

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 25-063

**LAKES REGION WATER CO., INC. and
REBECCA LANE WATER SYSTEM ASSOCIATION**

Petition to Transfer Utility Assets and Franchise and for Related Approvals

Order *Nisi* Granting Petition

ORDER NO. 28,213

April 9, 2026

On September 11, 2025, Lakes Region Water Company, Inc. (Lakes Region) and Rebecca Lane Water System Association (RLWSA) (together “Joint Petitioners”) filed a joint petition pursuant to RSA 374:22 for approval for Lakes Region to acquire RLWSA’s water delivery system assets, expand its franchise area to serve the area currently served by RLWSA, and provide water service to the new customers under the terms of its existing tariff. On January 28, 2026, the parties in this docket, which, in addition to the Joint Petitioners includes the New Hampshire Department of Energy (DOE), filed a settlement agreement (Settlement Agreement) recommending that the Commission grant the petition by order *nisi*. For the reasons laid out in this order, the Commission GRANTS the petition subject to the ordering clauses below.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted to the Commission’s website at <https://www.puc.nh.gov/VirtualFileRoom/Docket.aspx?DocketNumber=DW%2025-063>.

I. BACKGROUND AND FACTS

The Commission draws the following facts from the record, which includes the petition, the Settlement Agreement, and supporting attachments. Lakes Region is a New Hampshire

corporation and regulated public water utility that serves approximately 1,853 customers in nineteen separate systems located in the Lakes and White Mountain regions of New Hampshire. RLWSA is a homeowner association in the Town of Conway, New Hampshire that provides water service to approximately 62 customers.

The RLWSA water system was acquired from the Town of Conway in 1992 via tax deed. RLWSA registered with the New Hampshire Secretary of State in 1996, and in 1997 the Town of Conway transferred the water system to RLWSA via quitclaim deed. RLWSA is a volunteer association that relies on third party contractors to operate and maintain the water system. As of a sanitary survey conducted by the New Hampshire Department of Environmental Services (DES) on June 2, 2025, RLWSA assets include: (1) a 75 foot well with an estimated yield of 120 gallons per minute; (2) a pump house that contains a 2,000-gallon atmospheric storage tank; and (3) two 7.5 horsepower variable frequency drive booster pumps that distribute water through 4-inch ductile iron pipe. The average daily total use is approximately 7,500 gallons. Currently, RLWSA customers are charged an annual rate of \$1,200 and a convenience fee¹ of \$35 for a total of \$1,235. RLWSA has had challenges with billing and enforcing collections.

On November 13, 2024, after discussions with Lakes Region, the RLWSA Board of Directors proposed to the membership a plan to transfer the RLWSA system to Lakes Region, which would result in RLWSA members becoming Lakes Region customers. The Board cited numerous reasons, including state and federal water regulations becoming arduous, the need to outsource maintenance and repair, the unpredictable costs of those repairs, a lack of telemetry system monitoring, and the voluntary nature of management and staffing. By the close of voting

¹ The record does not indicate the purpose of the convenience fee.

on November 15, 2024, the association membership voted to enter into an agreement to transfer the system to Lakes Region.

To allow Lakes Region to serve RLWSA members as customers, Lakes Region needed to both purchase the RLWSA's assets and receive the Commission's permission to expand its franchise area. With respect to the former, RLWSA and Lakes Region negotiated an Asset Purchase Agreement (Agreement), which they ultimately signed on July 10, 2025. The Agreement provided that Lakes Region would pay RLWSA \$100 for its assets, calculated by taking RLWSA's estimated value of its assets at \$200,940 and subtracting the cost Lakes Region would need to make the RLWSA a part of Lakes Region's system, which Lakes Region estimates to be \$200,840.

With respect to the latter, Lakes Region and RLWSA filed the instant petition with the Commission to expand Lakes Region's franchise area to cover the area that RLWSA's currently serves in Conway. *See Settlement Agreement, Attachment C.*

Under the plan outlined in the petition, Lakes Region would provide service to the new customers under its existing tariff. Since RLWSA is an unmetered system, its current customers would be charged Lakes Region's unmetered rate. Under Lakes Region's tariff, the unmetered rate is \$840.27 annually, billed quarterly at \$210.07. As Lakes Region installs meters at RLWSA residences, the customers will be charged at the metered rate on a pro rata basis. The Lakes Region metered rate currently consists of: (1) an annual charge of \$655.56, billed quarterly at a rate of \$163.89; and (2) a consumption charge of \$6.38 per 100 cubic feet (ccf) of water usage, also billed quarterly.

