

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 09-081

MANCHESTER WATER WORKS

Petition to Extend Service Area in Town of Goffstown

Order *Nisi* Granting Petition

ORDER NO. 24,976

June 9, 2009

I. BACKGROUND

Manchester Water Works (MWW) is a municipal water utility serving the City of Manchester and limited areas of the surrounding towns of Auburn, Bedford, Goffstown, Hooksett, and Londonderry. MWW also provides wholesale water to the Town of Derry, Grasmere Village Water Precinct, Central Hooksett Water Precinct and Pennichuck Water Works, Inc.

On April 29, 2009, MWW filed a petition to extend its service area in a portion of the Town of Goffstown (Town) bounded generally by the Piscataquog River to the north, Mast Road to the south, the Hillsborough County Farm property to the west, and existing MWW franchises and the former Goffstown landfill to the east. MWW states that interest in service by MWW had been expressed for a number of years but that the recent flooding of the Piscataquog River in 2006 and 2007 has provided further impetus to the requests. That flooding resulted in contamination of a number of private drinking water wells in the proposed franchise area. A Town warrant article was passed in 2008 authorizing the Town to provide funding for MWW to extend service to the area. The proposed franchise area abuts service areas previously granted to

MWW not only to the east but along Mast Road to the south and along limited portions of several streets extending into the area proposed.

Extension of service will involve construction of 18,700 feet of water main, 231 residential water services and public fire hydrants. The project is on the funded portion of the state priority list for American Recovery and Reinvestment Act drinking water projects. Approval of the petition will allow MWW to move forward with securing the estimated \$2,537,000 funding, which will be disbursed through New Hampshire's low interest State Revolving Loan Fund (SRF) program administered by the New Hampshire Department of Environmental Services (NHDES). The SRF funding will help overcome what has until now been a significant cost hurdle to the extension, especially as it is expected to treat half of the overall cost as a grant over the life of the loan in the form of principal and interest forgiveness. The Town intends to reimburse MWW for the remaining portion of the loan through bonding that will ultimately be recovered through accessibility fees assessed to customers receiving service in the proposed area.

In support of its request, MWW states that there is no other water utility providing water service in this area and that MWW is able and willing to supply water service in the proposed service area under rates on file with the Commission. MWW also supplied a copy of a notification form it had sent to the Town's Board of Selectmen. The notification described the franchise boundaries and sought the Board's assent by asking it to return signed copies. The notification was signed by the Chairman of the Board on April 13, 2009.

On April 28, 2009, NHDES filed a letter expressing support for MWW's proposed water service franchise expansion. NHDES also stated that MWW meets the suitability and

availability requirements of RSA 374:22, III. On May 15, 2009, Staff filed a letter indicating that it had reviewed the petition and associated materials and recommended approval.

II. COMMISSION ANALYSIS

Pursuant to RSA 374:22, I, “[n]o person or business entity shall commence business as a public utility within this state . . . or shall exercise any right or privilege under any franchise not theretofore actually exercised in such town, without first having obtained the permission and approval of the commission.” We approve such requests upon a determination that the franchise is for the public good. RSA 374:26. In so determining, we assess, among other things, the managerial, financial, and technical expertise of the petitioners. *See Lower Bartlett Water Precinct*, Order No. 23,562, (September 25, 2000), 85 NH PUC 635, 641 (2000). RSA 374:26 authorizes the Commission to grant requests for franchise authority without a hearing “when all interested parties are in agreement.”

The Commission has previously reviewed whether MWW possesses the requisite managerial, financial, and technical expertise to provide water service in proposed franchise areas.¹ In those dockets, MWW has demonstrated its ability to manage future water needs by its exploration of the Merrimack River as a source and MWW has demonstrated its technical and financial capabilities by undertaking and funding a \$36 million construction project to upgrade its water treatment plant. In light of this regulatory history and in light of our review of the filing, we find that MWW possesses the requisite managerial, financial, and technical expertise to provide water service. As required pursuant to RSA 374:22, MWW has provided evidence

¹ *Manchester Water Works*, Order No. 24,775 (July 12, 2007), 92 NH PUC 274 (2007) (authorizing expansion into an area of Hooksett), *Manchester Water Works*, Order No. 24,326 (May 7, 2004), 89 NH PUC 293 (2004) (authorizing expansion into an area of Hooksett), *Manchester Water Works*, Order No. 22,975 (July 7, 1998), 83 NH PUC 382 (1998) (authorizing expansion into an area of Londonderry).

that it meets the suitability and availability requirements of NHDES. The Town of Goffstown approves of the franchise request and there is evidence that the residents of this area of the Town need a reliable source of potable water. With respect to rates, MWW states that it will apply its existing tariff to the customers in the proposed franchise area. Finally, we note that the proposed franchise area is adjacent to areas already served by MWW and thus service will be more efficient to this proposed franchise area than if it were being served as a remote water system unconnected to any other water distribution system.

