

TWIN RIDGE

TWIN RIDGE CONNECTION POINT

#28 WALTON ROAD



TOWN OF PLAISTOW



LEGEND	
	BEEDE AREA PROPERTIES
	8"Ø WATER MAIN
	1"Ø RESIDENTIAL SERVICE
	COMMERCIAL DOMESTIC SERVICE (DIAMETER T.B.D.)

- MAIN TO BE ABANDONED
- EXISTING TWIN RIDGE MAIN
- NEW MAIN EXTENSION
- EXISTING ROLLING HILLS MAIN
- FRANCHISE AREA EXPANSION DW 12-109
- 2020 PROPOSED FRANCHISE AREA EXPANSION

REVISION	DATE	DESCRIPTION
3		
2	10/6/2020	CHANGED TITLE AND ADDED #128 WALTON RD
1	5/3/12	REVISED PROPOSED FRANCHISE AREA

<p>PENNICHUCK WATER 25 Manchester Street Merrimack, N.H. 03054-1947 Tel 603-882-5191 Fax 603-913-2331 www.pennichuck.com</p>		<p>ATTACHMENT A BEEDE AREA WATERMAIN EXTENSION PLAISTOW, NEW HAMPSHIRE CONCEPTUAL LAYOUT</p>	
DRAFTER M. PEPIN	DRAWING DATE APRIL 6, 2012	CONSTRUCTION DATE MONTH, YEAR	INSTALLED BY -
DESIGNER J. BOISVERT	INSPECTOR -	ASBUILT NO. -	SCALE 1" = 400'
			SHEET NO. 1 OF 1



Town of Plaistow, New Hampshire
OFFICE OF THE TOWN MANAGER
Mark A. Pearson, J.D.

*Plaistow Town Hall
145 Main Street
Plaistow, NH 03865*

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Deborah A. Howland, Executive Director
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: Docket No. DW 12-109
Pennichuck Water Works, Inc. - Franchise Expansion
Request to Add #28 Walton Road

Dear Director Howland:

The purpose of this letter is to convey the Town of Plaistow Board of Selectmen's support regarding Pennichuck Water Works, Inc.'s (PWW) petition to extend its water utility franchise to serve a customer in the vicinity of the Beede Waste Oil Superfund site in the Town of Plaistow.

The Town of Plaistow is aware that the Beede Site Group has requested PWW make water service available to #28 Walton Road and that the Beede Site Group will pay for the main extension and interconnection of water service to #28 Walton Road. PWW's petition to extend its franchise is in preparation for and in support of the Beede Site Group's prospective offer.

The Board of Selectmen approved this letter of support at its September 28, 2020 meeting. Thank you for your consideration of PWW's request.

Sincerely,

Mark A. Pearson,
Town Manager

cc: Service List for DW 12-109.

Michael J. Skinner Consulting, LLC

**230 Kings Highway East, #300
Haddonfield, NJ 08033**

September 17, 2020

Deborah A. Howland, Executive Director
N.H. Public Utilities
Commission 21 South Fruit
Street, Suite 10 Concord, NH
03301

Re: Docket No. DW 12-109
Pennichuck Water Works, Inc. - Franchise Expansion
Request to Add #28 Walton Road

Dear Director Howland:

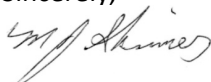
The Beed Site Group supports the request by Pennichuck Water Works, Inc. (PWW) for Commission approval to provide water service to one residence (#28 Walton Road) in the Town of Plaistow. The Commission's original franchise approval in 2012 in this area involved homes in the vicinity of Kelley Road, Shady Lane, and Walton Road. #28 Walton Road is immediately adjacent to the existing franchise.

The Beede Site Group has been sampling for PFOA contaminants and the private water well at #28 Walton Road has shown signs of PFOA contamination. The levels are below the ambient groundwater quality standard (AGQS) and the Beede Site Group does not believe the contamination is from the Beede Superfund site; however, if the PFOA contamination exceeds the AGQS, the Beede Site Group wants to be prepared to offer to connect #28 Walton Road to public water. Therefore, the Beede Site Group has asked PWW for water service to #28 Walton Road.

In order to connect #28 Walton Road, the existing water main will need to be extended approximately 200 feet, which will take time. Therefore, the Beede Site Group supports PWW's franchise request so that the main extension can be completed before there is a need to connect #28 Walton Road. As for timing of approval, the Beede Site Group will be conducting its next round of sampling in October and will know at that point if they have to offer to connect #28 Walton Road.

Thank you for your consideration of PWW's request.

Sincerely,



Michael Skinner
Michael J. Skinner Consulting, LLC
Beede Site Group Project Coordinator

cc: Service List for DW 12-109.

**STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

PENNICHUCK WATER WORKS, INC.
Petition for award of Franchise Area in a Limited
Area of the Town of Plaistow

DW 2012-_____

Direct Pre-filed Testimony of Donald L. Ware

April 27, 2012

1 Q. Please state your name, business address and your position with Pennichuck Water
2 Works, Inc.

3 A. My name is Donald L. Ware. My business address is 25 Manchester St., Merrimack,
4 NH. I am the Chief Operating Officer at Pennichuck Water Works, Inc. ("PWW"). I have
5 worked for the PWW since May 1995. I am a licensed professional engineer in New Hampshire,
6 Massachusetts and Maine.

7 Q. Please describe your educational background.

8 A. I have a Bachelor in Science degree in Civil Engineering from Bucknell University in
9 Lewisburg, Pennsylvania and I completed all the required courses, with the exception of my
10 thesis, for a Masters degree in Civil Engineering from the same institution. I have a Masters in
11 Business Administration from the Whittemore Business School at the University of New
12 Hampshire.

13 Q. Please describe your professional background.

14 A. Prior to joining PWW, I served as the General Manager of the Augusta Water District in
15 Augusta, Maine from 1986 to 1995. I served as the District's Engineer between 1982 and 1986.
16 Prior to my engagement with the District, I served as a Design Engineer for the State of Maine
17 Department of Transportation for six months and before that as a Design Engineer for Buchart-
18 Horn Consulting Engineers from 1979 to 1982.

19 Q. What are your responsibilities as Chief Operating Officer (COO) of the PWW?

20 A. As COO, I am responsible for the overall operations PWW, including water quality and
21 supply, distribution, engineering, customer service and water system capital improvements. At
22 times my duties also involve negotiating agreements on behalf of PWW or its related entities,
23 including agreements pertaining to the acquisition of new community water systems. In that

1 capacity I have been involved in the transaction and the agreement with the Developer relative to
2 this Petition.

3 Q. What is the purpose of your testimony?

4 A. I will be providing an overview of the PWW's planned acquisition of a water distribution
5 system to provide service to a proposed expansion of the PWW Twin Ridge Franchise Area in
6 Plaistow, New Hampshire to be known as the Beede Site. I will summarize the terms of the
7 acquisition Agreement described below. My testimony will also explain why PWW believes it is
8 in the public good for the Commission to approve the Petition filed by PWW.

9 Q. Please describe the terms of the acquisition.

10 A. PWW has entered into an agreement with an entity named Beede Site Group ("Beede"),
11 an unincorporated association by and through 11 County and 42 Old County Road Properties, ,
12 LLC, (the "Developer"), of PO Box 488, 111 Concord Street, Nashua, NH 03061, which is the
13 owner of the land comprising the Beede Waste Oil Site. The agreement utilized in this
14 transaction is titled "Agreement for Design, Construction and Operation of Water Main and
15 Service Connections." (Herein the "Agreement"). The Agreement and appendices are attached
16 hereto and incorporated herein as Exhibit DLW-1. The proposed expansion will provide service
17 to approximately 22 homes located along Kelly Road, Shady Lane and Walton Road within the
18 Town of Plaistow, Hillsborough County, New Hampshire, immediately adjacent to the Twin
19 Ridge Community Water System also operated by PWW. The Agreement requires the
20 Developer to completely fund the construction of a water main extension and individual water
21 services into each home. The project will be designed, bid and constructed in accordance with
22 PWW standards of construction. The water main extension, easements, and related equipment
23 defined in the Agreement are referred to as the "Project." and it includes but is not limited to the

1 water mains, water services and equipment meeting the construction specifications provided for
2 in the Agreement. The water mains and all related equipment upon acceptance will become the
3 property of PWW. The Project will be will be located within public right of way with the
4 exception of the services into each home which will be located on private property. The services
5 from the curb stop into each home will be owned by each homeowner in accordance with
6 PWW's tariff.

7 The Project is designed to provide water service to homes whose private wells were
8 contaminated by the Beede Waste Oil site. PWW, under the Agreement, agrees to provide water
9 service to residential customers within the Proposed Franchise Area at PWW's Commission
10 approved water rates as applicable from time to time. The Project will include approximately
11 twenty-two (22) residential homes.

12 PWW agrees to pay or credit the Developer an investment credit of one times PWW's
13 annual revenue per connection, based upon its current tariff, for each connection made so long as
14 the connection is made within five (5) years of the startup of the system, meaning when service
15 is commenced by PWW upon acceptance of the relevant water main. No fire protection will be
16 provided to this project.

17 Q. Please describe the Proposed Franchise Area.

18 A. The Proposed Franchise Area is located in Plaistow, New Hampshire to the east of Main
19 Street the lots being served primarily abutting portions of Kelly Road, Shady Lane and Walton
20 Road. To assist the Commission in clearly defining the franchise area, I have attached a Plan
21 entitled "Beede Area Water Main Extension, Plaistow, New Hampshire," prepared by
22 Pennichuck Staff dated and last revised on January 6, 2012, and attached as DLW-2 hereto. This
23 plan shows the current PWW owned community water systems, the Twin Ridge and Rolling

1 Hills community water systems with the water main extensions as proposed to service the Beede
2 project.

3 Q. Please explain why you believe this acquisition is in the public good.

4 A. PWW and its affiliate entities have been doing business in New Hampshire for at least
5 156 years and serve more people in New Hampshire than any other regulated utility. The
6 company serves approximately 34,000 residential, commercial and municipal customers in and
7 throughout New Hampshire, meaning it supplies water to over 100,000 individuals throughout
8 the state each day. The company has the managerial, technical and financial experience
9 necessary to run the water system effectively and efficiently. The proposed main extension will
10 provide water that is regulated by and meets the standards of the Safe Drinking Water Act to
11 homes who have wells contaminated with Volatile Organic Chemicals. PWW has designed the
12 water distribution system for this water main extension and will inspect the system as it is built
13 to insure that it is built appropriately. PWW is aware that there are increasing demands on water
14 as a resource, increasing threats to water quality and ever increasing legal and regulatory
15 requirements for operation of community water systems. We believe that it is in the public's
16 best interest to have PWW operate this water system utilizing PWW's highly skilled employees
17 and management and its broad technical and financial resources.

