

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

DW 12-_____

Re: Rosebrook Water Company, Inc.

**Verified Joint Petition for Authority to Transfer Stock Ownership of
Rosebrook Water Company, Inc.**

Rosebrook Water Company, Inc. (“**Rosebrook**” or the “**Company**”), BW Land Holdings, LLC (“**BW Land Holdings**”), Wells Fargo Bank, National Association (“**Wells Fargo**”), and REDUS NH Water Co, LLC (“**REDUS**” and together with Wells Fargo, the “**Wells Fargo Group**”) (collectively, the “**Joint Petitioners**”), hereby apply to the New Hampshire Public Utilities Commission (the “**Commission**”) pursuant to RSA 374:30 for authority to transfer the ownership of all issued and outstanding capital stock of Rosebrook from BW Land Holdings to REDUS (the “**Stock Transfer**”). The proposed Stock Transfer involves a change in the ownership of Rosebrook only and will result in no net harm to the public and, therefore, satisfies the public interest standard under RSA 374:30. In support of this Petition, the Joint Petitioners state as follows:

The Joint Petitioners and Related Parties

1. Rosebrook is a New Hampshire corporation and a public utility as defined in RSA 362:2 and RSA 362:4,I, with a principal place of business in Carroll, New Hampshire. Rosebrook serves an area with a population of approximately 1,050 in the Bretton Woods area in Carroll, New Hampshire.

2. BW Land Holdings is a Delaware limited liability company with a local office at 9 Remick Lane, Bretton Woods, New Hampshire 03575 and mailing address of 302 Mount

Washington Hotel Road, Bretton Woods, New Hampshire 03575. BW Land Holdings is a holding company and the current owner of all of the capital stock of Rosebrook.

3. Wells Fargo is a nationwide, diversified financial services company with a mailing address at 301 South College Street, 4th Floor, Charlotte, North Carolina 28202, that provides banking, insurance, investments, mortgage and consumer and commercial finance services.

4. REDUS is a Delaware limited liability company with a principal place of business at 301 South College Street, Charlotte, North Carolina 28288 and local registered address at 14 Centre Street, Concord, New Hampshire 03301. REDUS is wholly owned by REDUS Properties, Inc., an entity wholly owned by Wells Fargo.

Background and Stock Transfer

5. The water system operated by Rosebrook was initially constructed in the early 1970s and is located in the Bretton Woods area of the town of Carroll, New Hampshire. Rosebrook serves 386 residential service connections and 18 commercial service connections and provides domestic water supply and fire suppression to the Bretton Woods resort and Mount Washington Hotel Complex as well as water service to additional single and multi-family residential and small commercial customers within the service limits of the system. Given its size, 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.

6. In or about June 2006, in connection with a loan from Wachovia Bank, National Association (the “**Loan**”) to certain entities affiliated with BW Land Holdings as named below (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.

7. The Borrowers defaulted on the Loan, and on June 22, 2011, Wells Fargo conducted a foreclosure auction as a result of which CNL Income 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.

8. In connection with the sale of the Bretton Woods Property, BW Land Holdings entered into a settlement agreement with Wells Fargo and a number of other parties (the “**Foreclosure Settlement Agreement**”), resolving, among other issues, various claims held by Wells Fargo and resulting in BW Land Holdings 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.

9. By this Petition, Wells Fargo is seeking Commission approval to consummate the transaction through its wholly owned subsidiary, REDUS.

Standard of Review and Basis for Approval

10. The Commission has jurisdiction to approve the Stock Transfer under RSA 374:30, which conditions Commission approval upon a finding that the proposed transaction is “for the public good.”

11. Specifically, RSA 374:30 provides:

Any public utility may transfer or lease its franchise, works or system, or any part of such franchise, works or system, exercised or located in this

state, or contract for the operation of its works and system located in this state, when the commission shall find that it will be for the public good and shall make an order assenting thereto, but not otherwise.

