

**Rosebrook Water Company, Inc.**

71 NH Route 104, Suite 1  
Meredith, NH 03253  
Tel. 603-279-6177; Fax. 603-279-8246

April 10, 1995

Sarah Voll, Executive Director  
New Hampshire Public Utilities Commission  
8 Old Suncook Road  
Concord, New Hampshire 03301-5185

Re: Rosebrook Water Company, Inc.

Dear Ms. Voll:



Enclosed for filing are an original and eight copies of Rosebrook Water Company Inc.'s Special Contract with M.W.H. Preservation Limited Partnership (MWH) and Petition for Approval of Special Contract and Statement of Special Circumstances pursuant to PUC 1601.04(e)(2) Justifying Departure from the General Tariff.

Rosebrook's negotiations with MWH were very protracted and difficult. Without the advice and assistance of the PUC staff litigation between the parties probably would have occurred. I am particularly appreciative of the efforts made by Mr. Thyng and Attorney Sullivan.

Sincerely,

  
Robert A. Satter  
Vice-President

Enclosures

STATE OF NEW HAMPSHIRE  
BEFORE  
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION  
  
PETITION OF ROSEBROOK WATER COMPANY, INC.  
FOR APPROVAL OF SPECIAL CONTRACT  
AND  
STATEMENT OF SPECIAL CIRCUMSTANCES PURSUANT TO  
NEW HAMPSHIRE CODE OF ADMINISTRATION RULES,  
P.U.C. 1601.04 (e)(2) JUSTIFYING DEPARTURE FROM THE GENERAL TARIFF

To the Public Utilities Commission:

NOW COMES ROSEBROOK WATER COMPANY, INC. (the "Company"), a New Hampshire public utility with its principal place of business in Meredith, New Hampshire, by and through its undersigned attorney, and respectfully requests that the Commission approve, as a special contract pursuant to RSA 378:18, its Contract with M.W.H. Limited Partnership, and in support thereof, represents as follows:

1. The M.W.H. Preservation Limited Partnership ("MWH"), a New Hampshire limited partnership, has requested that the Petitioner supply, water service to it to the extent stated in the agreement between the parties dated April 6, 1995, attached hereto as Exhibit A (the "Contract").
2. Under the terms of the Contract, the Petitioner would provide water service to the Mount Washington Hotel, Hotel Administration Building, Bretton Arms (a small inn located nearby the Hotel), and Fabyan's Restaurant. The Petitioner has installed metering equipment at the Hotel Administration Building, Bretton Arms and Fabyans Restaurant and will install metering equipment at the Hotel prior to May 1, 1995. MWH shall pay one-half the cost for the metering not to exceed \$4400.
3. The term of the Contract is one (1) year commencing on May 1, 1995, and ending April 30, 1996. During said term MWH shall pay a fixed amount of \$25,000, an additional charge of \$.20 per 100 gallons for MWH consumption in excess of twenty-eight

million gallons (28,000,000) plus thirty dollar (\$30.00) per day for each day the fountain remains connected to the Company water supply after July 31, 1995.

4. The contract also provides that MWH shall use its best efforts to take a reasonable measures to prevent the waste of water.

5. The parties established the contract price by negotiations based on the course of dealings of various parties during the past four years and on estimates of MWH water consumption developed by the Company during 1994. In 1990, the Company (then under the control and operation of the FDIC) began to provide service of the Hotel. The FDIC negotiated the initial contract for service to the Hotel with the then owners of the Hotel. The Company is unaware of the contract price effective during the period from 1990 through 1992. In 1992 and 1993, MWH has paid \$17,500 to the Company for water service to the Hotel. For year, May 1994 - April 1995, the parties agreed to increase the price to \$ 25,000. Near the end of the term of the Contract, the parties intend to reassess the contact price . When negotiating the present contract price, the parties, while having better consumption data than in 1994, still do not have reliable and accurate consumption data available to consider in setting a price as a result of the Mt. Washington Hotel never having been metered. The plan to install a meter at the Hotel in the summer of 1994 was thwarted when the PUC staff determined that the meter which the Company had purchased would be insufficiently accurate. Re-engineering and bidding for the proper meter was not complete before the Hotel closed in October, 1994. When the price is re-negotiated in 1996, the parties intend to take into account the metered consumption data for May, 1995 through April 30, 1996. MWH will also reevaluate whether continued service by the Company or installation of its own source of supply would be in MWH ' s best economic interest.

