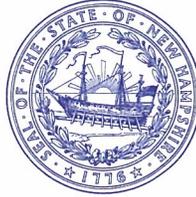


THE STATE OF NEW HAMPSHIRE

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Amy L. Ignatius

COMMISSIONERS
Robert R. Scott
Martin P. Honigberg

EXECUTIVE DIRECTOR
Debra A. Howland



PUBLIC UTILITIES COMMISSION
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Concord, N.H. 03301-2429

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1-800-735-2964

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FAX (603) 271-3878

Website:
www.puc.nh.gov

NHPUC 30JUL'14PM2:07

July 30, 2014

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: DW 14-174, Pennichuck East Utility, Inc.
Request for Franchise Expansion – Hooksett Rest Areas
Staff Recommendation for Approval

Dear Ms. Howland:

The purpose of this letter is to offer Staff's recommendation with respect to its review of the petition of Pennichuck East Utility, Inc. (PEU) in the above-referenced docket. PEU seeks to extend its water utility business in Hooksett, NH to include the rest areas owned by the State of NH on both the northbound and southbound lanes of Interstate 93. Staff has reviewed the filing and the Company's responses to Staff's discovery requests, which are attached. Based upon this review, Staff recommends the Commission grant PEU's petition. This recommendation is based upon PEU's technical, managerial, financial, legal, and other capabilities which enable it to effectively serve the proposed expansion area in Hooksett.

On June 20, 2014, PEU filed a petition to expand its current franchise to serve lots owned by the State of NH. Since 2000, PEU has provided service in the Town of Hooksett in the franchise area formerly served by WESCO Utilities¹. The expansion area includes the rest areas on both the northbound and southbound lanes of Interstate 93. These areas are being developed by Granite State Hospitality, LLC d/b/a The Common Man Hooksett (Granite State Hospitality) and are located within Hooksett Tax Map 5, Lots 1 and 118. Granite State Hospitality entered into a 35-year lease of the Hooksett rest areas with the NHDOT in 2013. Granite State Hospitality is in the process of constructing a commercial building on each side of the Interstate which will house a full service Welcome Center containing: fuel sales, a visitor's center, a NH Liquor & Wine Outlet Store, a diner, a farmhouse-style restaurant, an old-time deli, a coffee shop and a convenience store. The project is contracted to be complete by April, 2015.

¹ Transfer of WESCO assets to PEU: DW99-189, Order 23,456, dated 5/2/00.

The Rest Areas will be served by PEU through a 6” water main owned by PEU since 2005. To date, Hooksett Village Water Precinct (HVWP) has been providing water service to the existing rest areas, but has agreed to relinquish its franchise rights in favor of PEU. HVWP will deliver water to PEU at a meter pit located on Route 3A, adjacent to the northbound rest area. Fire protection service will be provided by PEU through the same 6” water main.

PEU provided confirmation that HVWP supports PEU serving the Hooksett rest areas; see Attachments G and H of the filing. Attachment I demonstrates Granite State Hospitality’s support of the water arrangement. The NHDOT and the NH Liquor Commission provided statements of “no objection” to PEU extending its franchise/service area, shown as Attachments J and K, respectively.

PEU proposes to charge its existing consolidated General Service - Metered (G-M) and Private Fire Protection Service (FM - NM) rates. PEU was issued new rates per Puc Order #25,696 on July 25, 2014; a compliance tariff is due August 8, 2014².

PEU provides water service to approximately 7,000 customers in 18 municipalities in throughout New Hampshire, including Hooksett. Staff believes that PEU, through its operation of such systems and through the information in the instant filing, has demonstrated that it has the technical, managerial, financial, legal, and other capabilities to enable it to serve the proposed State Rest Areas franchise. For the reasons indicated above, Staff concurs with PEU’s proposal to provide service to, and charge its G-M rates to the rest areas. Staff recommends the Commission approve PEU’s franchise request.

If you have any questions regarding this matter, please contact me.

