

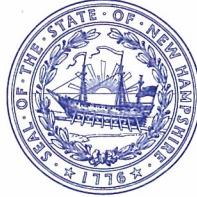
THE STATE OF NEW HAMPSHIRE

DW 12-299

CHAIRMAN  
Amy L. Ignatius

COMMISSIONERS  
Robert R. Scott  
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EXECUTIVE DIRECTOR  
Debra A. Howland



**PUBLIC UTILITIES COMMISSION**  
21 S. Fruit Street, Suite 10  
Concord, N.H. 03301-2429

TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:  
[www.puc.nh.gov](http://www.puc.nh.gov)

NHPUC 15MAY10AM11:35

May 15, 2014

Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, New Hampshire 03301

Re: DW 12-299 Rosebrook Water Company, Inc.  
Verified Petition to Transfer Stock  
Staff Recommendation to Approve Transfer

Dear Ms. Howland:

On October 9, 2012, Rosebrook Water Company, Inc. (Rosebrook), BW Land Holdings, LLC (BW), Wells Fargo Bank, National Association (Wells Fargo), and REDUS NH Water Co., LLC (REDUS) filed a Verified Joint Petition for Authority to Transfer Stock Ownership of Rosebrook from BW to REDUS. Rosebrook is a regulated water utility pursuant to RSA 362:2 and 362:4 and serves approximately 404 customers in the Town of Carroll. BW is a Delaware limited liability company and the current owner of all of Rosebrook's stock. Wells Fargo is a nationwide financial services company that provides banking, insurance, investments, and other similar services. REDUS is a Delaware limited liability company and is wholly owned by REDUS Properties, Inc., an entity in turn wholly owned by Wells Fargo. After review, Staff recommends the Commission approve the transfer of Rosebrook from BW to REDUS. Wells Fargo, through its subsidiary REDUS, wishes to acquire Rosebrook's stock, and BW wishes to exit the utility business. With the existing employees remaining in place, Rosebrook under the ownership of REDUS will possess the managerial, financial, and technical capabilities to own and operate this public utility. Staff believes that, since there will be no change in the management and operation of the water utility going forward, the transaction will have no negative impact on water service to customers or Rosebrook.

According to the Verified Petition, in or about June of 2006, in connection with a loan from Wachovia Bank, National Association (the Loan or the Bretton Woods Loan) to certain entities affiliated with BW (the Borrowers), Wachovia Bank was granted a mortgage on certain tracts of land owned by Bretton Woods Land Co., LLC, BW Sports Complex, LLC, BW Club, LLC, and BWR Realty, LLC, and included in the Bretton Woods resort area (the Bretton Woods Property) and adjacent to (but not including) the Mount Washington Hotel and affiliated properties. Wells Fargo is the successor by merger to Wachovia Bank. The Borrowers

FILED

DW 12-299 Rosebrook Water Company, Inc.  
Verified Petition to Transfer Stock  
Staff Recommendation to Approve

subsequently defaulted on the Loan, and on June 22, 2011, Wells Fargo conducted a foreclosure auction. As a result of that auction, CNL Bretton Woods, LLC, CNL Income BW Development TRS Corp., and CNL Income BW Recreation and Development, LLC (collectively the Buyer) purchased the Bretton Woods Property. In connection with this purchase, BW entered into a settlement agreement with Wells Fargo and a number of other parties (the Foreclosure Settlement Agreement) resolving, among other things, various claims held by Wells Fargo and resulting in BW agreeing to transfer all of the issued and outstanding capital stock of Rosebrook to Wells Fargo and granting Wells Fargo the right to directly or indirectly take title to the Rosebrook stock. Wells Fargo subsequently exercised its right to acquire the stock of Rosebrook under the Foreclosure Settlement Agreement subject to Commission approval.

Upon receipt of the Verified Petition, Staff commenced its review and issued discovery requests to Rosebrook on November 14, 2012, for which responses were received November 27, 2012<sup>1</sup>. A second set of discovery was issued December 5, 2012, for which responses were received December 17, 2012. These responses are attached to this letter.

On October 12, 2012, Rosebrook filed a Notice of Intent to File Rate Schedules, and this filing was docketed by the Commission as DW 12-306. On November 20, 2012, Rosebrook submitted its rate schedules and supporting testimony. On December 14, 2012, Staff filed a letter in that docket as well as in the instant docket, alerting the Commission that Rosebrook had entered into contracts with two affiliated entities for the provision of services, contracts which had not been previously filed with the Commission pursuant to the requirements of RSA 366. Staff noted that in its testimony in DW 12-306, Rosebrook discussed these contracts and was requesting that costs arising from them be included in customer rates going forward. Staff noted that Rosebrook has had a significant history of non-compliance with Commission requirements, and that the failure to file the affiliated agreements was another example. Staff recommended that the issue be examined in the rate case, and that the Commission take no action on the stock transfer request in DW 12-299 until such time as the issues related to the affiliate contracts and the costs contained therein is investigated.

On February 27, 2013, Rosebrook submitted a supplemental filing to its rate petition in DW 12-306. As a part of this filing, Rosebrook indicated that the affiliate contracts at issue were no longer in force, that Rosebrook had hired the associated employees and placed them on the utility's payroll, and that the differences in the associated costs were incorporated into its revised rate request. After discovery and settlement discussions, on September 5, 2013, Staff on behalf of itself and Rosebrook, filed a stipulation agreement on permanent rates. The stipulation agreement also addressed other compliance issues. A hearing was held on September 17, at which a revised stipulation agreement dated September 17, 2013 was presented. On December 23, 2013, the Commission approved the stipulation, with modifications, by Order No. 25,613.

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<sup>1</sup> The attachment to Rosebrook's response to Staff 1-1 is omitted as the company requested it be considered confidential pending any hearing in this matter.

