

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

**DW 15-422
DW 15-209**

LAKES REGION WATER COMPANY, INC.

**Petition for Approval of Long-term Financing and Transfer of Land owned by an Affiliate
and Consolidation with DW 15-209**

ORDER OF NOTICE

On September 30, 2015, Lakes Region Water Company, Inc. (LRWC) filed a petition requesting approval of long-term financing and the transfer of land owned by an affiliate, with the Public Utilities Commission (Commission). 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/2015/15-422.html>.

The proposed financing and land transfer relate to a parcel of property, known as the "Mount Roberts Property." A LRWC shareholder, the Barbara G. Mason 1994 Trust, owns the Mount Roberts Property as well as the wells and equipment located on the property and used by LRWC to serve certain customers within the company's "Paradise Shores" system. The New Hampshire Department of Environmental Services (DES) conditionally permitted the Mount Roberts well field as a "small production well field" on in July 2012. According to the Company, DES requires as a condition of approval that the Company "acquire permanent ownership" of the Mount Roberts property.

DW 15-209 is an open investigation of rate increases proposed by LRWC. Among the costs that LRWC seeks to recover through higher rates are the costs associated with its proposed

acquisition of the Mount Roberts property. In the rate case, LRWC proposes to acquire the land at a price of \$374,765, and the Commission will determine whether the company may recover that amount from customers through rates.

The proposed financing to acquire the Mr. Roberts Property consists of a 20-year loan from CoBank not to exceed \$420,000, at a fixed interest rate not to exceed 5.50%. CoBank is a government sponsored enterprise owned by its customers who consist of water utilities, agricultural cooperatives, and other businesses serving rural areas in the United States. In addition to the purchasing the land, the Company plans to use the proposed financing to reimburse LRWC's shareholder for the costs of surveys, legal fees and real estate taxes.

The proposed affiliate transaction entails a transfer of ownership of the Mount Roberts Property from the Barbara G. Mason 1994 Trust to LRWC. According to the Company, the land transfer is a permissible affiliate transaction because the purchase price for the Mount Roberts property is "substantially below" market value.

The filing raises, inter alia, issues related to whether the proposed financing is consistent with the public good pursuant to RSA 369:1 *et seq.*; and whether the proposed affiliate transfer of land is just and reasonable pursuant to RSA 366:1 *et seq.* Each party has the right to have an attorney represent the party at the party's own expense.

Because the purpose of the financing and affiliate transfer is also being reviewed in the pending rate case, the Commission has determined that consolidating that docket with this docket will promote the orderly and efficient conduct of both proceedings. For administrative efficiency, this Order of Notice will be issued in both DW 15-209 and DW 15-422.

Based upon the foregoing, it is hereby

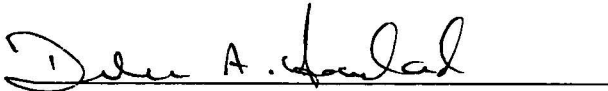
ORDERED, that, LRWC, the Staff of the Commission and any Intervenors meet for a Technical Session on December 16, 2015, at 9:00 a.m., when a technical session is scheduled in DW 15-209, to review the financing/affiliate petition and to create a procedural schedule for DW 15-422; and it is

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, LRWC shall notify all persons desiring to be heard at this Technical Session by publishing a copy of this Order of Notice no later than November 13, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before December 14, 2015; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to LRWC and the Office of the Consumer Advocate on or before December 4, 2015, 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 December 9, 2015.

By order of the Public Utilities Commission of New Hampshire this second day of
November, 2015.

A handwritten signature in dark ink, appearing to read "Debra A. Howland", is written over a horizontal line.

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.