Sincerely,



Robyn J. Descoteau
Utility Analyst, Gas & Water Division

Attachments: Data Responses, Set 1

cc: Service list

² Permanent Rate Increase for PEU: DW 13-126, Order #25,696 (July 25, 2014)

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov
achesley@devinemillimet.com
amanda.noonan@puc.nh.gov
charles.hoepper@pennichuck.com
donald.ware@pennichuck.com
marcia.brown@puc.nh.gov
mark.naylor@puc.nh.gov
ocalitigation@oca.nh.gov
steve.frink@puc.nh.gov
tgetz@devinemillimet.com

Docket #: 14-174-1 Printed: July 30, 2014

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

PENNICHUCK EAST UTILITY
DW 14-174

Responses to Staff's Data Requests – Set 1
PETITION TO EXPAND FRANCHISE – HOOKSETT REST AREAS

Date Request Received: 6/30/14
Request No. Staff 1-1

Date of Response: 7/2/14
Witness: Donald L. Ware

REQUEST: Please provide the metes and bounds or tax map numbers that identify the franchise area PEU seeks.

RESPONSE: PEU seeks to expand its WESCO franchise to serve the lots owned by the State of New Hampshire as shown on Hooksett Tax Map 5 and identified as Lots 1 and 118.

PENNICHUCK EAST UTILITY
DW 14-174

Responses to Staff's Data Requests – Set 1
PETITION TO EXPAND FRANCHISE – HOOKSETT REST AREAS

Date Request Received: 6/30/14
Request No. Staff 1-2

Date of Response: 7/2/14
Witness: Donald L. Ware

REQUEST: Please confirm the franchise expansion request involves the areas highlighted in yellow on Attachment A to PEU's petition. If not, please provide a map showing the location of the franchise expansion.

RESPONSE: Yes. The franchise request involves the areas highlighted in yellow on Attachment A of PEU's petition.

PENNICHUCK EAST UTILITY
DW 14-174

Responses to Staff's Data Requests – Set 1
PETITION TO EXPAND FRANCHISE – HOOKSETT REST AREAS

Date Request Received: 6/30/14
Request No. Staff 1-3

Date of Response: 7/2/14
Witness: Donald L. Ware

REQUEST: Page 2 of the petition refers to purchasing a water main in 2005 from the State in order to be able to continue to service WESCO customers. "Since that time, the State of NH has continued to be a customer of the Precinct with respect to the two rest areas, except that under the new arrangement the water main was owned by PEU." Attachment B also pertains to the sale of the water main in 2005.

- a) Does PEU receive any payment from the Precinct for use of the water main?
- b) If yes, please identify the amount and frequency of the payments since 2005.

RESPONSE:

- a) No.

PENNICHUCK EAST UTILITY
DW 14-174

Responses to Staff's Data Requests – Set 1
PETITION TO EXPAND FRANCHISE – HOOKSETT REST AREAS

Date Request Received: 6/30/14
Request No. Staff 1-4

Date of Response: 7/2/14
Witness: Donald L. Ware

REQUEST: Pages 2 and 3 of the petition refer to relocation and replacement of the existing 6" water main owned by PEU since 2005. Please explain how PEU confirmed that Granite State Hospitality complied with PEU's specifications.

RESPONSE:

PEU had an engineering inspector who inspected the water main materials prior to installation to insure that the materials met PEU's materials specifications. The same PEU inspector also oversaw the installation of the new water main to insure it was installed in accordance with PEU's installation specifications.

PENNICHUCK EAST UTILITY
DW 14-174

Responses to Staff's Data Requests – Set 1
PETITION TO EXPAND FRANCHISE – HOOKSETT REST AREAS

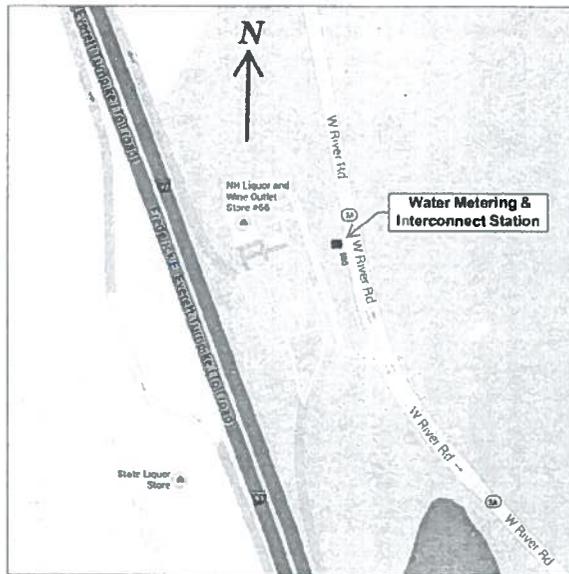
Date Request Received: 6/30/14
Request No. Staff 1-5

Date of Response: 7/2/14
Witness: Donald L. Ware

REQUEST: Attachment L, Main Extension Agreement, page 1: please provide a copy of Exhibit A. If the project is depicted on the map of the franchise expansion, then Staff does not need Exhibit A.