DW 12-299 Rosebrook Water Company, Inc.  
Verified Petition to Transfer Stock  
Staff Recommendation to Approve

Following conclusion of the rate proceeding in DW 12-306, Staff has reviewed the original Verified Petition and Rosebrook's discovery responses in the instant docket. In light of the elapsed time since this docket was opened, Staff requested that Rosebrook review its petition and its discovery responses and provide any updates that may be needed. On May 1, 2014, Rosebrook provided supplemental responses to Staff's data requests 1-6 and 2-8. The supplemental responses are attached to this letter.

After review, Staff recommends approval of the transfer of the stock of Rosebrook from BW to REDUS. There are no changes to personnel contemplated and Rosebrook will continue to be operated by the employees on staff now. Rosebrook has also indicated that it is the expectation that the company will have "ready access" to debt financing as may be needed to fund Rosebrook's operations through Wells Fargo. See response to Staff 1-2 and Staff 2-1. It is also clear that, as Rosebrook's witness Mr. Curtis states in his response to Staff 1-10, the current owner of Rosebrook and its parent and certain affiliate companies have faced significant financial issues relating to the default of the Bretton Woods loan<sup>2</sup>. Further, the Rosebrook stock was included in the Foreclosure Settlement Agreement as part of the consideration paid for Well Fargo's covenants not to sue Rosebrook's current owner, BW, and certain of its affiliated companies on claims related to the Bretton Woods loan. Response to Staff 1-11. Wells Fargo through its newly established subsidiary REDUS has elected to move forward with the acquisition of the Rosebrook stock, and BW wishes to exit the utility business. With the existing employees remaining in place, Rosebrook under the ownership of REDUS will possess the managerial, financial, and technical capabilities to own and operate this public utility.

Please let me know if there are any questions regarding Staff's recommendation.

Sincerely,



Mark A. Naylor  
Director, Gas & Water Division

Attachments – discovery responses  
cc: service list

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<sup>2</sup> Mr. Marc G. Curtis is a senior Vice President for Wells Fargo.

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.

Executive.Director@puc.nh.gov  
amanda.noonan@puc.nh.gov  
Christina.Martin@oca.nh.gov  
jayson.laflamme@puc.nh.gov  
marcia.brown@puc.nh.gov  
mark.naylor@puc.nh.gov  
noleson@rosebrookwatercompany.com  
robyn.descoteau@puc.nh.gov  
Rorie.E.P.Hollenberg@oca.nh.gov  
steve.frink@puc.nh.gov  
steven.camerino@mclane.com  
susan.chamberlin@oca.nh.gov

Docket #: 12-299-1      Printed: May 15, 2014

**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  
EXECUTIVE 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.



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Professional Association

900 Elm Street | P.O. Box 326 | Manchester, NH 03105-0326  
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November 27, 2012

***Via Electronic Mail***

Marcia A.B. Thunberg  
Staff Attorney  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

Re: Docket No. DW 12-299; *Rosebrook Water Company, Inc., BW Land Holdings, LLC, Wells Fargo Bank, National Association, and REDUS NH Water Co, LLC* ("Joint Petitioners") - Responses to Staff's First Set of Data Requests

Dear Ms. Thunberg:

On behalf of the Joint Petitioners, enclosed please find the responses to the Commission staff's First Set of Data Requests. Please note that Attachment Staff 1-1 is confidential. The Joint Petitioners have a good faith basis for seeking confidential treatment of Attachment Staff 1-1 pursuant to N.H. Code of Administrative Rules Puc 203.08 and will submit a motion for confidential treatment regarding such document before the commencement of any hearing in this proceeding.

Thank you, and please do not hesitate to contact me should you have any questions.

Very truly yours,

Jinjue Pak Allen

Enclosures

cc: Susan Chamberlin, Esq., Office of Consumer Advocate  
Rorie Hollenberg, Esq., Office of Consumer Advocate  
Christina Martin, Office of Consumer Advocate  
Steven V. Camerino, Esq.  
Service List

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-1

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

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**REQUEST:** Please provide a copy of the “Foreclosure Settlement Agreement” referenced on page 4, paragraph 8 of the petition.

**RESPONSE:** Please see Attachment Staff 1-1. By agreement with counsel for the Commission staff, Attachment Staff 1-1 provides excerpts of the Foreclosure Settlement Agreement that includes all provisions concerning the transfer of the Rosebrook Water Company (“Rosebrook”) stock. Attachment Staff 1-1 is confidential and subject to the provisions of N.H. Code of Admin. Rules Puc 203.08(d)(1) and (2).

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-2

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

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REQUEST: Please explain how REDUS NH Water Co, LLC possesses the managerial, technical, financial, and legal capability to operate a water utility franchise.

RESPONSE: REDUS NH Water Co, LLC (“REDUS”) is a holding company whose sole asset will be the stock of Rosebrook. After ownership of Rosebrook is transferred to REDUS, Rosebrook’s managerial, financial, technical, and legal capability to operate the water utility franchise it owns today will be significantly improved because it will generally have the same personnel in place to provide operational, managerial, and technical support for the utility, and it will have the financial support available from its new ultimate parent entity, Wells Fargo Bank, National Association (“Wells Fargo”). In addition, Rosebrook will have access to additional managerial support from Wells Fargo and Wells Fargo’s subsidiary, REDUS Properties, Inc., which is the sole member of REDUS.

*Financial Capability*

REDUS will be capitalized by Wells Fargo with equity and no debt. Moreover, REDUS will have ready access to debt financing as may be needed to fund Rosebrook’s operations through Wells Fargo.

*Managerial and Technical Capability*

Wells Fargo maintains a diverse portfolio of assets and indirectly owns a number of businesses in different markets, including hotels, golf courses, shopping centers, and office buildings. Wells Fargo has the proven capacity to oversee a wide range of businesses, and, based on the systems already in place related to the oversight and operation of those businesses, can provide technical and business administration support to the Rosebrook operational team if necessary and appropriate.

*Legal Capability*

Rosebrook already has the necessary authority from the Commission to operate within its franchise territory and is not aware of any additional legal capability that it would be required to demonstrate in order to operate. REDUS has the legal capacity to own Rosebrook. It is a duly formed entity with authority to conduct business in New Hampshire, and the Rosebrook stock transfer was authorized by its sole member and does not violate any governing documents of REDUS.



ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-3

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

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REQUEST: Since the Wells Fargo Group is to acquire the Rosebrook stock without a cash payment, how would an acquisition premium be considered?

RESPONSE: As of the date of this response, Wells Fargo and REDUS have not considered whether and how an acquisition premium would exist from an accounting standpoint. The potential existence of an acquisition premium was mentioned in the petition simply for purposes of clarifying for the Commission that if it was determined from an accounting standpoint that, despite the lack of cash consideration, an acquisition premium needed to be booked, REDUS would not cause Rosebrook to seek to recover such a premium through customer rates.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-4

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

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REQUEST: Please identify the consideration REDUS NH Water Co., LLC. is providing for the Rosebrook stock.

RESPONSE: REDUS is not directly providing any consideration for the Rosebrook stock. Wells Fargo has provided covenants not to sue covering claims related to the Bretton Woods loan to certain affiliates of Rosebrook's current owner, BW Land Holdings, LLC ("BW Land Holdings"), and plans to deliver a similar covenant not to sue to BW Land Holdings upon the Commission's final unappealable order on the petition as consideration for the right of Wells Fargo to take direct or indirect ownership of Rosebrook and other assets and rights unrelated to the Rosebrook stock. (See Attachment Staff 1-1 at Sections 4.5.1, 4.5.3, 5.1, and 13.60.) Although BW Land Holdings itself was not a borrower or guarantor under the Bretton Woods loan, BW Land Holdings agreed to transfer the Rosebrook stock to Wells Fargo as part of the consideration paid for Wells Fargo's covenants not to sue it or certain of its affiliated companies, including the borrowers and guarantors under the loan, on claims related to the Bretton Woods loan.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-5

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

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**REQUEST:** Does the Wells Fargo or REDUS NH Water Co., LLC intend to change any of the officers of Rosebrook in the next two years? If so, please explain.

**RESPONSE:** The current officers of Rosebrook are or previously have been employed by or otherwise affiliated with companies related to BW Land Holdings. As such, upon the transfer of ownership of Rosebrook from BW Land Holdings to REDUS, Wells Fargo and REDUS expect to appoint new officers to Rosebrook.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-6

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

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REQUEST: Paragraph 13 of the petition states that Wells Fargo will retain “these existing operational personnel after the Stock Transfer” and has no plans to change personnel. Paragraph 5 of the petition states that “Rosebrook contracts with third party service providers to procure the managerial, technical, and field services it requires to operate on a day-to-day basis.”

- a) Please provide copies of the contracts discussed in paragraph 5.
- b) Please identify whether REDUS NH Water Co., LLC will be continuing these contracts; and if so, in what capacity.
- c) Please identify which “existing operational personnel” will be retained after the Stock Transfer, which corporate entity will employ such personnel, and how the “existing operational personnel” differ from the contracts with third party service providers.

RESPONSE: a) Please see Attachment Staff 1-6(a), which provides a copy of the contract between Rosebrook and MWH Construction, LLC (“MWH Construction”) and a copy of the contract between Rosebrook and BW Services, LLC (“BW Services”).

- b) REDUS expects that the contracts with BW Services and MWH Construction will each be terminated. BW Services and MWH Construction are affiliates of the current owner of Rosebrook, and it is REDUS’ understanding that the current owner of Rosebrook plans to dissolve these companies at or near the end of 2012 or early 2013. REDUS plans to employ the individuals currently employed by BW Services and MWH Construction either through Rosebrook or through another third party service provider (to be created or already retained by Wells Fargo for its other businesses).
- c) The “existing operational personnel” are the same individuals currently providing operational services to Rosebrook under the third party service contracts and include the Water Plant Manager, Construction Manager,

Assistant Treatment Plant Operator, Controller, and Accounting Assistant. It should be noted that Rosebrook's current Controller has given her notice of retirement and will be leaving her position in or about January 2013.

Management Agreement between MWH Construction, LLC and Rosebrook Water Company, Inc.

effective January 01, 2012

MWH Construction Duties

MWH Construction (MWHC) will provide the technical management necessary to insure that Rosebrook Water Company, Inc. (RBW) operates in an efficient and businesslike manner and in compliance with regulations of the New Hampshire Department of Environmental Services (DES) and the Public Utilities Commission (PUC).

The services to be provided include:

1. Management: MWHC shall be responsible for the overall on-site technical management, construction expertise and maintenance of the company including its plant and the ongoing operation and as well as the addition to and replacement of such plant. The Manager of MWHC shall work directly with the Manager of Water and Wastewater Plant Operations.
2. Engineering / Contractors: MWHC shall be responsible for hiring and supervising engineers and contractors necessary for various construction, maintenance and operation projects.
3. Regulatory: MWHC shall participate in obtaining PUC approval of any franchise expansion, financings and rate changes necessary to serve present and future customers including working with accountants and lawyers.
4. Equipment: MWHC shall make available to RBW equipment for repair or maintenance that otherwise would necessitate a rental agreement between RBW and an outside party, e.g. a lull.

Compensation: MWHC shall be paid \$1,450 per month for the services listed in paragraphs 1-4 above on the first of each month, subject to intermediate adjustments resulting from salary increases or additional staffing requirements (a).

Term of Agreement: The term of the agreement shall be for one year from January 01, 2012 to December 31, 2012 with an automatic renewal unless there is a 90-day notice from either party.

Management Agreement between MWH Construction, LLC and Rosebrook Water Company, Inc.  
effective January 01, 2012

a). This amount represents salary, benefits & facilities charges for only the one employee directly involved in managing the water system . All construction projects performed by the MWHC company as a whole shall be billed on a 'labor and materials' or contract basis.



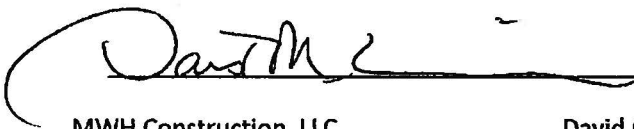
01/04/2012

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Rosebrook Water Company

Michael Brunetti, Director

Date



01/09/2012

MWH Construction, LLC

David Currier, Manager

Date

Management Agreement between BW Services, LLC and Rosebrook Water Company, Inc.

