

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

**Petition of Pennichuck East Utility, Inc. for Permission To
Engage in the Business as a Public Works in a Limited
Area of the Town of Pelham known as Skyview Estates
and for Approval of Rate Schedules**

NOW COMES Pennichuck East Utility, Inc., (“PEU”), a New Hampshire corporation with its principal place of business at 25 Manchester Street, Merrimack, New Hampshire and respectfully represents as follows:

I. PARTIES

1. That PEU is a New Hampshire Corporation with a principal address of 25 Manchester Street, Merrimack, New Hampshire (hereinafter “PEU” and/or “Petitioner”), is a wholly owned subsidiary of Pennichuck Corporation of the same address. PEU operates as a water utility subject to the jurisdiction of this Commission. PEU provides service within the Towns of Litchfield, Pelham, and Windham, areas in Atkinson, Barnstead, Bow, Chester, Conway, Derry, Exeter, Hooksett, Lee, Londonderry, Middleton, Plaistow, Raymond, Sandown, Tilton and Weare.

2. That Skyview Estates, LLC (the “Developer”), is a New Hampshire Limited Liability Company, with a principal address of 21 Continental Boulevard, Merrimack, New Hampshire, a registered agent, John Gargas, 24 Colburn Lane, Hollis, New Hampshire 03049.

II. REQUESTED RELIEF

3. That the Developer and PEU have executed an agreement titled “Pennichuck East Utility, Inc. Standard Water Agreement” with relevant attachments including two separate Main Extension Agreements incorporated therein in the form attached hereto as DLW-1 (hereinafter

the “Agreement”).) The Developer has agreed, subject to the approval of this Commission, to transfer the water distribution system being built to serve the Skyview Estates subdivision comprised of approximately 64 lots providing service to no more than 192 bedrooms to be located on the Premises as defined in the Agreement within Pelham, New Hampshire. The transfer is intended to include all relevant real property rights referenced in the Agreement and all relevant Equipment, engineering and rights, as well as the water distribution system otherwise being described in the Agreement and hereinafter referred to as the “Project”. The purpose of the transfer is to allow PEU to own the Project, to be able to obtain the related franchise rights for water service and to service the Project as a public utility.

5. The Project as designed will be comprised of two previously permitted wells, well head protective areas, pumping equipment, a pump house with storage capabilities, water main extensions running from the pump house and related use and access easements to allow PEU access to the mains, equipment and wells.

6. The Project is partially built at this time, the wells having been drilled and permitted. The Project water distribution system was designed by PEU at the request of the Developer and PEU will inspect the construction as it is completed. The Project Community Water System booster station and storage has not been built. The design plans for both the distribution system and CWS booster station and atmospheric tanks have been approved by both the NH Department of Environmental Services and PEU.

7. In that the Project is to be located within the Town of Pelham, PEU contacted the Town to inquire as to whether it would support PEU’s Petition to the Commission. The Town of Pelham recently indicated it does support PEU’s Petition as evidenced by the letter attached hereto as DLW-2.

8. The Proposed Franchise Area is specifically described as 95 Acres made up from five separate lots situated in Pelham, Hillsborough County, State of New Hampshire, and shown on a Plan titled “‘Skyview Estates’ Phase II, Land Transfer & Subdivision Plan, Map 32, Lots 1-146, 1-146-1, 1-146-12, 1-146-13 and 1-146-17,” drawn for Gargas Enterprises, LLC and Roger Montbleau by Edward N. Herbert Assoc., Inc., and dated February 8, 2011, attached hereto as DLW-3. A combined legal description is provided by deeds recorded in the Hillsborough County Registry of Deeds at Book 8221, Page 153, Book 5794, Page 1573, and Book 8164, Page 1573, these deeds being also attached as DLW-4.

9. Under the terms of the Agreement, the Developer and/or builder of the Project are required to convey to PEU (i) all necessary use and access easements and, (ii) all relevant and required equipment which becomes the property of PEU at Closing and/or upon acceptance by PEU of the Project.

10. Petitioner desires to supply water service to customers in the Proposed Franchise Area. PEU intends to supply water to the Proposed Franchise Area as indicated through two wells approved by the New Hampshire Department of Environmental Services, the source of water for Skyview Estates being in compliance with the requirements of NH RSA 374:22 III, as to quality and quantity, as evidenced by the attached correspondence from the New Hampshire Department of Environmental Services, attached as DLW-5.

11. Petitioner’s Agreement indicates that it will invest a one time amount equal to the estimated annual revenue from each customer connected to and served by the Project within five (5) years of PEU’s acceptance of the Project and will invest an additional one time amount equal to the estimated annual fire protection revenue associated with the main extension if the main

pipe extension and hydrant(s) in the Project are accepted as a part of the municipal fire system within five (5) years of PEU accepting the Project.

12. By this Petition, Petitioner seeks authority (i) pursuant to RSA 374:22, et. seq., for Petitioner to extend its water utility business to serve the customers or potential customers of Skyview Estates; (ii) the establishment of a franchise in favor of the Petitioner over the Proposed Franchise Area; and (iii) pursuant to RSA Chapter 378, for Petitioner to provide service to the customers in the Proposed Franchise Area utilizing Petitioner's PWW tariff rate as it may be set from time to time by the Commission. PEU intends this request to be conditioned upon the Developer's completion of the Project in compliance with the terms of the Agreement, and acceptance of the Project by PEU.

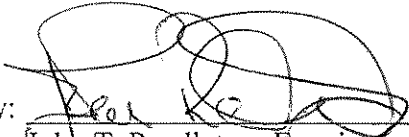
13. The Petitioner has the requisite technical, managerial and financial resources to own and operate the Project and to provide water service in the Proposed Franchise Area. The Petitioner renders water service via community water systems throughout the State of New Hampshire. Petitioner has established a reputation for reliable and efficient service to the public. The Commission has previously granted to Petitioner numerous franchises to operate community water systems in the State of New Hampshire. The Petitioner is actively involved in acquiring and operating community water systems such as the community water system discussed herein. The Petitioner recognizes that regulatory and environmental challenges are increasing for small community water systems. Petitioner believes that due to its experience in the industry, skilled employees, skilled management and base of financial and technical resources, granting the relief requested herein will benefit customers to be served by Petitioner within the Proposed Franchise Area. As such, Petitioner believes that it will be in the public good for it to render water services as a public water utility in the Proposed Franchise Area of the Town of Pelham.

WHEREFORE, the Petitioner requests that the Commission:

- A. Find that it will be for the public good for the Petitioner to own and operate the community water system servicing Skyview Drive and/or Skyview Estates as a public water utility within the Proposed Franchise Area; and
- B. Enter an ORDER NISI, or, in the alternative, schedule a hearing, if the Commission deems one necessary, and enter an order (i) pursuant to the NH RSA 374:22 and 26, granting permission and approval for the Petitioner to engage in business as a public water utility in the Proposed Franchise Area, and (ii) pursuant to NH RSA 378, granting permission and approval to provide such service to the Proposed Franchise Area pursuant to the existent PEU tariff now in affect.

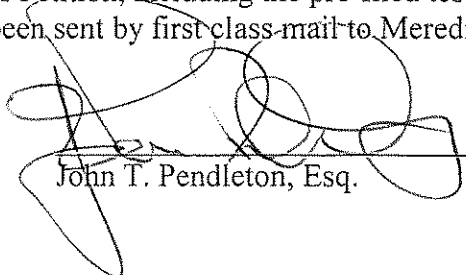
Respectfully submitted,
PENNICHUCK EAST UTILITY, INC.
By Its Attorneys,
DWYER, DONOVAN & PENDLETON, P.A.

Date: 6/2/2011

By: 
John T. Pendleton, Esquire
461 Middle Street
Portsmouth, NH 03801
(603) 433-7040

Certificate of Service

I hereby certify that a copy of this Petition, including the pre-filed testimony referred to in the Petition, have on the above date, been sent by first class mail to Meredith A. Hatfield, Esq., Consumer Advocate.


John T. Pendleton, Esq.