RESPONSE: A copy of exhibit A is attached. Please note that the existing water main in the sleeve under the Turnpike was not replaced. The developer, Granite State Hospitality, changed their fire sprinkler design and added fire cisterns to store water. The use of the fire cisterns reduced the maximum fire flow requirements to a rate that could be delivered through the existing 6" water main under the highway. Also attached are the specifications for the meter station referred to in Section 1.b. of the Main Extension Agreement at page 2.

PENNICHUCK EAST UTILITIES AND GRANITE STATE HOSPITALITY WATER METERING STATION WEST RIVER ROAD (RTE 3A), HOOKSETT, NH LEWIS ENGINEERING, PLLC



SITE LOCUS
NT8



44 STARK LANE
LITCHFIELD, NH
lewis.h2o@concast.net

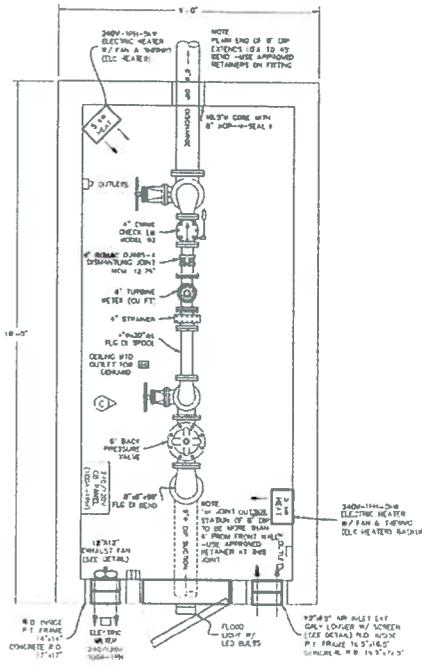
Summary of Water Works Design Criteria for Hooksett NH's Rest Stops - Water Metering and Interconnection PEU & NHDWGB Station & Metering Specifications

Contract Revision February 2014

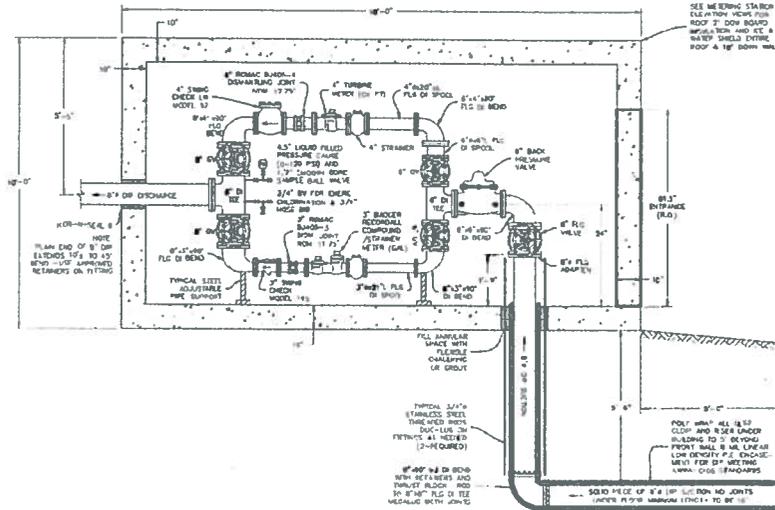
1. Project Name	Hooksett, NH - H2O 1403 Rest Stop Improvements
2. Street Location	143 at West River Road, Hooksett, NH
3. Fire Flow Demand for fire sprinklers at 650 gpm, plus 250 gpm hydrant hose stream	900 gpm
4. Domestic Peak Calculated per code @ 110 gpm	220 gpm
5. PEU Water Demand by Agreement for existing domestic customers up to	50 gpm
6. Max. Water Supply Demand per PEU are Owners @ 650 gpm PEU Water Pumped	520 gpm
7. HWPP Calc. Residual Pressure Entering Station at max. Flow of 520 gpm	43 psi *
8. Estimated annual domestic water production at this site	60+ per
9. HWPP Calc. Max. Available Flow at 20 psi Residual	6000 gpm
10. Water Metering HWPP Remote Meter and PDU Size (1"	2" Compound & (1/2" Turbine)
11. Water Meter for local Station Flow Meter	8", 6", 4" & 3"
12. Calculated actual domestic pressure at 0 - 270 gpm North Side	40 - 60 psi
13. Estimated actual domestic pressure at 0 - 270 gpm South Side	41 - 60 psi
14. Electrical Service for Pump House - 200/120 Volt Single Phase	100 Amp CB Panel
15. Backflow Preventer to be installed with Pump & Tank	2 @ 5 HW each
16. Lighting to be water / dust resistant Equivalents	4 @ 2 bulb - 32w per bulb
17. Ventilation Using Vent Fan & (Blower Oper. Air Intake) also with Wall Service	14" / (12")
18. Station to be below grade entrance structure with a grade entrance	10 x 10 x 10'
19. Water Distribution Mains	8" and 6"

