

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6591

Petition of Summit Ventures NE, LLC for )  
approval of Mountain Water Company stock )  
transfer )

Order entered: 12/19/2001

**I. INTRODUCTION**

On September 27, 2001, Summit Ventures NE, LLC ("Summit Ventures") filed a petition seeking approval for the transfer of all of the issued and outstanding stock of Mountain Water Company ("Mountain Water"), pursuant to 30 V.S.A. § 107.<sup>1</sup> The proposed stock transfer will be made in conjunction with Summit Ventures' acquisition of certain assets of the Sugarbush Resort, owned and operated by Sugarbush Resort Holdings, Inc., whose assets include Mountain Water. Mountain Water holds a Certificate of Public Good ("CPG"), issued by the Public Service Board ("Board") on September 13, 1982.<sup>2</sup> The proposed stock transfer would result in Summit Ventures becoming fully responsible for the control, management and operation of Mountain Water.

By letter dated November 15, 2001, the Vermont Department of Public Service ("Department") recommended approval of the stock transfer, without hearings or investigation, based on its review of the petition, prefiled testimony and supporting materials, as well as discussions with the attorney for, and employees of Mountain Water. The Department raised concerns with Mountain Water regarding, *inter alia*, Mountain Water's previous non-compliance in the filing of Annual Reports and payment of gross revenue taxes. All concerns were addressed

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1. John R. Ponsetto, Esq., letter to Susan M. Hudson, Clerk of the Public Service Board, dated 9/26/01.

2. Docket 4555, Order of 9/13/82

to the Department's satisfaction, and the Department anticipates future compliance.<sup>3</sup> The Department also noted that Mountain Water had changed its fiscal year, and recommended that it should seek Board approval of this change.

## **II. FINDINGS**

1. Summit Ventures filed a request for approval of the transfer of all stock of Mountain Water, in conjunction with Summit Ventures' acquisition of certain assets of the Sugarbush Resort, owned and operated by Sugarbush Resort Holdings, Inc. Petition at Exh.

2. The personnel who manage the day-to-day operation of Mountain Water are expected to be the same individuals currently responsible for these affairs. Stirewalt pf. at 3.

3. The stock transfer will have no impact on rates charged for water service, nor will any change be made in the operation of the water system. Consequently, there will be no adverse effect on ratepayers. *Id.*; 11/15/01 Department letter ¶ 2.

4. The acquisition of a controlling interest of Mountain Water by Summit Ventures will promote the public good by keeping in place individuals with expertise relevant to the operation of a public water system. Petition at ¶ 4.

## **III. DISCUSSION**

Parties that seek to acquire a controlling interest in a company subject to Board jurisdiction must first obtain approval from the Board. Pursuant to 30 V.S.A. § 107,<sup>4</sup> in order to approve the acquisition of a controlling interest, the Board must find that the acquisition will promote the public good. We conclude that the transfer of control of Mountain Water Company to the new owners satisfies the requirements of 30 V.S.A. § 107. Also, as indicated above, this transaction will result in the placement of persons with experience relevant to the operation of a public water system, and with an understanding of the legal duties associated with their ownership.

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3. Department letter, 11/15/01 at 2.

4. Under Section 107, a "controlling interest" is defined as 10% or more of the outstanding voting securities of a company.

Based upon all of the foregoing, we find that the transfer of control of the Company will promote the public good, and therefore we approve it.

**IV. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

- 1. The transfer of all stock in Mountain Water Company to Summit Ventures NE, LLC, and the controlling interest thereto, will promote the public good, and is approved.

Dated at Montpelier, Vermont, this 19<sup>th</sup> day of December, 2001.

<u>s/Michael H. Dworkin</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: December 19, 2001

ATTEST: s/Susan M. Hudson

Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or mail) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*