

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6861

Joint Petition of Burke Mountain Water)
Company and Mountain Road Management)
Company, for approval to transfer water supply)
and related assets)

Order entered: 9/16/2003

I. INTRODUCTION

On June 18, 2003, by joint petition, Burke Mountain Water Company ("Water Company") and Mountain Road Management Company ("Management Company") filed a request for approval from the Vermont Public Service Board ("Board") for a transfer of assets from Management Company to Water Company. On July 21, 2003, the Vermont Department of Public Service ("Department") recommended that the Board approve the filing with one condition: that Petitioners must file written notification to the Board and the Department within one week of the closing.

I find the transfer to be in the public good under 30 V.S.A. § 107, and recommend that the Board approve the petition.

II. FINDINGS¹

1. Water Company is a Vermont corporation that provides water service to approximately 200 customers located in the Town of Burke, Vermont. Pet. at 1.

2. Water Company provides water service in Vermont under an Amended Certificate of Public Good ("CPG") issued on July 11, 2001, in Docket No. 6510. Docket No. 6510, Order of 7/11/01; Pet. at 2.

1. All materials that have been filed with the Board in this Docket, including the petition and all correspondence, shall be included in the evidentiary record. Any objection to this provision should be noted in the comments on the proposal for decision.

3. The assets to be transferred from Management Company to Water Company include all water systems, wells, and springs, including all cisterns, reservoirs, holding tanks, pipelines, and appurtenances thereto. Letter of August 11, 2003, from Suzanne Monte.

4. The assets to be transferred are fully depreciated, and therefore have a net book value of zero. The amount of consideration that Water Company will pay to Management Company for these assets will be \$1.00. Letter of August 11, 2003, from Suzanne Monte.

5. Water Company will continue to provide services at the existing rates, terms, and conditions, and without material change. Pet. at 3.

6. The management and operations staff of Water Company will remain the same. *Id.*

7. The transfer of assets will be an intercompany transfer, and the consideration paid will be \$1.00. Letter of August 11, 2003, from Suzanne Monte.

III. DISCUSSION

The proposed transaction requires Board approval under 30 V.S.A. § 109, which applies to the transfer by a corporation subject to the jurisdiction of the Board of ten percent or more of the company's property located within Vermont and used in or required for its public service operations. Section 109 requires a finding that the transfer will promote the general good of the State. I find that this standard is met in this case. The proposed transaction will promote the general good in that it will result in the ownership and operation of the water system being consolidated within one company. Additionally, the proposed transfer will not cause inconvenience or confusion to the water system's customers, since Water Company will continue to provide services at the existing rates, terms and conditions.

I recommend that the Board approve the proposed transfer of assets as being consistent with the general good of the State of Vermont. I also recommend that this matter be decided without hearing pursuant to Board Rule 2.219.

The foregoing is hereby reported to the Board in accordance with the provisions of 30 V.S.A. § 8.

The Proposal for Decision has been served on all parties to this proceeding in accordance with 3 V.S.A. § 811. On September 8, 2003, the Department provided comments on this

Proposal for Decision. Specifically, the Department suggested that, in Finding number 4, "the Board should include a statement that the assets being transferred are fully depreciated, and therefore have a net book value of zero." The Department's recommendation is reasonable and is therefore incorporated into the Proposal for Decision. As this change is not adverse to any party, this modified Proposal for Decision has not been circulated among the parties. See 3 V.S.A. § 811.

Dated at Montpelier, Vermont, this 12th day of September, 2003.

s/Ed McNamara
Edward McNamara
Hearing Officer

IV. ORDER

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

1. The findings, conclusions, and recommendations of the Hearing Officer are adopted.
2. The transfer of title from Mountain Road Management Company to Burke Mountain Water Company of the water supply and assets used in connection with the provision of water service by Burke Mountain Water Company is approved.
3. Petitioners shall notify the Board and the Department within one week of the closing.

Dated at Montpelier, Vermont, this 16th day of September, 2003.

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

OFFICE OF THE CLERK

FILED: September 16, 2003

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 in writing) 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.