6. Based on the Company's best estimate, the projected revenues for 1995 to be derived from service to the MWH would constitute approximately 34% of the Company's total annual revenue of \$ 74,200 while the incremental increase in the

operation expense for service to MWH would be approximately \$9,500, or only 11% of the total projected 1995 operationing expense. The Company would experience an incremental loss of approximately \$15,500 for 1995 without revenues from the Hotel. See Comparative Budget Analysis, for 1995, attached hereto as Exhibit B.

7. The Company seeks approval of the Contract, for an interim period of one year, during which time it intends to reassess the contract price based on accurate metered consumption. The Company believes that the revenue from MWH is essential to maintain its financial stability during the next year. In light of the foregoing, the Company believes that special circumstances exist which render a departure from its existing rate schedules just and consistent with the public interest.

8. The Petitioner proposes to render water service to MWH in accordance with terms and conditions in the Contract, and therefore, requests that the Commission allow the Contract to take effect pursuant to RSA 378:18.

WHEREFORE, Petitioner respectfully requests that the Commission by Order NISI allow the Contract between the Company and MWH to take effect pursuant to RSA 378:18.

April 12, 1995.

Respectfully submitted,

ROSEBROOK WATER COMPANY, INC.

  
Robert A. Satter  
Vice-President

SPECIAL CONTRACT -- WATER

Contract No. 2

ROSEBROOK WATER COMPANY, INC.

with

M.W.H. PRESERVATION PARTNERSHIP

Term One (1) year --May 1, 1995 through April 30, 1996,

Date of Execution April 6, 1995

Exhibit A

AGREEMENT

Agreement made as of this 6<sup>th</sup> day of April, 1995, by and between the Rosebrook Water Company, Inc., a New Hampshire corporation with its principal place of business in Meredith, New Hampshire, (hereinafter referred to as the "Company") , and MWH Preservation Limited Partnership, a New Hampshire limited partnership, with its principal place of business in Bretton Woods, New Hampshire (hereinafter referred to as "MWH"),

WITNESSETH:

WHEREAS, MWH owns the Mount Washington Hotel, Bretton Arms Inn, Hotel Administration Building and Fabyans Restaurant (hereinafter "MWH Properties"), located in Bretton Woods, NH and desires that the Company provide water service to those facilities; and

WHEREAS, the Company is engaged in business as a public water utility in a franchised area of the Town of Carroll (known as Bretton Woods) and is therefore engaged in gathering and distributing water to the public, and is willing to provide the desired water service to MWH, upon the terms and conditions set forth herein; and

WHEREAS, the Company has provided water service for a set price of \$25,000.00 to MWH for the period May 1, 1994 to April 30, 1995 under a special contract dated June 17, 1994 that was approved by the New Hampshire Public Utilities Commission on March 28, 1995.

NOW THEREFORE, the Company and MWH, for and in consideration of the mutual covenants and agreements set forth herein, do hereby agree as follows:

1. The Company agrees to provide metered water service to the MWH Properties.

2. This Agreement shall take effect commencing on May 1, 1995 and ending April 30, 1996. MWH agrees to pay to the Company a fixed amount of \$25,000.00, payable in 12 equal monthly installments by the 10th of each month and an addition charge of \$.20 per 100 gallons of water in excess of twenty-eight million gallons (28,000,000) consumed during the contract period.

3. The excess water charges, if any, will be computed based on the combined readings of the water meters installed at each of the MWH Properties. These charges will be paid within thirty days of the receipt of a Company bill.

4. MWH shall disconnect the Mt. Washington Hotel fountain from the Company water supply no later than July 31, 1995. Until July 31, 1995, MWH shall operate the fountain only during the hours of 7:00 A.M. to 11:00 P.M. If the cost of removing the fountain exceeds \$5,000 then MWH will pay the Company a thirty dollar (\$30.00) per day fee for each day the fountain remains connected to the Company water supply. Fountain fees will be paid within thirty days of the receipt of a Company bill.

