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Kathryn M. Bailey

EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

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NHPUC 12APR'16PM4:29

April 12, 2016

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

Re: DW 16-235, Pittsfield Aqueduct, Inc.
Petition for Authority to Issue Long-term Debt
Staff Recommendation for Approval

Dear Ms. Howland:

On February 12, 2016, Pittsfield Aqueduct Company, Inc. (PAC) submitted a petition pursuant to RSA 369:1, requesting authority to issue long-term debt. PAC seeks permission to borrow \$440,000 from the Drinking Water State Revolving Loan Fund (SRF) administered by the New Hampshire Department of Environmental Services (NHDES). The proposed loan is an amendment to an existing \$165,000 loan for the Catamount Road Transmission Main Project in Pittsfield, New Hampshire, which the Commission approved by in Order No. 25,772, dated April 3, 2015, in Docket DW 15-045. PAC proposes to use the proceeds of the loan amendment also for that. The testimony of John J. Boisvert, PAC's Chief Engineer, and Larry D. Goodhue, PAC's Chief Financial Officer, accompanied the petition. Additional information related to the original filing was provided in response to Commission Staff (Staff) data requests, and those responses are attached to this letter. After review of the filing and the attached discovery, Staff recommends that the Commission approve PAC's proposed financing subject to the filing of certain shareholder and state government approval.

Under RSA 369:1, public utilities engaged in business in this state may issue evidence of indebtedness payable more than 12 months after the date thereof only if the Commission finds the proposed issuance to be "consistent with the public good." Analysis of the public good involves looking beyond the actual terms of the proposed financing to the use of the funds and the effect on rates to insure the public good is protected. *See Appeal of Easton*, 125 N.H. 205, 211 (1984). "[C]ertain financing related circumstances are routine, calling for more limited Commission review of the purposes and impacts of the financing, while other requests may be at the opposite end of the spectrum, calling for vastly greater exploration of the intended uses and impacts of the

proposed financing.” *Lakes Region Water Company, Inc.*, Order No. 25,753 (January 13, 2015) at 4-5, citing *Public Service Company of NH*, Order No. 25,050, 94 NH PUC 691, 699 (2009). Consistent with past SRF financing dockets, Staff reviewed PAC’s filing as a routine financing.

Mr. Boisvert’s testimony details that the proceeds of the financing will be used to install approximately 1,800 feet of 8-inch water main on Fairview Road and to install approximately 4,200 feet of 12-inch water main on Catamount Road. This project will provide a back-up main to the Company’s single transmission main, which serves the vast majority of customers in the downtown area of Pittsfield. PAC originally intended to complete construction of the project in two phases with Fairview Road and the associated financing (DW 15-045) as phase 1. However, the Company was unable to complete the final design and bidding of phase 1 early enough in 2015 to effectively receive bids, select a contractor, and complete the work within the calendar year. During work on phase 1, DES notified PAC that phase 2 was approved for available SRF funding, and the Company, in consultation with DES, determined that it would be best to bid both phases as a single project in 2016. DES indicated that it would be more efficient for the Company to seek an amendment of the phase 1 loan to include financing for phase 2, rather than apply for a separate loan for the phase 2 financing.

Mr. Goodhue’s testimony describes the terms associated with the SRF financing. The SRF provides public and private water systems the opportunity to borrow funds to fund the construction of qualified project at interest rates that are typically lower than market rates of commercial financing. The interest rate for the SRF financing will be based on rates available at the time the loan is closed. The interest rate available at the time of PAC’s filing was 3.168%. This loan will be repaid over a 30-year term, with payments beginning six months after project completion. Amounts advanced under the loans by DES during the construction period will bear interest at a rate of 1% per annum, and that accrued interest will be payable upon substantial completion of the project. The loan qualifies for inasmuch as 25% principal forgiveness, which is earned on a per payment basis over the life of the loan. PAC will provide the Commission with a copy of the loan documents once they have been finalized and executed.

The proposed SRF loan will not be secured by any assets of the Company, but PAC’s parent, Pennichuck Corporation, Inc. (Pennichuck), will provide an unsecured corporate guarantee of repayment. This financing was approved by PAC’s and Pennichuck’s Boards of Directors on February 26, 2016. PAC has submitted this financing for approval by the City of Nashua, as sole shareholder of Pennichuck. The Board of Alderman considered the request at their meeting on February 23, 2016 and remanded it to the Pennichuck Special water Committee for further consideration and recommendation. The meeting was expected to be held on March 29, 2016. A copy of the City of Nashua’s resolution will be filed by the Company as soon as it is available. See Company’s Response to Staff 1-3 (attached).

