

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 08-021

LACONIA WATER WORKS

Petition to Expand Water Service in the Town of Gilford

Order *Nisi* Approving Expansion of Service Area

ORDER NO. 24,841

April 4, 2008

On February 14, 2008, the City of Laconia Water Department, also known as Laconia Water Works (LWW), filed a petition to expand its franchise and provide residential and commercial water service to six lots in the Town of Gilford. The area is located northeast of the intersection of the Laconia Bypass and Route 11A and abuts franchise territory granted to LWW in Order No. 24,660, 91 NH PUC 362 (Sept 1, 2006).

Parcels within the proposed area include Lakes Region General Hospital-OPA, Laconia Animal Hospital, the Elks Club lodge, and a proposed 40-unit adult community known as Wesley Woods. The area is also defined as tax map 211, lots 2, 2.1, 2.2, 3, 4 and 5.

LWW agrees to provide this new service area with the same quantity and quality of water service it supplies to customers residing within the City of Laconia. LWW intends to charge a 15 percent rate premium in the proposed area over rates charged inside Laconia as is allowed by RSA 362:4, III-a (a)(1). As in past franchise expansions, the new customers will pay for the mains. The Town of Gilford currently provides sewer service to the area.

LWW provided letters of support from the City of Laconia and Town of Gilford. LWW also submitted a letter from the Department of Environmental Services (DES) confirming the

suitability and availability of water for the proposed area, in compliance with RSA 374:22, III. On March 26, 2008, Commission Staff recommended approval of the petition.

Pursuant to RSA 362:4, III-a (a)(1) a municipal water provider that serves customers outside its municipal boundaries, but charges those customers rates no higher than 15 percent above the rates charged to customers within its boundaries, is not considered a public utility. This statute, however, still requires the municipal corporation to comply with the utility franchise application requirements of RSA 374:22. Having reviewed LWW's filing and Staff's recommendation, we find that LWW meets the rate and service requirements of RSA 362:4, III-a (a)(1).

Exercising its authority under RSA 374:22, the Commission's practice has been to authorize expansion of water franchise territories that are consistent with the orderly development of the region. *Pennichuck Water Works*, 72 N.H. P.U.C. 589, 593 (1987). Consequently, the Commission has encouraged coordination among potential service providers. In this instance, both the City of Laconia and Town of Gilford have indicated their support for the expansion, which should minimize utility infrastructure costs and benefit all customers. Pursuant to RSA 374:26, approval of the franchise expansion request is appropriate upon a determination that it is for the public good. We find that LWW's expansion, consistent with the discussion above, is for the public good and we will approve it on a *nisi* basis to allow opportunity for public comment.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, and pursuant to RSA 374:22 and 26, Laconia Water Works is authorized to extend water service into a limited area of the Town of Gilford consisting of tax map 211, lots 2, 2.1, 2.2, 3, 4 and 5; and it is

FURTHER ORDERED, that, except for franchise application requirements, Laconia Water Works is excluded from Commission regulation in accordance with RSA 362:4, III-a (a) (1) so long as it charges a rate outside its municipal boundaries that is no higher than 15 percent above that charged to its municipal customers and serves those customers outside its boundaries with a quantity and quality of water and level of water service equal to that served to customers within the municipality; and it is

FURTHER ORDERED, that Laconia Water Works shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, with a copy mailed to the Laconia City Clerk and the Gilford Town Clerk, such publication to be no later than April 14, 2008 and to be documented by affidavit filed with this office on or before May 5, 2008; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than April 21, 2008 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than April 28, 2008; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective May 5, 2008, unless the Petitioner fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this fourth day of April, 2008.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Clifton C. Below
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary