

STATE OF NEW HAMPSHIRE

THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 14-

PETITION TO EXPAND FRANCHISE, OPERATE WATER SYSTEM INSIDE OF THE NEW
FRANCHISE AREA, ACQUISITION OF ASSETS AND APPROVAL OF THE
APPLICATION OF EXISTING RATES

The Petitioner, Hampstead Area Water Company, Inc. (HAWC), respectively petitions the N.H. Public Utilities Commission (Commission) to (1) to expand its franchise area within the Town of Atkinson, (2) for approval to operate a water system inside of the new franchise area (3) for approval of acquisition of assets; and (4) for approval of the consolidated rates to be applied to that area. In support thereof, HAWC says:

1. HAWC is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County (see Schedule A, attached). HAWC has been granted a consolidated rate and this consolidated rate would be applied to this franchise if granted.
2. That HAWC has received a request from the Environmental Protection Agency (EPA), an agency of the United States, for new water service within the Town of Atkinson to provide service to up to Thirty (30) homes north of West Side Drive along the Emery Drive and Oak Hill Drive area and in the Deer Run Road area due to 1,4-Dioxane Contamination of their well water. The water system extension is shown on Exhibit 3.
3. Due to the necessity for safe drinking water to these communities and exigencies of providing potable water to the homeowners impacted by the contamination, HAWC is asking that this Petition be expedited.

4. It is intended to have HAWC expand its franchise and provide water service to these homes, which will be served by extending service to these premises. This would be an extension of the Atkinson-Hampstead core system for the Company.
5. The proposed Franchise Expansion Area (Expansion) is shown on the Plan on Exhibit 4 as Proposed Expansion Area. The Expansion is described by metes and bounds as part of Exhibit 4. See also letters to the Board of Selectmen in Atkinson and their proposed response to Staff regarding same, attached as Exhibits 9 and 10, respectively.
6. There is a further expansion required due to contamination levels for home that are located within the franchise of Pennichuck East Utility, Inc. in Atkinson, in the southeasterly portion of Pennichuck's franchise. This area is designated as 12A in Exhibit 4.
7. Part of the proposed Expansion includes an area east of Route 121, as there is development potential for a large tract by Lewis Builder Development, Inc. Further, there are individual homeowners that have requested hookup since HAWC'S construction of its interconnection distribution line but fall outside of HAWC'S current franchise. While this portion of the Franchise request is not part of the contaminated area, it is for these reasons stated herein that this area is included in the Petition. (See Exhibit 4).
8. The Contract (Contract) between the EPA and HAWC is attached as Exhibit 1. The entire amount of the cost of the system extension will be contributed by the EPA to HAWC as Contribution In Aid Of Construction (CIAC).
9. The construction of this system extension is proposed to be performed by and under the direction, supervision and control of Emergency Services Contractor chosen by the EPA.

HAWC will be conducting inspections of the work, which is to be done to HAWC specifications.

10. With regard to the request for authority to acquire the system extension HAWC says:

- a. Enclosed as Exhibit 1 is a Contract subject to the Commission's approval to acquire the system which contains the cost for the system extension, and the terms of acquisition.
- b. Enclosed as Exhibit 8 is a schedule of the costs to be incurred by HAWC to acquire the system as CIAC, if the acquisition of the system is authorized by the Commission.
- c. Attached hereto are copies of HAWC'S pro forma Continuing Property Records (CPR) for those assets for which HAWC seeks approval to acquire (Exhibit 5), the Project Cost Schedule (Exhibit 8), and a proposed Quitclaim Transfer document, which will serve as a Bill of Sale (Exhibit 2).

11. With regard to the request for approval of rates HAWC says:

- a. That HAWC presently has a consolidated system wide rate.
- b. The current consolidate rate consists of a base rate of \$10.00 monthly and a consumption rate of \$5.02 per 100 cubic feet.

12. Attached is the Testimony of John Sullivan (Exhibit 6) and the Testimony of Harold Morse (Exhibit 7) in support of the requests herein.