PAC submitted a request to the Governor and Executive Council for permission to amend the original (phase 1) SRF loan. That approval is currently pending and will be submitted to the Commission as soon as it is available. *See Company's Response to Staff 1-4 (attached).*

Mr. Goodhue's testimony explains that previously approved bond and debt agreements contain covenants or restrictions which are impacted by the issuance of debt under these proposed financings. The loan agreement between Pennichuck and TD Bank, NA, prohibits Pennichuck or its subsidiaries from incurring additional indebtedness without the express prior written consent of TD Bank, except for certain allowed exceptions. One of the listed exceptions allows for the borrowings under tax-exempt bond financing or state revolving loans made available by the State of NH, provided that in either instance the financing or loan is on an unsecured basis and TD Bank is given prior written notice of such financing. PAC provided written notice to TD Bank on February 3, 2016.

In his testimony, Mr. Goodhue states that the anticipated issuance costs for the financing will total approximately \$10,000, covering loan documentation costs as well as the costs incurred to obtain Commission approval for the financing. Mr. Goodhue also provides pro-forma financial schedules showing the estimated impact of the loan on the balance sheet and income statement of PAC.

Staff has thoroughly reviewed and supports the financing as presented by PAC. The procurement of the proposed SRF loan ensures that the Company will finance phase 2 of the Catamount Road Transmission Main Project at the lowest possible cost to customers. PAC has demonstrated that the proposed use of the funds is appropriate and consistent with the Company's duty to provide "reasonably safe and adequate and in all other respects just and reasonable" service to its customers. RSA 374:1.

PAC has requested that the Commission issue an order in this docket in a timeframe that would permit it and NHDES to close on the loan by June 1, 2016. Closing by this date will allow PAC to have this project out to bid in June, a contractor selected and work started in early summer, and work completed by late fall 2016. Therefore, Staff recommends that since the City of Nashua's and Governor and Executive Council's approvals of the borrowing are not expected until early to mid-April, the Commission provide its approval of these loans subject to these approvals, and that evidence of such approvals are provided to the Commission as soon as practical.

Staff has consulted with the Office of Consumer Advocate (OCA) prior to filing this recommendation.¹ The OCA takes no position. Thank you for your assistance in this matter. If you have any questions regarding this matter, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Robyn J. Descoteau".

Robyn J. Descoteau
Utility Analyst III, Gas & Water Division

Attachment
cc: Service list

¹ The OCA filed a notice of participation on February 22, 2016.

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
amanda.noonan@puc.nh.gov
carolann.howe@pennichuck.com
donald.ware@pennichuck.com
james.brennan@oca.nh.gov
jay.kerrigan@pennichuck.com
larry.goodhue@pennichuck.com
mark.naylor@puc.nh.gov
ocalitigation@oca.nh.gov
robyn.descoteau@puc.nh.gov
rorie.patterson@puc.nh.gov
steve.frink@puc.nh.gov
thomas.getz@mclane.com

Docket #: 16-235-1 Printed: April 12, 2016

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.**



THOMAS B. GETZ
Direct Dial: 603.230.4403
Email: thomas.getz@mcclane.com
Admitted in NH
11 South Main Street, Suite 500
Concord, NH 03301
T 603.226.0400
F 603.230.4448

March 18, 2016

VIA ELECTRONIC MAIL

Rorie E. Patterson
Staff Attorney
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: DW 16-235, Pittsfield Aqueduct Company, Inc. Petition for Approval of SRF Loan –
Response to Staff Data Request Set 1**

Dear Attorney Patterson:

Attached are responses by Pittsfield Aqueduct Company, Inc. to the first set of data requests by the Commission Staff dated March 2, 2016.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas B. Getz", with a large, stylized flourish at the end.

Thomas B. Getz

TBG:rs3

Attachments

cc: Discovery Electronic Service List

DW 16-235
Pittsfield Aqueduct Company, Inc.
Petition for Approval of SRF
Responses to Staff Data Requests Set 1

Date Request Received: 03/02/16

Date of Response: 03/18/16

Request No. Staff 1-1

Witness: Larry Goodhue

REQUEST: Re: Direct Prefiled Testimony of Larry D. Goodhue, Page 5, Line 11: Please provide an itemized list of issuance costs. Please provide detailed copies of invoices that support issuance costs showing relevance to SRF loan.

