

DW 02-193

Gunstock Glen Water Company, Inc.  
Pennichuck Water Works, Inc.

Petition for Authority to Transfer  
Utility Business, Properties and Franchise

Order Nisi Approving Transfer of Utility Business, Properties,  
and Franchise Subject to Certain Conditions

O R D E R N O. 24,104

December 23, 2002

The petitioners, Gunstock Glen Water Company, Inc. (Gunstock Glen) and Pennichuck Water Works, Inc. (Pennichuck), both public utilities regulated by the New Hampshire Public Utilities Commission (Commission) pursuant to RSA 362:2 and RSA 362:4, on October 15, 2002 filed a joint petition to transfer the Gunstock Glen utility business, properties and franchise to Pennichuck. Staff of the Commission subsequently engaged in limited discovery in relation to the filing. The Gunstock Glen water system provides service to approximately 55 customers in the Town of Gilford, New Hampshire.

The filing indicates that the Gunstock Glen corporation was previously dissolved, and therefore includes as joint petitioners "Maurice J. Paradise, in his authority as an officer and director of said Corporation and Bernice J. Paradise, in her authority as an officer and director of said Corporation, and in their capacity as the sole surviving shareholders of the now dissolved Gunstock Glen Water Company, Inc., and as individuals

who are husband and wife, continuing to operate said Company as d/b/a Gunstock Glen Water Company, Inc. ...". A Standard Agreement signed by the petitioners and included in the filing indicates a sale price for the system of \$13,156.00.

The filing also requests authority for Pennichuck to charge its core system rates in the Gunstock Glen franchise. Under current core rates, a customer using a typical 8800 cubic feet per year would pay \$254.37. The current Gunstock Glen flat rate is \$239.36 annually. Gunstock Glen has not requested a change to customer rates since 1989.

A letter dated July 3, 2002, from the Department of Environmental Services to Pennichuck and copied to Gunstock Glen indicates awareness of a potential transfer of system ownership and addresses conditions under which a second well could be required in the future for the Gunstock Glen system.

The Town of Gilford recently completed the installation of sewer collection mains in the Gunstock Glen franchise area, and has interacted with both companies as a result of that work and the proposed transfer of the water system. The town is requiring its sewer customers to purchase and install water meters for sewer billing purposes, but has indicated that it will allow a water company to buy, install and own the meters as long as they are compatible with the town's meter reading equipment and software. Pennichuck intends to install meters in this

system as soon as it is acquired. This alternative will eliminate a number of potential problems in regard to its tariff and other meter-related requirements.

Gunstock Glen customers will be served by a large water utility with proven reliability. Pennichuck serves over 23,000 customers in its Nashua core system and various stand-alone systems, has a history of competent and reliable service and has amply demonstrated the technical, managerial, and financial expertise to own and operate small water systems. We also find that employing core rates in this case is reasonable.

We are unaware of any party at this time opposing the proposed transfer. However, we will issue our decision in the form of an order nisi to allow any interested parties an opportunity to comment.

**Based upon the foregoing, it is hereby**

**ORDERED NISI**, that subject to the effective date below, the proposed transfer of the Gunstock Glen utility business, properties and franchise to Pennichuck Water Works, Inc. pursuant to RSA 374:22 and RSA 374:26 is in the public good and is approved; and it is

**FURTHER ORDERED**, that Pennichuck is granted authority, pursuant to RSA 378, to charge its core system rates in the Gunstock Glen franchise area; and it is

**FURTHER ORDERED**, that Gunstock Glen Water Company, Inc. and its related petitioners are granted permission to cease operations as a public utility; and it is

**FURTHER ORDERED**, that the Petitioners shall cause a copy of this Order Nisi to be mailed to each customer of the Gunstock Glen system and to the Gilford town clerk, by first class mail, and to be published once in the *Laconia Citizen* and the *Nashua Telegraph*, such actions to be no later than January 2, 2003 and to be documented by affidavit filed with this office on or before January 16, 2003; and it is

**FURTHER ORDERED**, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than January 9, 2003; and it is

**FURTHER ORDERED**, that any party interested in responding to such comments or request for hearing shall do so no later than January 15, 2003; and it is

**FURTHER ORDERED**, that this Order Nisi shall be effective January 23, 2003, unless the Petitioners fail to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

**FURTHER ORDERED**, that Pennichuck shall file a compliance tariff with the Commission on or before January 23, 2003, in accordance with N.H. Admin. Rules Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this twenty-third day of December, 2002.

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Thomas B. Getz  
Chairman

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Susan S. Geiger  
Commissioner

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Nancy Brockway  
Commissioner

Attested by:

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Debra A. Howland  
Executive Director & Secretary