18 Q. Have you contacted the Town of Plaistow relative to your Petition requesting a Franchise
19 within the Proposed Franchise Area?

20 A. We have contacted the Town of Plaistow. We submitted our desire to obtain the
21 franchise to the Board of Selectman for Plaistow. A public meeting is being scheduled in May
22 to seek the support of the Town regarding PWW's request for a franchise expansion to allow
23 PWW to service the area contaminated by the Beede waste oil site.

1 Q. Does PWW provide service in any other parts of Plaistow?

2 A. Yes. PWW provides service to other portions of Plaistow; in addition to the previously
3 mentioned Twin Ridge Community Water System it also provided service to the Valleyfield and
4 Sweet Hill Community Water Systems. Specifically relevant to this question, PWW owns and
5 operates the Twin Ridge Community Water System and related franchise rights (hereinafter
6 “Twin Ridge CWS”). The Project as designed will be comprised of a water main extension
7 running from water mains and equipment used to operate the Twin Ridge CWS. The Twin
8 Ridge CWS obtains its water supply from wells permitted by the NH Department of
9 Environmental Services. PWW just recently completed the construction and permitting of an
10 additional well in the Twin Ridge CWS which was developed to provide additional capacity to
11 meet the demands of the Twin Ridge and Rolling Hills CWS. The newly developed well was
12 permitted for 39.9 gpm (See attached approval letter from the NHDES. Attached as Exhibit
13 DLW-3) which is sufficient to meet the shortfall in water supply capacity in the Twin Ridge and
14 Rolling Hills CWS’ as well as allowing for the expansion of the Twin Ridge system to provide
15 service to Beede project.

16 Q. The referenced Agreement contains a System Upgrade Fee in the amount of \$933 per
17 connection. Please explain the reason for this fee.

18 A. The proposed Beede project could not have connected to the Twin Ridge CWS if the
19 recently approved well in the Twin Ridge CWS had not been completed. The existing Twin
20 Ridge CWS, absent the supply made available by the newly approved well, did not have the
21 supply capacity to service any new customers. In accordance with its tariff the Company may
22 assess a system upgrade fee to customers(s) taking service if the customer(s) requesting service
23 could not have received service but for their ability to connect to Pennichuck’s system where

1 service was improved as described in Section 33(C)(2)(b) via a main extension that was made by
2 the Company in the past ten years. The Twin Ridge well was completed within the past ten
3 years and enhanced service to existing customers in accordance with and as described in Section
4 (C)(2)(b)(v) of the Company's tariff.

5 Q. Please provide the calculation supporting the System Upgrade Fee in the amount of \$933
6 per connection.

7 A. I have attached a spreadsheet detailing the calculation of the Drew Woods system
8 upgrade fee as Exhibit DLW-4.

9 Q. Do you have anything else you would like to add?

10 A. Not at this time.

11 Q. Does that complete your testimony?

12 A. Yes.

APPENDIX

- DLW-1. Agreement for Design, Construction and Operation of Water Main and Service Connections
- DLW-2. Beede Area Watermain Extension Plaistow, New Hampshire Conceptual Layout
- DLW-3. NH DES Well Approval CWS PLAISTOW: Twin Ridge Condos
February 9, 2012
- DLW-4. Twin Ridge New Source Development Chart

AGREEMENT FOR DESIGN, CONSTRUCTION AND OPERATION
OF WATER MAIN AND SERVICE CONNECTIONS

April 19, 2012

RE: Water Main Extension - Twin Ridge CWS Plaistow, NH

This Agreement is made by and between Pennichuck East Utility, Inc. (“Pennichuck”), 25 Manchester Street, Merrimack, NH, and the Beede Site Group, an unincorporated association by and through 11 Kelley and 42 County Road Properties, LLC (“Kelley”), with a mailing address of P.O. Box 488, 111 Concord Street, Nashua, NH 03061

Whereas Pennichuck is the owner and operator of a Community Water System in Plaistow, NH, known as Twin Ridge CWS; and

Whereas Kelley desires to provide access to water from Twin Ridge to certain properties on Kelley Road, Shady Lane, and Walton Road in Plaistow; and

Whereas the properties to which Kelley desires to provide water are shown on Exhibit A to this Agreement (the “Project”); and

Whereas Pennichuck desires, pursuant to the terms and conditions of this Agreement, to provide water to the properties shown on Exhibit A.

Now, therefore, in consideration of the promises and responsibilities contained herein, Pennichuck and Kelley agree as follows:

APPROVALS

This Agreement is subject to certain approvals by the New Hampshire Department of Environmental Services (NHDES) and the New Hampshire Public Utilities Commission (NHPUC). The Agreement is

in accordance with Pennichuck's original proposal dated January 9, 2012 and accompanying attachments A through F ("Proposal"), attached hereto as Exhibit B.

I. PENNICHUCK'S OBLIGATIONS:

Pennichuck will, either through its own employees or through duly qualified and licensed design professionals, consultants, and contractors, provide for all services, materials, and equipment required to design, construct, complete, and operate the Project.

Without limiting the foregoing, Pennichuck shall:

- 1.1 Apply for and obtain all required permits and government approvals, including but not limited to, those required by NHPUC and NHDES, in addition to required State and local permits.
- 1.2 Obtain required land surveys (including, but not limited to, boundary, topographic, rights-of-way, easements, and wetland surveys) necessary for the permitting, design, and construction of the Project which may include surveys of the existing water main on Culver Street along public streets where the water main is proposed as depicted in Exhibit A.
- 1.3 Assist Kelley in obtaining permission from land owners to whose property access may be required for design, construction or other activities required for completion of the Project.
- 1.4 Prepare all plans, specifications and other design documents necessary to seek bids for construction the Project, including the form of construction contract, the terms of which shall be subject to Kelley's review and approval
- 1.5 Issue an invitation to bidders for the Project to pre-qualified contractors acceptable to Pennichuck and Kelley; secure bids for the required construction services (which shall include all required labor, services, equipment, and materials necessary to complete the Project) through competitive bidding; and, subject to Kelley's approval, award the contract(s) for construction to the lowest, responsible and responsive bidder(s) pursuant to a construction

contract the form and terms of which shall be acceptable to Kelley and Pennichuck (“Construction Contract”).

1.6 Supervise, administer, coordinate and oversee construction of the Project.

1.7 Supervise required testing, inspection, start-up, and acceptance of the Project.

1.8 In accordance with its NHPUC tariff:

1.8.1 Assume ownership of, and responsibility for, the Project; and

1.8.2 For each customer served by the Project within five (5) years from the time that service is commenced to the customer, Pennichuck shall invest an amount equal to one times the estimated annual revenue from each such customer to Kelley as required by PUC requirements.

1.8.3 The parties understand that additional customers may seek to connect to the water main extension system developed under this Agreement and such connections will be accommodated in accordance with PUC regulations and tariffs.

1.9 Undertake all other actions required by the NHPUC/NHDES to provide potable drinking water to the residences shown on Exhibit A.

2. KELLEY’S OBLIGATIONS: Kelley shall pay Pennichuck for the Project as follows:

2.1 Kelley will pay \$11,200 (which represents 100% of Pennichuck’s cost to survey the water main route) (“Survey Fee”), upon signing of this Agreement, in order to initiate and complete the required survey(s). This fee is non-refundable once the survey work is commenced. Pennichuck shall not incur additional fees for surveys without prior written approval from Kelley

2.2 Kelley will pay \$22,700 (which represents 100% of Pennichuck’s cost for design, inspection, as-built, and bidding services) (“Design Fee”), upon signing of this Agreement, for Pennichuck to initiate and complete the required design services, issue final bid documents for

construction of the Project, inspect the work and prepare as-built drawings. This fee is non-refundable once design work is commenced. Pennichuck shall not incur additional fees for design related service without prior written approval from Kelley.

2.3 Kelley shall be obligated to pay for all the costs of construction incurred by Pennichuck, including all labor, material, services, equipment, materials and associated costs, (collectively “Construction Cost”). The Construction Cost shall be equal to the amount of the Construction Contract awarded under Section 1.5.

2.3.1 Prior to the start of construction, Kelley shall place funds equal to the Construction Cost, plus a ten percent (10%) contingency, in a dedicated account to fund payments due. Progress payments will be made by Kelley to Pennichuck upon verification by Pennichuck that the work invoiced has been done and that contractor’s requisition is in order for payment.

2.4 Kelley shall pay 100% of the service installation and meter installation fees as provided in the Proposal per the NHPUC tariff. The current tariff rate is \$350 per meter installed.

2.5 Kelley shall pay a New Source Development Charge as shown in Attachment F of its Proposal with the actual Charge to be determined based on the final permitted production volume of its new well, as approved by the NHDES and by the NHPUC and the final cost of permitting, developing and connecting the new well.. The fee will be calculated by taking the well cost divided by the total number of customers that will benefit from the project as detailed in the Proposal.

2.6 Kelley shall obtain rights to access private properties (outside of public easement areas) during design and construction which are required to complete installation of water service connections (outside of building structures) required by this Agreement. Pennichuck shall not

be obligated to provide connections as to any private property where such right of access has not been obtained,

3. COMPLETION DEADLINES: Time is the essence of this Agreement. Kelley and Pennichuck shall endeavor to achieve substantial completion of the Project on or before, October 26, 2012 and final completion on or before , November 28, 2012. These deadlines are subject to the Town's support of Pennichuck's franchise request in a letter to the PUC and PUC issuance of an order approving Pennichuck's franchise request by June, 15, 2012. For purposes of this Agreement the term "substantial completion" shall mean that the water main has been completely installed, pressure tested and passed a bacteria test and can be placed into service. The Construction Contract shall include a liquidated damages provision in order to hold the contractor responsible for failure to the substantial completion deadline.
4. ACCESS TO COST DOCUMENTATION: Pennichuck shall provide Kelley with documentation of the completed work including Pennichuck's inspection reports. Other documents related to the costs and fees associated with the Project shall be available to Kelley upon request.
5. INDEMNITY: The indemnity provisions set forth in this Section 5 shall survive termination of this Agreement and remain binding on the parties thereafter.

