

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6883

Joint Petition of Sunshine Water Company, Inc.)
to sell its two water systems, located in the Lake)
Bomoseen region, to Indian Point Water System)
Association, Inc. and Indian Bay Water System)
Association, Inc.)

Order entered: 9/30/2003

I. INTRODUCTION

On September 15, 2003, Sunshine Water Company, Inc. ("Sunshine Water"), Indian Point Water System Association, Inc. ("Indian Point Association"), and Indian Bay Water System Association, Inc. ("Indian Bay Association") petitioned the Vermont Public Service Board ("Board") for approval to transfer the ownership of two water systems owned by Sunshine Water to Indian Point and Indian Bay, respectively, and to request that the Board revoke Sunshine Water's Certificate of Public Good ("CPG") pursuant to 30 V.S.A. §231.

On September 19, 2003, the Vermont Department of Public Service filed a letter with the Board recommending the Board approve this petition. The Board hereby approves the petition.

II. FINDINGS

1. A CPG was issued to Sunshine Water for two water systems located in the Lake Bomoseen region of Castleton known as Indian Point Water System and Indian Bay Water System on September 10, 1992. Docket Nos. 5559 and 5572, Order of 9/10/92.

2. The combined systems have approximately 32 customers. Vermont Department of Public Service Biennial Report: July 1, 1998 - June 30, 2000.

3. The current owner of the water systems is unable to continue to operate these systems due to health reasons. Petition.

4. The Indian Point Water System requires approximately \$2,000 in improvements. The Indian Point Association will assume responsibility for these improvements and will initiate the

work in the spring of 2004. Letter of 9/26/03, from Gilbert Nadeau to Judith Whitney, Deputy Clerk of the Board.

5. The Indian Bay Water System requires approximately \$2,000 in improvements. The Indian Bay Association will assume responsibility for these improvements and will initiate the work in the spring of 2004. Letter of 9/26/03, from Thomas Tully to Judith Whitney, Deputy Clerk of the Board.

6. Sunshine Water proposes to transfer title to the Indian Point Water System to the Indian Point Association for a nominal price of one dollar (\$1.00). Letter of Agreement Concerning Transfer of Ownership to Indian Point Water System Association, Inc.

7. Sunshine Water proposes to transfer title to the Indian Bay Water System to the Indian Bay Association for a nominal price of one dollar (\$1.00). Letter of Agreement Concerning Transfer of Ownership to Indian Bay Water System Association, Inc.

8. Sunshine Water will provide the Indian Point Association and the Indian Bay Association with information and assistance regarding the annual maintenance, layout, and make-up of the water systems. Petition.

9. On August 27, 2003, the Vermont Secretary of State issued a Certificate of Incorporation to the Indian Point Water System Association, Inc. as a Vermont domestic non-profit corporation. Certificate of Incorporation, dated August 27, 2003.

10. On September 5, 2003, the Vermont Secretary of State issued a Certificate of Incorporation to the Indian Bay Water System Association, Inc. as a Vermont domestic non-profit corporation. Certificate of Incorporation, dated September 5, 2003.

11. All customers of Sunshine Water have either joined the new water system associations or have drilled their own wells. Letter of 9/26/03, from Gilbert Nadeau to Judith Whitney, Deputy Clerk of the Board; Letter of 9/26/03, from Thomas Tully to Judith Whitney, Deputy Clerk of the Board; Letter of September 25, 2003, from Michael McLaughlin to Susan Hudson, Clerk of the Board.

III. CONCLUSION

The current owner of the Indian Point Water System and the Indian Bay Water System is not able to continue to manage these systems. Additionally, both water systems require improvements to maintain an adequate water supply to their customers. The proposed transfers to water system associations owned and managed by their customers will help ensure that a responsible entity is able to oversee and manage the water systems in a safe and reliable manner. All of the former customers of the systems will continue to be served by these associations except for those who have opted to drill their own wells. For these reasons, the proposed transfers of the Indian Point Water System and the Indian Bay Water System are in the public good.

Neither the Indian Point Association nor the Indian Bay Association have requested a CPG from the Board to own and operate the respective water systems. Under 30 V.S.A. § 203(3), the Board regulates any "company other than a municipality engaged in the collecting, sale and distribution of water for domestic, industrial, business or fire protection purposes." If the Indian Point Association and the Indian Bay Association do not offer water service to the general public, and limit its service to the members of the respective associations, these associations will not fall within the definition of "company" as used in 30 V.S.A. § 203(3) and would not require a CPG from the Board. See 30 V.S.A. § 203(3), 1966-68 Op. Atty. Gen. 153. If the Indian Point Association or the Indian Bay Association expand service to customers who are not members of the associations, these entities would be considered a company, as that term is used in 30 V.S.A. § 203(3), and would therefore be regulated by the Board and would require a CPG from the Board.

IV. ORDER

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

1. Pursuant to 30 V.S.A. § 109, the transfer of ownership of the Indian Point water system from Sunshine Water Company, Inc. to the Indian Point Water System Association, Inc. is approved and a certificate of consent shall be issued.

2. Pursuant to 30 V.S.A. § 109, the transfer of ownership of the Indian Bay water system from Sunshine Water Company, Inc. to the Indian Bay Water System Association, Inc. is approved and a certificate of consent shall be issued.

3. Pursuant to 30 V.S.A. § 231, the Certificate of Public Good issued to Sunshine Water Company, Inc. on September 10, 1992, shall be revoked upon consummation of the proposed transactions.

4. Sunshine Water shall notify the Vermont Public Service Board and the Vermont Department of Public Service within ten days of the completion of the proposed transactions.

Dated at Montpelier, Vermont, this 30th day of September, 2003.

s/Michael H. Dworkin)

) PUBLIC SERVICE

s/David C. Coen)

) BOARD

s/John D. Burke)

) OF VERMONT

OFFICE OF THE CLERK

FILED: September 30, 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.