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August 17, 2005

Debra A. Howland
Executive Director and Secretary
Public Utilities Commission
8 Old Suncook Road
Concord, NH 03301-7319

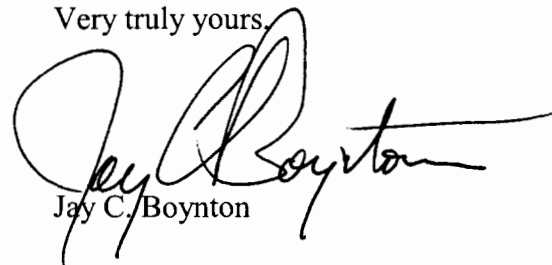
RE: TILTON and NORTHFIELD AQUEDUCT COMPANY, INC.
Sale of Stock to TILTON and NORTHFIELD WATER DISTRICT

Dear Ms. Howland:

Enclosed for filing in the referenced matter are an original and 8 copies of a Joint Petition to Approve Sale. We have also enclosed a pc floppy disk with the documents in Microsoft Word format for your convenient use.

Thank you for your assistance. If you have any questions, please call.

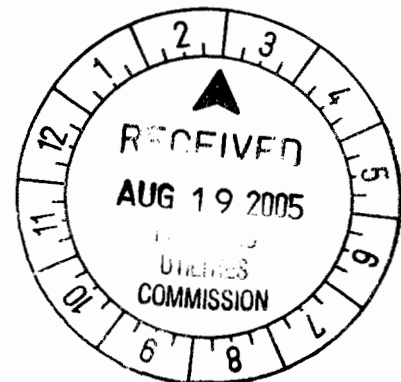
Very truly yours,


Jay C. Boynton

JCB/rab

Enclosures

Cc: Peter Russell
Office of the Consumer Advocate
Kenneth F. Money



**THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

IN RE TILTON NORTHFIELD AQUEDUCT COMPANY, INC.

Sale of Stock to TILTON AND NORTHFIELD WATER DISTRICT

JOINT PETITION TO APPROVE SALE

NOW COME TILTON NORTHFIELD AQUEDUCT COMPANY, INC., and TILTON NORTHFIELD WATER DISTRICT and, pursuant to RSA 374:22 and 30, request the Commission to approve the sale of all of the stock of TILTON NORTHFIELD AQUEDUCT COMPANY, INC. to TILTON AND NORTHFIELD WATER DISTRICT. In support of this joint petition, the TILTON NORTHFIELD AQUEDUCT COMPANY, INC., and TILTON NORTHFIELD WATER DISTRICT state:

1. TILTON NORTHFIELD AQUEDUCT COMPANY, INC. (the "Company") is a corporation organized and existing under the law of the State of New Hampshire. The Company is a public utility, owning and operating a public water supply system in the Towns of Tilton and Northfield, New Hampshire. The Company's address is 315 Main Street, Tilton, NH 03276.

2. TILTON AND NORTHFIELD WATER DISTRICT ("TNWD") is a governmental entity (municipality) organized and existing under the law of the State of New Hampshire. Its address is 257 Main Street, Tilton, NH

03276.

3. The issued capital stock of the Company consists of 874 shares of common stock with a par value of \$100.00 per share.

4. TNWD was formed for the purpose of acquiring and operating this water system as a municipal entity.

5. The shareholders of the Company have agreed to transfer outright all of the capital stock of the Company to TNWD. (Exhibit 1) After the transfer, the present shareholders of the Company will have no further connection with the Company, except to provide continuity as set forth below.

6. The voters of the District have approved this acquisition and financing. Full hearings were held with the required "super majority" two thirds (2/3) vote. The community has itself determined that this sale is in the public good. (Exhibit 2)

7. The Parties have assurance that Rural Development funds are available to finance this transaction. (Exhibit 3)

8. The Department of Environmental Services has approved the suitability and availability of water and the voters of the District have accepted responsibility for operating the system. The Water District Commission and current management of the Company have reached agreement for the continuity of operational supervision with existing staff.

9. This joint petition is submitted without prejudice to the claim of

the Company and TNWD that the transfer of the stock of the Company does not require Commission approval.


WHEREFORE, the Company and TNWD pray that the Commission issue an order approving the transfer of all of the capital stock in the Company to TNWD. The Parties believe that because this is an existing, approved system, because the municipality has, after full hearing, determined that this acquisition is in the public good and because full control will remain within the State, no further hearing before the Public Utilities Commission is necessary or appropriate and that an Order Nisi may be issued. If further hearing is required however, the Parties request that it be conducted on an expedited basis.

Dated: August 17, 2005

Respectfully submitted,

Tilton and Northfield Water District

By:

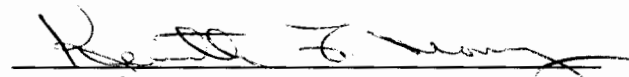

Commissioner, Duly Authorized


Commissioner, Duly Authorized

Commissioner, Duly Authorized

Tilton and Northfield Aqueduct Company,
Inc.

For the Company and Shareholders:


Kenneth F. Money, President, Duly
Authorized

**AGREEMENT TO EXTEND
STOCK PURCHASE AGREEMENT ORIGINALLY DATED 02/11/05**

This Extension Agreement entered into this date, is by and among TILTON AND NORTHFIELD WATER DISTRICT, a NEW HAMPSHIRE municipal subdivision, ("Purchaser"), and TILTON AND NORTHFIELD AQUEDUCT COMPANY, INC., a NEW HAMPSHIRE corporation ("Corporation"), and KENNETH F. MONEY, Trustee of the Kenneth F. Money Revocable Trust, (SELLER #1), BARBARA J. MONEY, Trustee of the Barbara J. Money Revocable Trust (SELLER #2), KENNETH F. MONEY and BARBARA J. MONEY, Trustees of the Robert W. Marshall Revocable Trust (SELLER #3), and JON EMERSON (SELLER #4) (collectively referred herein to as "Sellers").

WHEREAS, the Parties to this Agreement wish to extend the date for closing;

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. The Purchaser has investigated fully to its complete satisfaction, with due diligence, all tax implications of this transaction without reliance upon the Sellers, the Corporation, their attorneys or accountants.
2. The Parties have mutually agreed that the closing shall be extended and completed on or before August 31, 2005 and that, time being of the essence, no further extension shall be permitted without the prior written approval of all of the Parties.
3. Sellers have provided to the Purchaser any and all documents and information requested.
4. The Purchaser will diligently seek written confirmation from Rural Development that funds are available for this transaction and, upon receipt thereof, the Corporation will initiate such action before the Public Utilities Commission as may be required and the Purchaser will seek such approval of the State as it requires. Neither will initiate such process prior to written confirmation from Rural Development. In the event such confirmation, having been provided, is withdrawn or modified, the Sellers may, at their option, terminate any approval process.
5. In all other respects, the Stock Purchase Agreement originally dated 02/11/05 is affirmed and ratified.

Dated on this 29 day of June, 2005

Tilton and Northfield Water District

By: Heber J. Truesner
Commissioner, Duly Authorized
John La Branche
Commissioner, Duly Authorized
Roland L. Lyman
Commissioner, Duly Authorized

Dated on this 27th day of June, 2005

Tilton and Northfield Aqueduct Company, Inc.

For the Company and Shareholders:

Kenneth F. Money
Kenneth F. Money, President, Duly Authorized

Tilton Northfield Water District Commission
Annual Meeting
April 19, 2005
Minutes

The first Annual Meeting of the Tilton Northfield Water District Commission was called to order by Moderator James Shepherd at 7:15 p.m. at the Winnisquam Regional High School Cafetorium. The Moderator introduced Commissioners Heber Feener, Roland Seymour, Francis LaBranche, Clerk Josephine Nichols, and Consultant Peter Russell. Mr. Shepherd swore in Jim Lammanuzzi, Bob Hardy, and Bill Caine as Assistant Moderators and to serve as ballot clerks, also explained the rules for the meeting to the voters assembled. The results of the ballot voting were:

ARTICLE #1 To elect all necessary Water District Officers.

For Commissioner	
Heber J Feener for 1 year term	108
Roland C. Seymour for 2 year term	112
Francis H. LaBranche, Jr. for 3 year term	110
For District Clerk	
Josephine E. Nichols for 3 year term	107
For Treasurer	
Glen Brown for 3 year term	87
For District Moderator	
James N. Shepherd for 3 year term	112

ARTICLE #2 To see if the District will vote to raise and appropriate the sum of nine million one hundred twenty four thousand Dollars (\$9,124,000.00) for the purpose of acquisition of the Tilton Northfield Aqueduct Company;
 Nine Million one hundred twenty four thousand dollars (\$9,124,000.00) of such sum to be Raised through the issuance of bonds or notes under and in compliance with the Municipal Finance Act, RSA 33:1 et seq., as amended; to authorize the Commissioners to apply for, obtain and accept federal, state or other aid, if any, which may be available for said project and to comply with all laws applicable to said project; to authorize the Commissioners to assume existing debt, to issue, negotiate, sell and deliver said bonds and/or notes and to determine the rate of interest thereon and the maturity and other terms thereof; and to authorize the Commissioners to take any other action or to pass any other vote relative thereto.

This article was read. Motion made by Heber Feener and seconded by Roland Seymour. Mr. Feener read a statement he prepared (copy attached).

Q: Dave Tracy asked if debt is part of the \$9,124,000.

A: Roland Seymour explained that the existing debt of \$5 million is part of that figure, \$4.1 is for purchase of simple stock and the bond is "no more than \$9,124,000."

Q: Phil King asked what the pay back period is and will rates go up.

A: Roland Seymour stated that it will be 4.5% for 30 years, and that no user rate increase is anticipated. The system is in A-1 condition.

Q: Dave Lake wanted to know how future commercial users will be treated.

A: Heber Feener stated they will pay full rate plus cost of installing.

Q: Al Welsh asked if the water lines are all on the blue prints and will current personnel be retained.

