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March 28, 2023

Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

Re: DW 22-087, Lakes Region Water Co. Inc., Petition for Long Term Financing;
Technical Statement of David N. Goyette, Department of Energy

Dear Chairman Goldner:

Enclosed for filing in this matter is the New Hampshire Department of Energy's (DOE) Technical Statement of David N. Goyette, filed pursuant to the Procedural Orders issued by the Commission in this docket on January 10, 2023, and on February 13, 2023. The Technical Statement and Attachments contain the DOE's substantive analysis and recommendation, as requested in the Procedural Orders.

The DOE's recommendation includes an analysis of whether the financing is consistent with the public good. Under RSA 369:1 and RSA 369:4, public utilities may issue evidence of indebtedness payable more than 12 months after the date thereof only if the Commission finds the proposed issuance to be "consistent with the public good." Analysis of the public good involves reviewing the amount to be financed, the reasonableness of the terms and conditions, the proposed use of the proceeds, and the effect on rates. See *Appeal of Easton*, 125 N.H. 205, 211 (1984). The extent of the Commission's review of a financing request depends on whether or not the financing is considered routine. "[C]ertain 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." *Lakes Region Water Company, Inc.*, Order No. 25,753 (January 13, 2015) at 4-5. A routine financing request is one, "that will have no discernible impact on rates or deleterious effect on capitalization, [and] in which the funds are to enable numerous investments appropriate in the ordinary course of utility operations." *Pennichuck Water Works, Inc.*, Order 26,197 (December 3, 2018) at 4. See also *Hampstead Area Water Company, Inc.*, Order 26, 230 (March 29, 2019) at 7-8 (financing not routine; hearing required).

The attached Technical Statement contains the DOE's substantive analysis of the intended uses and impacts of the proposed financing. It is the DOE's opinion that the proposed project and terms of the loan sought by Lakes Region Water Co. Inc. (Lakes

Region) in the above-captioned matter are reasonable. The DOE therefore recommends the Commission grant Lakes Region's request for approval of the financing and find that the financing is consistent with the public good, pursuant to RSA 369:1.

Consistent with the Commission's current practices, this letter and accompanying Technical Statement with Attachments are being filed only in electronic form.

Sincerely,

/s/ Alexandra K. Ladwig

Alexandra K. Ladwig
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