

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Fryeburg Water Company

Docket No. DW 15 – _____

NOTICE OF FOREIGN BUSINESS
FINANCING PURSUANT TO RSA 369:8, II

NOW COMES the Fryeburg Water Company (the “Company”) and provides notice of the Company’s application to refinance its existing loans in the State of Maine pursuant to RSA 369:8, II, as follows:

1. The Fryeburg Water Company serves approximately 737 customers in the Town of Fryeburg, Maine, at rates approved by the Maine Public Utilities Commission (the “Maine PUC”). The Company serves approximately 67 customers in East Conway, New Hampshire, adjacent to its Maine service territory.

2. The Company’s service pre-dates the establishment of the New Hampshire’s Public Service Commission in 1911 and this Commission has historically deferred to its counterpart in Maine.¹ *See Petition for Authorization to Serve Customers*

¹ *See Fryeburg Water Company*, 79 N.H. 123, 124 (1919) (“the issuing of stock is a corporate act which is regulated and controlled by the laws of the incorporating state, and which, relating to the internal conduct and management of the corporation, is exclusively subject to the local laws.”); *Fryeburg Water Company*, 99 N.H. 487, 488 (1955) (“[u]pon establishment of regulatory commissions in both this state and in Maine, the company filed tariffs in each state and established uniform rates which have remained the same in each state for different types of general consumers.”); *Fryeburg Water Company*, 62 NH PUC 168, Order No. 12,788 (1977) (“in preceding cases involving Fryeburg Water Company, the Commission has relied on and accepted the decision of the Maine Public Utilities Commission in matters regarding the customers served in New Hampshire”); *Fryeburg Water Company*, 67 NH PUC 591, Order No. 15,818 (1982) (“this Commission

in East Conway as a Foreign Business Entity Pursuant to RSA 374:24 in Docket No. DW 09 – 291 (August 10, 2010).

3. On April 5, 2011, the Commission authorized the Company to serve its customers in East Conway as a foreign business pursuant to RSA 374:24 and approved procedures for notice and review of its requests for rate increases before the Maine PUC. See Order No. 25,212.

4. On August 20, 2015, the Company requested approval from the Maine PUC to refinance its existing loans in Maine. The Company proposes to refinance its existing Maine loans as follows:

The Company is refinancing its existing debts with TD Bank, N.A. with The Bank of Maine with one borrowing of no more than \$875,000.00 to be secured by all Maine property of Company exclusive of two out lots purchased in 2008 and financed separately with Maine Municipal Bond Bank. The refinancing does not result in any increase in the Company's existing long term debt. The refinanced debt was approved in Docket No. 2010-238. The original loan proceeds were used for utility purposes in connection with the Company's utility plant, property and equipment. The new estimated interest on the refinanced amount will be 2.65% for the first six months and 3.87% for the remainder of the loan with principal to have balloon payment in 5 years. No new rate increase is anticipated by the Company to service these refinance debts at this time.

5. RSA 369:8 permits refinancing by foreign businesses as follows:

369:8 Foreign Business. –

I. Public utilities carrying on business both within and without this state shall not be subject to the provisions of RSA 369:1-7 when the stock or obligations are to be issued for the acquisition of property, the

is satisfied that the deliberations and decision of the Maine Commission is in the best interest of Fryeburg's New Hampshire Customers.”); *Fryeburg Water Company*, 75 NH PUC 133, Order No. 19,733 (1990); *Fryeburg Water Company*, 78 NH PUC 28, Order No. 20,732 (1993); *Fryeburg Water Company*, 86 NH PUC 828, Order No. 23,854 (2001) (“we have previously adopted the position of the Maine Commission where the Company has requested a rate increase, noting the Maine Commission had jurisdiction over 92.2% of the customers served by the utility.”).

construction, completion, extension or improvement of their facilities, or the improvement or maintenance of their service entirely without this state, or the discharge or refunding of their obligations or reimbursement of money actually expended for such purposes; provided, however, that the provisions of this section shall not be applicable to the financing by domestic electric utilities of their interests in electric power facilities, as defined in RSA 374-A:1, located without the state.

II. (a) To the extent that the approval of the commission is required by any other statute for any corporate restructuring, financing, change in long-term or short-term indebtedness, or issuance of stock involving parent companies of a public utility regulated by the commission, the approval of the commission shall not be required if the public utility files with the commission a detailed representation in writing no less than 60 days prior to the anticipated completion of the transaction that the transaction will not adversely affect rates, terms, service, or operation of the public utility within the state.

6. The Company's refinancing in Maine does not involve the issuance of notes, securities or other instruments for its service in New Hampshire. However, because the Company's utility plant in Maine is connected to its plant in New Hampshire, the Company submits herewith a complete copy of its proposed refinancing in Maine pursuant to RSA 369:8, II (a).

7. The Company's refinancing in Maine "will not adversely affect rates, terms, service, or operation of the public utility". RSA 369:8, II (a). The Company will simply refinance existing loans at lower interest rates without issuance of any new debt.

8. The Company's existing loans are due on October 6, 2015. The Company requests that the Commission authorize issuance of a secretarial letter finding that the proposed refinancing "will not adversely affect rates, terms, service, or operation[s]" in the State of New Hampshire as soon as possible.

WHEREFORE, the Fryeburg Water Company respectfully requests that the Commission:

- A. Accept this Notice of Foreign Business Financing Pursuant to RSA 369:8, II (a);
- B. Authorize the Commission's Executive Director to issue a secretarial letter on or before October 6, 2015, finding that the Company's proposed refinancing in Maine will not adversely affect rates, terms, service, or operations in the State of New Hampshire; and
- C. Grant such other relief as justice may require.

Respectfully submitted,

FRYEBURG WATER COMPANY

By Its Attorneys,

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Date: August 24, 2015

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