Effective August 01, 2011

**BW SERVICES Duties**

BW Services (BWS) will provide the management and administrative services necessary to insure that Rosebrook Water Company, Inc. (RBW) operates in an efficient and businesslike manner and in compliance with regulations of the New Hampshire Department of Environmental Services (DES) and the Public Utilities Commission (PUC).

The services to be provided include:

1. **Management:** BWS shall be responsible for the overall management, finances, operation and maintenance of the company including its plant and the ongoing operation and maintenance as well as the addition to and replacement of such plant.
2. **Accounting:** BWS shall maintain the books and records of the Company and shall be responsible for overseeing the preparation of the PUC Annual Report, tax returns and other financial reporting requirements.
3. **Customer Accounting:** BWS shall be responsible for the preparing and issuing the quarterly billing, processing of customer payments, monitoring accounts receivables and addressing other customer related matters.
4. **Customer Relations:** BWS shall be responsible for establishing and maintaining communications with residential and commercial customers including the Mount Washington Hotel and related properties. Also, BWS shall be responsible for establishing and maintaining communications with developers including reviewing and approving facilities to serve such developers and working with such developers to contribute cash and/or plant necessary to serve them.
5. **Accounts Payable:** BWS shall be responsible for reviewing vendors' invoices and preparing and issuing checks to pay proper bills
6. **Engineering / Contractors:** BWS shall be responsible for hiring and supervising engineers and contractors necessary for various construction, maintenance and operation projects.
7. **Governmental Agencies:** BWS shall be responsible for maintaining communications and for developing cooperative relationships with NHDES, NHPUC and the Town of Carroll.
8. **Education:** BW Services shall be responsible for acquiring and maintaining the technical and business knowledge to manage, operate and maintain the water system by joining and participating in the New England and New Hampshire Water Works Associations.



9. **Finance:** BWS shall be responsible for managing the cash resources including the CIAC funds. Also, BWS shall be responsible for working with the owner, state and financial institutions to make sure funds are available to meet present and future capital requirements..
10. **Regulatory:** BWS shall be responsible for obtaining PUC approval of any franchise expansion, financings and rate changes necessary to serve present and future customers including working with accountants and lawyers.

**Compensation:** BWS shall be paid \$6,700 per month for the services listed in paragraphs 1-10 above on the first of each month, subject to intermediate adjustments resulting from salary increases or additional staffing requirements. In addition, RBW will pay a proportionate share of workers' compensation insurance monthly. a).

**Term of Agreement:** The term of the agreement shall be for one year from August 01, 2011 to July 31, 2012 with an automatic renewal unless there is a 90-day notice from either party.

- a). This amount represents salary, benefits & facilities charges for the three employees directly involved in maintaining the water system and the two employees (Controller and accounting clerk) who handle all administrative functions as outlined in paragraphs 1-10.



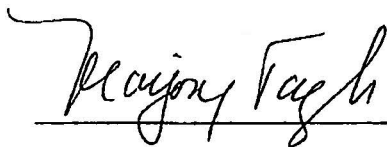
06/30/2011

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Rosebrook Water Company

Michael Brunetti, Director

Date



07/01/2011

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BW Services, LLC

Marjory Taylor, Controller

Date

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

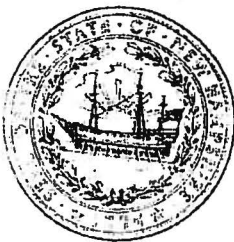
Data Request Received: November 14, 2012  
Request No.: Staff 1-7

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

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REQUEST: Please provide proof of the corporate status of REDUS NH Water Co., LLC and its ability to legally conduct business in New Hampshire.

RESPONSE: Please see Attachment Staff 1-7.



# State of New Hampshire

## Department of State Corporation Division

603-271-3246



Enclosed is the acknowledgment copy of your Application for Registration as a Foreign Limited Liability Company. It acknowledges this office's receipt and filing of your documents.

Should you have any questions, you may contact the Corporation Division at the above number or email us at [corporate@sos.state.nh.us](mailto:corporate@sos.state.nh.us). Please reference your Business ID # located in the filed section of the enclosed acknowledgement copy of Application for Registration as a Foreign Limited Liability Company.

Please visit our website for helpful information regarding all your business needs.

Regards,

New Hampshire Department of State  
Corporation Division

Business ID#: 655029

# State of New Hampshire

Filing fee: \$ 50.00  
Fee for Form SRA: \$ 50.00  
Total fees: \$100.00

Form FLLC-1  
RSA 304-C:12

Use black print or type.  
Form must be single-sided, on 8 1/2 x 11" paper;  
double sided copies will not be accepted.

## APPLICATION FOR REGISTRATION AS A FOREIGN LIMITED LIABILITY COMPANY

PURSUANT TO THE PROVISIONS OF THE NEW HAMPSHIRE LIMITED LIABILITY COMPANY LA WS, THE UNDERSIGNED HEREBY APPLIES FOR REGISTRATION TO TRANSACT BUSINESS IN NEW HAMPSHIRE AND FOR THAT PURPOSE SUBMITS THE FOLLOWING STATEMENT:

FIRST: The name of the limited liability company is REDUS NH Water Co, LLC

SECOND: The name which it proposes to register and do business in New Hampshire is \_\_\_\_\_

THIRD: It is formed under the laws of Delaware

FOURTH: The date of its formation is December 12, 2008

FIFTH: The nature of the business or purposes to be conducted or promoted in New Hampshire is \_\_\_\_\_  
Real Estate OREO Property

SIXTH: The name of its registered agent in New Hampshire is \_\_\_\_\_  
Corporation Service Company d/b/a Lawyers Incorporating Service  
and the street address, town/city (including zip code and post office box, if any) of its registered office is  
(agent's business address in New Hampshire) 14 Centre Street, Concord, New Hampshire 03301

SEVENTH: The sale or offer for sale of any ownership interests in this business will comply with the requirements of the New Hampshire Uniform Securities Act (RSA 421-B).