RESPONSE:

The issuance costs for the SRF loan are limited to legal costs for closing the loan. No invoices have been received for these services at this time. The amount cited in the testimony relates to estimated amounts that will be incurred to close this loan, and is based upon experience related to the cost of closing these types of loans for the Company over the past several years. PAC will promptly submit all invoices upon availability, subject to an appropriate motion for confidentiality to the extent necessary to protect the competitive position of the law firm performing legal services associated with the closing of the loans.

DW 16-235
Pittsfield Aqueduct Company, Inc.
Petition for Approval of SRF
Responses to Staff Data Requests Set 1

Date Request Received: 03/02/16

Date of Response: 03/18/16

Request No. Staff 1-2

Witness: Larry Goodhue

REQUEST: Re: Direct Prefiled Testimony of Larry D. Goodhue, Page 7, Lines 22-23 and Page 8, Lines 1-2: Please describe the current status of the February 26, 2016 PAC and Pennichuck Boards of Directors meeting where approval of the 30-year term was pending. Please submit copies of the Resolutions.

RESPONSE:

Approval of the 30-year term was voted on and approved at the February 26, 2016 Board meetings for both PAC and Pennichuck. Copies of the approved resolutions are attached.

**Resolutions Adopted on February 26, 2016 by the
Board of Directors of Pennichuck Corporation**

Guaranty of SRF Loan to PAC

Resolved: that the Board of Directors hereby approves the guaranty by Pennichuck Corporation (the "Company") of the payment by Pittsfield Aqueduct Company, Inc. ("PAC") of all of its obligations with respect to PAC's borrowing of up to \$440,000 in principal amount from the State of New Hampshire (the "State"), such amount to be paid over a 30-year term, level payment, with interest and related costs, for the purpose of funding the water main installation on Fairview Road/Catamount Road in Pittsfield, NH, pursuant to a Loan Agreement between PAC and the State under the State's Drinking Water Revolving Loan Fund program.

Further

Resolved: that the officers of the Company are severally authorized, empowered and directed to execute and deliver, in the name and on behalf of the Company, the Guaranty agreement with respect to the SRF loan described in the prior resolution (the "SRF Loan"), with such terms as may be deemed necessary or advisable in the several judgment of the officers executing the Guaranty agreement.

Further

Resolved: that the officers of the Company are hereby authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the Guaranty from the New Hampshire Department of Environmental Services, the Governor and Executive Council, and the City of Nashua in its capacity as the sole shareholder of the Company, and any other authority determined by such officers relating to the Guaranty.

Further

Resolved: that Larry D. Goodhue and Donald L. Ware are severally authorized, empowered and directed to take such actions and to execute and deliver such documents as in the opinion of the officer or officers so acting or in the opinion of counsel, are necessary or desirable to effect the Guaranty and the SRF Loan and to carry out the purposes of the preceding resolutions, the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

**Resolutions Adopted on February 26, 2016 by the
Board of Directors of Pittsfield Aqueduct Company, Inc.**

Approval of SRF Loan to PAC

Resolved: that the Board of Directors hereby approves the borrowing by Pittsfield Aqueduct Company, Inc. (the "Company") of up to \$440,000 in principal amount from the State of New Hampshire (the "State"), such amount to be paid over a 30-year term, level payment, with interest and related costs, for the purpose of funding the water main installation on Fairview Road/Catamount Road in Pittsfield, NH, pursuant to a Loan Agreement between the Company and the State under the State's Drinking Water Revolving Loan Fund program.

Further

Resolved: that the officers of the Company are severally authorized, empowered and directed to execute and deliver, in the name and on behalf of the Company, the Loan Agreement for the SRF loan described in the previous resolution (the "SRF Loan") with such terms, including the exhibits and schedules to such Loan Agreement, as may be deemed necessary or advisable in the several judgment of the officers executing the Loan Agreement.

Further

Resolved: that the officers of the Company are hereby authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the SRF Loan from the New Hampshire Public Utilities Commission, the New Hampshire Department of Environmental Services, the Governor and Executive Council, and the City of Nashua in its capacity as the sole shareholder of Pennichuck Corporation (the Company's parent corporation), and any other authority determined by such officers relating to the SRF Loan.