5. MWH shall also pay one-half of the cost to install metering equipment at The Mount Washington Hotel and the Bretton Arms Inn (already installed), but not to exceed the sum of \$4,400.00. Payment to the Company shall be due and payable upon completion of the installation of the metering equipment.

6. The performance by the Company of its obligations under this Agreement are subject to the following conditions:

A. That the Company shall obtain from the New Hampshire Public Utilities Commission approval of this Agreement.

B. That the company's existing source of water supply continues to be sufficient to supply its customers while supplying the Hotel. If an impairment or insufficiency of supply occurs to the Company's water system and said impairment or insufficiency is permanent and the Company determines that it could be remedied by the drilling of an additional well or installation of additional plant or equipment, or by specific water treatment, the parties recognize that they may desire to enter into a new agreement containing different terms.

7. MWH hereby represents and warrants to the Company that it shall use its best efforts to take all reasonable measures for the conservation of water, and shall not permit under any circumstances the waste of water. MWH shall notify the Company immediately of any circumstance which would require it to increase its normal or customary consumption, and/or any circumstances which would cause the waste of water of more than 5000 gallons per day, i.e. detected leaks, etc.

8. In the event that the Company's present source of supply is temporarily impaired or insufficient due to unusual circumstances beyond the control of the Company, the Company reserves the right in its discretion to request that, upon 24 hours notice, the Hotel temporarily reduce the amount of water taken by the Hotel. The Company will promptly notify MWH when the circumstances which led the Company to its decision to so reduce takings by MWH have ceased to exist and thereupon the right of MWH to take the normal and customary amounts

of water shall be restored. This paragraph is intended to permit the Company in its discretion to impose sprinkling bans and other conservation measures in circumstances wherein such conservation measures are necessary, in the Company's sole discretion, to ensure adequate supply for all of the company's customers.

9. MWH agrees to permit representatives of the Company upon reasonable notice to enter the Hotel property for the purpose of inspecting and/or maintaining the Company's plant and equipment, and for the monthly reading of meters.

10. Despite anything to the contrary in the foregoing, MWH does not waive and specifically reserves hereby, any rights it may have under the rules, regulations and laws which govern the rights, duties and obligations between a franchised public water utility and a customer within the franchised area.

11. Except for agreements contained in this contract, MWH remains subject to the remaining terms and conditions of the Company's tariff in effect on April 1, 1995.

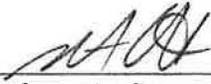
12. The terms of this Agreement constitute the entire agreement between the parties and no statements, oral or written, made by anyone have been relied upon by any party or shall bind any party unless expressly incorporated herein. This Agreement may be modified or amended only by a written instrument executed by the parties hereto.

13. This Agreement may be executed in any number of counterpart originals, each of which shall be an original for all purposes and all of which shall

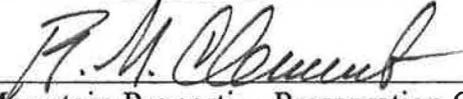
constitute one and the same instrument. This Agreement shall be construed in accordance with New Hampshire law and shall inure to the benefit of the parties hereto and their respective successors and assigns.

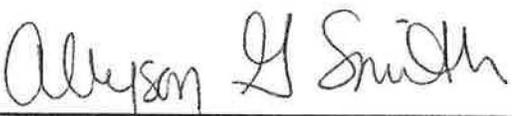
IN WITNESS WHEREOF the parties have caused their names to be subscribed by a duly authorized officer or general partner on the date first written above.

ROSEBROOK WATER COMPANY, INC.  
BY ITS VICE-PRESIDENT

  
\_\_\_\_\_  
Robert A. Satter

MWH PRESERVATION LIMITED PARTNERSHIP  
BY ITS GENERAL PARTNER

  
\_\_\_\_\_  
Mountain Properties Preservation Corporation  
Robert Clement, Vice President