State of New Hampshire  
Form FLLC-1 - Application for Foreign Registration FLLC 5 Page(s)

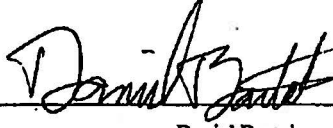


T1120045040

Form FLLC-1 Page 1 V1.0

APPLICATION FOR REGISTRATION AS A  
FOREIGN LIMITED LIABILITY COMPANY

Form FLLC-1  
(Cont.)

\*Signature:   
Print or type name: Daniel Bartok  
Title: Executive Vice President of Sole Member  
Date signed: June 27, 2011 Redus Properties, Inc  
Complete address of person signing: 301 South College Street  
Charlotte, NC 28288

\* Shall be executed on behalf of the foreign limited liability company by a person with authority to do so under the laws of the state or other jurisdiction of its formation, or, if the foreign limited liability company is in the hands of a receiver, executor, or other court appointed fiduciary, trustee, or other fiduciary, it must be signed by that fiduciary.

DISCLAIMER: All documents filed with the Corporate Division become public records and will be available for public inspection in either tangible or electronic form.

Mail fees, DATED AND SIGNED ORIGINAL, CERTIFICATE OF EXISTENCE OR DOCUMENT OF SIMILAR IMPORT ISSUED BY THE STATE OR COUNTRY OF FORMATION AND FORM SRA to: Corporate Division, Department of State, 107 North Main Street, Concord NH 03301-4989.

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "REDUS NH WATER CO, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE ELEVENTH DAY OF JULY, A.D. 2011.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "REDUS NH WATER CO, LLC" WAS FORMED ON THE TWELFTH DAY OF DECEMBER, A.D. 2008.


AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE..



4633192 8300

110806654

You may verify this certificate online  
at [corp.delaware.gov/authvar.shtml](http://corp.delaware.gov/authvar.shtml)

  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8891723

DATE: 07-11-11

**CONSENT TO USE NAME**

Seeking Consent: REDUS NH Water Co, LLC

Giving Consent: REDUS New Hampshire, LLC

I, Brenda S. Bradley, Assistant Secretary of REDUS Properties, Inc., a corporation incorporated in the State of Delaware and the Member of REDUS New Hampshire, LLC, a limited liability company formed in the State of Delaware, do hereby give my consent for the use of the name of REDUS NH Water Co, LLC in the state of New Hampshire.

Signed this 13<sup>th</sup> day of July, 2011.

REDUS New Hampshire, LLC

*Brenda S. Bradley*

Brenda S. Bradley  
Assistant Secretary,  
REDUS Properties, Inc., Member

Sworn to and subscribed before me this 13<sup>th</sup> day of July, 2011.

*Denise P. Agt.*  
Notary Signature and Seal

My commission expires June 21, 2015



**Form SRA – Addendum to Business Organization and Registration Forms  
Statement of Compliance with New Hampshire Securities Laws**

**Part I – Business Identification and Contact Information**

Business Name: REDUS NH Water Co, LLC  
Business Address (include city, state, zip): 301 South College Street, Charlotte NC 28288  
Telephone Number: (704) 383-8380 E-mail: brenda.bradley@wellsfargo.com  
Contact Person: Brenda Bradley  
Contact Person Address (if different): \_\_\_\_\_

**Part II – Check ONE of the following items in Part II. If more than one item is checked, the form will be rejected.  
[PLEASE NOTE: Most small businesses registering in New Hampshire qualify for the exemption in Part II, Item 1 below.  
However, you must insure that your business meets all of the requirements spelled out in A), B), and C)]:**

1.  Ownership interests in this business are exempt from the registration requirements of the state of New Hampshire because the business meets ALL of the following three requirements:  
A) This business has 10 or fewer owners; and  
B) Advertising relating to the sale of ownership interests has not been circulated; and  
C) Sales of ownership interests – if any – will be completed within 60 days of the formation of this business.
2.  This business will offer securities in New Hampshire under another exemption from registration or will notice file for federal covered securities. Enter the citation for the exemption or notice filing claimed - \_\_\_\_\_.
3.  This business has registered or will register its securities for sale in New Hampshire. Enter the date the registration statement was or will be filed with the Bureau of Securities Regulation - \_\_\_\_\_.
4.  This business was formed in a state other than New Hampshire and will not offer or sell securities in New Hampshire.


**Part III – Check ONE of the following items in Part III:**

1.  This business is not being formed in New Hampshire.
2.  This business is being formed in New Hampshire and the registration document states that any sale or offer for sale of ownership interests in the business will comply with the requirements of the New Hampshire Uniform Securities Act.

**Part IV – Certification of Accuracy**

(NOTE: The information in Part IV must be certified by: 1) all of the incorporators of a corporation to be formed; or 2) an executive officer of an existing corporation; or 3) all of the general partners or intended general partners of a limited partnership; or 4) one or more authorized members or managers of a limited liability company; or 5) one or more authorized partners of a registered limited liability partnership or foreign registered limited liability partnership.)

I (We) certify that the information provided in this form is true and complete. (Original signatures only)

Name (print): Daniel Bartok, EVP of Member Signature:   
Redus Properties, Inc Date signed: 6/27/2011  
Name (print): \_\_\_\_\_ Signature: \_\_\_\_\_  
Date signed: \_\_\_\_\_  
Name (print): \_\_\_\_\_ Signature: \_\_\_\_\_  
Date signed: \_\_\_\_\_



ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-8

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

REQUEST: Please provide a copy of the documents founding REDUS NH Water Co., LLC.

RESPONSE: Please see Attachment Staff 1-8.

