

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 24-105

CITY OF LACONIA

Petition Pursuant to RSA 362:4 and RSA 374:22 to Extend Water Service Area

Order *Nisi* Granting Petition to Extend Water Service Area

O R D E R N O. 28,118

March 19, 2025

This order approves a petition of the City of Laconia to extend its existing water service area to include 18 residential lots in the Town of Belmont.

I. BACKGROUND AND PROCEDURAL HISTORY

The City of Laconia (Laconia, or the City) filed a petition (Petition) on October 1, 2024, to extend its water service area to include 18 additional residential lots located in the neighboring Town of Belmont (Belmont). On October 24, 2024, the Commission commenced an adjudicative proceeding and issued notice of prehearing conference. In lieu of the scheduled prehearing conference, the parties filed an assented to proposed procedural schedule on November 1, 2024. On November 4, 2024, the Commission approved the proposed schedule and scheduled a final hearing on the merits for February 20, 2025.

On November 6, 2024, the Commission received Mountain Lake Village, LLC's Petition to Intervene. On December 12, 2024, the Commission granted the Petition to Intervene.

On February 4, 2025, the Department of Energy (DOE) filed its technical statement and requested, on behalf of all parties, that the hearing for February 20, 2025 be cancelled and a *Nisi* order approving the petition to extend water service be

granted. On February 10, 2025, the Commission granted the request to cancel the hearing scheduled for February 20, 2025. Additionally, the Commission requested that all parties refile their evidentiary submissions by March 7, 2025 under oath or affirmation¹ to allow for an order to be written based on the written record. The parties complied with the February 10, 2025 procedural order and filed the requested affidavits by March 7, 2025.

The petition and subsequent docket filings, other than information for which confidential treatment is requested of or granted by the Commission, are posted on the Commission's website at www.puc.nh.gov/Regulatory/Docketbk/2024/24-105.html.

II. POSITIONS OF THE PARTIES

A. City of Laconia

Laconia requested approval to extend its water service area to include eighteen residential lots in the Belmont. The residential lots are owned by Mountain Lake Village, LLC. The Mountain Lake Village, LLC developer will be funding the extension of the water mains to the new residences. This will minimize Laconia's utility infrastructure costs and ensure that its current customers are not subsidizing the proposed expansion. The expansion of service was approved by Laconia and Belmont. See October 1, 2024 Petition at ¶3. Furthermore, prior to Laconia filing its Petition to Expand Service, they contacted the New Hampshire Department of Environmental Services (NHDES) and received NHDES approval for the expansion. Specifically, NHDES determined that the Laconia Water Works system met the suitability and

¹ The parties requested a waiver of hearing and the issuance of an order *Nisi*. Pursuant to RSA 365:14 (the Commission's power to request sworn copies of books, records, contracts, documents and papers), RSA 541-A:33 (concerning submission of evidence), and New Hampshire Code of Administrative Rules, Puc 204.14(b) (the Commission's rules concerning submission of evidence) evidence to be reviewed to support a decision must be sworn to under oath or affirmation.

availability criteria of RSA 374:22, III for expansion of water service into Belmont. See Attachment to Petition at 16.

Laconia asserts that it will provide water service to the customers in the proposed franchise area of Belmont uniformly as provided to customers in Laconia. Consistent with RSA 362:4, III(a), the Belmont water customers will be billed at a rate 15 percent higher than the rate charged to ratepayers in Laconia. See Petition at ¶ 6. As evidence of Laconia's managerial, technical, and financial expertise to provide water service to the proposed franchise expansion area, Laconia relies on the following facts:

- 1) The City of Laconia Water Department (Water Department) has been in existence since 1955;
- 2) The Water Department employs 17 full-time employees;
- 3) Of the 17 people the Water Department employs, 4 individuals meet or exceed the operational standards set by NHDES for Grade III Distribution;
- 4) The Water Department currently maintains a NHDES-licensed water system providing general service metered water to residential customers in two other expansion areas outside of Laconia in Belmont and Gilford.