WHEREFORE your Petitioner prays:

- A. That the Commission find that it would be in the public good for the HAWC:
 1. to extend and expand its Franchise Area to provide water service to the area within the Town of Atkinson as is shown on the attached Plan (Exhibit 4);

2. to add the proposed system extension within the new Franchise Area to the existing Atkinson-Hampstead core system;
3. to be permitted to acquire the assets of the system extension upon completion of the same;
4. to be permitted to charge the existing consolidated rate contained in the tariff of HAWC for the Proposed Franchise Expansion Area as described in Exhibit 4;


B. That the Commission, by appropriate order, grant the HAWC permission to:

1. to extend and expand its Franchise Area to provide water service to the area within the Town of Atkinson as is shown on the attached Plan (Exhibit 4);
2. to add the proposed system extension within the new Franchise Area to the existing Atkinson-Hampstead core system;
3. to be permitted to acquire the assets of the system extension upon completion of the same;
4. to be permitted to charge the existing consolidated rate contained in the tariff of HAWC for the Proposed Franchise Expansion Area as described in Exhibit 4;

C. That the Commission make such further findings and orders as may be appropriate on the circumstances.

Dated the 16th day of January, 2014

Respectfully submitted,
HAMPSTEAD AREA WATER COMPANY, INC.



Harold J. Morse, President

Schedule A

HAWC System History

Company	Year	Docket	Order	Franchise Area
Walnut Ridge Water Company	1977	DE 76-179	12,827	1,826 Acres
Lancaster Farms-Salem	1984	DR 84-267	17,312	144 Acres
Bricketts Mill-Hampstead	1985	DE 85-149	17,848	80 Acres
Squire Ridge-Hampstead	1985	DE 85-274	17,967	140 Acres
Kent Farm-Hampstead	1987	DE 86-198	18,560	1,700 Acres
Kent Farm-Hampstead	1987	DE 86-198	18,598	Supp Order
Woodland Pond-Hampstead	1987	DE 87-211	18,980	701 Acres
Bryant Woods-Atkinson	1988	DE 87-226	19,230	2,340 Acres
Hampstead Area Water Company	1989	DE 89-047	19,717	Hampstead Merger*
Hampstead Area Water Company	1989	DE 89-047	19,751	1,650 Bryant Woods Merger**
Walnut Ridge Water Company	1990	DE 90-129	19,992	55 Acres
HAWC-Bricketts Mill Extension	1990	DE 90-049	19,783	1,246 Acres
HAWC-Hampstead	1991	DE 91-121	20,224	1,350 Acres
HAWC-Hampstead	1991	DE 91-144	20,320	370 Acres
HAWC-Rainbow Ridge-Plaistow	1993	DE 92-129	20,774	152 Acres
HAWC-Stoneford-Sandown	1996	DE 96-201	22,551	3,483 Acres
HAWC-Colby Pond-Danville	1998	DE 97-154	22,854	177 Acres
HAWC-Oak Hill-Chester	2000	DW 00-059	23,577	
HAWC-Walnut Ridge & Lancaster	2002	DW 01-204	23,954	Atkinson Merger***
HAWC-Camelot Court- Nottingham	2004	DW 02-198	24,296	44 Acres
HAWC-Cornerstone-Sandown	2004	DW 02-198	24,296	188 Acres
HAWC-Lamplighter-Kingston	2004	DW 02-198	24,296	13.66 Acres
HAWC-Maplevale-East Kingston	2004	DW 03-150	24,299	107 Acres
HAWC-Dearborn Ridge-Atkinson	2005	DW 04-055	24,501	541 Acres
HAWC-Hampstead Expansion	2005	DW 04-062	24,520	238 Acres
HAWC-Mill Woods-Sandown	2005	DW 05-063	24,544	35 Acres
HAWC-Waterford Village- Sandown	2005	DW 05-070	24,545	90.37 Acres
HAWC-Atkinson Expansion	2005	DW 05-092	24,592	333 Acres
HAWC-Autumn Hills-Sandown	2006	DW 06-016-	24,608	33.68 Acres
HAWC - Cooper Grove-Kingston	2008	DW-07-133	24,831	211 Acres
HAWC - Black Rocks Village	2008	DW-07-134	24,856	391 Acres
HAWC – Sargent Woods	2008	DW-07-130	24,884	65.97 Acres
HAWC – Oak Hill Extension	2010	DW-10-204	25,166	27.851 Acres
HAWC – Fairfield Estates	2011	DW-11-218	25,318	21.97 Acres

*Merged Bricketts Mill, Kent Farm, Squire Ridge and Woodland Pond into HAWC

**Merged Bryant Woods into Walnut Ridge with requirement that the Bryant Woods rates apply

***Merged Lancaster Farms and Walnut Ridge into HAWC