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 05:12 PM 12/12/2008  
FILED 04:45 PM 12/12/2008  
SRV 081192172 - 4633192 FILE

STATE of DELAWARE  
LIMITED LIABILITY COMPANY  
CERTIFICATE of FORMATION

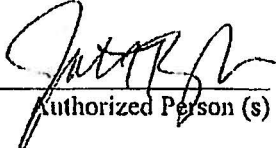
First: The name of the limited liability company is \_\_\_\_\_  
Smith Family Duplexes Wilmington, LLC

Second: The address of its registered office in the State of Delaware is \_\_\_\_\_  
2711 Centerville Road, Suite 400 in the City of Wilmington.  
Zip code 19808. The name of its Registered agent at such address is  
Corporation Service Company

Third: (Use this paragraph only if the company is to have a specific effective date of dissolution: "The latest date on which the limited liability company is to dissolve is \_\_\_\_\_.")

Fourth: (Insert any other matters the members determine to include herein.)

In Witness Whereof, the undersigned have executed this Certificate of Formation this  
12th day of December, 2008.

By:   
Authorized Person (s)

Name: Joel T. Brighton

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 10:47 AM 12/16/2008  
FILED 10:43 AM 12/16/2008  
SRV 081198604 - 4633192 FILE

STATE OF DELAWARE  
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: \_\_\_\_\_  
Smith Family Duplexes Wilmington, LLC
2. The Certificate of Formation of the limited liability company is hereby amended as follows: The name of the Limited Liability Company shall be:  
Mackerel Lane Carolina Beach, LLC  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 15th day of December, A.D. 2008.

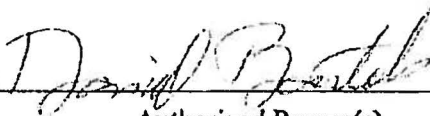
By:   
Authorized Person(s)

Name: Daniel Bartok, Managing Director  
Print or Type

**STATE OF DELAWARE  
CERTIFICATE OF AMENDMENT**

1. Name of Limited Liability Company: Mackerel Lane Carolina Beach, LLC  
\_\_\_\_\_
2. The Certificate of Formation of the limited liability company is hereby amended as follows: The name of the limited liability company shall be REDUS NH Water Co, LLC  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 24th day of June, A.D. 2011.

By:   
Authorized Person(s)

Name: Daniel Bartok

Print or Type

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-9

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

REQUEST: Please identify whether any corporate officers of REDUS NH Water Co., LLC. will be involved in the operation of the water utility and describe that involvement.

RESPONSE: REDUS does not have any corporate officers.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-10

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

**REQUEST:** Paragraph 16 of the petition states that Rosebrook will have “a better capitalized owner” after the Stock Transfer. Please explain in additional detail how the new owner will be better capitalized.

**RESPONSE:** Please see the response to Data Request Staff 1-2. REDUS does not have any debts and will be capitalized with equity only. On the other hand, the current owner of Rosebrook and its parent and certain affiliate companies have faced significant financial issues relating to the default of the Bretton Woods loan and other related loan arrangements.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-11

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

REQUEST: Paragraph 6 describes a loan that was subsequently defaulted. Were Rosebrook assets subject to a security interest for this loan?

- a) If so, please identify which Commission order approved this security interest.
- b) If no, please explain why Rosebrook assets were included in the foreclosure settlement.

RESPONSE: The Bretton Woods loan is described in the petition and pages 6 and 7 of Attachment Staff 1-1. Rosebrook assets were not subject to a security interest for the Bretton Woods loan. As stated in the response to Data Request Staff 1-4, the Rosebrook stock was included in the foreclosure settlement as part of the consideration paid for Wells Fargo's covenants not to sue Rosebrook's current owner, BW Land Holdings, LLC, and certain of its affiliated companies on claims related to the Bretton Woods loan.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-12

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

**REQUEST:** Please describe how Wells Fargo will be involved with the operation of the Rosebrook water utility after the stock transfer.

**RESPONSE:** Wells Fargo will not be directly involved with the day-to-day operations of Rosebrook, but will oversee the general management of Rosebrook and will provide the financial, managerial, and technical support described in the response to Data Request Staff 1-2.



ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-13

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

**REQUEST:** Please describe how REDUS NH Water Co., LLC will be involved with the operation of the Rosebrook water utility after the stock transfer.

**RESPONSE:** REDUS is a holding company. To the extent that it is involved with the operation of Rosebrook, it would be as a vehicle for the involvement of Wells Fargo, its ultimate owner. See the response to Data Request Staff 1-12.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-14

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

REQUEST: Does REDUS NH Water Co., LLC or Wells Fargo have any plans to expand the Rosebrook franchise? If so, please explain when and how.

RESPONSE: Wells Fargo and REDUS have no plans to expand the Rosebrook franchise.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-15

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

REQUEST: Please describe the type of business REDUS NH Water Co., LLC is engaged in.

RESPONSE: REDUS is a holding company. Subject to Commission approval of the proposed stock transfer, REDUS will be in the business of holding and owning the Rosebrook stock.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-16

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

**REQUEST:** Please state whether REDUS NH Water Co., LLC and Wells Fargo are presently engaged in a business that relates to the provision of water service. If so, please explain.

**RESPONSE:** REDUS and Wells Fargo are not presently engaged in any business that relates to the provision of water service.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-17

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

**REQUEST:** Please describe what other businesses REDUS NH Water Co., LLC will engage in post stock transfer.

**RESPONSE:** REDUS is not expected to engage in any business activities other than the ownership of the Rosebrook stock.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012  
Request No.: Staff 1-18

Date of Response: November 27, 2012  
Witness: Marc G. Curtis

---

**REQUEST:** Please describe any and all other business activities (other than the Rosebrook franchise) the president of REDUS NH Water Co., LLC will be engaged in post stock transfer.

**RESPONSE:** REDUS is not expected to have any business activities other than the ownership of the stock of Rosebrook. REDUS does not have a president.



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Email: jinjue.allen@mclanc.com  
Licensed in NH, MA and NY

December 17, 2012

*Via Electronic Mail*

Marcia A.B. Thunberg  
Staff Attorney  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

Re: Docket No. DW 12-299; *Rosebrook Water Company, Inc., BW Land Holdings, LLC, Wells Fargo Bank, National Association, and REDUS NH Water Co, LLC* ("Joint Petitioners") – Responses to Staff's Second Set of Data Requests

Dear Ms. Thunberg:

On behalf of the Joint Petitioners, enclosed please find the responses to the Commission staff's Second Set of Data Requests.