5.1 To the fullest extent permitted by law, Pennichuck shall defend, indemnify and hold Kelley, its members, consultants, agents and representatives harmless from all claims, damages, losses and expenses, including but not limited to legal fees, arising out of the Project, provided that such claims, damages, losses or expenses are attributable to bodily injury, sickness, disease or death, or injury to, or destruction of, tangible property damage (other than to the Work itself), to the extent caused by the negligent acts or omissions of Pennichuck, its consultants,

contractors, subcontractors or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable.

5.2 In claims against any person or entity indemnified under Section 5.1 by Pennichuck, the indemnification obligation under Section 5.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for Pennichuck under workers' compensation acts, disability benefit acts or other employee benefit acts. In addition, Pennichuck agrees that the indemnity obligations in this Agreement are valid and enforceable and shall not be abrogated by Pennichuck's worker's compensation insurance coverage.

5.3 To the fullest extent permitted by law, Kelley shall defend, indemnify and hold Pennichuck, its members, consultants, agents and representatives, harmless from all claims, damages, losses and expenses, including but not limited to legal fees, arising out of the Project provided that such claims, damages, losses or expenses are attributable to bodily injury, sickness, disease or death, or injury to, or destruction of, tangible property damage (other than to the Work itself), to the extent caused by the negligent acts or omissions of Kelley, its consultants, contractors or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable.

6. INSURANCE/RISK OF LOSS:

6.1 Liability Insurance. Pennichuck shall obtain and maintain insurance coverage as follows. Pennichuck's liability insurance shall include coverages for contractual liability and shall provide that Pennichuck's insurance is provided on a primary and non-contributory basis.

.1 Commercial General Liability Insurance

- | | | |
|----|--|-------------|
| a. | Each Occurrence Limit | \$1 million |
| b. | General Aggregate | \$1 million |
| c. | Products/Completed
Operations Aggregate | \$1 million |
| d. | Personal and Advertising
Injury Limit | \$1 million |

.2 Comprehensive Automobile Liability Insurance

- | | | |
|----|--|--|
| a. | Combined Single Limit Bodily
Injury and Property Damage | \$1 million
Each Occurrence |
| | or | |
| b. | Bodily Injury | \$1 million
Each Person
\$1 million
Each Occurrence |
| c. | Property Damage | \$1 million
Each Occurrence |

- .3 Workers' Compensation Insurance. As required by law.

The policies shall contain a provision that coverage will not be canceled or not renewed until at least thirty (30) days' prior written notice has been given to Kelley. Certificates of insurance showing required coverage to be in force shall be filed with Kelley prior to commencement of

the Work. Kelley and its member, de maximis, inc., shall be listed as additional insured on Pennichuck's commercial liability policies.

Products and Completed Operations insurance shall be maintained for a minimum period of at least two (2) years after the date of final payment.

6.2 Kelley shall obtain and maintain the following insurance coverage listing Pennichuck as an additional insured:

Commercial General Liability Insurance

a.	Each Occurrence Limit	\$1 million
b.	General Aggregate	\$1 million
c.	Products/Completed Operations Aggregate	\$1 million
d.	Personal and Advertising Injury Limit	\$1 million

6.3 Risk of Loss/Property Insurance. Pennichuck shall bear the full risk of loss as to any components of the Project, and associated materials and equipment following acceptance of the Project. The Construction Contract shall require the contractor to bear the risk of loss and provide insurance for loss or casualty of purchased, stored, or installed but not yet accepted work, equipment and materials.

6.4 Waivers Of Subrogation: Pennichuck and Kelley waive all rights against each other and any of their contractors, subcontractors, consultants, agents and employees, each of the other, and any of their subcontractors, sub-subcontractors, consultants, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant Section 6.2 or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The parties' insurance policies shall provide such waivers of subrogation by endorsement or otherwise. The Construction Contract shall include similar waivers of subrogation and require that all subcontracts to include such waivers.

7. MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES: Pennichuck and Kelley waive claims against each other for consequential damages arising out of or relating to this Agreement or termination of the Agreement. This mutual waiver includes but is not limited to claims for losses of use, income, profit, financing, business and reputation, loss of management or employee productivity.

8. CONTRACTOR/BONDS/INSURANCE: The contractor retained under the Construction Contract shall provide payment and performance bonds for the value of Construction Cost. The surety and form of bonds shall be subject to Pennichuck and Kelley's approval and Kelley shall be named as dual obligees on the bonds. The Construction Contract will specify a requirement that the contractor maintain such types and amounts of insurance as are agreed upon by Kelley, which shall be named an additional insured on such policies.

10. SUSPENSION/TERMINATION:

10.1 Suspension By Kelley. Kelley may order Pennichuck, in writing, to suspend, delay or interrupt all or any part of the work, without cause, for such period of time as Kelley may

determine appropriate for its convenience. The Construction Cost and/or the dates of substantial and final completion shall be adjusted to reflect the increased costs and/or time necessary to complete the Project as a result of any suspension, delay or interruption.

10.2 Termination By Kelley For Convenience. If the Kelley Group terminates this Agreement for its convenience, Kelley shall pay Pennichuck for all work executed. Kelley shall not be liable for overhead and profit on work not executed.

10.3. Termination by Pennichuck. Pennichuck may terminate this Agreement, following twenty-one (21) days written notice to Kelley, in the event that Kelley has failed to make timely payment under this Agreement, or is otherwise in substantial breach of this Agreement.

11. DISPUTE RESOLUTION:

11.1 Initial Dispute Resolution. If a dispute arises out of, or relates to, this Agreement or its breach, the parties shall endeavor to settle the dispute first through direct discussions. If the dispute cannot be settled through direct discussions, the parties shall endeavor to settle the dispute by mediation under the Construction Industry Mediation Rules of the American Arbitration Association before recourse to arbitration. The location of the mediation shall be Nashua, NH, or such other location agreeable to the parties.

11.2 Arbitration. Any controversy or claim arising out of or relating to this Agreement or its breach not resolved by mediation, except for claims which have been waived under Section 7, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect unless the parties mutually agree

otherwise. The location of the arbitration shall be Nashua, NH, or where the parties agree otherwise. The arbitration award shall be final. Judgment upon the award may be confirmed in any court having jurisdiction.

12. MISCELLANEOUS PROVISIONS:

12.1 Neither Kelley nor Pennichuck shall assign their interest in this Agreement without the written consent of the other.

12.2 This Agreement shall be governed by the laws of the State of New Hampshire, without regard to choice of law considerations.

12.3 The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.

12.4 The failure of either party to insist, in any one or more instances, on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to further performance.

12.5 The headings in this Agreement are for ease of reference only and shall not be relied upon or cited for any other purpose.

12.6 This Agreement is solely for the benefit of the parties, represents the entire and integrated agreement between the parties, and supersedes all prior negotiations, representations or agreements, either written or oral

12.7 Any notice required under this Agreement shall be provided to:

Kelley:
Michael J. Skinner
Michael J. Skinner Consulting, LLC
230 Kings Highway East, #300
Haddonfield, NJ 08033

With a copy to:

Robert Ruesch
Verrill Dana, LLP
P.O. Box 586
One Portland Square
Portland, ME 04112-0586

Pennichuck

With a copy to:

12.8 Each party confirms that they have read this Agreement, consulted with counsel and that the terms of this Agreement are understood by it.

ATTACHMENT F
Twin Ridge
New Source Development Charge
Per Unit Calculation

			Comment
A	Total Cost New Well Construction, Testing, Permitting, and Connection	\$ 195,000.00	Current Pennichuck Estimate
B	New/Existing Customers		
	Number of Existing Customers		
	Twin Ridge Rolling Hills	108	Based on Pennichuck Records
	Number of Potential New Customers		
	Beede Area	22	As provided by Beede
	Wellington Estates (Dalton/Barker St.)	42	Estimated by Pennichuck using tax maps
	Kelley Road	8	Estimated by Pennichuck using tax maps
	Main Street	13	Estimated by Pennichuck using tax maps
	Shady Lane	16	Estimated by Pennichuck using tax maps
	Total Existing and Potential Customers	209	
C	Source Development Charge (per customer)	\$ 933.00	= (\$195,000.00)/(209 customers)
D	Beede Area Source Development Charge (22 x \$933)	\$ 20,526.00	= (\$933 per cust) x 22 customers

