

Lakes Region Water Company

DW 15-209

Petition, Testimony, Exhibits and
Other Rate Case Filing Requirements

LAKES REGION WATER COMPANY INC.

420 Governor Wentworth Highway, PO Box 389

Moultonborough, NH 03254

Telephone: 603-476-2348, Fax: 603-476-2721

Hours: Monday through Friday, 8:30am to 4:30pm

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July 31, 2015

Debra A. Howland
Executive Director & Secretary
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Dear Ms. Howland:

On behalf of Lakes Region Water Co. ("Lakes Region" or "Company") enclosed is the original and six copies of the Company's rate filing in DW 15-209. Additionally, two copies have been sent to the Consumer Advocate.

The rate filing includes the following:

- (1) Introductory letter
- (2) Report of proposed rate changes (See Schedule 6.0 & 6.1)
- (3) Proposed tariff pages
- (4) Direct testimony of Thomas A. Mason
- (5) Direct testimony of Stephen P. St. Cyr
- (6) Exhibits (including adjustments) for permanent rates
- (7) Proposed statement to be transmitted to each customer
- (8) Responses to NHPUC 1604.01 requirements
- (9) An attestation regarding the rate filing being an accurate reflection of Company's books

The Company believes that it has met the rate filing requirements. It is our understanding that the Commissioners will schedule a prehearing conference to consider motions for intervention and a procedural schedule. The Company also anticipates being able to discuss and resolve any issues that may arise during the proceedings. If the Commissioners and/or its Staff have any questions, please contact me at 603-476-2348.

Sincerely,

Tim Fontaine

cc: Tom Mason, Jr.
Justin Richardson
Stephen P. St. Cyr

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Lakes Region Water Company
before the
New Hampshire Public Utilities Commission
DW 15-209
Introductory Letter

The Lakes Region Water Company ("Lakes Region" or "Company") respectfully requests that the Commissioners accept this filing in support of its request for an increase in the water rates. The Company proposes to increase its annual revenues from general customers by \$398,274 or 38.18%. On a per customer basis, the average revenue increase would be \$239.06 per year or \$59.77 per quarter. The increase in revenue does not affect the Property Owners Association at Suissevale, Inc. ("POASI"), whose rates are subject to a special contract.

During the twelve months ended December 31, 2014 (the test year) the Company's actual net income amounted to \$59,157. Its operating revenues increased due primarily increase in miscellaneous service revenues and water sales. Its operating expenses increased primarily due to increases in operating and maintenance expenses and depreciation. The net operating income of \$95,928 is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. The Company also added \$608,475 to plant and refinanced its TDBank loan and paid off past due accounts payable with CoBank loans

During 2015 the Company plans to purchase the Mt. Roberts' land for \$415,906 from its sole shareholder with 100% debt financing at an interest rate of 5.50% from the sole shareholder. The Company also plans to complete the Indian Mound project with an estimated, remaining costs of \$129,775. The financing of the project was approved by the PUC in 2014.

The Company is also proposing temporary rates.

With respect to the specific rate filing and its exhibits and supporting schedules, the Company has engaged the services of Justin C. Richardson of Upton & Hatfield to provide legal services and Stephen P. St. Cyr of St. Cyr & Associates to provide accounting / rate services including preparing the exhibits and drafting and presenting testimony on the merits of the case. Enclosed are petition, testimony, exhibits and the other rate filing requirements.