Please do not hesitate to contact me should you have any questions.

Very truly yours,

Jinjue Pak Allen

Enclosures

cc: Susan Chamberlin, Esq., Office of Consumer Advocate  
Rorie Hollenberg, Esq., Office of Consumer Advocate  
Christina Martin, Office of Consumer Advocate  
Steven V. Camerino, Esq.  
Service List

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

*Dec 5*  
Data Request Received: ~~November 14, 2012~~  
Request No.: Staff 2-1

Date of Response: December 17, 2012  
Witnesses: Marjory Taylor  
Marc G. Curtis

---

REQUEST: Re: 4.5.2.5 of the Foreclosure Settlement Agreement, Attachment Staff 1-1 page 3 of 8. How will the company finance capital improvements or major repairs that exceed \$10,000 that may be needed prior to the Outside Decision Date?

RESPONSE: Rosebrook will, to the extent available, fund improvements and capital projects from working capital on hand. If working capital is not available to support necessary capital improvements or major repairs, Rosebrook will seek funding from Wells Fargo. Wells Fargo, in turn, anticipates that it will provide such funding to Rosebrook depending on the circumstances of the request and need.



ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-2

Date of Response: December 17, 2012  
Witness: Marc G. Curtis

---

REQUEST: Are there any circumstances under the Foreclosure Settlement Agreement or otherwise in which REDUS would not go forward with the acquisition of Rosebrook Water Company?

RESPONSE: Wells Fargo and REDUS are not aware of any specific circumstances that would cause them not to go forward with the Rosebrook acquisition. However, Wells Fargo expects to assess the potential impact of the actions by the Commission relating to the BW Services Company, LLC ("BW Services") and MWH Construction, LLC ("MWH Construction") affiliate transactions once more is known regarding those matters.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-3

Date of Response: December 17, 2012  
Witness: Marc G. Curtis

---

**REQUEST:** Re: paragraph 7 of the Petition. Please describe the relationship(s), if any, between Wells Fargo and the Buyer.

**RESPONSE:** The sale of the Bretton Woods Property by Wells Fargo to the Buyer was an arm's length transaction. Other than the foreclosure sale described in the Petition, Wells Fargo has no relationship to the Buyer.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-4

Date of Response: December 17, 2012  
Witness: Marc G. Curtis

---

REQUEST: Does Wells Fargo, directly or indirectly, have any interest in any properties currently served by Rosebrook?

RESPONSE: Wells Fargo does not have any interest, directly or indirectly, in any property currently served by Rosebrook.

Although not directly responsive to the question, Wells Fargo would like to note that it plans to become the capacity control member, through one of its subsidiaries, of an entity that owns property currently served by Rosebrook, Resort Waste Services Corporation.<sup>1</sup>

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<sup>1</sup> BW Land Holdings is currently the sole capacity control member of Resort Waste Services Corporation. Resort Waste Services Corporation is not a public utility regulated by the Commission.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-5

Date of Response: December 17, 2012  
Witness: Marc G. Curtis

---

REQUEST: Re: paragraph 13 of the Petition.

- a) Have the existing operational personnel been formally extended job offers for post-transfer employment?
- b) Is Rosebrook's currently licensed system operator continuing employment post-transfer?

RESPONSE: a) No, Wells Fargo and REDUS have not formally extended job offers for post-transfer employment.

b) As the current operator has indicated that she plans to continue employment at Rosebrook post-transfer, Wells Fargo and REDUS do not, at this time, have any reason to believe that the current operator will not continue employment after the Rosebrook acquisition.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-6

Date of Response: December 17, 2012  
Witness: Marc G. Curtis

---

REQUEST: Re: paragraph 3 of the Petition. As a financial services company that provides banking, insurance, investments, mortgage and consumer and commercial finance services, is it reasonable to expect that Wells Fargo will seek to monetize its ownership of Rosebrook in the near future?

RESPONSE: Wells Fargo does not have any plans or intention to transfer ownership of Rosebrook to a third party if the Commission approves the proposed stock transfer. Wells Fargo's plan is to own Rosebrook for the indefinite future.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-7

Date of Response: December 17, 2012  
Witness: Marjory Taylor

---

REQUEST: In Order No. 25,328 issued February 3, 2012 in Docket No. DW 11-117, the Commission approved use of the balance in the company's CIAC account to undertake system improvements, including replacement of the water storage tank cover, provision of permanent power to the tank level telemetry system, and installing pressure reducers, a backup submersible pump, and a generator.

- a) Staff understands from DES that the tank roof cover is complete. What was the final cost of this project? Please provide documentation, including but not limited to, all associated invoices and work orders.
- b) Have the other projects been completed? Please provide all details.
- c) How much of the CIAC account has been utilized?
- d) Is the CIAC account balance now zero? Please explain.
- e) If the projects other than the storage tank cover have not been completed, please indicate the company's intentions as to completing them.

RESPONSE: a) The final costs of the water tank cover are \$183,057. Please see Attachment Staff 2-7(a) for the supporting documentation.

b) The generator and power to the tank projects have also been completed. The final costs of the generator and power to the tank are \$54,000 and \$21,376, respectively. Please see Attachments Staff 2-7(b) and Staff 2-7(c) for the supporting documentation related to these costs.

c) CIAC funds have been utilized as follows:

<u>Project</u>	<u>Costs</u>	<u>CIAC</u>
Generator	\$54,000	\$27,000
Power to the tank	\$21,376	\$21,376
Tank cover	\$183,057	\$164,481
Total	\$258,433	\$212,857

d) Yes. All of the CIAC funds have been applied to projects and utilized as described above.

e) See response to b) above.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-8

Date of Response: December 17, 2012  
Witness: Marjory Taylor

---

REQUEST: In paragraph 5 of the Petition, Rosebrook refers to “third party service providers.” In the response to Staff 1-6, Rosebrook refers to MWH Construction, LLC and BW Services, LLC as “third party service providers”. In Rosebrook’s recent rate case filing in Docket No. DW 12-306 the company acknowledges that both MWH Construction and BW Services are related parties (St. Cyr testimony at 12).

