

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 19-____

**Petition of Pennichuck East Utility, Inc. for Approval of Financings
From CoBank, ACB For New Term Loan to reimburse and refinance Fixed Asset
Line Drawdowns for 2018 QCPAC Eligible Capital Expenditures**

DIRECT PREFILED TESTIMONY OF JOHN J. BOISVERT

March 29, 2019

PEU00034

1 **Professional and Educational Background**

2 **Q. What is your name and what is your position with Pennichuck East Utility, Inc.?**

3 A. My name is John J. Boisvert. I am the Chief Engineer of Pennichuck Water Works,
4 Inc. (“PWW”), which provides services to PEU, Inc. (“PEU” or the “Company”)
5 pursuant to a management allocation agreement. I have worked for PWW since
6 February 1, 2006. I am a licensed professional engineer in New Hampshire and
7 Maine.

8
9 **Q. Please describe your educational background.**

10 A. I have a Bachelor of Science degree and a Master of Science degree in Civil
11 Engineering from the University of New Hampshire in Durham, New Hampshire. I
12 also have a Master’s degree in Environmental Law and Policy from Vermont Law
13 School in South Royalton, Vermont.

14
15 **Q. Please describe your professional background.**

16 A. Prior to joining PWW, I served as a Team Leader for Weston & Sampson Engineers
17 of Portsmouth, New Hampshire in their Water Practices Group from 2000 to 2006.
18 Prior to Weston & Sampson, I was employed by the Layne Christensen Company of
19 Shawnee Mission, Kansas as Regional Manager for their Geosciences Division in
20 Dracut, Massachusetts from 1994 to 2000. I completed graduate school in 1992 and
21 was employed by Hoyle, Tanner, & Associates of Manchester, New Hampshire as a
22 Project Engineer from 1992 to 1994. Prior to entering full time graduate programs at
23 the University of New Hampshire and Vermont Law School, I was employed by Civil

1 Consultants of South Berwick, Maine as a Project Engineer from 1986 to 1989 and by
2 Underwood Engineers of Portsmouth, New Hampshire as a project Engineer from
3 1985 to 1986.

4

5 **Q. What are your responsibilities as Chief Engineer?**

6 A. As Chief Engineer, I am responsible for the planning, design, permitting,
7 construction, and startup of major capital projects, including pipelines,
8 reservoirs/dams, building structures, pumping facilities, treatment facilities, and
9 groundwater supplies. I oversee the Company's Asset Management program and
10 provide regular technical assistance to PWW's Water Supply Department, Operations
11 Department, Customer Service Department, and Senior Management.

12

13 **Q. What is the purpose of your testimony?**

14 A. I will be describing the capital expenditures of \$1,297,379 completed in 2018 that the
15 Company is seeking to refinance with CoBank. These expenditures for 2018 cover
16 project costs not fully funded by the New Hampshire State Revolving Fund (SRF) or
17 the New Hampshire Drinking Water and Groundwater Trust Fund (DWGTF) and
18 capital expenditures for maintenance capital items described in the Company's
19 Qualified Capital Project Adjustment Charge (QCPAC) filing DW 19-035.

20

21 **Q. What is the value of capital expenditures during the period between January 1,**
22 **2018 and December 31, 201 the Company completed and placed into service as**

1 **“used and useful” to its distribution, storage, treatment, and supply facilities, for**
2 **which the Company requests term financing through CoBank?**

3 A. The Company made and reported capital investments totaling \$5,109,427 in 2018.
4 Three major projects described in the table below with total expenditures of
5 \$4,683,538 received SRF loans totaling \$3,212,047 and a DWGTF grant in the
6 amount of \$600,000. The remainder of the expenditures associated with those
7 projects not covered by the SRF loans or DWGTF grant totaled \$871,491. The
8 Company is seeking to finance this amount through CoBank.

Project	Total Expenditure	SRF Loan Amount	DWGTF Grant Amount	Remainder CoBank Requested Amount
PEU-PWW Interconnection	\$3,809,695	\$2,400,000	\$600,000	\$809,695
Brady Ave. Water Main	\$618,983	\$570,000	N.A.	\$48,983
Hillcrest Road Watermain	\$254,860	\$242,047	N.A.	\$12,813
Totals	\$4,683,538	\$3,212,047	\$600,000	\$871,491

9
10 **Q. The major capital expenditures identified above account for \$871,491 of the total**
11 **CoBank request of \$1,297,379. Could you please describe the projects for which**
12 **the remaining \$425,888 CoBank request will be applied to?**

13 A. Yes. The projects associated with the remaining \$425,888 are generally associated
14 with maintenance capital projects or items. Maintenance capital expenditures are
15 typically for the replacement of equipment assets (pumps, controls, meters) and the
16 replacement or upgrade of existing assets (distribution valves, hydrants, and services)
17 as well as tools and equipment to properly operate and maintain Company water

1 systems. These expenditures include investments in new customer growth required
2 by tariff for assets owned by the Company including new customer meters and new
3 single-family customer services (main to stop section). The specific expenditures are
4 detailed as follows:

- 5 • Small Booster Pump, Well Pump, and Chemical Feed Pump Replacement
6 (\$92,476) – This expenditures a for “run rate” replacement of failed or worn
7 booster, well or chemical feed pumps throughout 2018.
- 8 • Misc. SCADA and Electrical Upgrades in booster stations (\$13,787)

9 This work included:

- 10 ○ Two variable frequency drive (VFD) replacements for pumps at the
11 W&E community water system in Windham, NH.
- 12 ○ Two variable frequency drive (VFD) replacements for pumps at the
13 Castle Reach community water system in Windham, NH.
- 14 ○ One VFD replacement for a pump at the Locke Lake community water
15 system in Barnstead, NH.

- 16 • Services (\$27,558) – Eight services for single family owner-built homes.
- 17 • Renewed Services (\$18,667) – Nine services to replace existing failed.
- 18 • New meters (\$70,429) – 531 new meters for new customers and replacement
19 meters.
- 20 • New and replaced radio reads (\$18,606) – 249 new radio reads for new meters
21 and failed existing radios.

- 1 • Valve installation (\$25,000) – This was for a new 16 inch diameter insertion
2 type valve to minimize disruption of supply to the Londonderry, NH water
3 system and allow for planned maintenance shutdowns.
- 4 • New Chlorine Transfer Pump (\$2,587) – Replaced a failed chlorine transfer
5 pump for the North Country operations staff.
- 6 • Hardwood CWS New Water Source (\$6,285) – The expenditure was for
7 additional equipment additional equipment to complete the new well not
8 recorded in 2017.
- 9 • Locke Lake Varney Road (\$94,050) - The Locke Lake Varney Road project
10 was completed in 2016 and was funded by an SRF loan. This requested is for
11 the Company’s contribution to the Town of Barnstead for the Company’s
12 share of the final paving and restoration of Varney Road that the Town
13 completed in 2018.
- 14 • Locke Lake Well 14 VFD (\$8,608) – Added a VFD to control the flow from
15 Well 14 to maximize withdrawal while not over pumping from the well.
- 16 • Investment in Developer Installed Services (\$47,835) – One times annual
17 revenue investment per tariff (main extensions).

18 **Q. Does this complete your testimony?**

19 A. Yes.

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