STATE OF NEW HAMPSHIRE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 16-

PETITION TO EXPAND FRANCHISE, OPERATE WATER SYSTEM INSIDE OF THE NEW FRANCHISE AREA, ACQUISITION OF ASSETS, APPROVAL OF FINANICNG AND APPROVAL OF THE APPLICATION OF EXISTING RATES

PRE-FILED TESTIMONY OF JOHN SULLIVAN

- Q. Please state your name and business address:
- A. John Sullivan. 54 Sawyer Avenue, Atkinson, New Hampshire.
- Q. What is your present employment?
- A. I am the controller for Lewis Builders Inc., employed as are most employees, by Lewis Builders Development, Inc., a wholly-owned subsidiary of Lewis Builders, Inc.
- Q. As controller for Lewis, do your duties also include similar duties for Hampstead Area Water Company, Inc. (HAWC)?
- A. Yes.
- Q. HAWC has submitted a "Petition To Expand Franchise, Operate Water System Inside Of The New Franchise Area, Acquisition Of Assets, Approval of Financing, And Approval Of The Application Of Existing Rates". Would you explain briefly what the purposes are for this petition?
- A. Yes. There are basically three reasons for this petition. First, the Company is seeking the approval of the Commission for the proposed satellite system in Sandown, New Hampshire.

 Secondly, the Company is requesting that the Commission approve the acquisition of these

system assets, approval of financing, and operate the satellite system within the new franchise area. Thirdly, the Company is seeking Commission approval for applying the existing rates to the proposed franchise area.

Q. What is the proposed system?

A. The current project would be the construction of a satellite water system for the Wells Village development. We will be acquiring that system extension as CIAC from the developer. The cost of the system being acquired is \$462,305.00. The out of pocket cost to HAWC is \$50,0000.00.

Q. What are the system assets being acquired?

A. Those assets are listed on the Bill of Sale, the Project Cost Schedule, and the Continuing Property Report, attached as Exhibits 2, 7, and 13, respectively.

Q. What are the rates proposed for the franchise area and how were they derived?

A. We are proposing that the Commission approve the application of the existing consolidated rate with the same base charge of \$10.00 per month and consumption rate of \$5.02 per 100 cubic feet as is presently approved for HAWC.

Q. Does this conclude your testimony?

A. Yes.