11 Kelley and 42 County Road Properties, LLC

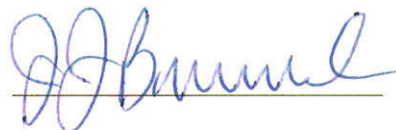
Pennichuck



By: de maximis, inc.
For Thomas Dorsey/Bennie L. Underwood
Its: Manager

18 APR 12
Date


Witness

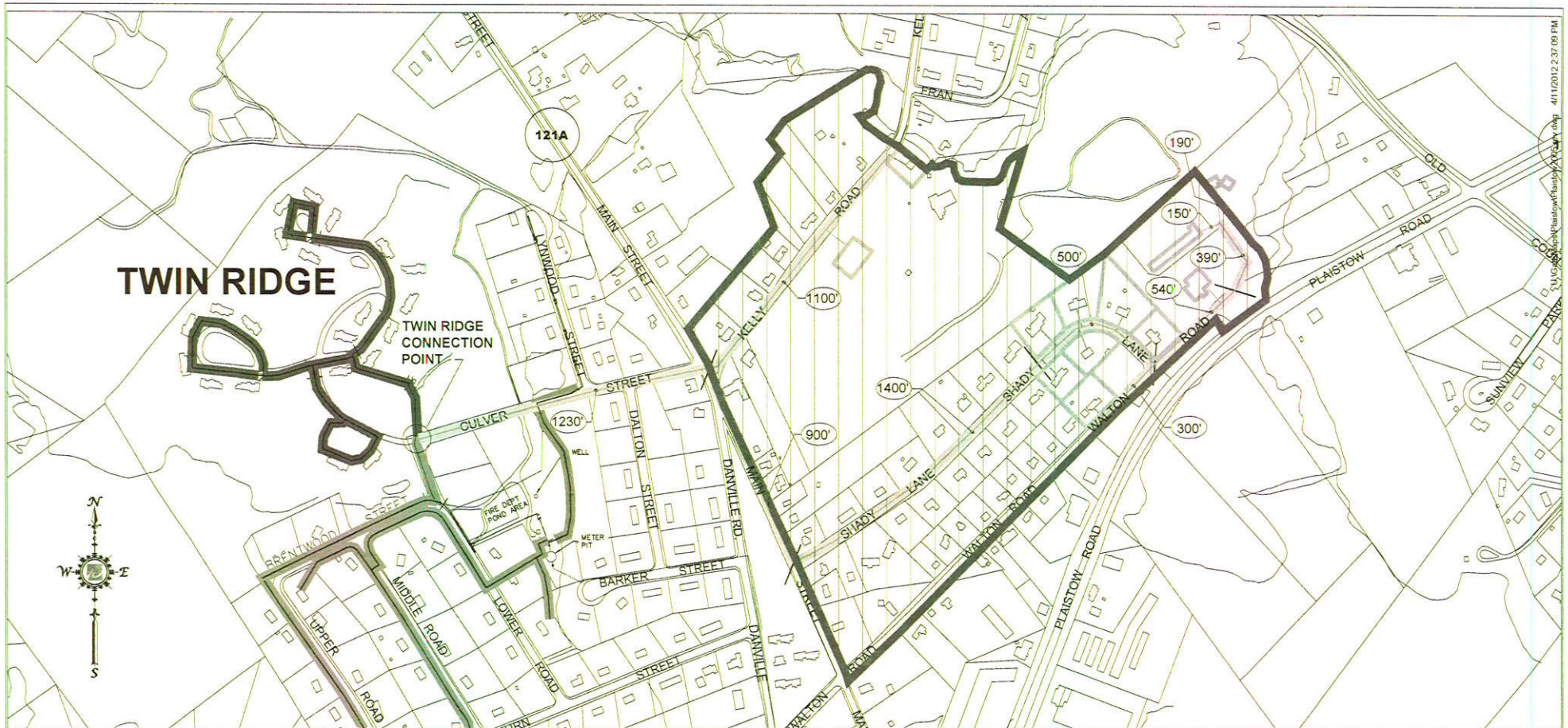


By: John J. Boisvert
Its: Chief Engineer

4/19/2012
Date


Witness

Exhibit A



4/11/2012 2:37:00 PM



TOWN OF PLAISTOW

LEGEND	
	BEEDE AREA PROPERTIES
	6" WATER MAIN
	1" RESIDENTIAL SERVICE
	COMMERCIAL DOMESTIC SERVICE (DIAMETER T.B.D.)



	MAIN TO BE ABANDONED
	EXISTING TWIN RIDGE MAIN
	NEW MAIN EXTENSION
	EXISTING ROLLING HILLS MAIN
	PROPOSED FRANCHISE AREA

REVISION	DATE	DESCRIPTION
3		
2		
1		

<p>25 Manchester Street Merrimack, N.H. 03054-1947 Tel 603-913-2300 Fax 603-913-2362 www.pennichuck.com</p>		<p>EXHIBIT DLW-2 BEEDE AREA WATERMAIN EXTENSION PLAISTOW, NEW HAMPSHIRE CONCEPTUAL LAYOUT</p>	
DRAFTER M. PEPIN	DRAWING DATE APRIL 6, 2012	CONSTRUCTION DATE MONTH, YEAR	INSTALLED BY -
DESIGNER J. BOISVERT	INSPECTOR -	ASBULT NO. -	SCALE 1" = 400'
		SHEET NO. 1 OF 1	

Exhibit B



25 MANCHESTER STREET
 PO BOX 1947
 MERRIMACK, NH 03054-1947
 (603) 882-5191
 FAX (603) 913-2305
 WWW.PENNICHUCK.COM

January 9, 2012

Catharine M. Rockwell, P.E.
 Sr. Project Engineer
 Woodard & Curran, Inc.
 35 New England Business Center Drive, Suite 180
 Andover, MA 01810

Re: Water Main Extension
 Twin Ridge CWS to Beede Waste Oil Project Area
 Plaistow, New Hampshire

Dear Ms. Rockwell:

Pennichuck Water (Pennichuck) is pleased to provide you the following proposal to provide potable water to properties in the Beede Waste Oil Project Area.

Pennichuck's proposal is contingent upon the following:

- The NDES approves the new Twin Ridge well with certain "waivers".
- The NHPUC approves franchise expansion to encompass the area served by the new water main.
- A source development fee will be established as detailed in Attachment F
- NHDOT and Town of Plaistow Right of Way permits are approved.
- The proposal provides a cost estimate which is in no way a guaranteed price. Fees for services/activities not set by NHPUC tariff will be bid and awarded to the lowest responsive/responsible bidder.
- All necessary agreements are executed between Pennichuck and the appropriate Beede Waste Oil project representative based on mutually agreeable terms and conditions.

Using the service area map provided as Attachment B, we have estimated that 6,400 linear feet of water main and appurtenances will need to be installed to service the Beede area from our Twin Ridge water system. We estimate the construction cost to be without contingencies to be \$519,200 including water services plus an additional \$59,326 in tariff fees and services. The total estimated cost for main expansion is \$578,741. These costs are summarized in Attachment A. The anticipated project schedule is presented in Attachment C. Attachment E is the construction cost estimate, and Attachment F presents general notes and information from which our estimates are based.

Please call me if you have any questions or comments.

Sincerely,

PENNICHUCK WATER

John J. Boisvert, P.E.
 Chief Engineer


Cc: Michael J. Skinner
 Donald Ware

Attachments: A through F





**ATTACHMENT A
Project Budget Estimate
Main Extension**

Twin Ridge to Beede Area

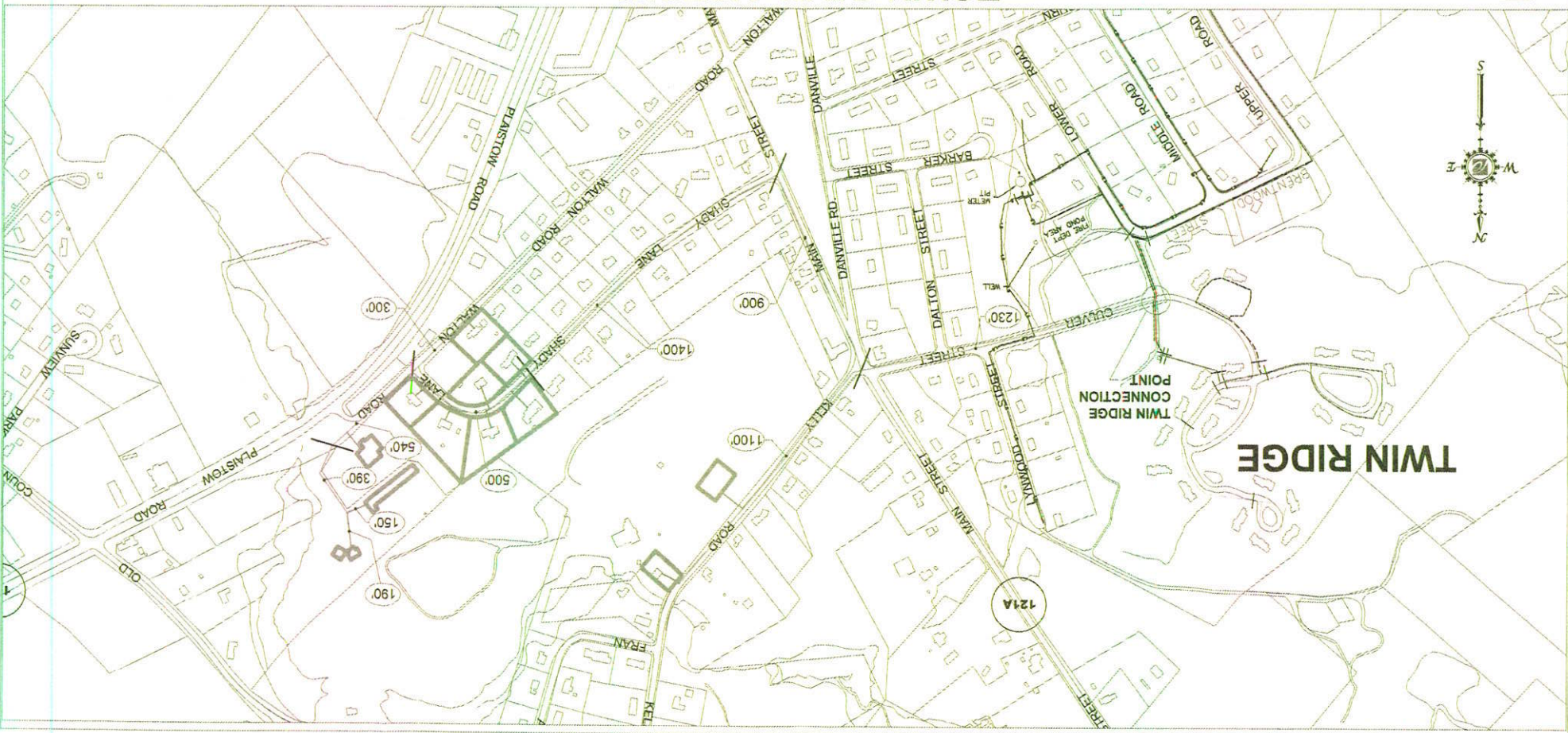
Activity	Description	Estimated Cost
A	Water main route survey (6,400 linear feet at \$1.75 per foot)	\$ 11,200.00
B	Design, Inspection, and As-built per Main Extension Agreement and NHPUC Tariff (6,400 linear feet at \$3.00 per foot)	\$ 19,200.00
C	Service Inspection and Meter Installation per NHPUC Tariff (14 services at \$350.00 each)	\$ 4,900.00
E	Bid Administration Costs (reproduction, mailing, etc...)	\$ 3,500.00
D	Construction cost estimate	\$ 519,415.00
E	Source Development Charge	\$ 20,526.00
F	Legal fees, private easements	not included
G	Backflow device installation	not included
H	Private well abandonment	not included

Attachment D	 PENNICHUCK WATER 25 Manchester Street Merrimack, N.H. 03064-1847 Tel 603-913-2300 Fax 603-913-2302 www.pennichuck.com		DRAWN BY E. LEVESQUE JANUARY 6, 2012
	CONSTRUCTION DATE MONTH, YEAR		PROJECT NO.
	INSTALLED BY WATERMAIN EXTENSION PLAISTOW, NEW HAMPSHIRE CONCEPTUAL LAYOUT		SHEET NO. 1 OF 1
REVISION DATE		DESCRIPTION	
3			
2			
1			



LEGEND	
	BEEDE AREA PROPERTIES
	8" WATER MAIN
	1" RESIDENTIAL SERVICE
	COMMERCIAL DOMESTIC SERVICE (DIAMETER 1.8 D.)

