

DW 03-240

WHITE ROCK WATER COMPANY, INC.

Petition for Sale of Corporate Stock and Change of Control

Order Approving Sale

ORDER NO. 24,322

May 7, 2004

APPEARANCES: Jordan, Gfroerer & Weddleton by David Jordan, Esq. for White Rock Water Company, Inc; and Marcia A.B. Thunberg, Esq. for Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY AND BACKGROUND

On December 31, 2003, White Rock Water Company, Inc. (White Rock) filed with the Commission a petition for approval, pursuant to RSA 369:1, of the sale of all of its stock to C&C Water Services, Inc. (C&C) or its nominee. White Rock is a regulated public water utility and serves approximately 96 customers in the Town of Bow. According to the petition, the stock consists of 600 shares of common stock, presently owned by the Trust under the Will of Alice Ward. C&C Water Services, Inc. is the current system operator for White Rock.

On January 29, 2004, the Commission issued an Order of Notice scheduling a prehearing conference and technical session for February 27, 2004. The Order of Notice also directed C&C to file written testimony no later than February 20, 2004 which detailed its managerial, financial, and technical capabilities and legal ability to own and operate a public water utility. C&C responded by filing testimony of Wade Crawshaw, the president, sole director and sole shareholder of C&C, on February 20, 2004.

On March 15, 2004, the Commission approved a procedural schedule to govern the remainder of the proceeding. The procedural schedule included a deadline of April 23, 2004

for Staff and White Rock to submit a settlement agreement or a recommendation for further Commission action.

On April 22, 2004, Staff submitted a letter to the Commission recommending the Commission approve White Rock Water Company's request to sell its stock to Mr. Wade Crawshaw. Staff attached to its letter Data Responses answered by White Rock and Mr. Crawshaw. Staff stated it is satisfied that Mr. Crawshaw possesses the managerial, financial and technical expertise to own and operate a public utility in the state of New Hampshire. Staff indicated Mr. Crawshaw has been operating and maintaining water systems in New Hampshire through his company, C&C Water Services, Inc. since 1981. At least two of the systems served by C&C Water Services, Inc. are regulated by the Commission. Staff stated that during discovery, White Rock clarified that Wade Crawshaw would be the actual purchaser of the stock. Since its rate case in DW 01-193, White Rock has been engaged in efforts to seek additional sources of supply. Mr. Crawshaw has pledged to continue those efforts and, as the system operator, should be fully familiar with the issues surrounding those efforts.

The Commission received no requests for intervention and the Office of the Consumer Advocate did not file a notice of its intention to participate in this proceeding.

II. COMMISSION ANALYSIS

The Commission's obligation to review White Rock's petition is drawn from numerous statutory sources. Pursuant to RSA 374:22, "[n]o person or business entity shall...exercise any right or privilege under any franchise not theretofore actually exercised in such town, without first having obtained the permission and approval of the [C]ommission." A public utility may transfer its franchise when the Commission finds that it will be for the public

good. *See*, RSA 374:30. The Commission is also required to make a finding of public good in instances where a public utility proposes to sell its stock. *See*, RSA 369:1.

In performing this review, the Commission has traditionally evaluated the managerial, financial and technical ability of an individual or company to operate a public utility. In this case, Mr. Crawshaw and his company, C&C Water Services, Inc. has been operating water and wastewater systems in New Hampshire for more than 20 years. A review of the testimony Mr. Crawshaw provided in this proceeding reveals that he holds a Bachelors degree in Engineering, and has owned and operated C&C Water Services, Inc. for more than 20 years. Staff provided a number of information requests regarding Mr. Crawshaw's experience and his ability to own and operate the White Rock system, and regarding the specific issues relative to White Rock. Further, Mr. Crawshaw remains committed to efforts to such additional sources of supply.

In reviewing the filing, Mr. Crawshaw's testimony, data responses, and Staff's recommendation, it appears that this proposed change of control of the stock of White Rock Water Co. will not affect the utility's customers. The name of the utility and the customer contact information will remain the same. The system operator for the utility will remain C&C Water Services, Inc. After a short period of time, customer billing will be handled directly by C&C Water Services, Inc. as opposed to the billing contractor used currently by present ownership. Because of this change, we will require White Rock to submit to the Commission's Consumer Affairs Division a copy of the proposed new bill form for their review.

In light of the foregoing information, we find the proposed transfer of the stock of White Rock Water Company, Inc. to be in the public good and we will approve the transfer.

Based upon the forgoing, it is hereby

ORDERED, that the request of White Rock Water Company, Inc. for the sale of its corporate stock and change of control to Mr. Wade Crawshaw is **APPROVED**; and it is

FURTHER ORDERED, that White Rock submit, within 30 days of the date of this order, a copy of its proposed bill form; and it is

FURTHER ORDERED, that White Rock submit a compliance tariff with the Commission on or before June 4, 2004, in accordance with N.H. Admin. Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this seventh day of May, 2004.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Graham J. Morrison
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary