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April 12, 2017

Via Electronic and First Class Mail to:

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: *Joint Petition of Concord Steam's Non-Governmental Customers*, Docket DG 16-827

Dear Ms. Howland:

I write on behalf of Concord Area Trust for Community Housing, (CATCH), in response to the Staff's proposal dated April 3, 2017. CATCH Neighborhood Housing is a not for profit 501c3 entity serving Merrimack County since 1989.

Background:

CATCH will be converting the Endicott Hotel, located at 3 South Main Street in Concord, NH from steam heat and hot water to natural gas heat and hot water. The Endicott Hotel contains 24 residential apartments and 5 commercial units.

The Endicott Hotel was renovated in 2013 and now contains five condominium units, all wholly owned by CATCH. During the renovation it was determined that conversion from steam to gas heat and hot water was cost prohibitive. In 2013 Concord Steam and CATCH negotiated a special seven year contract effective October 1st, 2013, approved by PUC staff. Concord Steam provided needed upgrades to the existing distribution system as well as reconfiguration to accommodate new commercial spaces. Concord Steam also set CATCH's initial usage rate for the first four years under the agreement to billed "All over 2000Mlb per month" and not subject to a minimum monthly usage requirement of the tariff. At that time, we were led to believe that Concord Steam would be completing a new plant in the South End of Concord in the near future.

Unfortunately, in a letter dated July 21st, 2016 Concord Steam announced it would cease operations in May of 2017. This closure forces the Endicott Hotel to seek an alternative heat source.

As a non-profit entity our unrestricted resources are limited and growing even smaller with the current federal budget uncertainty. Presently, we do not have funds available to cover the upfront cost of conversion regardless of the operating expense payback timeframe.

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Conversion:

The cost of conversion will be \$137,295. This price reflects value engineering and redesign in an effort to reduce cost as much as possible.

Program Design:

The current Staff proposal will offer a special contract to eligible non-profit and residential customers subject to payback timeframe eligibility of five years. While this is encouraging, it does not mitigate the current financial burden CATCH and the Endicott Hotel are facing due to the required conversion.

CATCH is not in agreement with this proposal and alternatively recommends that the eligibility test be waived for non-profit entities and that the on bill 0% financing option be available for the entire cost of conversion.

This would allow the current debt structure to remain in place and not threaten the sustainability and financial solvency of the Endicott Hotel.

Thank you for your consideration.

Sincerely,



Tom Furtado
Senior Vice President of Real Estate Development

cc: Service List via electronic mail