

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

**Petition of Pennichuck Water Works, Inc. for Permission To  
Engage in the Business as a Public Water Utility in a Limited  
Area within the Town of Plaistow known as the Beede Waste Oil Site  
and for Approval of Rate Schedules**

NOW COMES Pennichuck Water Works, Inc., (“Pennichuck”), 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 Pennichuck Water Works, Inc., a New Hampshire Corporation with a principal address of 25 Manchester Street, Merrimack, New Hampshire (hereinafter “Pennichuck” and/or “Petitioner”), is a wholly owned subsidiary of Pennichuck Corporation of the same address. Pennichuck operates as a water utility subject to the jurisdiction of this Commission. Pennichuck provides service to the City of Nashua, Town of Amherst, areas within Bedford, Derry, Epping, Hollis, Merrimack, Milford, Newmarket, Newton, Plaistow and Salem. Pennichuck, through related entities including Pennichuck East Utilities, Inc. and Pittsfield Aqueduct Company, also serves customers within the Towns of Litchfield, Pelham, and Windham, areas in Atkinson, Barnstead, Bow, Chester, Conway, Derry, Exeter, Hooksett, Lee, Londonderry, Middleton, Raymond, Sandown, Tilton, and Weare, as well as the Town of Pittsfield.

2. That 11 Kelley and 42 Old County Road Properties, LLC, is a New Hampshire limited liability Company, with a principal business address of 111 Concord Street, Nashua, NH

03061, with a registered agent, John V. Dwyer, Jr. Esq., P.O. Box 488, 111 Concord Street, Nashua, New Hampshire 03061 (hereinafter the “Developer”).

3. Developer is the owner of certain land known as the Beede Waste Oil site located within the Proposed Franchise Area as defined below, and is responsible for arranging for water service to approximately twenty-two (22) homes in the immediate area around the Beede Waste Oil Site or “Beede Site”. The area is located east of Main Street in Plaistow, New Hampshire abutting portions of Kelly Road, Shady Lane and Walton Road. The Proposed Franchise area is specifically described on a Plan entitled “Beede Area Water Main Extension, Plaistow, New Hampshire,” prepared by Pennichuck Water Works, Inc. staff, dated and last revised on January 6, 2012 (the “Plan”), the Plan being attached hereto and incorporated herein as exhibit DLW-2.

4. The twenty-two (22) residential homes within the Proposed Franchise Area currently receive their potable water supply from private wells. The private wells within the Proposed Franchise Area have been negatively impacted by pollutants from the Beede Waste Oil site. Developer intends to construct a water distribution system in the form of a water main extension and related equipment to supply water to the impacted area and Developer has contracted with Pennichuck to assist in the design and construction, as well as to own and operate the water distribution system to be constructed.

## **II. REQUESTED RELIEF**

5. That Developer and Pennichuck have executed an agreement in the form attached hereto as DLW-1, titled the “Agreement for Design, Construction and Operation of Water Main and Service Connections” (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 Proposed Franchise Area to Pennichuck. The transfer is intended to include any relevant real

property rights and all relevant engineering and equipment related to the distribution system otherwise described in the Agreement and hereinafter referred to as the “Project”. The purpose of the transfer is to allow Pennichuck to own the Project and to service the Proposed Franchise Area as a public utility.

6. The Project as designed will be comprised of a water main extension running from the Twin Ridge Community Water System which is currently owned by Pennichuck. The Twin Ridge and the Rolling Hills Community Water Systems are currently interconnected and obtain their water supply from wells permitted by the NH Department of Environmental Services. The current approvals provide sufficient excess supply to allow the system to also service the Proposed Franchise Area, as indicated in DLW-3.

7. The Project is being designed by Pennichuck at the request of the Developer, and the bid process as well as the construction of the Project will be overseen by Pennichuck pursuant to the Agreement.

8. That prior to filing this Petition, Pennichuck indicated its interest in obtaining the franchise to the Board of Selectmen for the town of Plaistow. A public Board meeting will be held in May of 2012 on the issue.

9. The Plan, DLW-2, shows the current Pennichuck Twin Ridge Community Water System along with the Proposed Franchise Area, and the water main extension to be built to service the Proposed Franchise Area. Under the terms of Agreement, the Developer is required to convey to Pennichuck (i) all necessary use and access easements and, (ii) all relevant and required equipment upon acceptance by Pennichuck of the Project.

10. Petitioner desires to supply water service to customers in the Proposed Franchise Area. Petitioner intends to supply water to the Proposed Franchise Area as indicated through its

Twin Ridge Community Water System. NH DES recently approved a new source for Twin Ridge and the Rolling Hills Community Water Systems, finding that the source does comply with NH RSA 374:22 III regarding quality and quantity. See DLW-3.

11. Petitioner proposes in this Petition and under the terms of the Agreement to assess Developer a System Upgrade Fee in the amount of \$933 per connection in accordance with PWW's tariff at Section 33(C)(2)(b)(v) because the proposed water main extension could not have been made if the Twin Ridge Community Water System had not recently established a new source of supply.

12. Petitioner's Agreement also indicates that it will invest a one time amount equal to the estimated annual revenue based upon its current tariff from each customer connected to and served by the Project within five (5) years of Pennichuck's acceptance of the Project.

13. 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 impacted by contamination in the Proposed Franchise Area; (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. Pennichuck intends this request to be conditioned upon completion of the Project by Developer in compliance with the terms of the Agreement, and further upon acceptance of the Project by Pennichuck.

14. 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 involved in acquiring and operating community water systems such as the community water system discussed herein, and in this situation operates a community water system in the immediate vicinity of the Proposed Franchise Area. 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 water public Utility in the Proposed Franchise Area of the Town of Plaistow.

15. Finally, Petitioner notes that it is uniquely situated to provide service to the Proposed Franchise Area because of its location in relation to the Twin Ridge and the Rolling Hills Community Water Systems currently owned and operated by Pennichuck under franchise rights previously granted by the Public Utilities Commission.

WHEREFORE, the Petitioner requests that the Commission:

A. Find that it will be for the public good for the Petitioner to own and operate a water main extension to service the Proposed Franchise Area as a public water utility as herein proposed; 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 water public

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 PWW tariff now in affect.

Respectfully submitted,  
PENNICHUCK WATER WORKS, INC.  
By Its Attorneys,  
DWYER, DONOVAN & PENDLETON, P.A.

Date: April 27, 2012

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 at the request of the Consumer Advocate to the Consumer Advocate by electronic mail.

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John T. Pendleton, Esq.