

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 13-308

LAKES REGION WATER COMPANY, INC.

Request for Approval to Sell Real Estate

Order *Nisi* Granting Request

ORDER NO. 25,619

January 9, 2014

I. BACKGROUND

On October 28, 2013, Lakes Region Water Company, Inc. (Lakes Region or Company) filed a request, pursuant to RSA 374:30, for authority to sell land in its Hidden Valley water system in the Town of Tuftonboro to an abutter. The land in question, Town of Tuftonboro tax map lots F-16 and F-17, is not currently used for the provision of utility service. Lot F-16 contains an inactive well that was taken out of service due to low yield and high turbidity. Lakes Region seeks to sell the parcels for \$32,000 but will retain an easement on Lot F-16 to use the well if it is needed in the future. On November 6, 2013, the Office of the Consumer Advocate (OCA) filed a notice with the Commission of its intent to participate in this docket. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, is posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-308.html>.

Lakes Region acquired the lots in 1987 and it does not anticipate needing to use these lots in the foreseeable future. The owner of an abutting lot, Lot F-15, wishes to purchase the two lots and the parties have reached agreement on a \$32,000 sale price. With the easement, the buyer is prevented from undertaking any activity that would potentially interfere with the use of the lots

for water supply. Lakes Region intends to use the proceeds of the sale to pay state and federal tax liabilities and to improve its financial condition. For accounting purposes, Lakes Region will assign a value of \$1,205 to the two lots, based on an allocation of the original 1987 acquisition price of the Hidden Valley system, less the value of the easement.

On January 7, 2014, Staff filed a letter recommending the Commission approve Lakes Region's request. Staff stated that it reviewed Lakes Region's filing and conducted discovery. Staff inquired about the adequacy of Hidden Valley's current water supply, and learned that the existing wells are more than adequate for the foreseeable future. Staff further stated that, with the easement, Lakes Region could redevelop the well on Lot F-16 if necessary. Staff noted that the wellhead protection area will continue to be protected as a result of language in the proposed deed, and that the Department of Environmental Services (DES) was notified of the potential sale and that DES required no additional approval. Staff also stated that the OCA supported the proposed sale based on the Company's representation that proceeds will be used to pay Company tax liabilities, reduce outstanding debt, or to fund capital improvement projects.

II. COMMISSION ANALYSIS

Pursuant to RSA 374:30, "[a]ny public utility may transfer or lease its franchise, works or system, or any part of any such franchise, works, or system ... when the commission shall find that it will be for the public good and shall make an order assenting thereto, but not otherwise." In this instance, the parcels proposed to be transferred are no longer needed for water supply purposes, however, Lakes Region retains an easement to use the property for water supply purposes if the need ever arises. Selling the parcels will have no impact on Lakes Region's ability to operate the Hidden Valley water system and will provide it with cash to pay income

taxes and to improve its financial condition. Accordingly, we find the transfer of the two properties, subject to retaining an easement as described, is for the public good and we will approve the transfer. While there is no indication of any opposition to the proposed sale, we will nonetheless approve Lakes Region's petition on a *nisi* basis in order to ensure that all interested parties receive notice of the proposed transfer and have an opportunity to request a hearing.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that the sale by Lakes Region Water Company, Inc. of Lots F-16 and F-17 in the Town of Tuftonboro is approved, subject to the effective date below; and it is

FURTHER ORDERED, that Lakes Region shall cause a copy of this Order *Nisi* to be mailed by first class mail to the Tuftonboro Town Clerk as well as published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such mailing and publication to be no later than January 21, 2014 and to be documented by affidavit filed on or before February 10, 2014; and it is

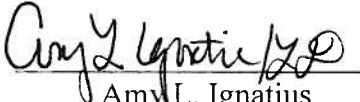
FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than January 28, 2014 for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than February 4, 2014; and it is

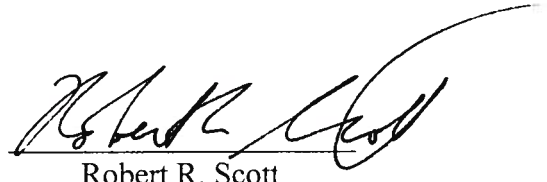
FURTHER ORDERED, that this Order *Nisi* shall be effective February 10, 2014, unless Lakes Region fails to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the Public Utilities Commission of New Hampshire this ninth day of January,

2014.




Amy L. Ignatius
Chairman



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director