

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 19-177

LAKES REGION WATER COMPANY, INC. – DOCKHAM SHORES

Request for Change in Rates

Order Suspending Proposed Tariffs and Scheduling Prehearing Conference

ORDER NO. 26,329

January 30, 2020

This order suspends Lakes Region Water Company's proposed tariffs for temporary and permanent rate increases for 12 months, pending further investigation. It also schedules a prehearing conference for March 4, 2020.

On December 23, 2019, Lakes Region Water Company, Inc. (LRWC) filed a petition for a permanent rate increase on behalf of its Dockham Shores Estates Division (Dockham Shores). The Company proposed rates for effect on January 31, 2020. Dockham Shores, which consists of approximately 61 residential customers, is subject to water rates separate from LRWC's consolidated tariff. LRWC filed a petition for a temporary rate increase on behalf of Dockham Shores on January 14, 2020. The petitions and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are posted at <https://www.puc.nh.gov/Regulatory/Docketbk/2019/19-177.html>.

The Commission approved LRWC's acquisition of Dockham Shores' assets and utility franchise on November 10, 2016. Order No. 25,964. Prior to the acquisition, LRWC anticipated that \$60,000 would be used to fund capital improvements when it acquired Dockham Shores. Afterward, however, LRWC made additional capital improvements which it determined were necessary to maintain safe and adequate service.

In Order No. 26,272 (July 11, 2019), the Commission approved a \$6,620 step adjustment in rates based on structural improvements that LRWC made to Dockham Shores' water system. In Order No. 26,272, the Commission noted that LRWC was not precluded from seeking additional recovery in a future rate case. *Id.* at 4. LRWC now seeks the requested increases to recover the costs of its additional structural improvements to Dockham Shores' plant. LRWC also states that, apart from the recently approved step increase, Dockham Shores has not had a permanent rate increase since July 1, 2013. LRWC asserts that its existing rates are inadequate, given the cost to own and operate the Dockham Shores water system.

LRWC's current tariff for general service customers for Dockham Shores includes a \$48.46 quarterly minimum charge per place of consumption, or an annual minimum charge of \$193.84. The current tariff also provides for a metered rate of \$1.232 per 100 gallons of water.

LRWC seeks a temporary increase in Dockham Shores' annual revenues of \$35,019 effective with services rendered on or after January 31, 2020. If approved, the tariffed quarterly minimum charge per place of consumption, would increase to \$88.89, or to \$355.56 annually. The metered rate per hundred gallons would increase from \$1.232 to \$2.250. The average customer's bill would increase from approximately \$705.57 to \$1,279.66 annually, or an additional \$574.08 per year.

LRWC seeks a permanent increase in Dockham Shores' annual revenues of \$45,248 effective with services rendered on or after January 31, 2020. If approved, the tariffed quarterly minimum charge per place of consumption, would increase to \$99.41 or \$397.64 annually. The metered rate per hundred gallons would increase to \$2.550. Under LRWC's proposal, the average customer's bill would increase from \$705.57 to \$1,447.34 annually, or an additional \$741.77 per year.

The filing raises, inter alia, issues related to whether the proposed temporary and permanent rates are just, reasonable, and lawful, as required by RSA 374:2, RSA 378:5, and RSA 378:7; whether the proposed increases will yield a just and reasonable rate of return on capital investment in plant and equipment, less accrued depreciation; and whether those investments were prudent and are used and useful in LRWC's provision of service to Dockham Shores customers, as required by RSA 378:27 and RSA 378:28.

LRWC's proposed tariff revisions warrant further investigation. Accordingly, we suspend the proposed tariff pages for 12 months pending our investigation pursuant to RSA 378:6, I(a). Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that the proposed tariff pages are suspended pursuant to RSA 378:6, I(a), pending investigation and further order of the Commission; and it is

FURTHER ORDERED, that a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on March 4, 2020, at 1:30 pm, at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in Puc 203.15; and it is

FURTHER ORDERED, that immediately following the prehearing conference, Lakes Region Water Company, the Staff of the Commission, the Office of the Consumer Advocate, and any intervenors hold a technical session to review the petition; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Lakes Region Water Company shall notify all persons desiring to be heard at this hearing by mailing a copy of

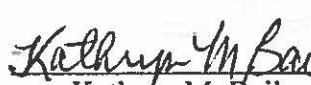
this order of notice to each of Dockham Shores' current and known prospective customers no later than February 15, 2020. Lakes Region Water Company shall also publish a copy of this order no later than February 15, 2020, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before February 28, 2020; and it is

FURTHER ORDERED, that consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a petition to intervene with copies sent to Lakes Region Water Company and the Office of the Consumer Advocate on or before February 28, 2020, such petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before March 4, 2020.

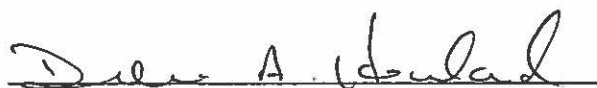
By order of the Public Utilities Commission of New Hampshire this thirtieth day of January, 2020.


Dianne Martin
Chairwoman


Kathryn M. Bailey
Commissioner


Michael S. Gialimo
Commissioner

Attested by:


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