

BEFORE THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DW 16-xxx

Lakes Region Water Company, Inc.

PETITION FOR APPROVAL OF LONG TERM FINANCING

NOW COMES Lakes Region Water Company and petitions the Commission for approval of long-term debt as follows:

I. BACKGROUND

1. Lakes Region Water Company ("Lakes Region" or the "Company") provides retail water service to approximately 1,676 customers in 17 drinking water systems. The Company's largest system is known as "Paradise Shores" and is located in the town of Moultonborough. Paradise Shores consists of 392 retail utility customers in the Balmoral subdivision and one (1) wholesale utility customer, the Property Owners Association of Suissevale, Inc. ("Suissevale"). Suissevale purchases water from the Company under a wholesale contract approved by the Commission which it then redistributes to its 352 (+/-) residential members.

II PROJECTS

1. The Company proposes two projects, collectively referred to as the "Projects." The first project at lower Paradise Drive in Paradise Shores consists of replacing approximately 2,100 feet of water mains, 7 6" gate valves and 38 services. The second project at Captain Lovewell Lane in Indian Mound consists of replacing approximately 2,000 feet of water mains, 3 3" gate valves and 23 services.

2. The Projects will replace aging water mains, gate valves and services and potentially reduce water loss and maintenance expense. The capital costs will be lower due to coordinating the Projects with the Town of Mountonboro and the Indian Mound Home Owners' Association since they will be paving the roads. The work and the timing of such work will benefit both the public and Lakes Region.

III FINANCING

1. CoBank is a government sponsored enterprise owned by its customers who consist of water utilities, agricultural cooperatives, and other businesses serving rural areas in the United States. CoBank issues its debt securities with the implicit full faith and credit of the United States Government. Its borrowing costs are generally lower than commercial banks and financial institutions. The Commission has approved CoBank loans in several other proceedings.

IV. FINANCING APPROVAL

1. RSA 369: 1 states that a utility "may, with the approval of the commission but not otherwise, issue and sell ... notes and other evidences of indebtedness payable more than 12 months after the date thereof for lawful corporate purposes." The Commission must conduct a "hearing or investigation as it may deem proper," then authorize the financing "if in its judgment the issue of such securities upon the terms proposed is consistent with the public good." RSA 369:4.

2. The Commission reviews the amount to be financed, the reasonableness of the terms and conditions, the proposed use of the proceeds, and the effect on rates.

Appeal of Easton, 125 N.H. 205, 211 (1984). As the Commission has recently observed, "certain financing related circumstances are routine, calling for more limited Commission review of the purposes and impacts of the financing, while other requests may be at the

opposite end of the spectrum, calling for vastly greater exploration of the intended uses and impacts of the proposed financing." *Public Service Co. of N H, Order No. 25,050* (December 8, 2009) *cited in Lakes Region Water Company, Inc., Order No. 25,391* (July 13, 2012), at Pages 30 -31.

3. As explained in the testimony and schedules, the Company requests that the Commission approve the proposed financing on a not to exceed basis of \$400,000, over 20 years, at a fixed interest rate not to exceed 5.10%, to be determined by CoBank at the time of closing.

V. CONCLUSION

1. Approval of this Petition is consistent with the public good because:

The replacement of mains, gate valves and services will increase the reliability of the infrastructure, increase the operations of the water systems, decrease the amount of water loss and decrease related maintenance expenses.

2. The terms and condition of the CoBank loan are fair and reasonable

WHEREFORE Lakes Region Water Company respectfully requests that the Commission approve this Petition and grant such other relief as justice may require.

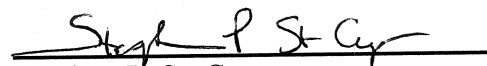
Respectfully submitted,

**LAKES REGION WATER
COMPANY, INC.**

By its Consultant,

Stephen P. St. Cyr & Assoc.

Dated: November 23, 2016


Stephen P. St. Cyr