The Joint Petitioners represented that Lakes Region will be able to better manage the RLWSA system for several reasons. First, Lakes Region has a history of successfully operating small

water systems in northern New Hampshire and employs five professionals who specialize in the operation of small community water systems, including individuals with expertise and credentials in water treatment and utility management. Second, and relatedly, Lakes Region will be able to provide more comprehensive and timely services to new customers through its website, on-call notification system, and technical staff available to respond to emergencies at all hours. Lakes Region can also continuously monitor its operations using telemetry systems.

Lakes Region also states that the expansion will not harm its existing customers because the cost of serving the new customers will be covered by their rates. Moreover, Lakes Regions avers that the transaction will benefit its existing customers because the additional customers will expand the rate class, thereby decreasing overhead and administrative costs per customer.

Finally, the New Hampshire Department of Environmental Services (NHDES) has issued a letter affirming that the RLWSA system meets the suitability and availability criteria under RSA 374:22, III.

II. SETTLEMENT AGREEMENT

As noted in the introduction, the parties filed a Settlement Agreement. As part of the Settlement Agreement, the parties represented that Lakes Region has the managerial, technical, and financial experience to provide water service to RLWSA's customers, and that the proposed acquisition and expansion are therefore in the public good under the meaning of RSA 374:22. Further, the parties agree that it would be just and reasonable to apply Lakes Region's existing rates to the new customers. The parties therefore recommend that the Commission grant the petition.

Additionally, the Settlement Agreement also contains several provisions related to the proposed acquisition and expansion. First, the Settlement Agreement states that Lakes Region

will file customer notices with the DOE's Consumer Services Division for review and comment, and, after receiving the DOE's input, will provide such notices to its customers. Second, the parties agree that the Settlement Agreement is made without prejudice to future reviews of rates, including reviews of whether there is any cross-subsidization between older and newer customers. Third, Lakes Region will record its RLWSA acquisition costs as a deferred debit and will request recovery of those costs as part of its rate base in a future rate proceeding, subject to DOE review and Commission approval. Fourth, and finally, after closing, Lakes Region will submit information to the Commission regarding the transaction, including an updated system inventory list for the RLWSA system, a three-to-five-year projected capital budget for the RLWSA system, and a finalized list of RLWSA customers.

III. COMMISSION ANALYSIS

The issue in this docket is whether the Commission should grant the petition under RSA 374:22, thereby allowing Lakes Region to acquire the RLWSA system, expand its franchise area, and provide service to new customers under its existing tariff. All parties to this docket argue that the Commission should grant the petition, subject to the additional terms laid out in the Settlement Agreement.

Commission permission and approval is required before any person or business entity may exercise a utility franchise or, in the case of an existing public utility, expand its franchise area to serve customers in new locations. RSA 374:22, I. For the Commission to approve a petition, two conditions must be met. First, water companies must satisfy any applicable NHDES requirements regarding the suitability and availability of the water to be provided. RSA 374:22, III. Second, RSA 374:26 authorizes the Commission to permit a utility to expand its existing franchise area if it determines that an expansion "would be for the public good." In deciding

whether a proposed franchise expansion is for the public good, the Commission reviews whether the petitioner has the managerial, technical, and financial abilities to provide the service or services in question. *See City of Somersworth*, Order No. 26,685 at 3-4 (September 14, 2022). It may grant such permission without a hearing “when all interested parties are in agreement.” RSA 374:26.

As to the first element, NHDES confirmed that the RLWSA system meets the suitability and availability criteria required for a public utility. RSA 374:22, III. Secondly, with respect to the public good element, the Commission finds that, on the record before it, the acquisition and expansion are in the public good because Lakes Regions has the managerial, technical, and financial abilities to provide services to RLWSA’s customers. Specifically, the record shows that Lakes Region has an experienced staff that has successfully managed a number of small, independent water systems in northern New Hampshire, which supports that it has the managerial, technical, and financial abilities to provide water service to RLWSA’s customers. Moreover, Lakes Region has stated that RLWSA’s infrastructure is sufficient to meet the anticipated needs of its customers. For these reasons, the Commission finds that Lakes Region has the managerial, technical, and financial expertise to operate the RLWSA’s system.

The Commission further finds that it is in the public good to apply Lakes Region’s existing tariff to RLWSA’s customers. The Commission has previously found these rates to be just and reasonable as applied to Lakes Region’s current system and rate base, and Lakes Region’s acquisition of the RLWSA will not result in an immediate increase to rate base. Notably, for individuals currently served by RLWSA, the Lakes Region rates are lower than their existing rates, and thus, they will benefit from the application of the Lakes Region rates.