Notes: HWPP water supply capacity based on final fire hydrant flow testing on Jan. 13, 2014, without fire pump running. The Applicant Design (APD) is the condition at 650 gpm from customer with pumps. HWPP water to be used for 250 gpm hydrant hose stream per code. Domestic Flow from station will be measured through HWPP's remote meter. As tight flows are required, the parallel 8" PEU remote meter will allow water to flow through and be measured. An allowance of 5 percent, based on flow through the existing station has been accounted for as part of the hydraulic calculations. * = 10 psi when 0 psi deducted for station loss.

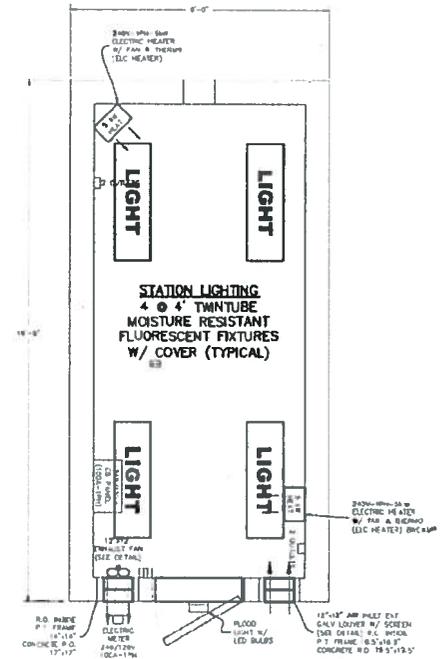
All equipment shall be provided and installed to conform with PEU/PEU & NHDWGB criteria. The Metering Station design will have parallel metering, pressure gauges, sample points, flushing points, and an emergency disconnection tripping point. Derivatives flow demand points, critical including the PEU Applicant Pumps and stations. Gravity pressure from HWPP will supply all water to both rest and wash places. The maximum station flow will be limited through a back pressure controlling control valve to maintain a 20" pre-vented pressure to the HWPP water supply system.



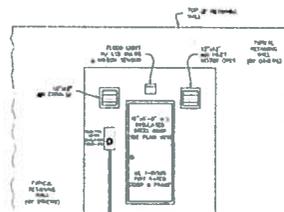
**METERING STATION
PLAN VIEW**
1/2" = 1'-0"



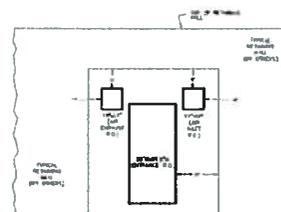
**SUCTION / DISCHARGE DETAIL
VIEW C**
1/2" = 1'-0"