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
witness

**Rosebrook Water Company, Inc.**  
Comparative Budget Analysis

	Budget w/ hotel 1995	Budget w/o hotel 1995
Revenue:		
Residential customers	43,800	43,800
Commercial other	5,400	5,400
Mt Washington Hotel	25,000	0
<b>Total revenues</b>	<b>74,200</b>	<b>49,200</b>
Expenses:		
Rate case	2,600	2,600
Bank service charges	150	150
Purification and lab expense	5,200	3,000
Depreciation	16,144	16,144
Dues and subscriptions	550	550
Purchased power	16,300	9,000
Insurance-general	3,000	3,000
Management expense	10,000	10,000
Administration and accounting	6,300	6,300
Licenses and fees	1,000	1,000
Miscellaneous	150	150
Postage	400	400
Maintenance of services	12,000	12,000
Taxes-Real estate	13,400	13,400
PUC Utility assessments	125	125
Travel	500	500
Bad Debts	250	250
<b>Total expenses</b>	<b>88,069</b>	<b>78,569</b>
<b>Net profit</b>	<b>(13,869)</b>	<b>(29,369)</b>

DR 96-069

**Rosebrook Water Company, Inc.**

P.O. Box 849  
 Lincoln, NH 03251  
 Tel. 603-745-2456; Fax. 603-745-8508

<b>ORIGINAL</b>	
N.H.P.U.C. Case No.	DR 95-304 DR 96-069
Exhibit No.	3
Witness	Lenihan
<b>DO NOT REMOVE FROM FILE</b>	

March 7, 1996

Eugene F. Sullivan, III  
 New Hampshire Public Utilities Commission  
 8 Old Suncook Road  
 Concord, New Hampshire 03301-7319

Re: Special Contract: Rosebrook Water Company, Inc.  
 DR 95-304



Dear Attorney Sullivan:

In accordance with our recent discussions, enclosed for filing are an original and eight copies of Rosebrook Water Company Inc.'s Special Contract with MWH Preservation Limited Partnership (MWH) and Petition for Approval of Special Contract and Statement of Special Circumstances pursuant to PUC 1601.04(e)(2) Justifying Departure from the General Tariff.

Sincerely,

  
 Robert A. Satter  
 President

Enclosures

STATE OF NEW HAMPSHIRE  
BEFORE  
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION  
  
PETITION OF ROSEBROOK WATER COMPANY, INC.  
FOR APPROVAL OF SPECIAL CONTRACT  
AND  
STATEMENT OF SPECIAL CIRCUMSTANCES PURSUANT TO  
NEW HAMPSHIRE CODE OF ADMINISTRATION RULES,  
P.U.C. 1601.04 (e)(2) JUSTIFYING DEPARTURE FROM THE GENERAL TARIFF

To the Public Utilities Commission:

NOW COMES ROSEBROOK WATER COMPANY, INC. (the "Company"), a New Hampshire public utility with its principal place of business in Lincoln, New Hampshire, by and through its undersigned attorney, and respectfully requests that the Commission approve, as a special contract pursuant to RSA 378:18, its Contract with MWH Limited Partnership, and in support thereof, represents as follows:

1. The MWH Preservation Limited Partnership ("MWH"), a New Hampshire limited partnership, has requested that the Petitioner supply, water service to it to the extent stated in the agreement between the parties dated March 6, 1996, attached hereto as Exhibit A (the "Contract").

2. Under the terms of the Contract, the Petitioner would provide water service to the Mount Washington Hotel, Hotel Administration Building, Bretton Arms (a small inn located nearby the Hotel), the Hotel Manager's home and Fabyan's Restaurant. ending April 30, 1996.

3. The term of the Contract is one (1) year commencing on May 1, 1996, and ending April 30, 1997. During said term MWH shall pay a fixed amount of \$30,000 and an additional charge of \$.18 per 100 gallons for MWH consumption in excess of twenty-five million gallons (25,000,000).

4. The contract also provides that MWH shall use its best efforts to take a reasonable measures to prevent the waste of water.

5. The parties established the contract price by negotiations based on the course of dealings of various parties during the past five years, on metered consumption of MWH during 1995, and on an incremental cost analysis prepared in January, 1996. In 1990, the Company (then under the control and operation of the FDIC) began to provide service of the Hotel. The FDIC negotiated the initial contract for service to the Hotel with the then owners of the Hotel. The Company is unaware of the contract price effective during the period from 1990 through 1992. In 1992 and 1993, MWH has paid \$17,500 to the Company for water service to the Hotel. In 1994, the parties agreed to increase the price to \$ 25,000. In 1995, the parties agreed to another contract for \$25,000 which required MWH to pay an additional charge of \$.20 per 100 gallons for consumption exceeding 28 million gallons. The contract also required MWH to pay a portion of the costs to meter the Mt. Washington Hotel and to disconnect their fountain or pay an addition surcharge. In 1995 MWH consumed approximately 20.2 million gallons.

