

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

DW 07-105

ORDER OF NOTICE

On September 19, 2007, the Staff of the New Hampshire Public Utilities Commission (Commission) filed a letter with the executive director of the Commission seeking the commencement of formal proceedings to determine whether Lakes Region Water Company should be placed in receivership pursuant to RSA 374:47-a in light of concerns over whether Lakes Region continues to have the managerial and financial capacity to provide safe and adequate service to its customers, and the ability to acquire necessary capital to fund needed system improvements. Lakes Region provides water service to approximately 1,900 customers of various water systems in Campton, Conway, Freedom, Gilford, Laconia, Moultonborough, Ossipee, Tamworth, Thornton, Tuftonboro and Wolfeboro.

As explained in the Staff letter, on October 31, 2006, the Department of Environmental Services (DES) issued a letter of deficiency to Lakes Region, describing insufficient water supply being provided to certain customers in Tuftonboro and Wolfeboro. DES issued a second letter of deficiency on September 11, 2007, concerning system conditions in Tamworth, including the use of an unapproved and previously disconnected water source with uranium levels exceeding the allowed maximum.

On October 4, 2007, DES issued an administrative order concerning the conditions in Tuftonboro and Wolfeboro, which relate to a discrete water system owned and operated by Lakes Region and known as the Hidden Valley system. DES determined that Lakes Region had, (1) without obtaining the requisite permission from DES, added users to this system

by interconnecting it with a second system, known as Hidden Valley Shores, (2) failed to meet certain commitments it made to DES in response to the 2006 letter of deficiency, (3) violated N.H. Code Admin. Rules Env-Ws 372.12 by failing to have a source capacity of not less than two times either the water system's daily demand or its design flow, and (4) violated Env-Ws 372.23 by failing to maintain a tight seal around the entry ports of two wells being used for public water supply.

RSA 374:47-a authorizes the Commission, after notice and hearing, and upon a finding that a public utility is consistently failing to provide adequate and reasonable service, to appoint a receiver or direct its Staff to take such temporary action as is necessary to assure continued service to the utility's customers. The Commission is therefore instituting administrative proceedings pursuant to RSA 541-A:31 and N.H. Code Admin. Rules Chapter 200 to determine whether action pursuant to RSA 374:47-a is necessary concerning Lakes Region Water Company. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on November 27, 2007 at 2:00 p.m. at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. Rule Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, Lakes Region, the Staff of the Commission and any Intervenors hold a Technical Session to

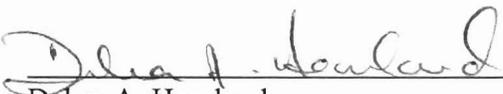
review the petition and allow Lakes Region to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, Lakes Region shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 30, 2007 in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before November 27, 2007; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Lakes Region and the Office of the Consumer Advocate on or before November 22, 2007, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before November 27, 2007.

By order of the Public Utilities Commission of New Hampshire this 10th day of October, 2007.


Debra A. Howland
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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Docket #: 07-105 Printed: October 11, 2007

FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),

WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:

DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN
NHPUC
21 SOUTH FRUIT ST, SUITE 10
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BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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