

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
RE: HAMPSTEAD AREA WATER COMPANY, INC.

DW-08-

**PETITION FOR AUTHORITY TO BORROW LONG TERM DEBT, TO CONSTRUCT
WATER SYSTEM INTERCONNECTION, APPROVAL TO EXTEND FRANCHISE
AREA, AND FOR STEP RATE INCREASE**

PRE-FILED TESTIMONY OF HAROLD MORSE

1. Q. Please state your name, address and position with Hampstead Area Water Company, Inc.

A. My name is Harold Morse. My business address is 54 Sawyer Avenue, Atkinson, New Hampshire. I am the President of Hampstead Area Water Company, Inc., which we refer to as "HAWC".

2. Q. Describe the overall history of HAWC?

A. HAWC is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County (see Schedule A, attached to the Petition). HAWC is a New Hampshire corporation, authorized by this Commission to produce and distribute water within the Company's authorized franchise areas throughout southeastern New Hampshire.

3. Q. Why is the Company seeking this financing?

A. The proposed financing would fund the interconnection of HAWC'S two core systems, the Atkinson Core System and the Hampstead Core System. This interconnection would be in the best interest for the Company in terms of system operation and resource planning

and has the support of the Department of Environmental Services.

4. Q. Can you describe this interconnection?

A. The Company's two core systems extend over most of Hampstead and Atkinson.

There are two water storage tanks, one in Atkinson and one in Hampstead. The construction of the interconnection would contemplate the installation of approximately 15,000 feet of pipe along Route 121 between Hampstead and Atkinson, New Hampshire. The proposed franchise area would extend into the area between the two existing core franchise areas.

5. Q. Why are you requesting a franchise expansion in Atkinson, New Hampshire?

A. The planned route for this interconnection is from the Hampstead Core system Route 121 and following Route 121 to the Atkinson Core system. This project would be proceeding through a portion Atkinson that is not presently franchised by the Company. It is anticipated that homeowners along the route would be connecting to the system in the future and as well as providing service to parcels that are currently developed or that will be developed in the future which are located to either side of Route 121 as well as being near service extensions presently existing in areas previously franchised by the Company. Accordingly, the Company is proposing to franchise that area which lies between Hampstead and Atkinson as shown on the Franchise Plan and described in the Franchise Description, attached at Exhibit 3.

6. Q. Why would this project be in the public interest and consistent with the public good?

A. The project would enhance the Company's ability to provide safe and reliable drinking water to its customers in its franchise areas at a reasonable cost. The interconnection will provide stability and responsiveness to the two core systems both as to overall water supply and

emergency supply. It would allow the Company to access the water resources in the two systems in time of drought. The interconnection would allow the two water storage tanks to be connected as part of the interconnection of these two systems. The system improvements being proposed and the estimated cost of the improvements are reasonably necessary to provide such service to the Company's customers.

7. Q. Does this conclude your testimony?

A. Yes.