

**STEPHEN P. ST. CYR & ASSOC.**

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Accounting & Finance  
Budgeting & Forecasting  
Financial Statement Preparation  
Regulatory Affairs  
Tax Preparation & Planning  
Management Services

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STATE OF NEW HAMPSHIRE

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THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

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FOREST EDGE WATER COMPANY, INC

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DW 10-

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PETITION FOR APPROVAL OF FINANCING AND STEP INCREASE

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The Petitioner, Forest Edge Water Company, Inc. ("FEWC" or "Company"),

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respectively petitions the N.H. Public Utilities Commission ("PUC" or "Commission")

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for approval of financing with funds from the State Revolving Fund for the removal of its

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upper pump house and equipment and construction of an addition to its middle pump

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house. In support of this Petition, FEWC says:

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1. FEWC is presently franchised in a part of Conway. At December 31, 2009 the

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Company provided water directly to 40 customers.

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2. FEWC has been presented with a unique opportunity to remove its upper pump

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house and to construct an addition to its middle pump house including new

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electrical, piping, etc. at low cost financing. With available federal funds, the

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Company has an opportunity to cure two significant deficiencies. The Company

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has been approved by NHDES to receive \$126,000 for the project.

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4       3. Among the improvements for which the Company is seeking approval to finance  
5           are: (1) to remove the upper pump house and equipment and to restore the area,  
6           (2) to remove the well pump and plug the well and (3) to construct an addition to  
7           the middle pump house including new electrical, piping, meter, tanks, etc.

8       4. FEWC estimates that the total amount of the financing will be as follows:

9           Removal of Upper Pump House and Equipment	\$ 20,000
10          Construction of Addition to Middle Pump House	<u>106,000</u>
11          Total Financing	<u>\$126,000</u>

12       5. FEWC proposes to recover its investment via step increases amounting to  
13       \$11,289. As part of docket DW 08-160, the PUC approved a settlement  
14       agreement which provided for a step adjustment for capital improvement(s) called  
15       for in the feasibility study and completed by the end of 2011. Once the financing  
16       is approved, the funds are obtained, and the projects are completed, the Company  
17       will submit its actual costs and the related increase in rates for the PUC to review  
18       and approve.

19       6. FEWC is proposing that the step increases be effective when the projects are  
20       providing service to customers, presently anticipated to be spring 2011.

21       7. In support of the financing and step increase, FEWC proposes that the financing  
22       will:

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a. Allow the Company to cure 2 significant deficiencies.

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b. Allow safe access to the middle pump house.

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c. Enable the Company to improve its reliability.

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d. Provide for low cost financing of the project.

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e. Allow the Company to recover its investment.

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f. Minimize the amount of the increase in rates.

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8. It would be in the public good for FEWC to have approval by the Commission by

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order NISI of this financing. FEWC provides the following in support:

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a. It is necessary to remove the existing upper pump house and construct an

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addition to the middle pump house in order to improve accessibility and

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better be able to operate and maintain pump houses.

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b. It is necessary to remove the upper pump house and construct an addition

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to the middle pump house to improve reliability.

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WHEREFORE your Petitioner prays:

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A. That the Commission find that it would be in the public good for the FEWC to be

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permitted to finance the project;

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B. That the Commission, by NISI order, grant the FEWC permission to finance the

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project and implement the step increase, as proposed;

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C. That the Commission make such further findings and orders as may be

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appropriate on the circumstances.

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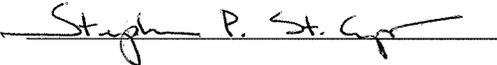
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4 Dated the 6<sup>th</sup> day of October 2010

5 Respectfully submitted,

6 FOREST EDGE WATER COMPANY, INC.

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9 Stephen P. St. Cyr