

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 16-804

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

Request for Temporary Emergency Water Interconnection

Order Granting Request

ORDER NO. 25,938

August 22, 2016

In this order, the Commission grants the request of Aquarion Water Company of New Hampshire, Inc., for an emergency temporary connection to its water system to sell water to the Wiggin Farm Homeowner's Association ("WFHA") in Stratham, New Hampshire, allowing the association to meet the basic water needs of its members. The water will be sold wholesale to WFHA at rates consistent with Aquarion's seasonal customer tariffed rate.

I. SUMMARY OF PETITION

On August 9, 2016, Aquarion Water Company of New Hampshire, Inc. ("Aquarion" or the "Company"), filed a request pursuant to RSA 378:18 for authorization from the Commission to provide water service on an emergency basis to the Wiggin Farm Homeowners Association ("WFHA") in Stratham, New Hampshire. Aquarion is a regulated water utility that provides service to its customers in Hampton, North Hampton, and Rye. Its service area is adjacent to WFHA in Stratham. WFHA is an association of homeowners that owns, operates, and maintains its own water distribution system for the purpose of providing water to its members. WFHA's water system serves approximately 45 homes and more than 100 individuals. The petition and subsequent docket filings, other than any information for which confidential treatment is

requested of or granted by the Commission, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-804.html>.

WFHA contacted the New Hampshire Department of Environmental Services ("NHDES") in July to inform NHDES that one of the two system wells that provide water to WFHA members had run dry and the yield of the second well had diminished to approximately 3-4 gallons per minute. The well pressure from the second well was not enough to meet the demands of WFHA's members. As a result, WFHA contacted Aquarion and requested an emergency connection for additional bulk water supply to ensure that the water needs of WFHA's members could be met. Aquarion assured WFHA that it could provide the requested water supply needed for WFHA members without any adverse impact on the water service provided by Aquarion to its customers. Aquarion has agreed to a bulk sale of water to WFHA at its current seasonal customer rates.

NHDES authorized a temporary connection on an emergency basis by letter dated July 27, 2016, subject to certain conditions. NHDES had previously authorized a permanent connection to the Aquarion system on April 4, 2016, subject to the approval of the Commission and other conditions. Not all conditions required for NHDES approval of the permanent connection have been met and the temporary connection authorization is set to expire on September 15, 2016. *See* NHDES letter dated July 27, 2016.

After contacting NHDES, Aquarion installed an emergency connection to the WFHA system from its nearest hydrant on Winterberry Lane. The connection was configured as a standard hydrant rig using approximately 300 feet of 2-inch piping. Aquarion disinfected and flushed the piping and distribution lines in accordance with American Water Works Association

standards, sampled water, and had it analyzed for the presence of bacteria. Aquarion installed appropriate pressure backflow devices to ensure that water pressure from the Aquarion connection would not exceed acceptable system pressures generally in the WFHA system. Further, Aquarion determined that its system could simultaneously meet the system needs of both Aquarion's customers and WFHA's members. According to Aquarion, the temporary connection will draw only a few thousand gallons per day and will not have an adverse impact on Aquarion's customers. The bulk water service connection will be billed to WFHA and priced at Aquarion's seasonal customer rates in its tariff on file with the Commission.

II. SUMMARY OF STAFF REVIEW

Commission Staff reviewed the Company's request and supporting documentation, the applicable statutes, and the rules. Staff issued its recommendation on August 17, 2016, recommending that the connection be approved subject to the conditions outlined in the NHDES letter of July 27, 2016. *See* Staff Recommendation of Mark A. Naylor dated August 17, 2016. Staff agreed that the proposed temporary connection would be for the public good in this time of extreme drought conditions and perilously low production in WFHA's wells. Although Aquarion completed the connection prior to Commission approval, Staff supports approval of the request because of the potential adverse impact on public health and safety.

III. COMMISSION ANALYSIS

Pursuant to RSA 378:18, a public utility may contract with a customer for service at rates other than those fixed by schedules of general application if special circumstances exist which render such a departure just and consistent with the public interest. Aquarion's tariff does not provide a rate for bulk water sales to other water systems. WFHA lacks an adequate water

supply, a problem that can be resolved by purchase of bulk water supply from Aquarion. The Commission has previously authorized a special contract under similar special circumstances. *Property Owners at Suissevale, Inc.*, Order No. 24,693 (October 31, 2006) (authorizing special contract where customers would not have adequate water supply). This case is similar to the Suissevale situation in that without this special contract, WFHA members will not have an adequate water supply. Aquarion customers will benefit from this temporary connection because it will derive wholesale revenue from WFHA, but Aquarion will not be responsible for water systems facilities beyond the connection point. Like the Suissevale situation, the WFHA service area is immediately adjacent to the franchise area served by Aquarion.

In this case, we find that special circumstances exist that require Aquarion to provide an emergency connection to WFHA so that WFHA members will have adequate water service. This contract provides for a bulk sale of water to WFHA at rates that are no higher than Aquarion's tariffed seasonal customer rates. We also find it reasonable in this circumstance that approval of the connection be retroactive. *See* Order 24,693 at 8 (authorizing retroactive effect). Accordingly, we find the special contract just and consistent with the public interest.

Based on information in Staff's recommendation, we expect Aquarion to file a petition to expand its franchise in order to serve WFHA's members directly. Our approval of the connection is temporary and we intend it to be consistent with the approval from NHDES. In the event a petition for a permanent solution is not filed by October 5, we will require Aquarion and WFHA to appear before us for a status conference.

Based upon the foregoing, it is hereby

ORDERED, that Aquarion is authorized pursuant to RSA 378:18 to provide temporary emergency water service to the Wiggins Farm Homeowners Association in Stratham, New Hampshire, by means of a temporary connection; and it is


FURTHER ORDERED, that Aquarion may charge Wiggins Farm Homeowners Association at rates that are no higher than its seasonal tariffed rate on file with the Commission as of the date of the connection with Wiggins Farm Homeowners Association; and it is

FURTHER ORDERED, that this temporary connection shall comply with the recommendations outlined by Commission Staff and the NHDES; and it is


FURTHER ORDERED, that Wiggins Farm Homeowners Association shall inform its water customer members of the need for water conservation measures during this emergency and shall require its members to adhere to any water restrictions imposed by Aquarion while receiving water from the company; and it is

FURTHER ORDERED, that in the event a petition for permanent authority to serve the WFHA members has not been filed by Aquarion, WFHA and Aquarion shall appear before the Commission on October 5, 2016, at 10:00 a.m. for a status conference to explain (i) why a petition seeking an extension of Aquarion's franchise pursuant to RSA 374:22 has not been filed if the emergency situation continues to affect WFHA members, or (ii) why the temporary connection is no longer required.

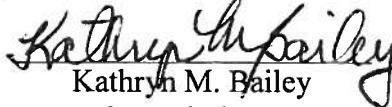
By order of the Public Utilities Commission of New Hampshire this twenty-second day
of August, 2016.



Martin P. Honigberg
Chairman

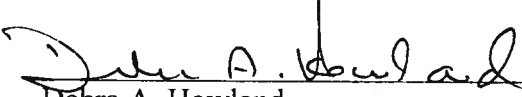


Robert R. Scott
Commissioner



Kathryn M. Bailey
Commissioner

Attested by:



Debra A. Howland
Executive Director