Further

Resolved: that Larry D. Goodhue and Donald L. Ware are severally authorized, empowered and directed to take such actions and to execute and deliver such documents as in the opinion of the officer or officers so acting or in the opinion of counsel, are necessary or desirable to effect the SRF Loan and to carry out the purposes of the preceding resolutions, the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

DW 16-235
Pittsfield Aqueduct Company, Inc.
Petition for Approval of SRF
Responses to Staff Data Requests Set 1

Date Request Received: 03/02/16

Date of Response: 03/18/16

Request No. Staff 1-3

Witness: Larry Goodhue

REQUEST: Re: Direct Prefiled Testimony of Larry D. Goodhue, Page 8, Lines 3-4: Please describe the current status of the pending shareholder approval of the proposed financing. Please submit copies of the Resolution.

RESPONSE:

The Company submitted its request for shareholder approval of several resolutions on February 2, 2016. A copy of the request is attached to this response. The Board of Alderman did consider the request in their meeting on February 23, 2016, and has remanded it to the Pennichuck Special Water Committee for further consideration and recommendation. The Company expects to meet with the Committee on the request on March 29, 2016, resulting in a shareholder vote for approval sometime in early April. Upon receipt of the required approvals, the Company will timely submit these to the PUC.



PENNICHUCK

DW 16-235
Pittsfield Aqueduct Company, Inc.
Attachment to Staff 1-3
25 MANCHESTER STREET
PO BOX 1947
MERRIMACK, NH 03054-1947

(603) 882-5191
FAX (603) 913-2305

WWW.PENNICHUCK.COM

VIA HAND DELIVERY

February 2, 2016

Mr. Stephen Bennett
Corporation Counsel
City of Nashua
229 Main Street
Nashua, NH 03060

Re: Pennichuck Subsidiaries – Request for Approval of Loans from the New
Hampshire Drinking Water Revolving Loan Fund Program

Dear Attorney Bennett:

Introduction. As you know, the City of Nashua, New Hampshire (the “City”) is the sole corporate shareholder of Pennichuck Corporation (“Pennichuck”). The City has been the sole shareholder since the acquisition of Pennichuck on January 25, 2012.

The purpose of this letter is to request that the City, acting in its capacity as sole shareholder, approve several resolutions authorizing Pennichuck’s three regulated public water utility subsidiaries, Pennichuck Water Works, Inc. (“PWW”), Pennichuck East Utility, Inc. (“PEU”), and Pittsfield Aqueduct Company, Inc. (“PAC”), to borrow funds from the State of New Hampshire pursuant to the State Drinking Water Revolving Loan Fund Program (the “SRF Program”).

Background. As part of the City’s acquisition of Pennichuck, in accordance with special legislation enacted by the State Legislature, and as unanimously approved by the Mayor and Board of Aldermen on January 11, 2011, the corporate structure of Pennichuck and its utility subsidiaries was retained. This corporate structure was retained for several reasons. First, the Mayor and Board of Aldermen desired to maintain stability and continuity for customers and employees of the Pennichuck utilities and the communities they serve. Second, retaining the corporate structure provided continuity for the existing relationships with regulatory agencies and financial/banking partners. Third, the Mayor and Board of Aldermen unanimously agreed that the corporate structure would encourage business-smart decisions and rely upon well-established governance principles of corporate law, pursuant to Pennichuck’s Articles of Incorporation and its by-laws.

- 2 -

Shareholder Approval of Borrowings Required. Under Article IX of Pennichuck's Articles of Incorporation, the City, acting in its capacity as Pennichuck's sole shareholder, must approve:

- "(3) any action to (A) create, incur or assume any indebtedness for borrowed money or guarantee any such indebtedness of any person, (B) issue or sell any debt securities or warrants or other rights to acquire any debt securities of the [Pennichuck] Corporation or any of its Subsidiaries, or (C) guarantee any debt securities of any person."

Proposed Borrowings from the SRF Program. Pennichuck requests the City's approval for three loans from the SRF Program to PWW, PEU, and PAC. The specifics of these loans are described below.

