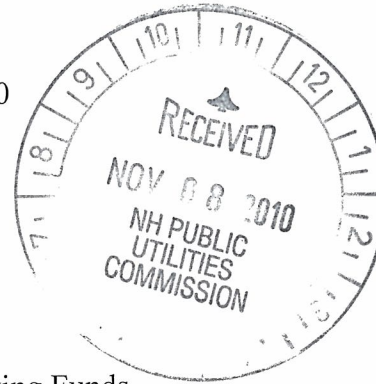


DW10-269

FOREST EDGE WATER CO.
P.O. BOX 479
NORTH CONWAY, NH 03860

October 27, 2010



Deborah A. Howland
Executive Director and Secretary
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Re: Forest Edge Water Company – Petition for Approval of State Revolving Funds
Financing and Step Increase

Dear Ms. Howland:

After much consideration, Forest Edge Water Company ("FEWC" or "Company") has decided to withdraw its petition for approval of State Revolving Funds ("SRF") financing and step increase. There are various reasons for the withdrawal. First, the size of the proposed project and its related costs are significant relative to the size of the Company. Second, the resultant obligation associated with the SRF is significant despite the low interest rate. Third, the increase in rates in order to recover the investment and to pay back the loan is significant, particularly in light of the recent rate increase. As such, at this time and under the current situation, the Company does not believe that it is in its best interest to pursue the SRF financing and step increase. However, the Company will continue to work toward implementing the improvements recommended in the report of FX Lyons, Inc., dated September 30, 2009, utilizing available cash flow from the operations of the Company. The Company appreciates working with you and your staff and looks forward to continuing to work with PUC.

Sincerely,

A handwritten signature in blue ink, appearing to be "N. Sullivan".

Nathaniel Sullivan

Kathy Sullivan
Stephen P. St. Cyr