Having reviewed the filing and Staff's recommendation, we find that MWW's request to provide water service in the proposed franchise area in the Town of Goffstown is for the public good. Consistent with past practice and RSA 374:26, we will issue this order on a *Nisi* basis in order to ensure that any interested parties in addition to MWW and the Town of Goffstown receive notice of the proposal and have an opportunity to be heard.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, Manchester Water Works is granted permission pursuant to RSA 374:22 and 26 to extend its service area into a limited area of Goffstown as described above and in more detail in its petition; and it is

FURTHER ORDERED, that Manchester Water Works is authorized to provide such service under its existing tariff to customers within the above-described franchise area; and it is

FURTHER ORDERED, that Manchester Water Works shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, and shall send a copy of same to the

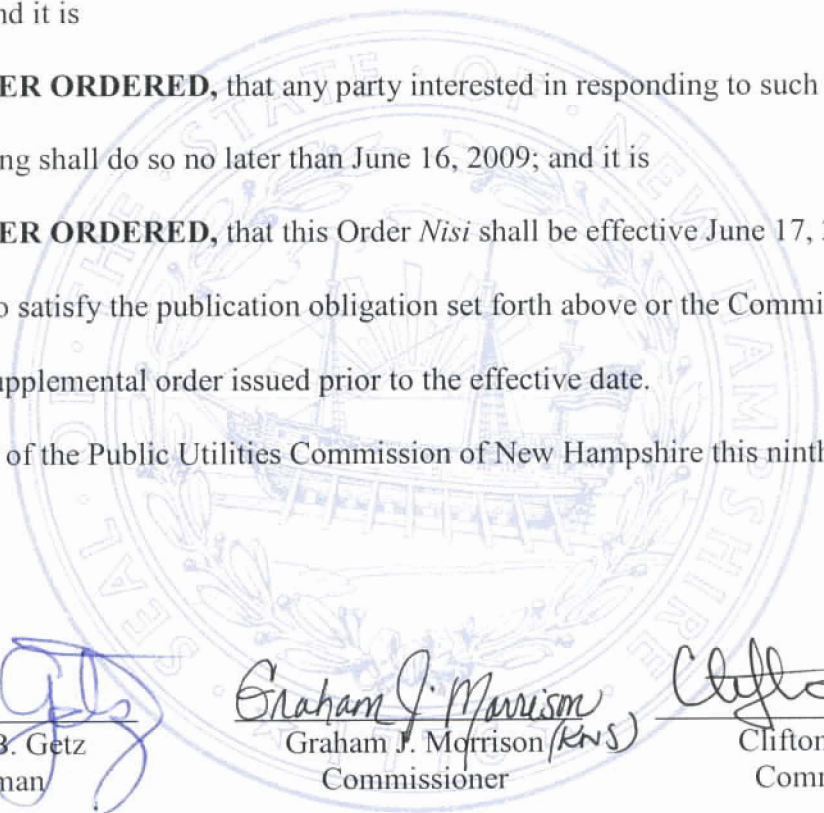
Town of Goffstown town clerk by first class mail, such actions to occur no later than June 12, 2009 and to be documented by affidavit filed with this office on or before June 17, 2009; and it is

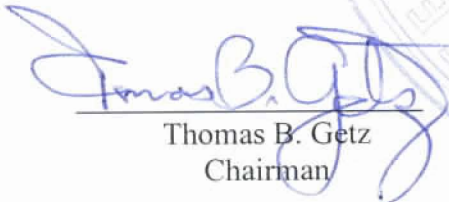
FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than June 15, 2009 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than June 16, 2009; and it is

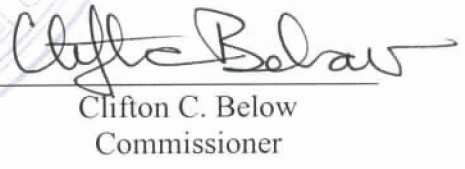
FURTHER ORDERED, that this Order *Nisi* shall be effective June 17, 2009, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this ninth day of June, 2009.

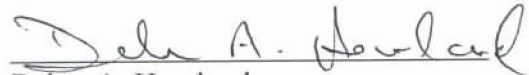



Thomas B. Getz
Chairman


Graham J. Morrison (KWS)
Commissioner


Clifton C. Below
Commissioner

Attested by:


Debra A. Howland
Executive Director