- (1) **PWW Borrowings.** Under the proposal, PWW would enter into a new long-term loan from the SRF Program in the principal amount of up to \$1,400,000 to finance the cost of replacing approximately 4,265 linear feet of water main in the Nashua Core Water System (Amherst Street area) in Nashua.
- (2) **PEU Borrowings.** Under the proposal, PEU would enter into a new long-term loan from the SRF Program in the principal amount of up to \$1,650,000 to finance the cost of replacing approximately 18,600 linear feet of water main in the Varney Road area at Locke Lake in Barnstead.
- (3) **PAC Borrowings.** Under the proposal, PAC would enter into a new long-term loan from the SRF Program in the principal amount of up to \$440,000 to finance the cost of installing approximately 4,650 linear feet of water main on Fairview Road/Catamount Road in Pittsfield.

The Lender – SRF Program. The funds for these loans will be provided by the State of New Hampshire Drinking Water Revolving Loan Fund Program. This SRF Program is administered by the New Hampshire Department of Environmental Services ("NHDES"). The SRF Program provides public and private water systems the opportunity to borrow funds on favorable terms at interest rates that are below commercial loan rates. Pennichuck has received confirmation from the NHDES that funding is available for each of these loans and projects.

Terms of the SRF Borrowings. All of the loans will have the same favorable terms, which will be reflected in separate written Loan Agreements and Promissory Notes issued by each of PWW, PEU and PAC, as required by the SRF Program. Amounts advanced pursuant to the loans during the construction period will accrue interest at a rate of 1% per annum, and the total accrued interest will be due upon substantial completion of the project. The terms of the SRF loans will require repayment of the loan principal plus interest over a 30-year period for PWW and PAC and a 20-year period for PEU, commencing six months after the project is substantially complete. The current interest rate on the SRF Program borrowings is 2.464% per annum, though the final rate is not locked in until the loan commences its repayment period. The loans

- 3 -

will be unsecured. The corporate parent, Pennichuck, will provide an unsecured corporate guaranty of the repayment of the loans in accordance with the terms of a Guaranty Agreement.

Approval by Pennichuck, PWW, PEU and PAC. The loans to finance the projects listed above and the guaranty of the loans have been approved by the respective Board of Directors of Pennichuck, PWW, PEU and PAC.

Pennichuck recommends that the City authorize (i) PWW, PEU and PAC to enter into the loans under the SRF Program; and (ii) Pennichuck to enter into the Guaranty Agreements.

Other Approvals. As regulated public utilities, PWW, PEU and PAC must obtain approval of the loans from the New Hampshire Public Utilities Commission ("NHPUC"), which will approve the loans if it finds the loans to be consistent with the public good. PWW, PEU and PAC will file petitions for approval with the NHPUC in early February, and expect the NHPUC to consider the petitions promptly. Under the SRF Program, the loans must also be approved by the Governor and Executive Council.

Lower Costs Are Good for Customers. Pennichuck and its Board of Directors have determined that the capital projects to be financed by the SRF Program loans will allow PWW, PEU and PAC to continue to provide safe, adequate and reliable water service to their customers on a cost-effective basis. The terms of the financings through the SRF Program are very favorable compared to other alternatives and will result in lower financing costs than would be available under other debt options. These lower financing costs will be passed on to customers.

Requested Approvals. For the reasons described above, Pennichuck respectfully requests that the City, acting in its capacity as sole shareholder of Pennichuck and pursuant to Article IX(3) of Pennichuck's Articles of Incorporation, authorize the following actions:

RESOLVED, that the City hereby approves the borrowing by Pennichuck Water Works, Inc. of up to \$1,400,000 from the State of New Hampshire pursuant to the State Drinking Water Revolving Loan Fund Program to finance the cost of replacing approximately 4,265 linear feet of water main in the Nashua Core Water System (Amherst Street area) in Nashua;

FURTHER RESOLVED, that the City hereby approves the borrowing by Pennichuck East Utility, Inc. of up to \$1,650,000 from the State of New Hampshire pursuant to the State Drinking Water Revolving Loan Fund Program to finance the cost of replacing approximately 18,600 linear feet of water main in the Varney Road area at Locke Lake in Barnstead;

FURTHER RESOLVED, that the City hereby approves the borrowing by Pittsfield Aqueduct Company, Inc. of up to \$440,000 from the State of New Hampshire pursuant to the State Drinking Water Revolving Loan Fund Program to finance the cost of installing approximately 4,650 linear feet of water main on Fairview Road/Catamount Road in Pittsfield;

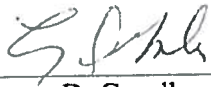
- 4 -

FURTHER RESOLVED, that the City hereby approves the guaranty by Pennichuck Corporation of the payment by each of Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., of each of the loans authorized in the three prior resolutions; and

FURTHER RESOLVED, that the City hereby authorizes Pennichuck Corporation, Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc., their Boards of Directors, and their Officers, to take any and all actions required to obtain all necessary approvals with respect to the actions described in these resolutions and to execute and deliver such documents as are necessary to effect the SRF loans and the Guaranty described in these resolutions.