A: Heber Feener said that Kenneth and Barbara Money have agreed to stay on up to 1 year and no other changes are planned. All water lines are indicated on maps.

The ballot box opened at 7:37 p.m. and closed at 8:42 p.m., two thirds majority required to pass.

ARTICLE #2 PASSED: Yes - 117, No - 4

ARTICLE #3 To see if the District will vote to raise and appropriate the amount of \$9,124,000 (nine million, one hundred twenty four thousand dollars) as requested in Article 2, only if said article is approved by the required 2/3 margin. Note: The Commissioners will operate the water company with purchased assets until a 2006 budget is prepared for District voter consideration.

This article was read, motion made by Rob Steady and seconded by Barbara Isensee; opened for discussion. Consultant for the water district, Peter Russell was asked to explain the article. He explained that this article gives the commissioners the authority to spend the \$9,124,000 for the acquisition, it does not include a budget. The water district will use assets of the company to run it for the balance of this year. Next year's budget will be presented at a later date for voter approval.

Q: Barbara Foster asked why Article #3 was needed and questioned the wording.

A: Peter Russell explained that it was written in compliance with state requirements, giving approval to spend the money and is dependent on Article #2 passing by the 2/3 majority.

There was no further discussion.

Article #3 PASSED unanimously on a voice vote.

ARTICLE #4 To see if the District will vote: "Shall we adopt the provisions of RSA 31:95-c to restrict up to \$50,000.00 of revenues from water charges and other fees to expenditures for the purpose of future District capital improvements? Such revenues and expenditures shall be accounted for in a special revenue fund to be known as the capital improvements funds, separate from the general fund. Any surplus in said fund shall not be deemed part of the general fund accumulated surplus and shall be expended only after a vote by the legislative body to appropriate a specific amount from said fund for a specific purpose related to the purpose of the fund or source of the revenue." Note: This article shall be voted on by ballot and if approved, shall only take effect if Articles 2 & 3 are approved.

Motion made by Rick Manseau and seconded by Bill Jocelyn. Opened for discussion.

Q: Chris Tolme asked if the \$50,000 is an additional amount.

A: Peter Russell stated that it is not an additional amount but gives the Commissioners authority to establish a capital improvement reserve which can only be spent with voter approval.

Q: Mr. Tolme on a follow up said he was hopeful this would mean no future bonds will be needed.

A: Peter Russell answered that was the intent. This fund would help to keep rates stable. Harold Harbour stated that he thinks the Commissioners should have plans for capital improvements.

Article #4 ballot vote PASSED: Yes - 105, No - 0

ARTICLE #5 To see if the District will set the salaries of district officers as follows:

Each Water District Commissioner\$2500.00/yr
District Clerk2500.00/yr
Treasurer\$1000.00/yr
Moderator\$50.00 per meeting

Motion made by Glen Brown and seconded by Chris Tolme.

Q: Rob Steady asked if this was dependent on Article #2

A: Heber Feener said yes it is.

ARTICLE #5 PASSED unanimously on a voice vote

Emily Spear made a motion to protect the votes limiting reconsideration which was seconded by Lorrain Proctor. Unanimous approval on a voice vote.

ARTICLE #6: To transact any other business that may legally come before the meeting. No other business was brought up.

Harold Harbour made a motion to adjourn at 8:55 p.m.

Respectfully submitted

Josephine Nichols, Clerk



United States Department of Agriculture
Rural Development
Vermont/New Hampshire

August 11, 2005

Board of Commissioners
Tilton Northfield Water District
257 Main Street
Tilton, NH 03276

Subject: **USDA Rural Development**
Water and Environmental Program Loan

Dear Commissioners:

Enclosed please find your copy of Form RD 1940-1, "Request for Obligation of Funds". This is your notification that a loan in the amount of \$7,975,000.00 has been approved subject to the conditions stated in our letter to you dated August 1, 2005.

We at Rural Development are pleased to be able to assist with funding for the purchase of the Tilton Northfield Aqueduct Company.

If you have any questions or need assistance as you proceed with development of your project, please don't hesitate to call.

Sincerely,

JOLINE H. LaCLAIR
JOLINE H. LaCLAIR
State Director VT/NH

Attachments

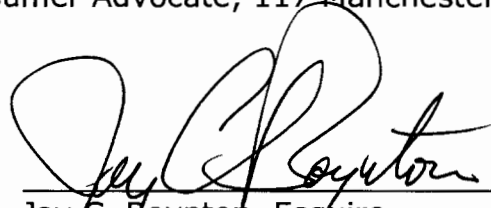
City Center 3rd Floor • 88 Main Street • Montpelier, VT 05602
802-628-6002 (v) 802-628-6018 (f) jlaclair@nd.usda.gov
<http://www.rurdev.usda.gov/vt>
Committed to the future of rural communities

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-6540

CERTIFICATE OF SERVICE

Today the foregoing document was served by depositing a copy of same in a United States Postal Service receptacle, first class postage prepaid, addressed to Office of the Consumer Advocate, 117 Manchester Street, Concord, NH 03301.

Dated: 17 Aug 2005



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