

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 18-128

HAMPSTEAD AREA WATER COMPANY

**Petition for Emergency Service, Temporary Franchise, and Approval of Contract and
Application of Existing Rates**

Order Approving Emergency Service

ORDER NO. 26,174

September 14, 2018

In this order, the Commission grants HAWC permission to provide temporary emergency water service outside its franchise to 57 homes in the Tisdale Trailer Park in Salem whose existing water source is contaminated. Due to the necessity and exigencies of providing safe drinking water, HAWC requested that this petition be expedited. This emergency service has been authorized by the New Hampshire Department of Environmental Services, and it will meet the basic water needs of Tisdale residents.

I. PROCEDURAL HISTORY

On August 10, 2018, Hampstead Area Water Company, Inc. (HAWC or the Company), requested approval under RSA 374:26 to provide emergency service outside its franchise area to the Tisdale Trailer Park in Salem, which is adjacent to HAWC's Lancaster Farm water system. HAWC also requested approval of a water supply contract and for permission to apply the Company's consolidated rates to Tisdale residents. Commission Staff (Staff) recommended approval on August 28, 2018.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at

<http://www.puc.nh.gov/Regulatory/Docketbk/2018/18-128.html>.

II. POSITIONS

A. HAWC

Tisdale's wells, which have been serving 57 homes within the trailer park, are contaminated by E. coli. The New Hampshire Department of Environmental Services (DES) authorized an emergency connection of the Tisdale system to HAWC's Lancaster Farm water system. The cost to connect HAWC's Lancaster Farm water system to the Tisdale distribution system, the necessary work for which has already been completed, totaled \$9,803. That cost will be paid by the owner of the Tisdale water system. During the pendency of the temporary connection, Tisdale's owner will attempt to rehabilitate the contaminated wells that were used to supply water to the Tisdale system.

HAWC proposed to temporarily expand its franchise as shown on Tax Map 123, Lot 8519. *See Attachments to Petition for Emergency Service at 5 (August 10, 2018)*. HAWC's proposal is contingent on rehabilitation of the wells by Tisdale's owner. Failure to do so could result in the owner's election to have HAWC supply water on a permanent basis. That election will be made by November 1, 2018. If the owner elects to have HAWC supply water to the Tisdale system, HAWC will petition the Commission for permanent franchise rights.

The proposed contract between HAWC and Tisdale's owner reflects the cost of the line extension, hookup, and metering. *See Id.* 2-3. HAWC's tariff does not include a provision for bulk sales to other water systems. HAWC thus proposes applying its tariff provision regarding

apartment buildings to the Tisdale system. Under that tariff, the monthly charges include a single monthly meter rate of \$30.00 and an additional consumption rate of \$5.95 per 100 cubic feet. Because the water supply will be on a bulk basis, Tisdale's owner will be responsible for billing to individual Tisdale residents. HAWC currently has a consolidated system-wide rate, consisting of a base monthly rate that differs depending on the size of the service, and a consumption rate of \$5.95 per 100 cubic feet.

Due to the necessity and exigencies of providing safe drinking water to the impacted residents, HAWC has asked that this petition be expedited, and that a hearing be waived pursuant to RSA 378:9.

B. STAFF

Staff recommended approval of HAWC's request based on Staff's review of the Company's petition, the applicable statutes, and Commission rules. Staff agreed that the proposed temporary connection would be for the public good given the contaminated water supply and the emergency need of Tisdale's residents for safe drinking water. HAWC completed the connection prior to Commission approval. Staff supports approval because of the potential adverse impact on public health and safety without the approved connection.

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 that render such a departure just and consistent with the public interest. As HAWC's tariff does not provide a bulk water sale rate to other water systems, HAWC proposes to bill the Tisdale water system in the same manner as it bills an apartment building with a one inch service. That will

include a monthly meter rate of \$30.00 and a volumetric charge of \$5.95 per hundred cubic feet. The proposed contract between HAWC and Tisdale's owner provides that the owner will pay the cost of connection and contains the agreed rates, effective until November 1, 2018.

The Commission does not believe the grant of a franchise is necessary to accomplish a bulk sale of water to Tisdale's owner to serve Tisdale system needs. The service HAWC will provide on a temporary basis is more in the nature of a bulk sale or special contract, as HAWC will not own or be responsible for the maintenance of the Tisdale distribution system. The Commission has previously authorized special contracts, under special circumstances, where water supplies to adjoining water systems have been restricted leaving customers without an adequate water supply. *See Aquarion Water Company of New Hampshire, Inc.*, Order No. 26,016 (May 10, 2017), *Aquarion Water Company of New Hampshire, Inc.*, Order No. 25,938 (August 22, 2016) and *Property Owners at Suissevale, Inc.*, Order No. 24,693 (October 31, 2006). Tisdale residents will not have an adequate water supply, due to E. coli outbreak, without a special contract. HAWC customers will benefit from the additional revenues from Tisdale.

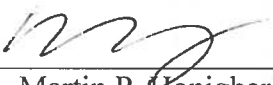
We find that special circumstances exist requiring HAWC to provide an emergency connection to the Tisdale system, allowing Tisdale residents to have a potable water supply. The contract provides for a bulk sale of water to Tisdale at rates that are equal to the HAWC tariffed rates. Thus, pursuant to RSA 378:18, we find the terms of the water supply contract to be just and consistent with the public interest and approve them. Given that the water supply is through a bulk contract on a temporary basis, we do not find that a franchise expansion is required for HAWC and, therefore, we need not waive hearing requirements of RSA 374:22 and :26 pursuant

to RSA 378:9, as requested by HAWC. Should Tisdale’s owner request a permanent service connection from HAWC to the Tisdale system in the future, we will require HAWC to make an appropriate filing for approval of that special contract. Should Tisdale’s owner and HAWC decide to add Tisdale to HAWC’s franchise, we will require HAWC to file a petition to extend its franchise area to serve the Tisdale residents.

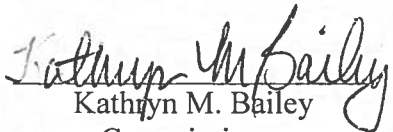
Based upon the foregoing, it is hereby

ORDERED, that we APPROVE the water service agreement between HAWC and the Tisdale water system in Salem, New Hampshire, until November 1, 2018.


By order of the Public Utilities Commission of New Hampshire this fourteenth day of September, 2018.



Martin P. Honigberg
Chairman




Kathryn M. Bailey
Commissioner



Michael S. Giaimo
Commissioner

Attested by:



Debra A. Howland
Executive Director