

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

**Petition of Pennichuck East Utility, Inc. for Permission To
Engage in Business as a Public Utility in a Limited
Area of the Town of Tilton known as Winnisquam Village Condominiums
and for Approval of Rate Schedules**

NOW COMES Pennichuck East Utility, Inc., (the “Petitioner”), a New Hampshire corporation with its principal place of business at 25 Manchester Street, Merrimack, New Hampshire, petitioning the Commission for permission to engage in business as a public utility in a limited area of the town of Tilton as defined herein, and respectfully represents as follows:

1. That the Petitioner is a public utility authorized to engage in gathering and distributing water within various towns in New Hampshire, including Atkinson, Bow, Chester, Derry, Exeter, Hooksett, Litchfield, Lee, Londonderry, Pelham, Plaistow, Raymond, Sandown, and Windham.
2. R.J. Moreau Communities, Inc. is a New Hampshire limited liability company having a place of business of 22 Eastman Drive, Bedford, New Hampshire (the “Developer”). The Developer is in the process of developing a 58.76 acre residential condominium development in and around Route 3, Tilton, New Hampshire (the “Development”). As part of the Development the Developer has constructed a community water system. The proposed system as further defined herein will eventually service approximately 86 residential units in Tilton through two community wells.
3. The Developer has represented that the Development is being constructed according to a site plan titled “Water Distribution Plan, Winnisquam Village Condominium”, by Holden Engineering & Surveying, Inc., dated November 17, 2005, (hereinafter the “Plan”), a copy of which is attached to the pre-filed direct testimony of Bernard J. Rousseau, as Exhibit BJR-1.

4. The proposed community water system and the Development have been partially completed, and to the best of PEU's knowledge and belief the water system has to date been built in accordance with all local, state and federal standards, all conditions required by federal, state and local approvals or licenses, and such terms as are required by a revised Agreement between the Petitioner and the Developer dated November 10, 2009 (the "Agreement") a copy of which is attached to the pre-filed testimony of Bernard J. Rousseau as BJR-2.

5. The proposed community water system is to serve a proposed franchise area defined in the Plan, being submitted to further assist the Commission in defining the proposed franchise area (hereinafter the "Proposed Franchise Area").

6. By way of further history, the Petitioner petitioned the Commission on January 30, 2008, for the relief requested herein, but withdrew its Petition when the Tilton Northfield Water District was unable to indicate its assent to the Petition, the Tilton Northfield Water District having previously been awarded the franchise rights within the town of Tilton, New Hampshire.

7. Since that time, the Tilton Northfield Water District has determined it supports an award or transfer of franchise rights to the Petitioner over the limited area within the town of Tilton, New Hampshire, as set forth in this Petition. A copy of the public vote by the duly elected Water District Commissioners is attached hereto as BJR-5.

8. The Developer has requested that Petitioner supply water services to the project known as Winnisquam Village Condominiums and Petitioner has agreed to acquire ownership of this community water system as is further outlined in paragraph 9 below, and to thereafter supply water services to the Development as set forth in the Agreement.

9. Under the terms of the Agreement the Developer is willing to convey to the Petitioner (i) all necessary use and access easements and well head protective easements by easement deeds, and, (ii) all relevant and required equipment by a bill of sale containing warranty covenants.

10. Petitioner desires to supply water service to customers in the Proposed Franchise Area, within the Town of Tilton. Petitioner intends to supply water to the Proposed Franchise Area through the wells and community water system that is established and which has been conditionally approved by NH DES, pursuant to NH RSA 374:22 III, the conditional approval letters being attached to the pre-filed testimony of Bernard J. Rousseau, as BJR-3.

11. By this Petition, Petitioner seeks authority (i) pursuant to RSA 374:22, et. seq., for Petitioner to extend its water utility business to serve the customers or potential customers to be served in the Winnisquam Village Condominiums Development by the System; (ii) the establishment of a franchise and/or transfer of franchise rights in favor of the Petitioner over the Proposed Franchise Area; and (iii) pursuant to RSA Chapter 378, for Petitioner to provide service to the customers in the Proposed Franchise Area utilizing Petitioner's PEU tariff rate. Petitioner estimates that the revenues derived from providing service at the PEU tariff rate will meet the initial stand-alone revenue requirement of this franchise service area. In support of this request Pennichuck offers the pre-filed testimony of Bernard J. Rousseau, Vice President of Pennichuck Water Services Company, and a related work sheet marked as Exhibit BJR-4. Following receipt of the approvals requested herein, Petitioner will promptly file the appropriate compliance tariff revisions.

12. The Petitioner has the requisite technical, managerial and financial resources to own and operate the System and to provide water service in the Proposed Franchise Area. The Petitioner renders water service via community water systems throughout the State of New Hampshire.

Petitioner has established a reputation for reliable and efficient service to the public. The Commission has previously granted to Petitioner numerous franchises to operate community water systems in the State of New Hampshire. The Petitioner is actively involved in acquiring and operating community water systems such as the community water system discussed herein. The Petitioner recognizes that regulatory and environmental challenges are increasing for small community water systems. Petitioner believes that due to its experience in the industry, skilled employees, skilled management and base of financial and technical resources, granting the relief requested herein will benefit customers to be served by Petitioner within the Proposed Franchise Area. As such, Petitioner believes that it will be in the public good for it to render water services as a water public utility in the Proposed Franchise Area of the Town of Tilton.

13. Petitioner notes that in the future it may be in the best interest of those served in the Proposed Franchise Area and in other geographical areas situated near the Proposed Franchise Area to be interconnected with other area water systems, contributing to the efficiency and quality of service. Petitioner wishes to reserve its right to return to the Commission and modify the Proposed Franchise Area or propose interconnections with other systems, should such a situation arise and it be in the best interest of the parties involved.

WHEREFORE, the Petitioner requests that the Commission:

- A. Find that it will be for the public good for the Petitioner to engage in business as a water public utility in the Proposed Franchise Area; and
- B. That the Commission enter an ORDER NISI, or, in the alternative, schedule a hearing, if the Commission deems one necessary, and enter an order (i) pursuant to the NH RSA 374:22 and 26, granting permission and approval for the Petitioner to engage in business as a water public utility in the Proposed Franchise Area, and (ii) pursuant to NH RSA 378, granting permission

and approval to provide such service to the Proposed Franchise Area pursuant to the existent
PEU-A tariff now in affect.

Respectfully submitted,

PENNICHUCK EAST UTILITY, INC.
By Its Attorneys,
DWYER, DONOVAN & PENDLETON, P.A.

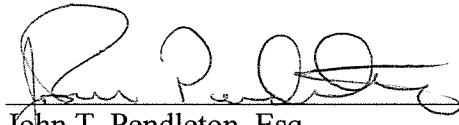
Date: 12/22/2009

By: 

John T. Pendleton, Esquire
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Certificate of Service

I hereby certify that a copy of this Petition, including the pre-filed testimony referred to in the Petition, have on the above date, been sent by first class mail to F. Anne Ross, Esq., Consumer Advocate, as well as Scott McGuffin, Esq., counsel for the Tilton Northfield Water District and Andrew Sullivan, Esq., counsel for the Developer.


John T. Pendleton, Esq.