

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 07-084**

**LOWER BARTLETT WATER PRECINCT  
SACORIDGE WATER, INC.**

**Request for Transfer of Franchise**

**Order *Nisi* Approving Transfer**

**ORDER NO. 24,811**

**December 28, 2007**

On August 15, 2007, Lower Bartlett Water Precinct (LBWP) and Sacoridge Water, Inc. (Sacoridge) filed a joint petition to transfer the Sacoridge utility franchise to LBWP. The Sacoridge water system serves 33 customers in Bartlett. It is a water system with ongoing water quality problems. LBWP is a municipal water district that serves approximately 1,140 customers in Bartlett, both within and without its corporate boundaries. The Commission approved LBWP's most recent franchise expansions near Sacoridge in Docket Nos. DE 95-302 (to Jackson town line, excluding Holiday Ridge Water System); DE 96-257 (Holiday Ridge subdivision); DE 97-255 (Birchview by the Saco subdivision); and DW 99-166 (Route 302 and The Season's resort, excluding Sacoridge).

According to the filing, LBWP voted to approve, at a cost of \$2,500,000, construction of mains and fire hydrants along Route 302 and West Side Road to Sacoridge, funded in part by the U.S. Department of Agriculture Rural Development program. The Department of Environmental Services (DES) confirmed on June 15, 2007 that LBWP has suitable and available water to serve the Sacoridge customers. LBWP reaffirmed its commitment, pursuant to RSA 362:4, III-a, to provide the same quantity and quality of water in the proposed franchise area as within LBWP's

boundaries. Lastly, LBWP stated that no other water utility is able to provide water service to the Sacoridge franchise area.

Staff recommended the Commission approve LBWP and Sacoridge's petition. Staff stated that: LBWP will be replacing the Sacoridge plastic mains with six- and eight-inch ductile iron mains, which will eliminate Sacoridge's historic quality of service problems, and that meters will be installed. Staff noted that LBWP intends to charge its present rates in the Sacoridge subdivision. Staff's letter indicates that LBWP is not acquiring title to Sacoridge's well lot, as shown on Exhibit B to the petition. LBWP is also not acquiring title to any other assets of Sacoridge since it is installing its own water system facilities.

The Commission previously determined that LBWP possesses the requisite managerial, financial, and technical expertise to provide water service in Bartlett. *Lower Bartlett Water Precinct*, 85 NH PUC 635 (2000). DES has confirmed that LBWP has suitable and available water to supply Sacoridge. LBWP will be providing fire protection service to the proposed franchise area, a new service to the affected customers. LBWP has demonstrated it has access to external funding. We find no reason to depart from the Commission's earlier determinations that LBWP possesses the requisite expertise to operate a water system and we find that service by LBWP to Sacoridge will be for the public good pursuant to RSA 374:26 and 374:30.

Meters are planned for installation by June 2008 and customers will be charged a metered rate, annual charges, and a capacity fee. Until meters are installed, LBWP will bill customers by dividing the total cost and usage to the development by the number of connections. We find these rates to be just and reasonable pursuant to RSA 378:7.

We next address whether LBWP will remain exempt from regulation pursuant to RSA 362:4, III-a(a)(1). LBWP proposes to charge outside customers, but not inside customers, an annual charge of \$1.25 per \$1,000 of property valuation. This charge is intended to cover certain water service charges that are included in real estate tax bills paid by customers located within precinct boundaries. RSA 362:4, III-a(a)(1) allows “current per-household debt service costs for water system improvements” to be considered when comparing rates inside and outside municipal boundaries. Since LBWP customers are assessed a tax that is included in their real estate tax bill for debt service and customers outside LBWP’s boundaries are charged a comparable annual charge, we find the rates are equivalent under RSA 362:4, III-a(a)(1). We therefore find that LBWP continues to qualify for exemption from regulation.

RSA 374:26 authorizes the Commission to grant requests for franchise authority, without a hearing, when all interested parties are in agreement. We approve the transfer on a *nisi* basis to provide an opportunity for interested parties to request a hearing.

**Based upon the foregoing, it is hereby**

**ORDERED *NISI***, that subject to the effective date below, the transfer of the Sacoridge franchise to LBWP is hereby approved pursuant to RSA 374:22, 374:26 and 374:30; and it is

**FURTHER ORDERED**, that Sacoridge is authorized to discontinue the provision of water service in the subject franchise area and shall provide a status report within 60 days after this order and quarterly thereafter on the winding down of its financial affairs; and it is

**FURTHER ORDERED**, that LBWP file a status report no later than June 30, 2008 as to its meter installation efforts in Sacoridge; and it is

**FURTHER ORDERED**, that LBWP 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, and shall send a copy of same to the Bartlett town clerk and to all present customers of Sacoridge by first class mail, such actions to occur no later than January 7, 2008 and to be documented by affidavit filed with this office on or before January 28, 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 January 14, 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 January 21, 2008; and it is

**FURTHER ORDERED**, that this Order *Nisi* shall be effective January 28, 2008, unless LBWP 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 twenty-eighth day of December, 2007.

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Thomas B. Getz  
Chairman

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Graham J. Morrison  
Commissioner

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Clifton C. Below  
Commissioner

Attested by:

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ChristiAne G. Mason  
Assistant Executive Director & Secretary