

BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

**REQUEST FOR WAIVER OF N.H. CODE ADMIN. RULE PUC #303.02 ON BEHALF OF
PROSPECT WOODWARD HOME WITH RESPECT TO HILLSIDE VILLAGE**

Pursuant to N.H.Code Admin Rule PUC #201.05, The Prospect Woodward Home hereby requests a waiver of the prohibition against master metering with respect to Hillside Village, a Continuing Care Retirement Community to be constructed in Keene NH.

Background

The Prospect Woodward Home is the result of a merger between Prospect Hill Home, d/b/a Prospect Place, a New Hampshire non-profit, voluntary corporation with a principal place of business at 361 Court Street, Keene, New Hampshire 03431 and The Woodward Home, a New Hampshire non-profit, voluntary corporation with a principal place of business at 194-202 Court Street, Keene, New Hampshire 03431. Each organization seeks to sustain and further its mission of addressing the housing and health care needs of the elderly citizens in the Service Area. Given the economic and regulatory burdens in providing such services in older facilities, the Parties believe that their respective missions will be achieved best by combining into a single supported residential care organization. After much research the merged organizations have determined that their longstanding missions to provide a high quality environment for seniors can most appropriately be continued by the development of a new Continuing Care Retirement Community campus in Keene.

The Project

This planned Continuing Care Retirement Community, consisting of 145 apartments, 60 Assisted Living beds and 20 Nursing facility beds has been granted a Certificate of Authority by the New Hampshire Department of Insurance and a Certificate of Need by the New Hampshire Department of Health and Human Services.

As identified in the Disclosure Statement (required for approval by the Insurance Department), residence in the Community is open to persons age 62 and over. Residents who will occupy independent apartments must be able to demonstrate that they are in good health, able to live independently and capable of meeting their financial responsibilities. All parts of the Community are very residential in nature and design and emphasize a dignified atmosphere. The Community was created to be an integrated town within a town which interacts with the city of Keene as a whole. The goal of the community is to allow its residents to enjoy a dignified lifestyle.

Services and Amenities

The services and Amenities which the Community provides, which are also identified in the Residence and Care Agreement to be executed with all residents and are included in the fee structure for each residential unit are listed below:

A. Community Center

The Resident may use the dining rooms, lounges, lobbies, library, social and recreational facilities, and other public areas of the Community Center which Hillside Village will make available for the use and enjoyment of the Residents of Hillside Village. Such use is subject to reasonable rules, established by the Hillside Village, which shall be applicable to all Residents.

B. Health Center

Hillside Village will supply long term non-rehabilitative assisted living and nursing care in the on-site Health Center when medically necessary without any increase in the then current monthly fee except for other fees and expenses not covered in the Residence and Care Agreement. If a Resident requires short term rehabilitative nursing care funded primarily through Medicare, Hillside Village will arrange to have these services provided by a local specialized rehabilitative inpatient nursing facility that accepts Medicare payment. However, Resident shall retain the right to choose an alternative specialized rehabilitative inpatient nursing of their choice. Nursing care, other than this short term rehabilitative care will be provided in the on-site Health Center. If accommodations are

not immediately available in the on-site Health Center, Hillside Village will be responsible to pay for similar services at an off-site long term care facility. Resident would be transferred back to the Health Center as soon as accommodations become available.

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C. Food Services

1. Meal Services

Three nutritionally balanced meals a day will be available at the Community Center. One meal for each day in the month is included in the Monthly Service Fee. Residents may take these meals in any manner they choose to include taking multiple meals in any one day and not taking any on another day or utilizing these meals for visiting quests. Residents may elect to take additional meals at the prevailing extra charge. Should Resident transfer to the Health Center either on a temporary or permanent basis, three meals per day shall be provided at no additional charge.

2. Home Delivered Meal Service

Home Delivered Meal Service will be provided in the Living Accommodation upon the advance request of a Resident. Up to 25% of the meals provided each month under the Residence Agreement may be taken in this manner at no additional charge. If over 25% of the meals provided each month are delivered to the Living Accommodations an additional deliver charge may apply.

3. Private Dining Room

A private dining room will be available for family gatherings or other special occasions for Resident, subject to reservation and availability. Food Service can be provided in the Private Dining Room for an additional charge.

4. Guest Meals

Guest meals will be provided for guests of the Resident at the Community. Fees for guest meals may be charged to the Resident and will be reflected on the Resident's monthly statement unless the Resident elects to use one of their allotted monthly meals for the guest.

D. Housekeeping

Light Housekeeping services will be provided every other week at no additional charge in the Resident's Living Accommodation. On an annual basis, heavy housekeeping service

will be provided and includes cleaning windows and moving furniture. Residents are responsible for maintaining Living Accommodation in a clean and sanitary condition. Additional housekeeping services are available to the Resident at an additional charge.

E. Maintenance

Furnishings, appliances, and other property and equipment supplied by the Community will be repaired and maintained or replaced by the Community. Repairs, maintenance and replacement of the Resident's personal property are the responsibility of the Resident.

F. Utilities

Sewer, Water, electricity, heat and air conditioning and trash removal will be furnished at no additional cost to the Resident. The Resident will be responsible for the cost of telephone and cable TV service in the Living Accommodation.