Significantly, the Commission finds that these benefits to RLWSA customers will not come at the expense of Lakes Region's existing customers. Because the asset purchase price is nominal, only \$100, the assets themselves will neither meaningfully increase Lakes Region's rate base nor increase its customers' rates. While Lakes Region intends to recover its acquisition costs as part of the rate base in a future proceeding, the Commission will review such costs for prudence and, if at all, provide approval at a future time to ensure that costs are not improperly passed on to Lakes Region's existing customers. Moreover, Lakes Region has indicated that the costs associated with serving the new customers will be covered by those customers' rates. In fact, Lakes Region has stated that the additional customers will benefit its existing customers by reducing per customer overhead and administrative costs. As with any increase in rate base, the Commission can review whether there is any cross-subsidization related to providing services to the new customers when reviewing future rate adjustments.

For these reasons, the Commission finds that it is in the public good under RSA 374:22 and RSA 374:26 for Lakes Region to purchase the RLWSA system and expand its franchise area to provide water service to RLWSA's existing customers and will thus grant the petition.² In granting the petition, the Commission finds that the additional terms agreed to in the Settlement Agreement are appropriate. Therefore, the Commission imposes those additional terms on Lakes Region as a condition of this approval.

² In the Commission's view, the issue of whether it would be just and reasonable to charge the customers within an expanded franchise area a utility's existing rates is included within the "public good" analysis of RSA 374:22 and RSA 374:26. However, to the extent necessary, the Commission also finds it just and reasonable to apply Lakes Region's approved rates to the RLWSA customers under RSA 374:2 and RSA 378:7 for the same reasons the Commission found it was in the public good.

Finally, because the extension of Lakes Region's water franchise into Conway is supported by all interested parties, the Commission can approve the request by order without holding a public hearing.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the petition is **GRANTED**, with this approval contingent on the additional conditions laid out in the Settlement Agreement; and it is

FURTHER ORDERED, that Lakes Region and RLWSA both shall inform their customers and the public of this order in one of the following ways: (1) posting notice of the order on any customer-facing websites they maintain; or (2) sending direct notice of the order through whichever means they typically transmit billing information to their customers. Such notice shall be made no later than April 14, 2026, with an affidavit of publication to be filed with this office on or before April 17, 2026; and it is

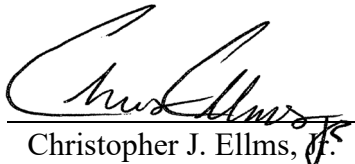
FURTHER ORDERED, that all persons interested in responding to this order be notified that they may submit their comments or file a written request for a hearing, stating the reason and basis for a hearing, no later than April 28, 2026, for the Commission's consideration; and it is

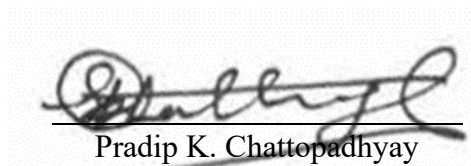
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than May 1, 2026; and it is

FURTHER ORDERED, that this order shall be effective May 4, 2026, unless the Joint Petitioners fail to satisfy the publication obligation set forth above or the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that Lakes Region shall file a compliance tariff and updated franchise map with the Commission on or before May 26, 2026, in accordance with New Hampshire Code of Administrative Rules, Puc 1603.02(b).

By order of the Public Utilities Commission of New Hampshire this ninth day of April 2026.



Christopher J. Ellms, Jr.
Chairman

Pradip K. Chattopadhyay
Commissioner

Mark W. Dell'Orfano
Commissioner

Service List - Docket Related

Docket#: 25-063

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Email Addresses

amanda.o.noonan@energy.nh.gov
brian_desmarais@hotmail.com
changing.lives@hotmail.com
ClerksOffice@puc.nh.gov
Energy-Litigation@energy.nh.gov
gary.m.cronin@energy.nh.gov
info@rlwsa.org
jayson.p.laflamme@energy.nh.gov
justin@nhwaterlaw.com
leah@Lakesregionwater.com
Marie-Helene.B.Bailinson@energy.nh.gov
Michael.J.Crouse@energy.nh.gov
ocalitigation@oca.nh.gov
paul.b.dexter@energy.nh.gov
Robyn.I.Sarette@energy.nh.gov
robyn.j.descoteau@energy.nh.gov
Startreece.S.Snow@energy.nh.gov
stephenpstcyr@yahoo.com
tom@lakesregionwater.com