**INTERIOR LIGHTING DETAIL
PLAN VIEW**
1/2" = 1'-0"



**METERING STATION
FRONT ELEVATION VIEW**
1/4" = 1'-0"

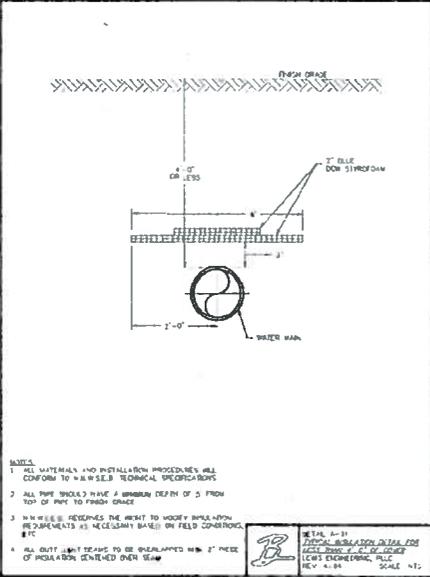
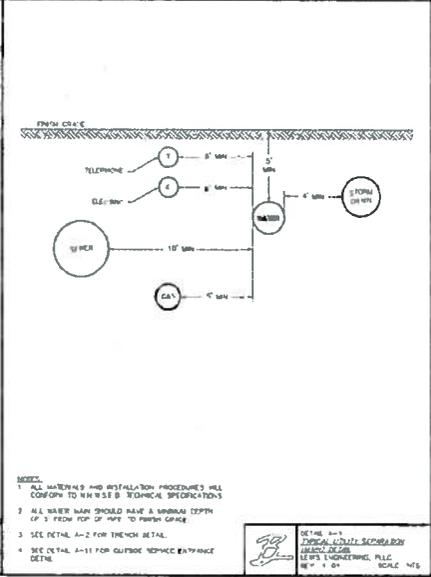
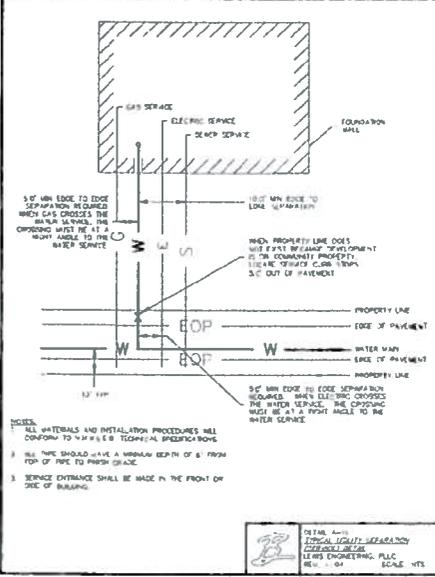
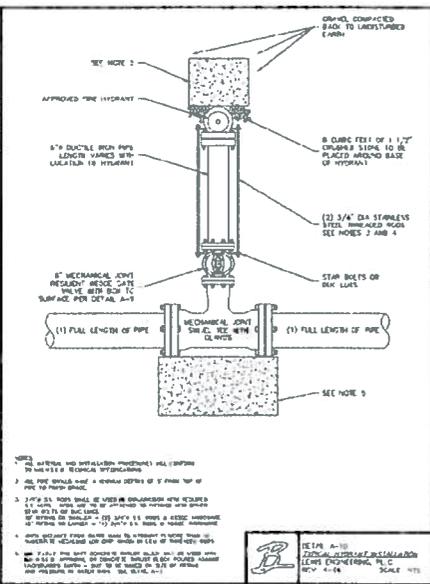
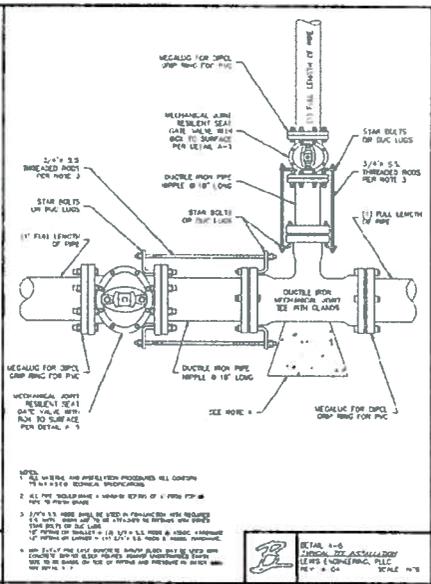
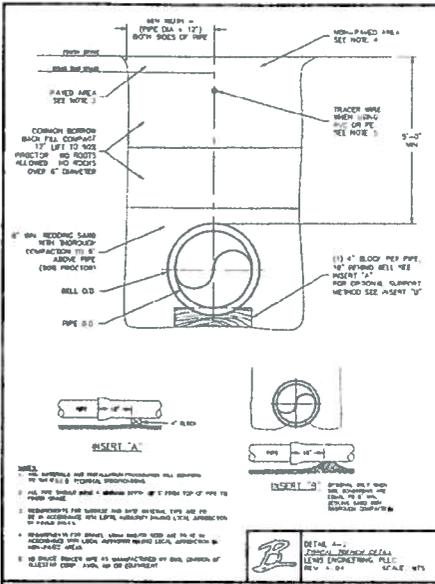


