

**STATE OF NEW HAMPSHIRE
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
HAMPSTEAD AREA WATER COMPANY, INC**

DW 11-

**PETITION FOR APPROVAL OF FINANCING
FOR 2011 CAPITAL ADDITIONS**

The Petitioner, Hampstead Area Water Company, Inc. (the Company), respectively petitions the N.H. Public Utilities Commission (Commission) for approval of financing for capital additions to the System assets for 2011. In support of this Petition, the Company says:

1. The Company is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County (see Schedule A, attached).
2. That for the first financing item, the Company is seeking financing for the various capital additions made in 2011, including replacement meters, pumps, mains, and station upgrades, as well as implement a two year water loss program and leak detection, as listed on Exhibit 1.
3. That the Company will be borrowing \$339,400.00 from its affiliated company, Lewis Builders Development, Inc., with interest at prime plus 2.25%, currently 5.50%, over a term of Twenty (20) years. A copy of the proposed note is attached as Exhibit 2.
4. In support of the capital additions financing request, the Company proposes that the financing will:
 - a. Provide the necessary cash flow for these system improvements.
 - b. Pay for the expenses incurred in installing the meters, pumps, mains and station upgrades, and filters, as well as implement a two year water loss program and leak detection

5. It would be in the public good for the Company to have approval of the capital additions financing request. The Company provides the following in support:

a. The capital additions will allow the Company better serve the needs of its system customers, with more accurate metering, improvement to system flow and water quality.

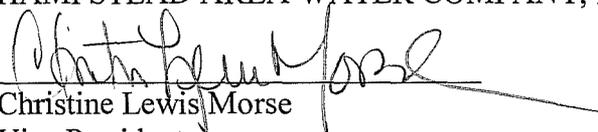
6. See the Pre-filed Testimony of Stephen St. Cyr in support of the financing request, attached as Exhibit 3.

WHEREFORE your Petitioner prays:

- A. That the Commission find that it would be in the public good for the Company to be permitted to finance the capital additions for 2011, as proposed;
- B. That the Commission, by appropriate order, grant the Company permission to finance the capital additions for 2011, as proposed;
- C. That the Commission make such further findings and orders as may be proper.

Dated the 31st day of August, 2011

Respectfully submitted,
HAMPSTEAD AREA WATER COMPANY, INC.


Christine Lewis Morse
Vice President