

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

HAMPSTEAD AREA WATER COMPANY, INC.

BOW LAKE ESTATES WATER WORKS, INC.

DW 17-145

PETITION TO EXPAND FRANCHISE, OPERATE WATER SYSTEM
INSIDE OF THE NEW FRANCHISE AREA, ACQUISITION OF ASSETS
AND APPROVAL OF THE APPLICATION OF EXISTING RATES

SETTLEMENT AGREEMENT

This settlement agreement concerning the Hampstead Area Water Company's acquisition of the Bow Lake Water System (Water System) in Strafford, New Hampshire (Settlement Agreement) is entered this ____ day of January, 2018, by and among the Staff of the Public Utilities Commission (Staff), Hampstead Area Water Company, Inc. (HAWC), and Bow Lake Estates Water Works, Inc. (Bow Lake, collectively the Settling Parties), and is intended to resolve all outstanding issues in the above-captioned docket. The Settling Parties agree to this joint submission to the New Hampshire Public Utilities Commission (Commission) as resolution of the issues specified herein only. This Settlement Agreement shall not be deemed an admission by the Settling Parties that any allegation or contention in this proceeding, other than those specifically agreed to herein, is true and valid. This Settlement Agreement shall not be deemed to foreclose any Settling Party from taking any position in any future proceedings. The Settling Parties agree that this settlement and attachments should be admitted as a full exhibit and be given whatever weight the Commission deems appropriate.

I. INTRODUCTION AND PROCEDURAL HISTORY

HAWC is a regulated public utility as defined by RSA 362:2 and 362:4 and provides water service to approximately 3,600 customers in the communities of Atkinson, Chester, Danville, East Kingston, Fremont, Hampstead, Kingston, Newton, Nottingham, Plaistow, Salem, and Sandown. On September 20, 2017, HAWC filed with the Commission a Petition To Expand Franchise, Operate Water System Inside of the New Franchise Area, Acquisition Of Assets and the Approval of the Application of Existing Rates. HAWC proposed to acquire the plant assets of the Water System from Bow Lake and seeks the approval of the Commission to do so. HAWC further requests the application of its existing tariff to the Water System. Bow Lake is a regulated public water utility serving approximately 41 customers in a limited area of the Town of Strafford. Bow Lake currently owns and operates the Water System.

The Commission scheduled a prehearing conference and technical session for October 31, 2017. Bow Lake was joined as a necessary party to these proceedings. There are no intervenors in this docket.

In late 2017, discussions were held between the Settling Parties which led to agreement on the below terms.

II. TERMS OF AGREEMENT

A. The Settling Parties agree that HAWC possesses the requisite managerial, technical, financial and legal expertise to own and operate water systems within New Hampshire.

B. The Settling Parties agree and recommend that the Commission approve the sale of the system assets to HAWC as proposed in its filing in the amount of \$8,000 under the terms contained in the Contract for Sale filed as Exhibit 1 to the Petition.

C. The Settling Parties agree and recommend that the Commission approve the award of the franchise area as described in the Petition and shown therein as Exhibit 4 and approve the Company's operation of the Water System within that franchise.

D. The Settling Parties agree and recommend to the Commission that the current water rates of Bow Lake continue to apply to the existing customers pending the installation of meters in all of the homes. Once this is accomplished, HAWC shall give thirty (30) days' notice to the customers in the form attached hereto as Exhibit 1, notifying them of the application of the HAWC's then existing consolidated rates to their water service as provide by HAWC.

E. The Settling Parties agree and recommend to the Commission that all credits and charges incurred prior to the closing shall remain the responsibility of Bow Lake. Upon closing and conveyance of the plant assets to HAWC, all credits and charges for water services shall be the responsibility of HAWC.

F. The Settling Parties agree that the Company shall 1) file a Supplemental Tariff page depicting the current Bow Lake rate which shall apply until the expiration of the thirty (30) days notice of the application of the existing consolidated rate of HAWC; and 2) file replacement tariff pages as appropriate to reflect HAWC's authority to serve a franchise in a limited area of the Town of Strafford.

III. MISCELLANEOUS

A. This settlement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept the settlement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this settlement, and the Settling Parties are unable to agree with these

changes, conditions or findings, the settlement shall be deemed to be withdrawn and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose.

B. The Settling Parties agree that the Commission's acceptance of the settlement does not constitute continuing approval of, or precedent for, any particular issue in this proceeding other than those specified herein.

C. This settlement may be executed in multiple counterparts, which together shall constitute one settlement.

IN WITNESS WHEREOF, the signatories below have executed this settlement, each being fully authorized to do so, as of the day indicated below.

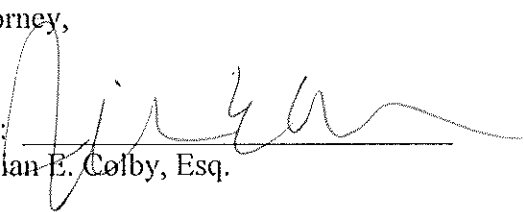
HAMPSTEAD AREA WATER COMPANY, INC.
By its Attorney,

Date: January _____, 2018

By: _____
Robert C. Levine, Esq.

BOW LAKE WATER WORKS, INC.
By its Attorney,

February
Date: January 7th, 2018

By: 
Jillian E. Colby, Esq.

STAFF OF THE NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
By its Attorney,

Date: January _____, 2018

By: _____
Alexander F. Speidel, Esq.