



# HAMPSTEAD AREA

## WATER COMPANY, INC

54 SAWYER AVENUE, ATKINSON, NH 03811

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July 3, 2008

Ms. Debra Howland  
Executive Director & Secretary  
NH Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429



RE: DW-08-033 – PUC Order No. 24,864

Dear Ms. Howland:

Please find enclosed the Affidavit certifying that the above-referenced PUC Order No. 24,864 was published as directed on June 25, 2008 along with a copy of the publication.

In addition, a copy of PUC Order No. 24,864 was sent as directed via first class mail to the Town Clerks of Atkinson, Danville and Hampstead, NH on June 26, 2008.

Please feel free to contact me should you have any questions. I can be reached at 603-362-5333 ext. 3019

Very truly yours

Robert C. Levine  
General Counsel

RCL/ja  
Enclosure

Cc: HAWC  
Stephen St. Cyr

I hereby certify that the foregoing notice was published in The Union  
Leader and/or New Hampshire Sunday News, newspapers printed at  
Manchester, N.H., by the Union Leader Corporation on the following  
dates, Viz: 6/25/08 .....

(Signed)

*Nathalie Lavalley*

UNION LEADER CORPORATION

State of New Hampshire,  
Hillsborough, SS.

(Dated)

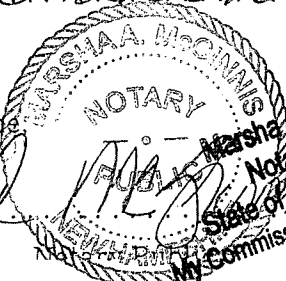
6/26/08 .....

Subscribed and sworn to by the said

*Nathalie Lavalley*

Before me

*Marsha A. McGinnis*



Marsha A McGinnis  
Notary Public  
State of New Hampshire  
My Commission Expires 04/19/2011

## Legal Notice

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION  
DW 08-033  
HAMPSTEAD AREA WATER COMPANY  
Petition for Approval of Financing  
Order Nisi Granting Approval  
ORDER NO. 24,864

June 20, 2008

### I. BACKGROUND

Hampstead Area Water Company (HAWC), which serves approximately 2,900 customers in southeastern New Hampshire, filed a petition on March 5, 2008 for approval of financing for proposed additions and upgrades to its system as well as for two additional wells. HAWC is seeking to borrow \$165,330 from its affiliate, Lewis Builders Development, Inc. (LBDI), in order to finance three distinct projects.

The first project involves SCADA system upgrades to facilities which will include Village Drive, the Shop Water Tank, and Pit Hatch in Atkinson and Colby Pond in Danville. HAWC anticipates that the installation of these upgrades will occur by year's end at an estimated cost of \$48,597. The second project involves the creation of a hydraulic system model as well as GIS water system mapping to analyze the interconnection of its Hampstead and Atkinson water systems. HAWC estimates the hydraulic system model will cost approximately \$45,000 and that the GIS system mapping will cost approximately \$39,000, for a combined cost of \$84,000. It anticipates that these items will be completed by year's end.

The third project, already completed, involved the drilling of two new wells in Atkinson at Bryant Woods and Dearborn Ridge to address supply issues at those systems. The cost of the Bryant Woods well was \$8,515 and the cost of the Dearborn Ridge well was \$24,218, for a total cost of \$32,733.

HAWC proposes that separate promissory notes from LBDI be issued. The note for the \$48,597 SCADA system upgrades will be payable over a term of ten years, the note for the hydraulic study and GIS model will be in the amount of \$84,000 and payable over a term of five years, and the note for the two new wells will be in the amount of \$32,733 and payable over a term of twenty years.

HAWC originally indicated that each note would carry an interest rate of 8.25 percent, based on the prime rate as reported in the Wall Street Journal at the time of HAWC's petition, 6.00 percent, plus an additional 2.25 percent. At the request of Commission Staff (Staff), HAWC agreed to revise the interest rate to 2.25 percent above the prime rate in effect as of the last day of the calendar quarter prior to the date of the issuance of the Commission's order in this docket and adjustable every three years thereafter. The prime rate in effect as of March 31, 2008 was 5.25 percent; thus the initial interest rate on the three notes would be 7.50 percent.

On June 11, 2008, Staff recommended approval of the petition, having concluded that the proposed uses for the financing were in the public interest. Staff further stated that the proposed terms of the fi-

adequate supply of water to its customers. Accordingly, we find that the proposed uses of the financing are for the public good.

We likewise conclude that the proposed financing terms are consistent with other HAWC financings approved by the Commission and will not have an unduly adverse impact on future customer rates. Lastly, we have determined that concerns about HAWC's capital structure are best addressed in the context of HAWC's upcoming rate case.

**Based upon the foregoing, it is hereby ORDERED NISI**, that subject to the effective date below, Hampstead Area Water Company, Inc.'s request for financing in an amount up to \$165,330 from Lewis Builders Development, Inc. under the terms and conditions discussed previously in this order is **APPROVED**; and it is

**FURTHER ORDERED**, that within thirty (30) days from the execution of the respective financings, HAWC shall file a copy of the executed promissory notes as well as any supporting documentation with the Commission; and it is

**FURTHER ORDERED**, that HAWC 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 town clerks of Hampstead, Atkinson and Danville, such actions to occur no later than June 30, 2008 and to be documented by affidavit filed with this office on or before July 21, 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 July 7, 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 July 14, 2008; and it is

**FURTHER ORDERED**, that this Order Nisi shall be effective July 21, 2008, unless HAWC fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

By order of the Public Utilities Commis-