

STATE OF NEW HAMPSHIRE

THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 16-

PETITION TO EXPAND FRANCHISE, OPERATE WATER SYSTEM INSIDE OF THE NEW FRANCHISE AREA, ACQUISITION OF ASSETS, APPROVAL OF FINANCING, 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 Sandown, (2) for approval to operate a water system inside of the new franchise area (3) for approval of acquisition of assets; approval of financing 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 Owner/Developer, Kasher Corporation. (Kasher) for new water service within the Town of Sandown to provide service to a new, proposed Fifty (50) unit condominium development known as Wells Village, on the parcel known as Town of Sandown, Tax Map 13, Lot 1, off Wells Village Road in Sandown, New Hampshire. The condominium and the water system is shown on Exhibit 4.
3. It is intended to have HAWC expand its franchise and provide water service to this development which will be served by a community water system, to be owned and operated by HAWC. This Wells Village satellite system has been approved by DES – see Exhibit 11.

4. Kasher has granted a Water Rights and Easement Deed as shown on Exhibit 3. The location of the Wells Village development and its proposed Fifty (50) units and the location of the proposed system extension are shown on Exhibit 4.
5. The proposed Franchise Expansion Area (Expansion) is shown on the Plan on Exhibit 4 as Proposed Expansion Area. The Expansion is the boundary of the subdivision (Tax Map 13, Lot 1) and is described by metes and bounds as part of Exhibit 4. See also letters to the Board of Selectmen in Sandown and their proposed response to Staff regarding same, attached as Exhibits 10 and 11, respectively.
6. HAWC will be able to serve the Wells Village condominium development under the provisions of the N.H. Public Utilities Statute.
7. The construction of this system is proposed to be performed by and under the direction, supervision and control of Lewis Builders Development, Inc., (LBDI), a related company to HAWC by its Hampstead Area Water Services Company (HAWSCO) division. LBDI has extensive experience in the installation of water systems.
8. The Three Party Contract (Contract) between Kasher, LBDI and HAWC is attached as Exhibit 1. Kasher will pay to LBDI \$143,400 upon the execution of the Contract and will pay another \$71,700 upon commencement of work by LBDI. The balance of the monies due LBDI under the Contract (\$71,700) will be paid by Kasher as progress payments bills monthly, for a total payment of \$286,800.
9. HAWC will pay Kasher \$1,000 per hookup pursuant to the contract for a total of \$50,000. HAWC will sign a promissory note financing this amount with Kasher, payable aforesaid at no interest. (Exhibit 5).

10. The entire amount of the cost of the system which is \$462,305.00, less \$50,000 mentioned above, will be contributed by Kasher to HAWC as Contribution In Aid Of Construction (CIAC).

11. 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 payment.

B. Enclosed as Exhibit 6 is a schedule of the costs to be incurred by HAWC to acquire the system, 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 13), the Project Cost Schedule (Exhibit 7), and a proposed Bill of Sale (Exhibit 2).

12. 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.

13. Attached is the Testimony of John Sullivan (Exhibit 8), and 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 Sandown as is shown on the attached Plan (Exhibit 4);

2. to add the proposed satellite system within the new Franchise Area;

3. to be permitted to acquire the assets of the system upon completion of the same; and approval of financing.

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 Sandown as is shown on the attached Plan (Exhibit 4);

2. to add the proposed satellite system within the new Franchise Area

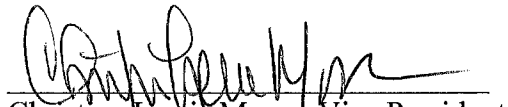
3. to be permitted to acquire the assets of the system extension upon completion of the same and approval of financing;

4. to be permitted to charge the existing consolidated rate contained in the tariff of HAWC for the Proposed Franchise 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 6th day of October, 2016

Respectfully submitted,
HAMPSTEAD AREA WATER COMPANY, INC.


Christine Lewis Morse, Vice President