Respectfully submitted,

PENNICHUCK CORPORATION

By: 
Larry D. Goodhue
Chief Executive Officer

cc. Mayor Jim Donchess



CHARGE RATES For Drinking Water State Revolving Fund (DWSRF) Loans

<i>Term of Loan</i>	<i>Charge Rate Effective 12/14/2015</i>
5 Years	0.77%
10 Years	1.54%
15 Years	2.31%
20 Years	2.464%
30 Years*	2.464%

*Available to disadvantaged communities only

11-Bond GO Index for December 10, 2015 is 3.08

Source: NH Department of Environmental Services, December 2015

DW 16-235
Pittsfield Aqueduct Company, Inc.
Petition for Approval of SRF
Responses to Staff Data Requests Set 1

Date Request Received: 03/02/16

Date of Response: 03/18/16

Request No. Staff 1-4

Witness: Larry Goodhue

REQUEST: Re: Direct Prefiled Testimony of John J. Boisvert, Page 4, Lines 22-23:

Please describe the current status of the Governor and Executive Council approvals to increase a and amend the 2015 loan amount. Please submit copies of the approvals.

RESPONSE:

This approval is pending and will be submitted to the PUC when received.

DW 16-235
Pittsfield Aqueduct Company, Inc.
Petition for Approval of SRF
Responses to Staff Data Requests Set 1

Date Request Received: 03/02/16

Date of Response: 03/18/16

Request No. Staff 1-5

Witness: Larry Goodhue

REQUEST: Please provide a detailed copy of PAC's 2016, 2017 and 2018 Capital Expenditure Budget.

RESPONSE:

A copy of PAC's detailed Capital Expenditure Budget for 2016 is attached in addition to PAC's 2017 and 2018 Capital Expenditure forecasts. The budget for PAC is approved annually for the currently upcoming year along with a forecast of estimated capital expenditures for the two succeeding years.

Pennichuck Corporation and Subsidiaries
Capital Expenditure Budget - 2016
(\$000)

DW 16-235
Pittsfield Aqueduct Company, Inc.
Attachment to Staff 1-5

2015 Carryover/Multi-year Projects - PAC		Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2016 incl O/H
Catamount Road PH 1		New Main					125.00								125.00
		Subtotal 2015 Carryover/Multi-year Projects	0.00	0.00	0.00	0.00	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00
New 2016 Projects - PAC		Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2016 incl O/H
Pond aeration study		Parallel Main				20.00									20.00
Catamount Road Phase 2		Subtotal New 2016 Projects	0.00	0.00	0.00	20.00	0.00	100.00	200.00	140.00	0.00	0.00	0.00	0.00	460.00
								100.00	200.00	140.00	0.00	0.00	0.00	0.00	460.00
		Total 2016 Capital Projects Budget	0.00	0.00	0.00	20.00	125.00	100.00	200.00	140.00	0.00	0.00	0.00	0.00	585.00
2015 Carryover/Multi-year Projects - PAC		Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2016 incl O/H
n/a		n/a													0.00
		Subtotal 2015 Carryover/Multi-year Projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New 2016 Projects - PAC		Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2016 incl O/H
2 New Services		2 New Services						5	5						9.00
2 Renewed Services		2 Renewed Services								4	4				7.00
1 Hydrants		1 Hydrants													5.00
2 Valve Replacements		2 Valve Replacements			4			5							7.00
		Subtotal New 2016 Projects	0.00	0.00	3.50	0.00	0.00	9.50	4.50	3.50	3.50	3.50	0.00	0.00	28.00
		Total 2016 Capital Projects Budget	0.00	0.00	3.50	0.00	0.00	9.50	4.50	3.50	3.50	3.50	0.00	0.00	28.00
2015 Carryover/Multi-year Projects - PAC		Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2016 incl O/H
n/a		n/a													0
		Subtotal 2015 Carryover/Multi-year Projects	0	0	0	0	0	0	0	0	0	0	0	0	0
New 2016 Projects - PAC		Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2016 incl O/H
Replace Filter Actuators		Replace Filter Actuators			10										0.00
		Subtotal New 2016 Projects	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00
		Total 2016 Capital Projects Budget	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00
2015 Carryover/Multi-year Projects - Total PAC			0.00	0.00	0.00	0.00	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00
New 2016 Projects - Total PAC			0.00	0.00	13.50	20.00	0.00	109.50	204.50	143.50	3.50	3.50	0.00	0.00	498.00
Total Capital Budget - PAC			0.00	0.00	13.50	20.00	125.00	109.50	204.50	143.50	3.50	3.50	0.00	0.00	623.00

Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2017 incl O/H
2016 Carryover/Multi-year Projects													
Subtotal 2016 Carryover/Multi-year Projects													
New 2017 Projects													
2 New Services						5.00	5.00	3.75	3.75				10.00
2 Renewed Services													7.50
1 Hydrants			4.00			5.00				4.00			5.00
2 Valve Replacements						2.00							10.00
70 New Meters for Lead Meter exchanges 5/8"-6"	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	15.50
Subtotal New 2017 Projects	1.29	1.29	5.29	1.29	1.29	13.29	6.29	5.04	5.04	5.29	1.29	1.29	48.00
Total 2017 Capital Projects Budget	1.29	1.29	5.29	1.29	1.29	13.29	6.29	5.04	5.04	5.29	1.29	1.29	48.00
2016 Carryover/Multi-year Projects													
n/a													
Subtotal 2016 Carryover/Multi-year Projects													
New 2017 Projects													
Replace Filter Actuators			10				2			2		2	10.00
Misc Equipment		2		2									10.00
Solar Bee Aerators				80									80.00
Subtotal New 2017 Projects		2.00	10.00	62.00			2.00			2.00		2.00	80.00
Total 2017 Capital Projects Budget		2.00	10.00	62.00			2.00			2.00		2.00	80.00
2016 Carryover/Multi-year Projects - Total PAC													
	1.29	3.29	15.29	63.29	1.29	13.29	8.29	5.04	5.04	7.29	1.29	3.29	128.00
New 2017 Projects - Total PAC	1.29	3.29	15.29	63.29	1.29	13.29	8.29	5.04	5.04	7.29	1.29	3.29	128.00
Total Capital Budget - PAC													

2017 Carryover/Multi-year Projects

Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Subtotal 2017 Carryover/Multi-year Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
New 2018 Projects													
2 New Services						5.00	5.00						10.00
2 Renewed Services													7.50
1 Hydrants						5.00		3.75	3.75				5.00
2 Valve Replacements						2.00							5.00
70 New Meters for Lead Meter exchanges 5/8"-6"	1.42	1.42	4.00	1.42	1.42	1.42	1.42	1.42	1.42	4.00	1.42	1.42	10.00
			1.42							1.42			17.00
Total 2018 Capital Projects Budget	1.42	1.42	5.42	1.42	1.42	13.42	6.42	5.17	5.17	5.42	1.42	1.42	49.50
Total 2018 Capital Projects Budget	1.42	1.42	5.42	1.42	1.42	13.42	6.42	5.17	5.17	5.42	1.42	1.42	49.50

2017 Carryover/Multi-year Projects
n/a

Project Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2018 incl O&M
n/a													
Subtotal 2017 Carryover/Multi-year Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
New 2018 Projects													
Replace Filter Actuators			10										10.00
Misc. Equipment Purchase/Replacement				3		3		3		1			10.00
			10.00	3.00		3.00		3.00		1.00			20.00
Subtotal New 2018 Projects			10.00	3.00		3.00		3.00		1.00			20.00
Total 2018 Capital Projects Budget			10.00	3.00		3.00		3.00		1.00			20.00

2017 Carryover/Multi-year Projects - Total PAC

New 2018 Projects - Total PAC

Total Capital Budget - PAC

	1.42	1.42	15.42	4.42	1.42	16.42	6.42	8.17	5.17	6.42	1.42	1.42	69.50
	1.42	1.42	15.42	4.42	1.42	16.42	6.42	8.17	5.17	6.42	1.42	1.42	69.50