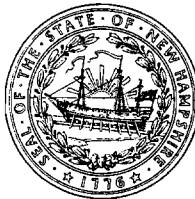


THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

February 5, 2007

Mark & Casey Penny
29 Bachelor Drive
Alton Bay, New Hampshire 03810

Re: Lakeview Water Company, Inc./Bachelor Mountain Subdivision
Commission Docket No. DW 06-075
Request for Information

Dear Mr. & Mrs. Penny:

By way of a letter dated November 28, 2006, Staff (Staff) of the New Hampshire Public Utilities Commission (Commission) informed you that on May 18, 2006, Lakeview Water Co., Inc. (Lakeview) filed a petition with the Commission for authority to discontinue service as a public utility.

During the summer of 2006, Staff conducted an investigation as to whether the N.H. Department of Environmental Services (DES) had approved the Bachelor Mountain subdivision with the condition that a community water system exist. Also relevant to Lakeview's request to discontinue service is RSA 362:4, IV(a) which states that any "customer of a water utility shall have the right to terminate water service and secure water from an alternate source, if the customer can demonstrate the ability to comply with the requirements of RSA 485-A:29 and RSA 485-A:30-b, and the administrative rules adopted to implement these sections." RSA 485-A:29 relates to subdivision and individual well approval and RSA 485-A:30-b relates to protective well radii.

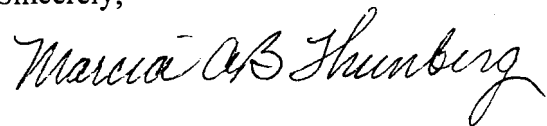
Upon learning that DES approved the Bachelor Mountain subdivision contingent upon a public water system, Staff, DES, and Mr. Charles Mobilia, owner of Lakeview, met to discuss the pending petition to discontinue service and the public water system requirement. The parties acknowledged that the water system is not viable if it serves only a handful of customers, but that private wells used for potable water violate the terms of the development approval and thus are illegal. Many options were discussed such as rehabilitating the water system if residents cannot satisfy RSA 485-A:29 and RSA 485-A:30-b, and abandoning the system if updated subdivision information can satisfy RSA 485-A:29 and RSA 485-A:30-b. Either solution requires additional information.

Staff letter to Bachelor Mountain Residents
February 5, 2007
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Mr. Mobilia will be conducting a general survey of the development to identify lot perimeters, house locations, septic locations, and private well locations. This survey will be used to determine if the lots are large enough to accommodate both a septic and private well, thereby satisfying RSA 485-A:29 and RSA 485-A:30-b. Because Lakeview has a duty to provide water service and residents are obliged to take service unless the resident can identify a legal alternate water source, Staff is once again requesting that all residents assist Mr. Mobilia. Residents can first assist by providing Mr. Mobilia with a copy of as-built plans showing the location of your home, septic system, and well. The well should be tied to two reference points. Mr. Mobilia will then forward the information to a surveyor who will prepare amended subdivision plans for submission to and review by DES. Mr. Mobilia can be reached at (781) 391-1274 and at Lakeview Water Company, Inc. 111 Woodside Road, Medford, MA, 02155. DES has agreed to postpone enforcement against residents and Mr. Mobilia for a reasonable period of time while information is being gathered to document compliance. It is possible, however, that without an amended subdivision approval, the DES may initiate compliance proceedings against all subdivision residents using a private well. Therefore, Commission Staff highly encourages your cooperation.

Thank you in advance for your cooperation with this effort.

Sincerely,



Marcia A. B. Thunberg
Staff Attorney/Hearings Examiner

cc: service list
Bernard Lucey, Senior Engineer, Water Supply Engineering Bureau
William E. Evans, Administrator, Subsurface Systems Bureau
Brian Boyers, Code Enforcement Officer, Town of Alton