



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND PUBLIC HEARING

D.P.U. 17-177

February 6, 2018

Petition for Approval of (1) the Sale of the Assets of Springdale Farms Water Supply Trust to Colonial Water Company; (2) Issuance by Colonial Water Company of a Promissory Note or Notes in an Amount up to \$250,000; (3) Related Tariff Amendments; (4) the Merger of Plymouth Water Company into Colonial Water Company; and (5) Issuance by Plymouth Water Company of a Promissory Note or Notes in an Amount up to \$230,000.

On December 18, 2017, Colonial Water Company (“Colonial”), Plymouth Water Company (“Plymouth”), and Springdale Farms Water Supply Trust (“Springdale”) (together, “Joint Petitioners”) filed with the Department a request for approval of: (1) the purchase of Springdale’s assets by Colonial; (2) the issuing of a promissory note or notes in an amount up to \$250,000 by Colonial to assist in its purchase of Springdale’s assets; (3) the merger of Plymouth into Colonial; (4) the issuing of tariffs reflecting the fact that Colonial is to become the water distribution utility in Springdale’s and Plymouth’s current service areas; and (5) the issuing of a promissory note or notes in an amount up to \$230,000 by Plymouth to finance a water main extension under Raymond Road in the Town of Plymouth (“Petition”). The Department has docketed this matter as D.P.U. 17-177.

Colonial and Plymouth are both wholly-owned subsidiaries of New England Service Company, a Connecticut corporation. Colonial currently serves approximately 620 customers in Dover, Massachusetts, while Plymouth currently serves approximately 820 customers in Plymouth, Massachusetts. Springdale, which has its principal place of business in Dover, Massachusetts, currently provides water service to approximately 40 individuals in Dover, Massachusetts.

On November 10, 2017, Colonial entered into an Asset Purchase Agreement (“APA”) with Springdale. The Joint Petitioners assert that Colonial’s acquisition of Springdale’s assets will complement Colonial’s current overall operation by increasing its economies of scale within the Town of Dover. Colonial staff currently provides operation and maintenance services for Springdale, and assuming approval of the APA by the Department, Colonial would assume the role of primary operator. Among other things, the APA stipulates that Springdale’s current rates would remain the same for a period of two years following the date of the signing of the APA. At the same time, Colonial is seeking to merge its affiliate, Plymouth, into its corporate and operational structure. Although shared personnel already

conduct Colonial and Plymouth daily operations, the Joint Petitioners assert that the merger will mitigate certain reoccurring expenses that are inherent in operating separate water utilities. The Joint Petitioners further assert that while Colonial would become the water distribution utility for Plymouth customers following the closing of the merger, current water service and rates in the Plymouth service area would remain the same.

In connection with the purchase of Springdale's assets, the Joint Petitioners seek approval from the Department for Colonial to issue a promissory note or notes in an amount up to \$250,000. The Joint Petitioners contemplate that the note or notes will be issued simultaneously with the closing of the proposed Springdale assets purchase.

The Joint Petitioners also seek approval from the Department for Plymouth to issue a promissory note or notes in an amount up to \$230,000. This request is related to the financing of a water main extension by Plymouth under Raymond Road in Plymouth, anticipated to occur in the spring of 2018.

Water distribution utility company asset sales, mergers, and consolidations are subject to Department approval pursuant to G.L. c. 165, § 2 and G.L. c.164, § 96. Additionally, the issuance of promissory notes by companies engaged in the distribution and sale of water within the Commonwealth requires Department approval pursuant to G.L. c. 165, § 2 and G.L. c. 164, § 14. Accordingly, the Department will conduct a public hearing to receive comments on the Petition. This hearing will take place on **Friday, March 2, 2018**, at 2:00 p.m., at the Department's offices, One South Station, 5th Floor, Boston, Massachusetts, 02110. A procedural conference will take place immediately following the public hearing. Any person who desires to comment may do so at the public hearing mentioned above or by submitting written comments to the Department not later than the close of business (5:00 p.m.) on **Friday, March 2, 2018**.

Reasonable accommodations at public hearings for people with disabilities are available on request. Include a description of the accommodation you will need, including as much detail as you can. Also include a way the Department can contact you if we need more information. Please provide as much advance notice as possible. Last minute requests will be accepted, but may not be able to be accommodated. Contact the Department's ADA coordinator at DPUADACoordinator@state.ma.us or 617-305-3642.

Any person who desires to participate as a party in this proceeding must file a written petition for leave to intervene with the Department not later than the close of business (5:00 p.m.) on **Thursday, February 22, 2018**. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 CMR 1.01(4). To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

An original and one (1) copy of all written comments or petitions to intervene must be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts, 02110, not later than the close of business (5:00 p.m.) on the dates noted above. One copy of all written comments or petitions to intervene should also be sent to counsel for Colonial and Plymouth, Eric Krathwohl, Esq., Rich May, P.C., 176 Federal Street, Boston, Massachusetts 02110, and counsel for Springdale, Timothy McAloon, Esq., McAloon Law Group, LLC, 35 Braintree Hill Office Park, Suite 204, Braintree, Massachusetts 02184.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dpu.efiling@state.ma.us and to the Hearing Officer, daniel.licata@state.ma.us; or (2) on a CD-ROM. The text of the e-mail or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 17-177); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <http://web1.env.state.ma.us/DPU/FileRoom/dockets/bynumber> (enter "17-177").

The Petition is available for public viewing, during business hours, at the Department's offices, One South Station, Boston, Massachusetts, 02110, and on the Department's website. Copies are also available for public viewing, during business hours, at the each of the respective offices of the Joint Petitioners, located at: 14 Dedham Street, Dover, Massachusetts (for Colonial); 133 Raymond Road, Plymouth, Massachusetts (for Plymouth); and 19R Old Colony Drive, Dover, Massachusetts (for Springdale). To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at DPUADACoordinator@state.ma.us or 617-305-3642.

Any person desiring further information regarding the Petition should contact counsel for Colonial and Plymouth, Eric Krathwohl, Esq., at (617) 556-3857 or counsel for Springdale, Timothy McAloon, Esq., at (857) 930-4081. Any person desiring further information regarding this notice should contact Daniel Licata, Hearing Officer, Department of Public Utilities, at 617-305-3523.