**METERING STATION
FRONT ELEVATION VIEW**
1/4" = 1'-0"

NOTES

1. PROVIDE SUPPORT UNDER PIPE. PIPE STANDS SHALL BE PRIMED AND PAINTED WITH EPOXY PAINT. USE SAME COLOR AS PIPING.
2. SPOOL PIECES TO BE PROVIDED WITH UNPLUNGE OR SORVED FLANGES AT THE COMPACT OPTION.
3. WHEN ROODING IS CALLED FOR ON PLANS, THE ROODING SHALL BE 3/4" STAINLESS STEEL RODS IN COLLOCATION WITH REQUIRED STAINLESS STEEL NUTS AND WASHERS. NUTS ARE TO BE ATTACHED TO FITTINGS WITH EITHER STAR BUILTS OR DUG LUGS.
4. ALL MATERIALS AND INSTALLATION PROCEDURES WILL CONFORM TO PENNCHUCK (AST) UTILITIES & HYDROD TECHNICAL SPECIFICATIONS.
5. ALL FITTINGS AND RISER PIPING TO BE CLASS 52 DUCTILE IRON AND ALL BOLTS AND NUTS ON FITTINGS SHALL BE STAINLESS STEEL.
6. ALL PIPING TO EXTEND 5' BEYOND FROST WALL.

	LB ENG ENGINEERING PLLC 10 South Main Lebanon, NH 03802 www.lbeng.com	SHEET 2 OF 3 MECHANICAL DETAILS PENNCHUCK EAST UTILITIES WEST RIVER ROAD (RTE 3A) WATER METERING STATION HOOKSETT, NH
	DRAWN BY: T. SHANAHAN	DATE: JANUARY 2014



Hooksett MS&S Rest Stop - WATER BOOSTER STATION I-93 Hooksett, NH WATER DISTRIBUTION SYSTEM NOTES Current Revision: February 2014

- All distribution material including, manholes, fittings, and valves to meet applicable Hooksett Rest Stop (RS) Technical Specifications, New Hampshire RS-00000, and American Water Works Association (AWWA) standards, as applicable.
- All installation of material to conform to applicable Pennichuck that utilizes PEU Technical Specifications and AWWA standards for possible water systems.
- All valves, tees, bends, the hydrants, and their related joints to be properly restrained using PEU approved restraint kits.
- All water main encasing the water main using 6" of concrete encasing, which shall include in place, shall be Class II CP, compact limit and tested to PEU specifications. All water main, valves and appurtenances to be PEU approved materials. Pipe shall be as shown on Project Plans and as approved by PEU. All water main to be installed with a minimum of 6" of cover. 12" sand bedding underneath and on either side of water main in bays shall be installed with suitable material per PEU Technical Specifications. PEU will be providing all on-site inspection services during installation and testing.
- Gate valves shall be installed at locations shown on the PEU approved Water Distribution System Project Plans. All gate valves and flow hydrants shall be installed and installed per PEU Technical Specifications. Flow hydrants have been determined based on Hooksett Fire Department and provided detailed forms, and to be at a minimum 225 gpm for the fire hydrant system. The flow hydrants shall also be available and may be used on distribution system building projects. Gate valves shall be heavy cast iron, resilient wedge type, as approved by PEU. Valves and hydrants shall OPEN LEFT HAND. Valve boxes shall be approved shall be approved, slip type with 24" diam, 24" top, and cover shall be a minimum cast cover labeled "WATER". All valves 2" and smaller, if used, shall be brass ball valves, using 25 balls, meeting PEU Technical Specifications.
- Concrete used for the flow hydrant appurtenances shall be per the notes of the buildings from any other details with LUPID the pumps, building details, and shown, as detailed and installed by others. Domestic service shall be 12" or shown on the flow plans. Fire hydrant service shall be 12" or shown on the flow plans. All water main shall be installed with a minimum of 6" of cover. Each building's domestic service shall have a water meter with an approved backflow device.
- All needed, inspection of water meters and cover shall be in accordance with NHDES - CIVILS regulations. On general installation, water meters shall be laid on level feet horizontally from any existing or proposed cover. If less than ten feet, water meter shall be laid in a separate trench, or on an undisturbed earth located on one side of the sewer at such an elevation that the bottom of the water main is at least 18 inches above the top of the sewer main at least three feet horizontal separation. At crossings there shall be a minimum vertical clearance of 18 inches between the water main and sewer. All work shall be inspected and approved by PEU.
- Prior to PEU acceptance, all water main shall be flushed, pressure tested, and disinfected, in accordance with the latest provisions of AWWA C600 and C651, per PEU Technical Specifications. Written certification of testing and backflow test results shall be provided by subcontracted third party contractor.
- Record drawing shall be provided following installation and shall be, in accordance with PEU standards.

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