TOWN OF PLAISTOW



ATTACHMENT C

Activity	Completion Date
NHDES Well Approval	March 1, 2012
Execute Main Extension Agreement with Project Specific Provisions	March 7 2012
Project Survey	April 15, 2012
Design	May 20, 2012
NHPUC Franchise Approval	April 30, 2012
Project Bidding	June 10, 2012
Construction Substantial Completion	September 1, 2012
Construction Final Completion	September 30, 2012

ATTACHMENT D
Project Budget Estimate
Main Extension
Twin Ridge to Beede Area

January 2012

Sheet No.: 1 of 1

Item Number	Item Description	Unit of Measure	Quantity	Unit Price	Cost Extension
1	Mobilization	LS	1	\$ 30,000.00	\$ 30,000.00
2	Furnish and install 8 inch diameter class 52 ductile iron water main in Public Right of Way	LF	6360	\$ 48.00	\$ 305,280.00
3	Furnish and install 8 inch mechanical joint gate valves	EA	12	\$ 1,000.00	\$ 12,000.00
4	Furnish and install 8 inch by 8 inch ductile iron, mechanical joint tee w/retainer glands, thrust block, and accessories	EA	4	\$ 450.00	\$ 1,800.00
5	Furnish and install 8 inch ductile iron, mechanical joint bends w/retainer glands, thrust block, and accessories	EA	8	\$ 400.00	\$ 3,200.00
6	Furnish and install 8 inch ductile iron, mechanical joint end cap w/retainer glands, thrust block, and accessories	EA	5	\$ 300.00	\$ 1,500.00
7	Furnish and install 8 by 6 inch ductile iron, mechanical joint reducer w/retainer glands and accessories	EA	3	\$ 250.00	\$ 750.00
8	Furnish and install one 6 inch ductile iron tapping sleeve and and gate valve	EA	1	\$ 3,000.00	\$ 3,000.00
9	Paved Driveway Repair	LF	400	\$ 35.00	\$ 14,000.00
10	Permanent Trench Pavement	TON	100	\$ 200.00	\$ 20,000.00
11	Furnish and install 1 inch service corporations	EA	8	\$ 320.00	\$ 2,560.00
12	Furnish and install 1 inch curb stop including box and rod	EA	8	\$ 175.00	\$ 1,400.00
13	Furnish and install 1 inch copper type K service pipe	LF	800	\$ 36.00	\$ 28,800.00
14	Furnish and install 2 inch service corporations (commercial, multi-unit)	EA	4	\$ 450.00	\$ 1,800.00
15	Furnish and install 2 inch curb stop including box and rod (commercial, multi-unit)	EA	4	\$ 250.00	\$ 1,000.00
16	Furnish and install 2 inch HDPE service pipe (commercial, multi-unit)	LF	440	\$ 30.00	\$ 13,200.00
17	Furnish and install retail meter pits	LF	12	\$ 800.00	\$ 9,600.00
18	Furnish and install temporary 2 inch thick trench pavement	LF	100	\$ 12.00	\$ 1,200.00
19	Furnish and install 12 inch thick Bank Run Gravel (NHDOT 304.2) in water main trench per detail.	LF	100	\$ 2.00	\$ 200.00
20	Furnish and install 8 inch thick Crushed Gravel (NHDOT 304.3) in water main trench per detail.	LF	100	\$ 5.00	\$ 500.00
21	Furnish and install 2 inch permanent blow-offs	EA	2	\$ 3,000.00	\$ 6,000.00
22	Trench rock excavation and disposal	CY	50	\$ 75.00	\$ 3,750.00
23	Boulder excavation & disposal (Boulders greater than 1 cubic yard)	CY	100	\$ 50.00	\$ 5,000.00
24	Unsuitable materials excavation and disposal with backfill	CY	100	\$ 25.00	\$ 2,500.00
25	Stormwater Pollution Prevention Plan	LS	1	\$ 1,100.00	\$ 1,100.00
26	Stormwater Pollution Prevention Plan Maintenance	LS	1	\$ 500.00	\$ 500.00
27	Traffic Control uniformed officer with cruiser	HR	50	\$ 81.50	\$ 4,075.00
28	Traffic Control certified flagger	HR	400	\$ 28.00	\$ 11,200.00
29	Loam and seed	SY	8000	\$ 4.00	\$ 32,000.00
30	Silt Fence	LF	750	\$ 2.00	\$ 1,500.00
Construction Cost Estimate (Add Items #1 through #30)					\$ 519,415.00

ATTACHMENT E

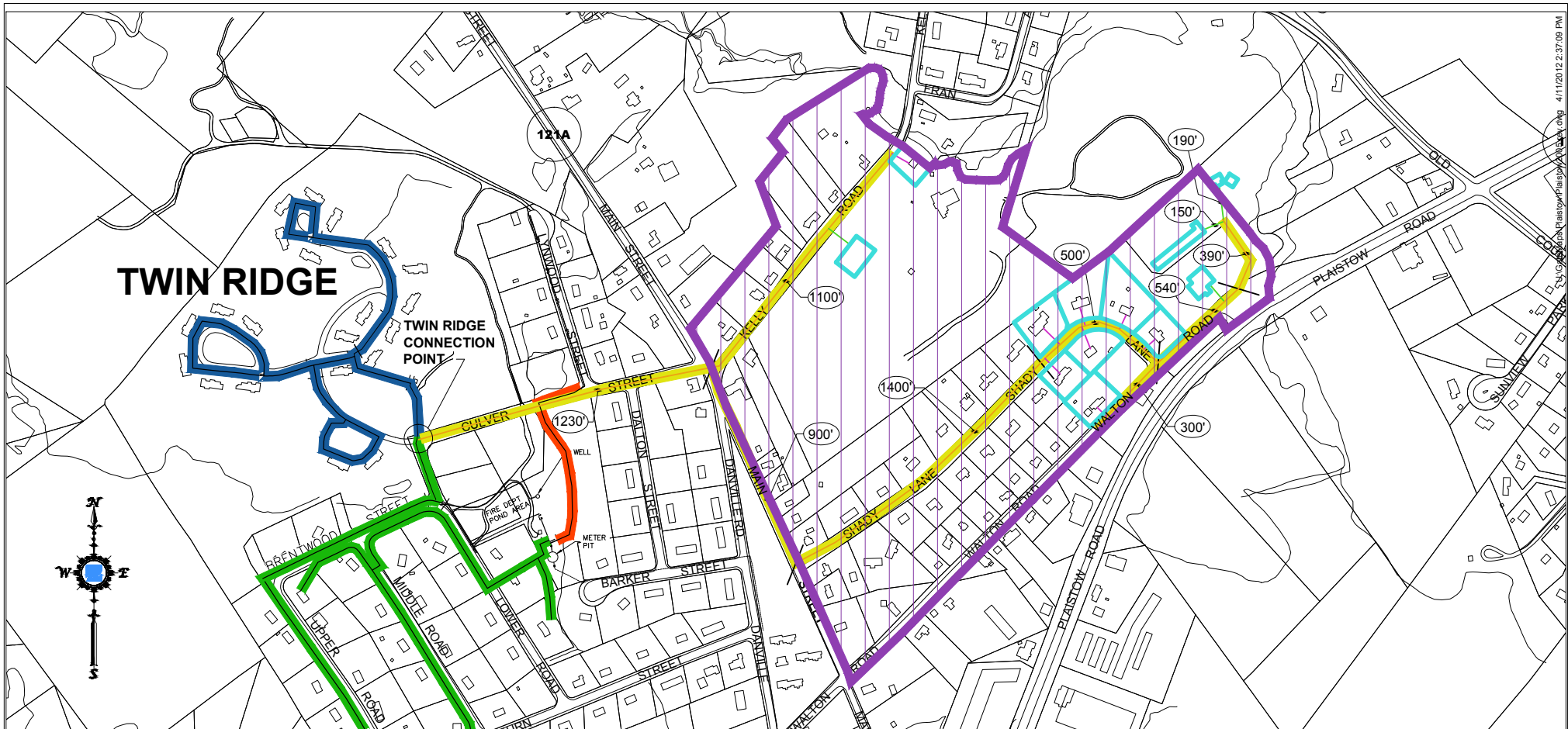
WATER MAIN EXPANSION

Plaistow New Hampshire

Culver Street, Kelly Road, Shady Lane, and Walton Road

General Information

Street	Main/Service	From	To	Length (ft)	Diameter (in)	Notes
Culver Street	Main	Twin Ridge	Main Street (Route 121 A)	1230	8	Potential Street Pavement Impacts
Kelley Road	Main	Main Street (Route 121 A)	Structure Past Beede Ent.	1100	8	Installation in Shoulder with Driveway Crossings
Walton Road	Main	Shady Lane	South	300	8	Installation in Shoulder with Driveway Crossings and service Crossings
Walton Road	Main	Shady Lane	North to Howard Mannor Driveway	540	8	Installation in Shoulder with Driveway Crossings and service Crossings
Howard Mannor Driveway	Main	Walton	Apartment/Mannor Split	390	8	Installation in Shoulder
Shady Lane	Main	Walton	To Last Customer	500	8	Installation in Shoulder with Driveway Crossings and service Crossings
Main Street	Main	Culver Street	Shady Lane	900	8	Potential Street Pavement Impacts
Shady Lane	Main	Main Street	To Last Customer	1400	8	Installation in Shoulder with Driveway Crossings and service Crossings
			Totals	6360		
Beede Facility	Service			100	tbd	Require detail sizing calculation (assume 2 inch dia)
Howard Mannor	Service	Howard Mannor Driveway	Howard Mannor Back Building	190	tbd	Require detail sizing calculation (assume 2 inch dia)
Howard Mannor APTS	Service	Howard Mannor Driveway	Apartments	150	tbd	Require detail sizing calculation (assume 2 inch dia)
Howard Mannor	Service	Howard Mannor Driveway	Business	100	tbd	Require detail sizing calculation (assume 2 inch dia)
Other Residential	Services	Seven (7) at 100 feet	One (1) inch copper	700	1	Corporation, Curbstop, Meter Pit, and Service Line



TWIN RIDGE

TWIN RIDGE CONNECTION POINT

TOWN OF PLAISTOW



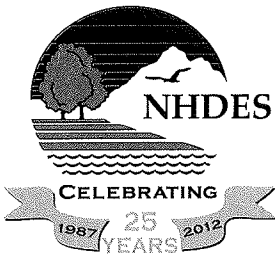
LEGEND	
	BEEDE AREA PROPERTIES
	8"Ø WATER MAIN
	1"Ø RESIDENTIAL SERVICE
	COMMERCIAL DOMESTIC SERVICE (DIAMETER T.B.D.)

	MAIN TO BE ABANDONED
	EXISTING TWIN RIDGE MAIN
	NEW MAIN EXTENSION
	EXISTING ROLLING HILLS MAIN
	PROPOSED FRANCHISE AREA



REVISION	DATE	DESCRIPTION
3		
2		
1		

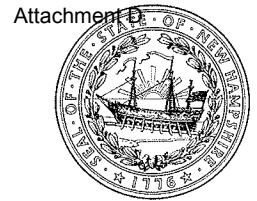
		EXHIBIT DLW-2 BEEDE AREA WATERMAIN EXTENSION PLAISTOW, NEW HAMPSHIRE CONCEPTUAL LAYOUT	
25 Manchester Street Merrimack, N.H. 03054-1947 Tel 603-913-2300 Fax 603-913-2362 www.pennichuck.com		Attachment D	
DRAFTER M. PEPIN	DRAWING DATE APRIL 6, 2012	CONSTRUCTION DATE MONTH, YEAR	INSTALLED BY
DESIGNER J. BOISVERT	INSPECTOR	ASBUILT NO.	SCALE 1" = 400'
		SHEET NO. 1 OF 1	



The State of New Hampshire
Department of Environmental Services

Thomas S. Burack, Commissioner

*Celebrating 25 Years of Protecting
New Hampshire's Environment*



February 9, 2012

Don Ware
Pennichuck Water Works Inc.
25 Manchester Street
Merrimack NH 03054

Subject: CWS PLAISTOW: Twin Ridge Condos; PWS ID: 1932050
New bedrock well, NHDES #999586

Dear Mr. Ware:

The purpose of this letter is to conditionally approve the subject well for Twin Ridge Condos in Plaistow and to respond to your waiver request. This well approval was based on a review of materials submitted to meet the requirements of New Hampshire Administrative Rule Env-Dw 301, *Small Production Wells for Small Community Water Systems*.

Waiver Request:

A request to waive the requirements of Env-Dw 301.06, *Sanitary Protective Area*, which requires the water system to obtain legal control of the sanitary protective area (SPA) and maintain the SPA in a natural state, was submitted in the final report. The water system does not own all of the land in the SPA. More specifically, approximately 25 feet of the 200 foot radius for the new well extends over a backyard and portion of a subsurface disposal field for a residential property located southeast of the well. Per information you provided about the lot and disposal field, moving the disposal field to a location farther away from the well does not appear to be feasible. Also, locating a well in another area farther from the disposal field is not possible.

In light of the declining and diminished yield in the system's sources, well siting constraints within the water system area and surrounding areas, and the method of construction of this new well; NHDES grants your request for a waiver to the pertinent sections of Env-Dw 301.06 subject the conditions stipulated below.

BRW 8 Approval Conditions:

NHDES approves BRW 8 subject to the following conditions:

- Quarterly water quality samples shall be collected from non-treated (raw) source water of BRW 8 and analyzed for nitrate, chloride and E-coli. The results of the water quality samples shall be submitted to the Small

www.des.nh.gov

29 Hazen Drive • PO Box 95 • Concord, NH 03302-0095
Telephone: (603) 271-2513 • Fax: (603) 271-5171 • TDD Access: Relay NH 1-800-735-2964

Community Well Program at the Drinking Water and Groundwater Bureau on a quarterly basis to my attention or via email to Diana.Morgan@des.nh.gov . Please be advised that these samples will need to be submitted under the General System Evaluation Sample (GSES) category for analyses and purposes of reporting. Do not submit these sample results as a part of the routine chemical monitoring for the water system.

- In addition to the monthly total withdrawal volumes, the water system shall report the maximum day withdrawal volumes per month for each source at the system to the Water Use Registration and Reporting Program, if it is not reporting those values already.
- The water system shall implement a long-term Well Operations and Maintenance Schedule similar to that presented in the letter from John Boisvert of Pennichuck Water dated February 6, 2012. The water system shall maintain a permanent record of well performance measurements collected under the program (water levels, volumes, pump run times, etc.), and any resultant redevelopment or well/pump service activities performed in response to the measurements collected. The record will be a checklist/review item referenced in the future water system surveys that are conducted every three years.
- The water system shall implement the provisions of the January 26, 2010 water conservation plan.

A copy of this letter should be kept on file with the water system's records for future reference and as an aid to meeting the NHDES source water protection requirements.

Source Specifications, New BRW 8:

Well Status	Permitted Production Volume/Yield	Sanitary Protective Area Radius	Wellhead Protective Area Radius	Source Description
New Well on Existing System	*57,599 Gallons	200 feet	3,600 feet	BRW 8, 650' SW of pumphouse.

** The table above outlines the specifications for new well BRW 8. The Permitted Production Volume (PPV) is the maximum volume that may be pumped in any 24-hour period from the well. Additionally, the cumulative PPV for wells BRW 8, BRW 5, and BRW 6 can not exceed 57,600 gallons per day when pumped individually or in any combination.*

Don Ware
 Twin Ridge/Plaistow
 February 9, 2012
 Page 3 of 3

The sanitary protective area (SPA) for the new well is a circle, centered on the well, with the radius listed in the previous table. The sanitary protective area shall remain in a natural state and under the water system's control at all times with the notable exception of the waiver issued herein. NHDES understands that some non-compliant activities/structures exist within a portion of the SPA; however, all other areas shall remain in a natural state.

The Wellhead Protection Area for the three well is a circle, centered on each well, with the radius shown above. This is the area within which educational materials must be periodically distributed as part of the wellhead protection program. The educational materials *must be distributed during your next scheduled educational mailing in October 2012.*

Pumping Test Water Quality Analysis-Laboratory ID Numbers:

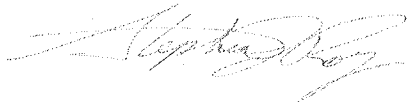
106196.01; 1112-434-1

Once the well becomes active and has received a PWS source identification number, chemical monitoring staff will contact the owner with a Master Sampling schedule. The water system must add a sampling tap to the new well and must contact staff so that the schedule will accurately reflect the correct sampling location.

If you have any questions about the Chemical Monitoring requirements, contact Tricia Madore at 603-271-3907 or at Tricia.Madore@des.nh.gov. Please note that NHDES may initiate enforcement action if the system fails to implement a chemical monitoring program that includes the new well.

If you have any questions about this letter or any other community well siting issues please contact me at 271-3918 or Stephen.Roy@des.nh.gov; or Diana Morgan at 271-2947 or Diana.Morgan@des.nh.gov.

Sincerely,



Stephen Roy
 Drinking Water and Groundwater Bureau

Cc: John Boisvert; Pennichuck Water
 Claude Cormier; Hydrosorce Associates, Inc.
 Leigh Komornick, Town of Plaistow
 Jennifer Mates, Stacey Herbold, Mary Clairmont, Linda Thompson, Gen Al-Egaily,
 Johnna McKenna, Richard Pease; NHDES

H:\Common\Hydrology & Conservation\Programs\Community Wells\System\1932050_plaistow_Twin Ridge\correspondence\1932050_plaistow_BRW 8 final aprvl_020612_dwm.doc

Exhibit DLW-4 Twin Ridge New Source Development Charge Per Unit Calculation			
			Comment
A	Total Cost New Well Construction, Testing, Permitting, and Connection	\$ 195,000.00	Current Pennichuck Estimate
B	New/Existing Customers		
	Number of Existing Customers		
	Twin Ridge/Rolling Hills	108	Based on Pennichuck Records
	Number of Potential New Customers		
	Beede Area	22	As provided by Beede
	Wellington Estates (Dalton/Barker St.)	42	Estimated by Pennichuck using tax maps
	Kelley Road	8	Estimated by Pennichuck using tax maps
	Main Street	13	Estimated by Pennichuck using tax maps
	Shady Lane	16	Estimated by Pennichuck using tax maps
	Total Existing and Potential Customers	209	
C	Source Development Charge (per customer)	\$ 933	= (\$195,000.00)/(209 customers)
D	Beede Area Source Development Charge (22 x \$933)	\$ 20,526	= (\$933 per cust) x 22 customers

CHAIRMAN
Amy L. Ignatius

COMMISSIONERS
Michael D. Harrington
Robert R. Scott

EXECUTIVE DIRECTOR
Debra A. Howland

THE STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Attachment E
TDD Access: Relay NH
1-800-735-2964
Tel. (603) 271-2431
FAX (603) 271-3878
Website:
www.puc.nh.gov

May 15, 2012

Debra A. Howland, Executive Director
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301



Re: DW 12-109 Pennichuck Water Works, Inc.
Beede Waste Oil Site, Plaistow
Request for Franchise and Rates

Dear Ms. Howland:

The purpose of this letter is to review the petition of Pennichuck Water Works, Inc. (PWW) in the above-referenced docket and to offer Staff's recommendation. PWW seeks to extend its water utility franchise to serve customers in the vicinity of the Beede Waste Oil site in the Town of Plaistow, and to charge its currently authorized tariff rates in the new franchise area. PWW asserts it has the requisite managerial, technical and financial abilities to own and operate this water system. Based on Staff's review as detailed below, Staff supports granting of the petition.

