

DW 10-141
LAKES REGION WATER COMPANY, INC.
STAFF RESPONSES TO DATA REQUESTS FROM COMPANY – SET 1

Date Request Received: October 24, 2011
Request No: LRWC 1-8

Date of Response: October 31, 2011
Witness: Jayson P. Laflamme

REQUEST:

If Staff proposes to eliminate the pension and health care expense paid to the owners, should Staff simply reclassify the expense to a “below the line” account thereby removing it from the Company’s requested test year expenses? Also, should Staff make no adjustment to the Company’s retained earnings since the expense already reduced retained earnings?

RESPONSE:

Staff believes that the classification of such payments to an expense account of any kind is imprudent. Rather, Staff believes that it is more appropriate and beneficial to the Company that such payments be used to offset loans or equity injections from the shareholders. Relative to my revenue requirement testimony, Staff believes that an adjustment to increase the Company’s retained earnings account by the amount of the reclassified shareholder pension and health insurance premium payments may be appropriate.

ORIGINAL	
W.A.R.C. Case No.	DW 13-041
Exhibit No.	#11
Witness	Pangli
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