- a) Please explain the relationship of both MWH Construction and BW Services to Rosebrook.
- b) Please indicate whether these two contracts were filed with the Commission pursuant to the requirements of RSA 366:3.
- c) If these two contracts were not filed with the Commission pursuant to the requirements of RSA 366:3, please indicate why they were not filed.

RESPONSE: a) Rosebrook, MWH Construction, and BW Services are related companies with common ownership. Specifically, BW Land Holdings owns MWH Construction and is an affiliate of an entity that owns BW Services.

b) The two specific contracts referred to were not formally filed with the Commission. The contract with BW Services was a successor agreement to the contract between Rosebrook and BW Club, which was submitted to the Commission staff in April 2011. The BW Services contract is nearly identical to the management contract with BW Club, except that the compensation under the current agreement with BW Services is lower. None of the operating personnel or procedures were changed from the prior existing agreement with BW Club. Rosebrook’s contract with MWH Construction covers the engagement of one additional personnel member in 2012 and contains terms similar to those terms under the BW Club contract. The contract with BW Club was not formally filed with the Commission.

c) The contracts were not filed with the Commission due to a lack of awareness by certain Rosebrook personnel of the need to do so. Rosebrook plans to file the



agreements with the Commission in the near future after providing this response to Staff. However, it should be noted that the contracts are expected to terminate on or about December 31, 2012 because of the dissolution of both BW Services and MWH Construction.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012  
Request No.: Staff 2-9

Date of Response: December 17, 2012  
Witness: Marc G. Curtis

---

REQUEST: What is the proposal of Wells Fargo as to the value of its rate base post-transfer considering there is no measurable monetary compensation being paid for the company?

RESPONSE: To the extent that the question is intended to inquire as to Wells Fargo's understanding of the impact of the proposed transaction on Rosebrook's rate base, it is Wells Fargo's understanding and expectation that Rosebrook's rate base immediately after the acquisition will be the same as it was immediately prior to the acquisition and that the transaction will have no effect on the ratemaking treatment of that rate base in the future.



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May 1, 2014

**Via Electronic Mail**

Marcia A.B. Thunberg  
Staff Attorney  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301

**Re: Docket No. DW 12-299; Rosebrook Water Company, Inc., BW Land Holdings, LLC, Wells Fargo Bank, National Association, and REDUS NH Water Co, LLC (“Joint Petitioners”)—Supplemental Responses to Staff 1-6 and Staff 2-8**

Dear Attorney Thunberg:

On behalf of the Joint Petitioners, enclosed please find Supplemental Responses to the following Data Requests:

Staff 1-6  
Staff 2-8

Please do not hesitate to contact me should you have any questions.

Very truly yours,

Carol J. Holahan

Enclosures

cc: Service List

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 1

Data Request Received: November 14, 2012

Date of Supplemental Response:

May 1, 2014

Request No.: Staff 1-6

Witness: Marc G. Curtis

---

REQUEST: Paragraph 13 of the petition states that Wells Fargo will retain “these existing operational personnel after the Stock Transfer” and has no plans to change personnel. Paragraph 5 of the petition states that “Rosebrook contracts with third party service providers to procure the managerial, technical, and field services it requires to operate on a day-to-day basis.”

- a) Please provide copies of the contracts discussed in paragraph 5.
- b) Please identify whether REDUS NH Water Co., LLC will be continuing these contracts; and if so, in what capacity.
- c) Please identify which “existing operational personnel” will be retained after the Stock Transfer, which corporate entity will employ such personnel, and how the “existing operational personnel” differ from the contracts with third party service providers.

RESPONSE: a) Please see Attachment Staff 1-6(a), which provides a copy of the contract between Rosebrook and MWH Construction, LLC (“MWH Construction”) and a copy of the contract between Rosebrook and BW Services, LLC (“BW Services”). This is the original response and there has been no change.

- b) The contracts between Rosebrook and MWH Construction, LLC and Rosebrook and BW Services, LLC expired on December 31, 2012. As of January 1, 2013, the following personnel became direct employees of Rosebrook:

Operation Manager – Nancy Oleson  
Assistant Treatment Plant Operator – Brian Sullivan  
Accounting Clerk – Laurie Matthews  
Financial Manager – Leah Valladares

- c) See response above describing existing operating personnel who are now direct employees of Rosebrook.

ROSEBROOK WATER COMPANY  
PETITION TO TRANSFER STOCK OWNERSHIP

DW 12-299

Joint Petitioners' Responses to Staff Data Requests—Set 2

Data Request Received: November 14, 2012

Date of Supplemental Response:  
May 1, 2014

Request No.: Staff 2-8

Witness: Stephen St. Cyr

---

REQUEST: In paragraph 5 of the Petition, Rosebrook refers to “third party service providers.” In the response to Staff 1-6, Rosebrook refers to MWH Construction, LLC and BW Services, LLC as “third party service providers”. In Rosebrook’s recent rate case filing in Docket No. DW 12-306 the company acknowledges that both MWH Construction and BW Services are related parties (St. Cyr testimony at 12).

- a) Please explain the relationship of both MWH Construction and BW Services to Rosebrook.
- b) Please indicate whether these two contracts were filed with the Commission pursuant to the requirements of RSA 366:3.
- c) If these two contracts were not filed with the Commission pursuant to the requirements of RSA 366:3, please indicate why they were not filed.

RESPONSE: a) Rosebrook, MWH Construction, and BW Services are related companies with common ownership. Specifically, BW Land Holdings owns MWH Construction and is an affiliate of an entity that owns BW Services. This is the original response and there has been no change.

- b) These two contracts for services expired on December 31, 2012, at which time, the employees providing those services became direct employees of Rosebrook. See Supplemental Response to Staff 1-6.
- c) The contracts were filed with the Commission on January 2, 2013. These contracts expired on December 31, 2012.