On April 27, 2012, PWW filed its petition along with the prefiled testimony of Donald L. Ware, Chief Operating Officer of PWW. The Beede Waste Oil site is an Environmental Protection Agency designated "Superfund" site located in the vicinity of Kelley Road, Shady Lane and Walton Road in Plaistow. The site is owned by 11 Kelley and 42 Old County Road Properties, LLC (Developer), a New Hampshire limited liability company established by the major settling parties in the Superfund case and having a principal business address in Nashua, NH. The Developer is obligated to provide drinking water to the site and initially plans to connect 14 properties, one of which is a 9 unit apartment building, to the water system (response to Staff 1-1; PWW's responses to Staff discovery requests were provided May 11, 2012 and are attached to this letter). The properties are currently serviced by private wells that either have been, or are at risk of being, impacted by contamination from the site. PWW has entered into an agreement (Agreement, Exhibit DLW-1)¹ with the Developer for construction of a water main extension from PWW's adjacent Twin Ridge water system to serve the Beede site. The extension will be paid for by the Developer, constructed to PWW standards and ultimately owned and operated by PWW. An additional 37 residential homes or lots located along the route of the extension could potentially connect over time. A plan showing the location of the proposed new franchise area was provided as Exhibit DLW-2 of the filing. An amended version,

¹ The Agreement is between the Developer and Pennichuck East Utility, Inc. The company's response to Staff 1-6 indicates the Agreement should have been with PWW, and that it is in the process of securing a revised Agreement reflecting the correct entity.

provided May 11, 2012, also includes a listing of the tax map parcels that make up the proposed franchise.

PWW recently installed a new well to serve both Twin Ridge and the interconnected Rolling Hills system owned by PWW's sister utility, Pennichuck East Utility, Inc. (PEU). The well has been approved by the Department of Environmental Services (DES) (see Exhibit DLW-3). PWW indicates in its filing that as a result of the new well there should be ample supply for the two existing systems, which serve 108 total customers, and for the proposed expansion. A May 2, 2012 letter from DES affirms that the requirements of RSA 374:22 III regarding the suitability and availability of water have been met in relation to the expansion (response to Staff 1-2).

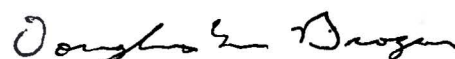
PWW proposes to charge its existing tariff rates in the new area, as it does in Twin Ridge. The Agreement also provides that PWW pay the Developer a one-time amount equal to the estimated annual revenue for each customer connecting to the new system extension in the next five years, in accordance with tariff section 33(B); and that the Developer pay PWW a one-time System Upgrade Fee in the amount of \$20,526 in accordance with tariff section 33(C). The latter fee, calculated in Exhibit DLW-4, is intended to capture the new franchise portion of the cost of the new well on a pro rata basis based on current and potential future buildout within the combined water systems. The filing indicates the fee is applicable because the Beede site could not have been served if the new well had not been installed. The well is expected to eliminate the historic water use restrictions in Twin Ridge and Rolling Hills, in satisfaction of tariff Section 33(C)(2)(b)(v) (response to Staff 1-4(b)).

PWW has notified the Town of Plaistow of its request in this docket, and company personnel are scheduled to meet with the Board of Selectmen on May 21, 2012. The company has indicated it will update Staff promptly on the results of the meeting. The parties hope to complete construction of the main extension this year. PWW has indicated the proposed expansion does not require the approval of the Pennichuck Board of Directors or the City of Nashua (response to Staff 1-9).

As PWW already owns and operates the adjacent Twin Ridge and Rolling Hills water systems, it is familiar with the water systems and area. PWW and its regulated sister companies, PEU and Pittsfield Aqueduct Company, provide water service to some 34,000 customers in various systems throughout New Hampshire. Staff believes PWW, through its operation of such systems, has demonstrated that it has the technical, managerial, financial and other capabilities to enable it to serve the Beede franchise. For the reasons above, Staff concurs with PWW's proposal to provide service to, and charge its existing rates in, the development. Staff recommends the Commission approve PWW's petition.

If you have any questions regarding this matter, please feel free to contact me.

Sincerely,



Douglas W. Brogan
Utility Engineer

Attachments: Discovery Responses

cc: Docket Related Service List (electronic only)

DWYER, DONOVAN & PENDLETON, P.A.
ATTORNEYS AT LAW
461 MIDDLE STREET
PORTSMOUTH, NH 03801-5085
TELEPHONE (603) 433-7040/FAX (603) 431-2130
jpendleton@granitestatelawyers.com

THOMAS C. DWYER **
ELIZABETH A. DONOVAN
JOHN T. PENDLETON †

LICENSED TO PRACTICE
NEW HAMPSHIRE
*MAINE
† MASSACHUSETTS

May 10, 2012

VIA ELECTRONIC MAIL ONLY

Marsha A. Thunberg, Staff Attorney
Public Utilities Commission
State of New Hampshire
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

**RE: DW 12-109-Pennichuck Water Works, Inc. Franchise Expansion In Plaistow
Regarding Beede Super Fund Site Petitioner's Response to STAFF DATA
REQUEST-SET 1**

Dear Attorney Thunberg:

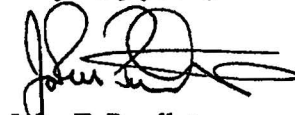
Attached please find Petitioner's response to STAFF DATA REQUEST-SET 1 for the above referenced docket in electronic format, along with an exhibit to Petitioner's Response to STAFF DATA REQUEST 1-2.

Additionally, I attach an Amended DLW-2, in the form of a Plan titled "Exhibit DLW-2 Beede Area Watermain Extension, Plaistow, New Hampshire Conceptual Layout", last revised on May 9, 2012, showing and or defining the Proposed Franchised Area. The Amended DLW-2 lists the impacted lots in the Proposed Franchise Area by tax map and lot number. The references were derived from the Town of Plaistow Tax Map. Five (5) full size copies of amended Exhibit DLW-2 will be provided under separate title for your convenience.

Please feel free to contact me with any questions, concerns regarding these answers and/or the related attachments.

Thank you.

Very truly yours,



John T. Pendleton

JTP:sfp
Enclosure
cc: Service List

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-1

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: The number of potential customers within the proposed franchise appears greater than the 22 homes cited in petition paragraphs 3 and 4 and elsewhere in the filing. On the other hand, Exhibit B, Attachment A of the Agreement (Exhibit DLW-1) indicates 14 connections within the proposed area (see Activity C). Please clarify the numbers of prospective customers involved.

RESPONSE: Beede will be providing service through a total of 14 connections providing service to 22 dwelling units. One connection is to an apartment building with 9 dwelling units in it. There are an additional 37 homes and/or residential lots abutting the route of the water main being installed by Beede that could take service from Pennichuck as part of the new franchise. Please see attached an Amended Plan DLW-2, titled "Exhibit DLW-2 Beede Area Watermain Extension, Plaistow, New Hampshire Conceptual Layout" for reference.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-2

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: Regarding petition paragraphs 6 and 10, Exhibit DLW-3 provides an approval of the new well and partial waiver of the associated Sanitary Protective Area, but lacks any reference to the proposed expansion of the service area. Please provide affirmation that the requirements of RSA 374:22 III (“No water company shall obtain the permission or approval of the commission to operate as a public utility without first satisfying any requirements of the department of environmental services concerning the suitability and availability of water for the applicant's proposed water utility.”) have been met regarding the proposed area.

RESPONSE: Attached please find a letter issued from the NHDES in regards to Pennichuck expanding the Twin Ridge Community Water System to provide service to requested franchise expansion area.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-3

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: Please provide an update on the town's position regarding the proposed expansion as referenced in paragraph 8 of the petition.

RESPONSE: Pennichuck will be meeting with the Town of Plaistow Selectman to discuss the proposed franchise expansion on May 21, 2012. Pennichuck will provide the NHPUC with the results of this meeting on May 22, 2012.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-4

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: Regarding petition paragraph 11:

- a) Please confirm that the “New Source Development Charge” referenced elsewhere in the filing (see, for example, Exhibit DLW-4) is the same as the tariffed “System Upgrade Fee” mentioned here.
- b) Please describe the irrigation impacts of the new well in relation to the referenced tariff Section 33(C)(2)(b)(v) language (“The domestic water quantity available for irrigation shall be considered improved if the increased quantity results in a lessening or elimination of irrigation restrictions to existing customers.”).

RESPONSE:

- a) Yes, the “New Source Development Charge” and the “System Upgrade Fee” are one in the same.
- b) The Twin Ridge/Rolling Hills Community Water System has been on a total lawn irrigation ban over the past two years and this CWS has experienced two day a week irrigation limitations and total irrigation bans part of the time during the three years preceding the last two years. PWW does not envision irrigation bans will commonly be necessary now that the new well is on line because of the increase in supply. This is true even when considering the increased potential demand based upon the proposed franchise expansion.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-5

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: Regarding petition paragraph 13 (iii):

- a) Do PEU rates continue to be charged in Rolling Hills and PWW rates in Twin Ridge? If not, please explain. If so, will the proposed franchise extension have any impact on this arrangement?
- b) Please indicate the basis for requesting PWW rates in the proposed area.