6. The Company is presently seeking a rate increase in DR 95-304 which would provide the Company with total revenue of approximately \$96,662. Based on this projected revenue, MWH contract payment would constitute approximately 31% of the Company's total annual revenue. Based on the 21 million gallons of consumption in 1996, the Company estimates that the direct incremental cost to provide service to MWH is approximately \$21,100 or 26.6% of the total projected \$79,112 operating expense. The Company estimates it would experience an incremental loss of approximately \$8,900 for 1996 without revenues from the Hotel. (see incremental analysis attached as Exhibit B)

7. The Company seeks approval of the Contract, for one year, during which time it intends to reassess the contract price based on a full year of metered consumption and a more comprehensive incremental cost of service study. During this period MWH will also reevaluate whether continued service by the Company or installation of its own

source of supply would be in MWH ' s best economic interest. The Company believes that the revenue from MWH is essential to maintain its financial stability during the next year. In light of the foregoing, the Company believes that special circumstances exist which render a departure from its existing rate schedules just and consistent with the public interest.

8. The Petitioner proposes to render water service to MWH in accordance with terms and conditions in the Contract, and therefore, requests that the Commission allow the Contract to take effect pursuant to RSA 378:18.

WHEREFORE, Petitioner respectfully requests that the Commission by Order NISI allow the Contract between the Company and MWH to take effect pursuant to RSA 378:18.

Respectfully submitted,

March 8, 1996.

ROSEBROOK WATER COMPANY, INC.

  
Robert A. Satter  
President

**SPECIAL CONTRACT -- WATER**  
**Contract No. 3**

**ROSEBROOK WATER COMPANY, INC.**

with

**MWH PRESERVATION LIMITED PARTNERSHIP**

Term One (1) year --May 1, 1996 through April 30, 1997,

Date of Execution March 6, 1996

Exhibit A

## AGREEMENT

Agreement made as of this        day of March, 1996, by and between the Rosebrook Water Company, Inc., a New Hampshire corporation with its principal place of business in Lincoln, New Hampshire, (hereinafter referred to as the "Company") , and MWH Preservation Limited Partnership, a New Hampshire limited partnership, with its principal place of business in Bretton Woods, New Hampshire (hereinafter referred to as "MWH"),

### WITNESSETH:

WHEREAS, MWH owns the Mount Washington Hotel, Bretton Arms Inn, Hotel Administration Building and Fabyans Restaurant (hereinafter "MWH Properties"), located in Bretton Woods, NH and desires that the Company provide water service to those facilities; and

WHEREAS, the Company is engaged in business as a public water utility in a franchised area of the Town of Carroll (known as Bretton Woods) and is therefore engaged in gathering and distributing water to the public, and is willing to provide the desired water service to MWH, upon the terms and conditions set forth herein; and

WHEREAS, the Company has provided water service for a basic price of \$25,000.00 to MWH for the period May 1, 1995 to April 30, 1996 under a special contract dated April 6, 1995 that was approved by the New Hampshire Public Utilities Commission on March 28, 1995, Order 21,597,

and

WHEREAS, there are special circumstances justifying service to MWH Properties at rates other than the normal tariff rates.

NOW THEREFORE, the Company and MWH, for and in consideration of the mutual covenants and agreements set forth herein, do hereby agree as follows:

1. The Company agrees to provide metered water service to the MWH Properties.

2. This Agreement shall take effect commencing on May 1, 1996 and ending April 30, 1997. MWH agrees to pay to the Company a fixed amount of \$30,000.00, payable in 12 equal monthly installments of \$2,500 by the 10th of each month and an addition charge of \$.18 per 100 gallons of water in excess of twenty-five million gallons (25,000,000) consumed during the contract period.

3. The excess water charges, if any, will be computed based on the combined readings of the water meters installed at each of the MWH Properties. These charges will be paid within thirty days of the receipt of a Company bill.

4. The performance by the Company of its obligations under this Agreement is subject to the following conditions:

A. That the Company shall obtain from the New Hampshire Public Utilities Commission approval of this Agreement pursuant to RSA 378:18.

