

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

DW 13-236

**WHITE ROCK WATER COMPANY, INC., and
LAKELAND MANAGEMENT COMPANY, INC.**

Petition for Approval of Sales and for Other Relief

ORDER OF NOTICE

On August 9, 2013, White Rock Water Company, Inc. (White Rock), Lakeland Management Company, Inc. (Lakeland), and Abenaki Water Co., Inc. (Abenaki), filed a joint petition with the New Hampshire Public Utilities Commission (Commission) seeking: (1) approval of Abenaki's purchase of White Rock, a water utility that serves about 98 customers in Bow; (2) approval of Abenaki's purchase of Lakeland, a water and sewer utility that serves about 150 customers in Belmont; (3) permission for Abenaki to engage in business as a public utility; (4) permission for White Rock and Lakeland to cease operating as public utilities; and (5) approval for Abenaki to issue long term debt of up to \$300,000.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-236.html>

Abenaki, a New Hampshire corporation created to acquire and operate White Rock and Lakeland, is a wholly-owned subsidiary of New England Service Company, Inc. (NE Service), a publicly traded Connecticut corporation. NE Service operates several water utilities through other wholly owned subsidiaries with approximately 7,300 customers in Connecticut and Massachusetts, and thus, according to the joint petitioners, can provide Abenaki with the

managerial, technical and financial expertise to acquire and operate the White Rock and Lakeland systems. The joint petitioners further state that White Rock and Lakeland customers will also benefit from Abenaki's ability, through NE Service, to finance needed capital improvements to meet state and federal standards. NE Service is not a party to this proceeding.

White Rock and Lakeland are currently being operated by C&C Water Services, Inc. (C&C). To enjoy economies of scale after the transaction, NE Service plans to acquire C&C and fold its operations and personnel into NE Service. Two C&C employees will become NE Service employees and continue to work with the former White Rock and Lakeland systems. NE Service intends to employ a principal of C&C as a vice president of NE Service with responsibility for the former White Rock and Lakeland systems, and Abenaki will open an office in Gilford. .

The purchase price for each sale is the respective company's total rate base, which the pre-filed testimony of Deborah Carson, NE Service's Treasurer and Office Manager, estimates to be about \$444,000 combined. Abenaki plans to finance the transactions with approximately \$260,000 in equity capital and \$260,000 in debt, for a total of \$520,000, which will leave \$76,000 available for working capital. The purchase price for Lakeland also contemplates the payoff of a loan. Each sale is conditioned on Commission approval of both transactions and other typical closing conditions. If approved, the sales will result in Abenaki holding and operating both companies, although they will be treated separately for accounting purposes.

As part of the proposed sales, Abenaki seeks authority to operate as a utility in New Hampshire, and White Rock and Lakeland seek permission to cease operating as utilities. Abenaki also seeks financing approval of up to \$300,000 in long term debt to facilitate the purchases. The joint petitioners do not seek any changes in rates.

The filing raises, *inter alia*, issues related to the following: RSA 374:30 regarding the transfer of franchises and the proposed sales of White Rock and Lakeland, the terms of the sales, and the purchase prices to be paid; RSA 374:22 and Abenaki's financial, managerial and technical abilities and its request to operate as a utility in the franchise areas of White Rock and Lakeland; RSA 374:28 and White Rock's and Lakeland's request to cease operating as utilities; and RSA 369:1 and Abenaki's request for approval of long term financing.

Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 1, 2013 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, White Rock, Lakeland, Abenaki, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow the joint petitioners to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, the joint petitioners shall notify all persons desiring to be heard at this hearing by mailing a copy of this Order of Notice no later than September 10, 2013, to all current and known prospective customers of White Rock and Lakeland, as well as the Clerk of the Towns of Belmont and Bow,

New Hampshire, by first class U.S. Mail, postmarked no later than September 13, 2013, and documented by affidavit filed with the Commission on or before September 26, 2013; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a petition to intervene with copies sent to the joint petitioners and the Office of the Consumer Advocate on or before September 26, 2013, such petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before October 1, 2013.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of August, 2013.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.