RESPONSE:

- a) Yes. The Company plans to file a petition in the near future to transfer the PEU Rolling Hills Franchise to the PWW as part of the Twin Ridge Franchise resulting in the Rolling Hills customers being charged PWW's tariffed rates.
- b) Pennichuck is requesting that the proposed Beede Franchise Expansion be part of the Twin Ridge PWW franchise for the following reasons:
 - 1. Twin Ridge, which is PWW franchised system, will be providing the source of supply, treatment and storage of the water from the proposed Beede Franchise expansion.
 - 2. A portion of PWW's Twin Ridge Franchise water main will be used to deliver water from the Twin Ridge CWS booster to Culver Street where the Beede Main Extension will begin.
 - 3. Three of the four franchises that Pennichuck Corporation holds in Plaistow are PWW franchise areas.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-6

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: The Agreement of Exhibit DLW-1 indicates that the Pennichuck entity involved is Pennichuck East Utility, whereas the rest of the filing indicates Pennichuck Water Works. Please clarify.

RESPONSE: The agreement should have been with Pennichuck Water Works, Inc. not Pennichuck East Utility, Inc. Pennichuck is in the process of getting a revised agreement for this project completed with the correct Company.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-7

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: In paragraph 2.4 of the Agreement, please indicate the basis of the statement that the “current tariff rate is \$350 per meter installed”.

RESPONSE: This statement in the agreement is not worded correctly. Per the PWW tariff in paragraph 22.C.2.b. the customer is responsible for paying for the “piping and fittings in excess of normal requirements”. The \$350 per meter is the cost is an estimate of the fitting necessary to adapt the existing service piping in the house to accept a meter. The fittings include two shut off valves, a residential dual check valve, two pack joint adaptors and a copper horn.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-8

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: Various places in the filing reference either Kelley Road or Kelly Road.
Please indicate the correct spelling.

RESPONSE: The correct spelling is Kelley Road.

DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-9

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: Does the proposed franchise expansion require approval by the Pennichuck Board of Directors or the City of Nashua? If so, please provide.

RESPONSE: The proposed franchise expansion does not require approval of the City of Nashua or the approval of the Pennichuck Board of Directors.

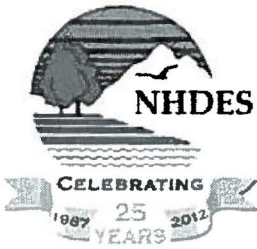
DW 12-109
Pennichuck Water Works, Inc.
Responses to Staff Data Requests – Set 1
Petition for Beede Franchise - Plaistow

Date Request Received: 05/2/12
Request No. Staff 1-10

Date of Response: 05/12/11
Witness: Donald L. Ware

REQUEST: Are there any other water systems nearby that could provide service to the requested area?

RESPONSE: The Hampstead Area Water Company could provide service to the requested area by extending a water main about 5,800 lineal feet from the end of its existing distribution system to the intersection of Culver and Main Street. The distance from PWW's Twin Ridge distribution system to the intersection of Culver and Main Street is about 1,200 lineal feet.



The State of New Hampshire
Department of Environmental Services

Thomas S. Burack, Commissioner

*Celebrating 25 Years of Protecting
New Hampshire's Environment*



May 2, 2012

Via email

DONALD WARE
PENNICHUCK WATER WORKS, INC.
25 MANCHESTER ST, POB 1947
MERRIMACK NH 03054-1947
donald.ware@pennichuck.com

**Subject: CWS 1932050 Plaistow, Twin Ridge Condominiums
Request for water main extension conformance with NH RSA 372:22 III**

Dear Mr. Ware:

In response to Attorney John Pendleton's letter dated April 24, 2012, we have reviewed our records and are confirming that the subject public water system is currently in compliance with the requirements of the federal and state Safe Drinking Water Acts with respect to water quantity and quality.

Based on this, the Department has determined that this system meets the suitability and availability criteria of NH RSA 374:22 III, relating to the proposed water main extension, subject to the following:

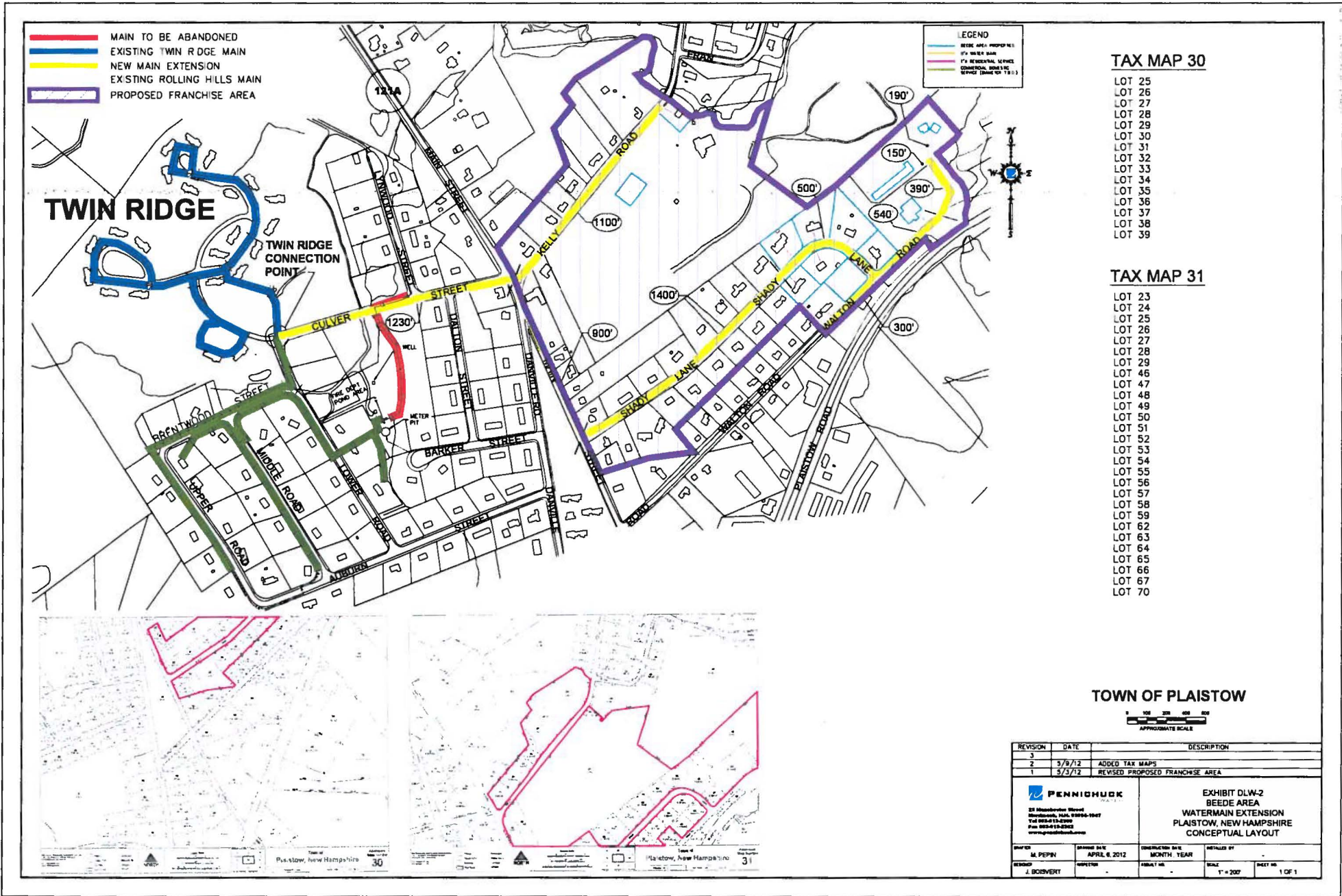
- Compliance with the conditions of approval of new well source BRW 8 / 650' SW OF PH.
- Completion of well permitting and engineering approvals for BRW 8 to supplement water quantity for the overall system.
- Provision of treatment or blending of BRW 8, as needed, to meet all primary water quality standards.
- Continued compliance monitoring and operation in accordance with the community water system requirements.

Please contact Steve Roy at 271-3918, or me at Cynthia.Klevens@des.nh.gov, 271-3108 with any questions regarding this letter.

Sincerely,

Cynthia Klevens, PE
Small Systems Engineering & Technical Assistance
Drinking Water and Groundwater Bureau
H:\ESS\Design Review\PWS 1a\1932050 Plaistow Twin Ridge PUC suitability

cc. J. Pendleton, Dwyer, Donovan & Pendleton, JPendleton@granitestatelawyers.com
J. Boivert, Pennichuck Water Works, John.Boivert@pennichuck.com
R. Pease, NHDES Hazardous Waste, Richard.Pease@des.nh.gov
S. Roy, NHDES DWGB, Stephen.Roy@des.nh.gov



LEGEND

Blue line	EXISTING TWIN RIDGE MAIN
Yellow line	NEW MAIN EXTENSION
Green line	EXISTING ROLLING HILLS MAIN
Purple outline	PROPOSED FRANCHISE AREA

TAX MAP 30

- LOT 25
- LOT 26
- LOT 27
- LOT 28
- LOT 29
- LOT 30
- LOT 31
- LOT 32
- LOT 33
- LOT 34
- LOT 35
- LOT 36
- LOT 37
- LOT 38
- LOT 39

TAX MAP 31

- LOT 23
- LOT 24
- LOT 25
- LOT 26
- LOT 27
- LOT 28
- LOT 29
- LOT 46
- LOT 47
- LOT 48
- LOT 49
- LOT 50
- LOT 51
- LOT 52
- LOT 53
- LOT 54
- LOT 55
- LOT 56
- LOT 57
- LOT 58
- LOT 59
- LOT 62
- LOT 63
- LOT 64
- LOT 65
- LOT 66
- LOT 67
- LOT 70

TOWN OF PLAISTOW



REVISION	DATE	DESCRIPTION
3		
2	5/9/12	ADDED TAX MAPS
1	3/3/12	REVISED PROPOSED FRANCHISE AREA

PENNICHUOK
PLA-1

27 Massachusetts Street
Manchester, NH 03104-1007
Tel: 603-251-1200
Fax: 603-251-1202
www.pennichuok.com

EXHIBIT DLW-2
BEEDE AREA
WATERMAIN EXTENSION
PLAISTOW, NEW HAMPSHIRE
CONCEPTUAL LAYOUT

OWNER M. PEPPER	DRAWN DATE APRIL 6, 2012	CONSTRUCTION DATE MONTH YEAR	DRAWN BY
DRAWN BY J. SCHWERT	REVISION	SCALE 1" = 200'	SHEET NO. 1 OF 1