G. Grounds

Basic grounds keeping, including lawn service and common area gardens, will furnished at no additional cost to the Resident.

H. Gardens

Ground floor Residents may plant flowers, greenery and other non-wild, non-food bearing plants around their patio areas in dimensions determined by the Community. A portion of the campus of the Community will be designated for Resident garden plots for the growing of vegetables and flowers. Residents may reserve these garden plots at no additional charge.

I. Local Transportation

Hillside Village will provide local transportation for Residents to shopping centers, banks and other points of common interest on a scheduled basis, as well as individual trips to physicians, dentists and hospitals within the local area of the Community in the event other conveyance is unavailable and transportation is requested in advance.

J. Activities

Hillside Village will provide a planned schedule of social, cultural, educational, recreational and religious activities. Hillside Village reserves the right to pass on to the Resident the costs incurred in providing programs which require special materials, admission fees, charter bus service or other outside expenses.

K. Emergency Service

An emergency call system will be located within each Living Accommodation. Any emergency call received from a Resident will be answered twenty four hours a day, seven days a week.

L. Taxes

Hillside Village will be responsible for any real estate taxes assessed to the Community.

M. Beautician/Barber Services

Beautician and Barber services will be available to the Residents in the Community at an additional charge to the Resident.

N. Snack Shop/Convenience Store

A Snack Shop/Convenience Store will be available to Residents during scheduled hours of operation. Purchases will be an additional charge to Residents.

O. Parking

Lighted and well maintained parking areas are available to Residents at no additional charge. Covered and underground parking is available to Residents at an additional charge.

Applicable Rules

We understand that the applicable Commission rules are as follows:

- PUC 302.12 “Master metering” means the use of a single meter to supply electric service at a building that contains two or more residential premises
- PUC 303.02 Master Metering
 - (b) no utility shall install master metering at a multi-tenant building containing any residences if the occupants of any unit receiving electric service through the master meter have temperature control over any portion of the electric space heating, electric air conditioning or electric water heating service for the unit
 - (c) Section (b) above shall not apply to hotel, motels, dormitories and time-sharing interests in condominiums as defined in RSA 356-B:3

Basis of Variance Request

Hillside Village will be financed through the issuance of tax free bonds by the New Hampshire Health and Education Facilities Authority (NHEFA) and by resident entrance fees. HJ Sims will serve as the investment banker to arrange the sale of the bonds. The bond issue will consist of both short and long term bonds, the long term bonds have a 40 year term. Given the safeguards of the oversight of the New Hampshire Department of Insurance and the reserve funds required by the financing, this Community, as well as CCRCs nationally, have demonstrated stable operations over the lifetimes of the many generations of residents they have served.

Hillside Village is contractually obligated to operate the facility as a senior housing project for the full length of the term of financing, and even beyond that.

A Continuing Care Retirement Community such as Hillside Village guarantees the residents who meet the financial and health care requirement for admission an accommodation in an apartment or health care bed, depending on their needs. Residents do not own any portion of the community, rather the right to an apartment or a health care accommodation throughout their lifetime. Resident pay a one-time entrance fee and an ongoing monthly fee based upon their initial selection of a living unit. The fee structure is an actuarially based fee structure based on their age at entry and initial accommodation chosen. The fee structure is based on the

premise that some residents will require some level of healthcare during their stay, and all of the costs of operating the community are actuarially distributed to all residents. Residents may move into different levels of care depending on their health care needs.

Since the utility costs are not passed on directly to any resident, but paid in total by the community, individual electric meters are not needed for individual resident metering. If meter sockets were installed to accommodate some future change in the community configuration, they would probably be of no use given the longevity of the community as currently structured and the financing and regulatory oversight in place to ensure its continued operation. It is in the public interest to ensure that the construction cost be kept as low as possible so the Resident entrance fee and monthly fee structure can be maintained at the lowest possible rate to allow the largest number of residents as possible to meet the financial requirements for entry into the community.

We understand that the purpose of the master metering prohibition is to encourage the efficient use of electricity by having the residents of multiple housing units see and pay for their individual consumption rather than having their folded into their rent payment. Since the future residents of Hillside Village will not see or pay an individual electric bill, the link between the customer and consumption is broken. The separate wiring of each apartment to individual meters would add significant costs to the construction of the facility without the benefits the master metering rules are designed to create.

Hillside Village Energy Efficiency

The design of for construction of Hillside Village calls for the most up to date energy efficient measures including the following:

- Closed spray foam exterior wall insulation which will prevent heat loss due to air leakage
- Windows with Low-E glazing which will minimize heat loss
- Water saving showerheads, faucets and toilets, which will require both less energy for production of hot water and less energy used to pump water
- Energy Recovery Ventilation (ERV) systems, which will recover energy normally lost

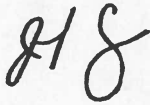
by standard exhaust fans, and provide better ventilation in the building to maintain air quality.

- Energy star appliances and interior lighting

Summary

In summary we request that the Commission grant Hillside Village a waiver of PUC 303.03 to allow master metering for the community.

Respectfully submitted,



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Cc Dr Kimball Temple
Board Chair – The Prospect Woodward Home