12. The public good standard under RSA 374:30 “requires a finding that a transaction is one not forbidden by law and is reasonably permitted under all the circumstances of the case and ‘a finding that, based upon the totality of the circumstances there is *no net harm* to the public as the result of the transaction.’” *Consumers New Hampshire Water Company*, 82 NH PUC 814, 816, 817 (1977) (emphasis added); see *Pennichuck Corp.*, 83 NH PUC 44, 44 (1998) (“Under the public interest or public good standard to be applied by the Commission where an individual or entity seeks to acquire a jurisdictional utility, the Commission must determine that the proposed transaction will not harm ratepayers.”). Thus, the standard for approving the proposed Stock Transfer is effectively the “no net harm” test.

13. The proposed Stock Transfer will result in a change for Rosebrook at the ownership level only and will not result in a net harm to Rosebrook customers because Rosebrook’s current operations will continue in the same manner after the proposed Stock Transfer as before. The current operational staff at Rosebrook includes individuals with substantial experience operating Rosebrook who have the requisite historical knowledge, experience, and technical expertise with the support of Rosebrook’s contract service providers to continue to operate Rosebrook reliably and safely. The Wells Fargo Group intends to retain these existing operational personnel after the Stock Transfer and into the foreseeable future. There are no plans to make any staffing changes to such personnel, and any adjustments that may become necessary in the future will be made in a manner that is consistent with prudent and good utility practice.

14. The Wells Fargo Group also intends to maintain Rosebrook's current main office and customer service center for handling bill payments, customer inquiries and calls, and related customer services, and customers will continue to interact with the same Rosebrook staff after the Stock Transfer.

15. The Stock Transfer will not adversely affect or result in any change in rates or terms of service for customers. The Wells Fargo Group did not acquire the Rosebrook stock by cash payment and, if from a financial accounting perspective there is determined to be an acquisition premium relating to the Stock Transfer, Rosebrook will not seek to recover any such premium through rates. In addition, other than those changes in Rosebrook's operating costs and capital investment that would arise regardless of the proposed Stock Transfer, Rosebrook is not expected to experience increased costs or any material changes as a result of the Wells Fargo Group's ownership. Rosebrook plans to file a general rate case in the near future (in advance of the proposed Stock Transfer), but the need for that filing is related to cost increases experienced primarily in the test year, not the ownership change being proposed in this petition. To ensure continuity during the rate case process, the Wells Fargo Group will work closely with Rosebrook's management during the rate case process, including prior to the transfer of ownership.

16. The Wells Fargo Group has the requisite technical, financial, and managerial competence to own and operate Rosebrook. Wells Fargo provides banking and financial services nationally and has one of the highest debt ratings of any financial services company in the United States. Together with its affiliates, the Wells Fargo Group manages over 270,000 employees across more than 80 businesses. The Stock Transfer will allow Rosebrook to have a better capitalized owner and will provide more stable conditions for providing water service to

customers than current circumstances. Because of its financial strength and broad involvement in numerous commercial enterprises, the Wells Fargo Group will have the same or better access than Rosebrook's current shareholder to the services and funds needed to support the utility's capital planning, operating, and other needs.

17. For all of the foregoing reasons, the Stock Transfer will result in no net harm to customers and, therefore, is in the public interest.

WHEREFORE, the Joint Petitioners respectfully request that the Commission:

- (a) Issue an order finding that the proposed Stock Transfer is in the public good;
- (b) Authorize BW Land Holdings to transfer all of the issued and outstanding capital stock of Rosebrook to REDUS; and
- (c) Grant such other relief as is just and equitable.