See City of Laconia Responses to DOE November 6, 2024 & December 18, 2024 Data Requests submitted as Attachments to the DOE's March 4, 2025 Technical Statement.²

B. Department of Energy

The DOE reviewed Laconia's petition, attachments, and responses to information requests and recommended approval of the expansion. The DOE

² Pursuant to a February 10, 2025 procedural order of the Commission, on March 4, 2025 the DOE filed the affidavit of Anthony Leone, Utility Analyst, certifying that the facts contained in his technical statement were true and accurate. On March 7, 2025, the superintendent of Laconia's Water Department, Benjamin Crawford, filed an affidavit that the facts contained in the filings submitted by Laconia, or on behalf of Laconia, were true and accurate to the best of his information and belief.

concluded that Laconia possesses the requisite expertise to operate and maintain water services in the proposed service area in Belmont. Specifically, Laconia has operated its water department since 1955 and Laconia's Water Department employees are well qualified to maintain and operate the current water system. In addition, the DOE noted that NHDES has confirmed that the Laconia Water system satisfies the requirements of RSA 374:22, III regarding the suitability and availability of water to serve the proposed extension in Belmont. *See* Technical Statement at 2.

The DOE noted that the Commission has already authorized Laconia to expand its water franchise territories. While approving the prior franchise territories, the Commission found that expansion by Laconia was in the public good. *See City of Laconia*, Order No. 24,841 (April 4, 2008). As such, the DOE opined that Laconia has demonstrated that the currently proposed franchise expansion is also in the public good. In this expansion, the owner of the development is funding the extension of the water mains to the new residences to minimize Laconia's utility infrastructure costs and ensure that its current customers are not subsidizing the expansion. *See* Technical Statement at 3.

III. COMMISSION ANALYSIS

Pursuant to RSA 374:22, I "[n]o person or business entity . . . shall exercise any right or privilege under any franchise not theretofore actually exercised . . . without first having obtained the permission and approval of the commission." The Commission will grant a request for franchise authority if it finds that it is for the public good. RSA 374:26. When determining whether a proposed franchise is for the public good, the Commission assesses, among other things, the managerial, technical, and financial abilities of the petitioner. *See, e.g., City of Somersworth*, Order No. 25,420 at 3 (October 5, 2012) (granting the City's request for franchise expansion to

serve four residential properties in the Town of Rollinsford and the conversion of an existing commercial customer from private fire protection service to full water service). Under RSA 374:22, III, no water company shall obtain the permission or approval of the Commission to operate as a public utility without first satisfying any NHDES requirements concerning the suitability and availability of water.

Based on our review of the record and DOE's recommendation, we find that the City possesses the managerial, technical, and financial capabilities to provide water service. The infrastructure to support the proposed franchise is being paid for by the developer. We find that the August 24, 2024, correspondence provided from NHDES adequately evidences that the City meets the suitability and availability of water requirements of RSA 374:22, III. As such, we find that Laconia's request is for the public good.

Pursuant to RSA 362:4, III-a(a)(1), municipal corporations serving new customers outside their municipal boundaries are exempt from Commission regulation, other than for franchise territory expansions, if they charge rates to outside customers that are no higher than 15 percent above rates charged to customers inside the municipal boundaries. Because the City will be charging the Belmont residents no higher than 15 percent above the rates they are charging Laconia customers, we find that Laconia remains exempt from Commission regulation, other than for franchise territory expansion.

RSA 374:26 authorizes the Commission to grant requests for franchise authority without a hearing "when all interested parties are in agreement." We will issue our order on a *nisi* basis to ensure that all interested parties receive notice of the proposed extension and have an opportunity to comment or request a hearing

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below and pursuant to RSA 374:22 and 374:26 the City of Laconia is authorized to extend water service to 18 residential lots in the Town of Belmont; and it is

FURTHER ORDERED, that the City of Laconia's provision of water service remains exempt from Commission regulation according to RSA 362:4, III-a(a)(1); and it is

FURTHER ORDERED, that the City of Laconia shall cause a copy of this order to be published on its website by no later than the close of business on March 24, 2025; noticed through billing in the next billing cycle after the issuance of this order; and to be documented by affidavit filed with this office on or before March 31, 2025; 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 April 7, 2025, 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 April 14, 2025; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective April 21, 2025, unless the Petitioner 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 nineteenth day of March, 2025.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Mark W. Dell'Orfano
Commissioner

Service List - Docket Related

Docket#: 24-105

Printed: 3/19/2025

Email Addresses

ClerksOffice@puc.nh.gov
philb@worldpath.net
Energy-Litigation@energy.nh.gov
robyn.j.descoteau@energy.nh.gov
paul.b.dexter@energy.nh.gov
joe@mitchellmunigroup.com
alexandra.k.ladwig@energy.nh.gov
jayson.p.laflamme@energy.nh.gov
anthony.j.leone@energy.nh.gov
amanda.o.noonan@energy.nh.gov
ocalitigation@oca.nh.gov
chris@mitchellmunigroup.com
laura@mitchellmunigroup.com