

THE STATE OF NEW HAMPSHIRE

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October 13, 2017

NHPUC 13OCT17P43:15

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: DW 17-146, Lakes Region Water Company, Inc.
Petition for Authority to Issue Long-term Debt
Supplemental Staff Recommendation for Approval

Dear Ms. Howland:

Please accept this supplemental information pertaining to the request of Lakes Region Water Company, Inc. (Lakes Region) pursuant to RSA 369:1 for authority to issue long-term debt.

On September 11, 2017, the recommendation for approval of the long-term debt submitted by Staff stated that the Lakes Region filing had been reviewed and supports the financing as presented by Lakes Region. The review process included discussions with Lakes Region's Utility Manager regarding the choice of dealership and lending institution. Lakes Region worked with several dealerships before choosing Meredith Ford to be included in its proposal. Lakes Region's choice to use Ford Motor Credit Company for financing of the vehicles is the best choice in this situation. Rebates offered by Ford would not be available without Ford financing and these rebates justify the loan rate of 4.34%. Analysis by Staff shows that losing the rebates would require Lakes Region to find a loan with an interest rate of 0.8% to compare with that currently offered by Ford Motor Credit Company.

Given this supplemental information, Staff reiterates its support for the financing as presented by Lakes Region. The procurement of the proposed Ford Motor Credit Company loan at 4.34% interest ensures that the Company will finance the new pickup trucks at the lowest possible cost to customers. The new debt to be added to the company's balance sheet will have a minimal effect on the company's capital structure. Staff therefore believes that Lakes Region has demonstrated that the proposed use of the

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Petition for Approval of Long-term Debt
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funds is appropriate and consistent with the Company's duty to provide "reasonably safe and adequate and in all other respects just and reasonable" service to its customers. RSA 374:1.

If there are any questions regarding this recommendation, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Robyn J. Descoteau". The signature is written in a cursive style with a large initial 'R'.

Robyn J. Descoteau
Utility Analyst, Gas & Water Division

Cc: service list

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 17-146-1 Printed: October 13, 2017

FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.

c) Serve a written copy on each person on the service list not able to receive electronic mail.