

## City of Nashua

*Petition for Valuation Pursuant to RSA 38:9*

DW 04-048

Nashua's Response to Pennichuck Water Works, Inc. Data Requests – Set 4 Round 1

Date Request Received: February 27, 2006 Date of Response: March 20, 2006

Request No. 4-8

Respondents: Paul Noran, P.E.,  
Paul Doran, P.E.

Req. 4-8      The Service Agreement OM&M Nashua provided with its Veolia testimony Standards Section 5(d) states that Veolia Water North America – Northeast, LLC (VWNA) would use “prudent industry practice” for locating underground facilities. Please define “prudent industry practice” and cite to relevant standards or references as applicable to your definition.

Response:      The reference cited above contained in Appendix D, Section 5 (d) to “prudent industry practice” should be understood in the context of Article V, Section 5.1 of the OM&M Agreement which requires that Veolia’s performance meet five criteria, including “prudent industry practice”. The criteria include (1) compliance with the OM&M Agreement and plans developed pursuant to the Agreement; (2) all applicable laws and permits; (3) all applicable water quality standards; (4) prudent industry practice; and (4) certain manufacturer’s instructions and warranty requirements.

Prudent industry practice is not specifically defined by the OM&M Agreement. In a general sense, the term refers to practices which are considered prudent in the industry, even if they are not specifically required by law. The standard is one of reasonableness based on accepted industry practices. It also allows flexibility because prudent industry practice may change over time as new technology is adopted by the industry.

We believe that prudent industry practice in this case means locating the underground assets accurately and in a timely manner in accordance with industry norms and in compliance with RSA 374:48-54. Veolia Water will use qualified personnel, systems and equipment to ensure the accurate location of underground water utility assets.