

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 21-___

**Petition of Pennichuck East Utility, Inc. for Approval of Financing
From CoBank, ACB**

DIRECT PREFILED TESTIMONY OF JOHN J. BOISVERT

May 17, 2021

1 **Professional and Educational Background**

2 **Q. What is your name and what is your position with Pennichuck East Utility, Inc.?**

3 A. My name is John J. Boisvert. I am the Chief Engineer of Pennichuck Water Works,
4 Inc. (“PWW”), which provides services to PEU, Inc. (“PEU” or the “Company”)
5 pursuant to a management allocation agreement. I have worked for PWW since
6 February 1, 2006. I am a licensed professional engineer in New Hampshire and
7 Maine.

8
9 **Q. Please describe your educational background.**

10 A. I have a Bachelor of Science degree and a Master of Science degree in Civil
11 Engineering from the University of New Hampshire in Durham, New Hampshire. I
12 also have a Master’s degree in Environmental Law and Policy from Vermont Law
13 School in South Royalton, Vermont.

14
15 **Q. Please describe your professional background.**

16 A. Prior to joining PWW, I served as a Team Leader for Weston & Sampson Engineers
17 of Portsmouth, New Hampshire in their Water Practices Group from 2000 to 2006.
18 Prior to Weston & Sampson, I was employed by the Layne Christensen Company of
19 Shawnee Mission, Kansas as Regional Manager for their Geosciences Division in
20 Dracut, Massachusetts from 1994 to 2000. I completed graduate school in 1992 and
21 was employed by Hoyle, Tanner, & Associates of Manchester, New Hampshire as a
22 Project Engineer from 1992 to 1994. Prior to entering full time graduate programs at
23 the University of New Hampshire and Vermont Law School, I was employed by Civil

1 Consultants of South Berwick, Maine as a Project Engineer from 1986 to 1989 and by
2 Underwood Engineers of Portsmouth, New Hampshire as a project Engineer from
3 1985 to 1986.

4

5 **Q. What are your responsibilities as Chief Engineer?**

6 A. As Chief Engineer, I am responsible for the planning, design, permitting,
7 construction, and startup of major capital projects, including pipelines,
8 reservoirs/dams, building structures, pumping facilities, treatment facilities, and
9 groundwater supplies. I oversee the Company's Asset Management program and
10 provide regular technical assistance to PWW's Water Supply Department, Operations
11 Department, Customer Service Department, and Senior Management.

12

13 **Q. What is the purpose of your testimony?**

14 A. I will be describing the capital expenditures of \$1,135,409 completed in 2020 that the
15 Company is seeking to refinance with CoBank. These expenditures for 2020 cover
16 project costs not fully funded by the New Hampshire State Revolving Fund (SRF) or
17 the New Hampshire Drinking Water and Groundwater Trust Fund (DWGTF) and
18 capital expenditures for maintenance capital items described in the Company's
19 Qualified Capital Project Adjustment Charge (QCPAC) filing DW 21-022.

20

21 **Q. What is the value of capital expenditures during the period between January 1,**
22 **2020 and December 31, 2020 the Company completed and placed into service as**

1 **“used and useful” to its distribution, storage, treatment, and supply facilities, for**
 2 **which the Company requests term financing through CoBank?**

3 A. The Company made and reported capital investments totaling \$5,142,555 in 2020.
 4 Three major projects described in the table below with total expenditures of
 5 \$4,804,927 received SRF loans totaling \$4,007,147. None of the work completed in
 6 2020 used DWGTF grant funds. The remainder of the expenditures associated with
 7 those three projects not covered by the SRF loans totaled \$797,780. The Company is
 8 seeking to finance this amount through CoBank.

| Project | Total Expenditure | SRF Loan Amount | DWGTF Grant Amount | Remainder CoBank Requested Amount |
|--|--------------------|--------------------|--------------------|-----------------------------------|
| Rolling Hills Main Replacement 2020 Site Restoration | \$27,400 | N.A. | N.A. | \$27,400 |
| Pelham Main Replacement/Addition (Monticello, Lane, Simpson, Andrea, & Mont Vernon) | \$595,046 | N.A. | N.A. | \$595,046 |
| Locke Lake Projects (8 total) | \$4,182,481 | \$4,007,147 | N.A. | \$175,334 |
| Totals | \$4,804,927 | \$4,007,147 | \$0 | \$797,780 |

9

10 **Q. The major capital expenditures identified above account for \$797,780 of the total**
 11 **CoBank request of \$1,135,409. Could you please describe the projects for which**
 12 **the remaining \$337,629 CoBank request will be applied to?**

13 A. Yes. The projects associated with the remaining \$337,629 are generally associated
 14 with maintenance capital projects or items/equipment. Maintenance capital
 15 expenditures are typically for the replacement of equipment assets (pumps, controls,
 16 meters) and the replacement or upgrade of existing assets (distribution valves,

1 hydrants, and services) as well as tools and equipment to properly operate and
2 maintain Company water systems. These expenditures include investments in new
3 customer growth required by tariff for assets owned by the Company including new
4 customer meters and new single-family customer services (main to stop section).
5 2020 also found PEU to be very active with development related activities, with the
6 Company contributing \$62,949 in developer installed services per the Company’s
7 Tariff. Merrimack Source Development Charge (MSDC) fees of \$127,007 were paid
8 to Manchester Water Works (“MWW”) for increases in purchased water by the
9 Company for water used from existing customers. NHDES declared a drought in
10 2020. Associated with those drought conditions, the Company experienced an
11 increased usage of water by existing customers, due to higher seasonal irrigation,
12 which led to increased water purchases from MWW in support of the Company’s
13 Londonderry system. The specific expenditures are detailed as follows:

- 14 • Small Booster Pump, Well Pump, and Chemical Feed Pump Replacement
15 (\$31,602) – This expenditures a for “run rate” replacement of failed or worn
16 booster, well or chemical feed pumps throughout 2020.
- 17 • Misc. SCADA and Electrical Upgrades in booster stations (\$7,967) in four
18 community water systems. Two in Raymond, NH and two in Windham, NH.
- 19 • Services (\$10,586) – Two services for single family owner-built homes were
20 added.
- 21 • Renewed Services (\$10,137) – Five new services to replace existing failed
22 services.

- 1 • Hydrant Replacement (\$0) – No hydrants required replacement in 2020.
- 2 • New and replacement meters (\$25,672) – 235 installed or replaced new meters
- 3 for new customers and replacement meters.
- 4 • New and replaced radio reads (\$24,231) – 236 new radio reads for new meters
- 5 and failed existing radios.
- 6 • Valve installation (\$17,872) – Replaced five non-functioning gate valves.
- 7 • Investment in Developer Installed Services (\$62,949) – One times annual
- 8 revenue investment per tariff (main extensions).
- 9 • MSDC fee (\$127,007) – The MSDC fee paid by the Company was for
- 10 increased water usage by existing customers.
- 11 • PEU-PWW Interconnection (\$3,449) – This expenditure was to install
- 12 permanent easement markers as required in the Company’s easement
- 13 agreement with the U.S Fish and Wildlife Service in Litchfield.
- 14 • CoBank interest (\$16,158)

15 **Q. Does this complete your testimony?**

16 A. Yes.

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