B. That the company's existing source of water supply continues to be sufficient to supply its existing customers while supplying the MWH Properties. If an impairment or insufficiency of supply occurs to the Company's water system and said impairment or insufficiency is permanent and the Company determines that it

could be remedied by the drilling of an additional well or installation of additional plant or equipment, or by specific water treatment, or by the imposition of conservation measures, the parties recognize that they may desire to enter into a new agreement containing different terms.

5. MWH hereby represents and warrants to the Company that it shall use its best efforts to take all reasonable measures for the conservation of water, and shall not permit under any circumstances the waste of water. MWH shall notify the Company immediately of any circumstance which would require it to increase its normal or customary consumption, and/or any circumstances which would cause the waste of water of more than 5000 gallons per day, e.g. detected leaks, etc.

6. In the event that the Company's present source of supply is temporarily impaired or insufficient due to unusual circumstances beyond the control of the Company, the Company reserves the right in its discretion to request that, upon 24 hours notice, the MWH Properties temporarily reduce the amount of water taken by the MWH Properties. The Company will promptly notify MWH when the circumstances which led the Company to its decision to so reduce takings by MWH have ceased to exist and thereupon the right of MWH to take the normal and customary amounts of water shall be restored. This paragraph is intended to permit the Company in its discretion to impose sprinkling bans and other conservation measures in circumstances wherein such conservation measures are necessary, in the Company's sole discretion, to ensure adequate supply for all of the company's customers.

7. MWH agrees to permit representatives of the Company upon reasonable notice to enter the Hotel property for the purpose of inspecting and/or maintaining the Company's plant and equipment, and for the monthly reading of meters.

8. Despite anything to the contrary in the foregoing, MWH does not waive and specifically reserves hereby, any rights it may have under the rules, regulations and laws which govern the rights, duties and obligations between a franchised public water utility and a customer within the franchised area.

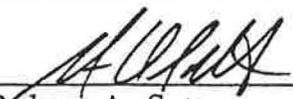
9. Except for agreements contained in this contract, MWH remains subject to the remaining terms and conditions of the Company's tariff in effect on April 1, 1996.

10. The terms of this Agreement constitute the entire agreement between the parties and no statements, oral or written, made by anyone have been relied upon by any party or shall bind any party unless expressly incorporated herein. This Agreement may be modified or amended only by a written instrument executed by the parties hereto.

11. This Agreement may be executed in any number of counterpart originals, each of which shall be an original for all purposes and all of which shall constitute one and the same instrument. This Agreement shall be construed in accordance with New Hampshire law and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have caused their names to be subscribed by a duly authorized officer or general partner on the date first written above.

ROSEBROOK WATER COMPANY, INC.  
BY ITS-PRESIDENT

  
\_\_\_\_\_  
Robert A. Satter

MWH PRESERVATION LIMITED PARTNERSHIP  
BY ITS GENERAL PARTNER

  
\_\_\_\_\_  
Mountain Properties Preservation Corporation  
Robert Clement, Vice President

RBWRATE.XLS  
MWH Incremental Costs  
3/8/96

Rosebrook Water Company, Inc.  
**Incremental Cost of MWH Service**

Prepared: 3/6/1996  
R. Satter

	Proforma Test Year per Schedule 2	Fixed or Variable	MWH Direct Cost of Service @ 21 Million Gallon Consumption	Comment
<b>Operating Expenses</b>				
Production	\$17,979	Variable	\$14,203	
Transmission & Distribution		Variable	\$0	
Maintenance of Pumps, Mains, etc.	\$7,402		\$5,848	
Fitting Repairs (estimated)	\$9,600	not related to MWH	\$0	
			\$0	
Customer Accounting	\$4,500	Fixed		
Administration	\$18,722	Fixed		
<b>Total Operating &amp; Maintenance</b>	<b>\$58,203</b>		<b>\$20,051</b>	
				Increase depreciation of Pump
Depreciation	\$4,811	Fixed	\$1,050	
Property Taxes	\$11,447	Fixed	\$0	
Other Taxes	\$4,651	Fixed	\$0	
<b>Total Expenses</b>	<b>\$79,112</b>		<b>\$21,101</b>	