Respectfully submitted,

JOINT PETITIONERS:

Rosebrook Water Company, Inc.; BW Land Holdings, LLC; and REDUS NH Water Co, LLC

By Their Attorneys,

MCLANE, GRAF, RAULERSON &
MIDDLETON, PROFESSIONAL ASSOCIATION

Dated: October 9, 2012

By: 

Steven V. Camerino, Esq.
Jinjue Pak Allen, Esq.
McLane, Graf, Raulerson & Middleton, P.A.
11 South Main Street, Suite 500
603-226-0400
steven.camerino@mclane.com
jinjue.allen@mclane.com

I, Adam Ford, authorized member of the Management Committee for BW Land Holdings, LLC, as the sole stockholder of Rosebrook Water Company, Inc., being first duly sworn, hereby depose and say that I have read the foregoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

ROSEBROOK WATER COMPANY, INC.

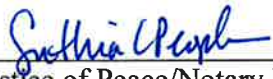
Dated: September 28, 2012

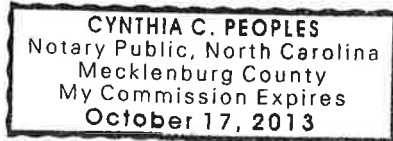

By: Adam Ford
Title: Authorized Management Committee
Member of BW Land Holdings, LLC, Sole
Stockholder

STATE OF North Carolina
COUNTY OF Mecklenburg

Sworn to and subscribed before me this 28th day of September, 2012.

Dated: September 28, 2012



Justice of Peace/Notary Public
My commission expires: October 17, 2013



I, Adam Ford, authorized member of the Management Committee for BW Land Holdings, LLC, being first duly sworn, hereby depose and say that I have read the foregoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

BW LAND HOLDINGS, LLC


Dated: September 28, 2012

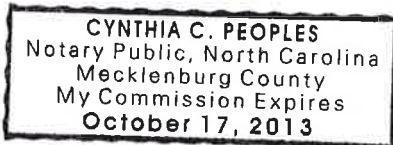

By: Adam Ford
Title: Authorized Management Committee
Member

STATE OF North Carolina
COUNTY OF Mecklenburg

Sworn to and subscribed before me this 28th day of September, 2012.

Dated: September 28, 2012


Justice of Peace/Notary Public
My commission expires: October 17, 2013



I, Marc G. Curtis, Senior Vice President for Wells Fargo Bank N.A., being first duly sworn, hereby depose and say that I have read the foregoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

**WELLS FARGO BANK,
NATIONAL ASSOCIATION**

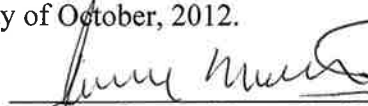
Dated: October 5th, 2012


By: Marc G. Curtis
Title: Senior Vice President

STATE OF NC
COUNTY OF Mecklenburg

Sworn to and subscribed before me this 5th day of October, 2012.


Dated: October 5th, 2012


Justice of Peace/Notary Public
My commission expires: 6/8/13

I, Marc G. Curtis, Director for REDUS Properties, Inc., sole member of REDUS NH Water Co, LLC, being first duly sworn, hereby depose and say that I have read the foregoing Verified Petition, and the facts alleged therein are true to the best of my knowledge and belief.

REDUS NH WATER CO, LLC

Dated: October 5th, 2012

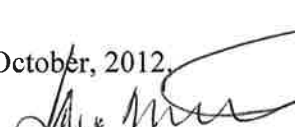

By: Marc G. Curtis
Title: Director of REDUS Properties, Inc., Sole Member

JOANNE MARGOTT
NOTARY PUBLIC
Mecklenburg County, North Carolina
My Commission Expires June 8, 2013

STATE OF NC
COUNTY OF Mecklenburg

Sworn to and subscribed before me this 5th day of October, 2012.

Dated: October 5th, 2012


Justice of Peace/Notary Public
My commission expires: 6/8/13

JOANNE MARGOTT
NOTARY PUBLIC
Mecklenburg County, North Carolina
My Commission Expires June 8, 2013

Certificate of Service

I hereby certify that a copy of this Verified Petition has this day been sent electronically or by First Class Mail to Susan Chamberlin, Consumer Advocate.

Dated: October 9, 2012



Jinjue Pak Allen