staff's data request 4-2. In support of this Motion, HAWC respectfully represents as follows:

1. In its petition for this Docket, HAWC seeks approval to accept a \$3,283,750.00 grant from the NHDES DWGTF as part of the Southern New Hampshire Regional Water Interconnection Project (the "Project") and to approve financing already approved by the State of New Hampshire for up to

¹ Per Exhibit 1 of the Company's Petition

² Per Exhibit 1 of the Company's Petition

\$1,204,815.00 to pay for federal taxes HAWC will incur due to CIAC.

2. The Project also requires HAWC to pay a Merrimack Source Development Charge (“MSDC”) of \$892,500.00, and the Company seeks to finance a portion (\$392,500.00) of this charge in its petition. The Company’s shareholder has already contributed \$500,000.00 of additional paid in capital to pay the MSDC.

3. As described in HAWC’s petition and prefiled testimony, time is of the essence to approve the Grant Authority because the Project—to provide safe drinking water to the Town of Plaistow from the City of Manchester, through Derry, Windham, Salem, and HAWC’s core system—is already underway. Phase I of the Project is scheduled to be completed in the summer of 2020. The Project will also provide HAWC long term access to water to meet its Atkinson/Hampstead core demands. For these reasons it is essential that approval of the Grant Authority occur as quickly as possible in order to allow for the 30-day public comment period that follows the issuance of an Order *Nisi* and to take such other steps necessary to ensure an issuance date in March 2020.

4. The second component of the petition is Proposed MSDC Financing. This will be used exclusively to fund a portion of the MSDC HAWC is responsible for as part of the Project. After conversations with Staff, HAWC anticipates that it will require more time to secure the Proposed MSDC Financing and Staff, in turn, will need more time to review and analyze the terms and conditions of such financing. The timing of the Commission's decision regarding the request for approval of the Proposed MSDC Financing, while still time sensitive, is not as critical as it is for the Grant Authority.

5. In light of the need for a decision as soon as possible regarding the Grant

Authority, and the fact the requested Proposed MSDC Financing does not have the same time sensitivity, HAWC is requesting that the Commission consider the two financing requests separately and first review and issue orders regarding the Grant Authority.

6. Counsel for the Staff, Chris Tuomala, was contacted and provided his assent to the relief sought in this Motion.

WHEREFORE, HAWC respectfully moves, with the assent of counsel for Staff, that the Commission grant this assented-to motion and:

- (a) Bifurcate its consideration of the Grant Authority from the Proposed MSDC Financing;
- (b) Allow for the separate review and order regarding the proposed Grant Authority before the review and order for the Proposed MSDC Financing; and
- (c) Take such further action and make such other findings and orders as in its judgment may be just, reasonable, and in the public good.

Dated: February 24, 2020

Respectfully submitted,
The Hampstead Area Water Company, Inc.

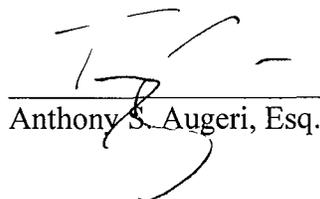


Charlie Lanza, its General Manager

Certificate of Service

I certify that a copy of this Assented-to Motion has been served with the Office of Consumer Advocate via electronic mail at ocalitigation@oca.nh.gov and on the Commission's service list for this docket.

Dated: Feb. 25, 2020



Anthony S. Augeri, Esq.