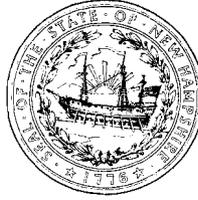


THE STATE OF NEW HAMPSHIRE

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EXECUTIVE DIRECTOR
AND SECRETARY
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PUBLIC UTILITIES COMMISSION

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April 25, 2011

Re: DW 10-141, Lakes Region Water Company, Inc.
Petition for a Change in Rate Schedules
Motion for Clarification of Order No. 25,196

To the Parties:

On March 10, 2011, Lakes Region Water Company, Inc. (LRWC) filed a motion for clarification on whether Order No. 25,196 (February 18, 2011) authorized LRWC to collect from customers temporary rates effective for service rendered on or after September 17, 2010 and the date of the order. In support of its request, LRWC stated that, given its present difficult financial position, it would be in the public interest for LRWC to recover now, through a surcharge, the difference between what it charged customers during that time period and what it is now authorized to collect. LRWC stated that a total of \$41,758.68 was at issue and submitted a detailed schedule of proposed customer surcharges, by water system, ranging from \$17.18 to \$38.85.

On March 14, 2011, Staff stated that the Commission has the flexibility to authorize an interim surcharge, but that such a surcharge might cause customer confusion, Staff acknowledged that LRWC is facing severe cash flow difficulties, noting that 70% of LRWC's payables were 90 or more days past due.

On March 16, 2011, the Office of the Consumer Advocate filed a response to LRWC's motion. OCA stated that it did not support LRWC's request and argued that RSA 378:29 only allows reconciliation between permanent and temporary rates, not between existing and temporary rates. OCA did not dispute the accuracy of the calculations provided by LRWC, but raised concerns about customer confusion if a surcharge were imposed.

Having reviewed the filing and responses, the Commission notes that Order No. 25,196 authorized LRWC to collect temporary rates for service rendered on or after September 17, 2010, but did not prescribe a method for collecting rates authorized, but not billed, from September 17, 2010 to February 18, 2011. RSA 378:27 authorizes the Commission to fashion temporary rates for a public utility. There is no dispute as to the accuracy of the proposed surcharges. Therefore, in light of LRWC's financial circumstances, the Commission has determined that the proposed surcharges are a reasonable means of collecting the rates approved in Order No. 25,196.

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Accordingly, LRWC is authorized to collect the proposed surcharges from customers and should file a compliance tariff within five business days of this letter for the proposed surcharges.

Sincerely,

A handwritten signature in black ink that reads "Debra A. Howland". The signature is written in a cursive style with a large, stylized initial "D".

Debra A. Howland
Executive Director

cc: Service List