

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DW 20 – 187

Lakes Region Water Co., Inc.

Petition for Step Adjustment

Lakes Region Water Co., Inc. (“Lakes Region”) petitions for a Step Adjustment to its Permanent Rates pursuant to Order No. 26,633 approving a Settlement Agreement in this proceeding as follows:

1. April 28, 2022, Lakes Region and the Department of Energy entered into a Settlement Agreement approving permanent rates in this proceeding and which allowed for a single “Step 1 Adjustment” to include: (a) the costs of plant additions placed in service as of December 31, 2021; (b) limited post-test year Annual Wage Expense increases; and (c) paving costs to be completed during the second quarter of 2022 which the Company deferred due to a customer legal dispute concerning the Balmoral Improvement Association’s right-of-way and easement rights in that system.
2. On May 27, 2022, the Commission issued Order No. 26,633 Order on Permanent Rates Settlement which approved the April 28, 2022 Settlement Agreement.
3. As set forth in the attached Testimony of Stephen St. Cyr, all of the projects that were included in the Step 1 Adjustment under the terms of the April 28, 2022 Settlement Agreement, including paving work, have been fully completed and placed in service. All of the wage expense adjustments which were deferred pending review in the rate case have also been implemented on a Company-wide basis.

4. As further shown in the schedules included with the Testimony of Stephen St Cyr, the projects included in the step adjustment represent a total addition to rate base of \$888,593. The increase in the Net Operating Income Requirement is \$75,678. The Increase in Revenue Requirement is \$181,449. However, of this amount, a total of \$20,749 is attributable to the Company's wholesale supply agreement with Property Owners' Association of Suissevale Incorporated, resulting in a step adjustment to permanent rates of \$160,700. See Schedule 1. The Company is therefore asking for an step adjustment in the amount of \$144,863, which is the not-to-exceed amount approved by the Commission in the Settlement Agreement.

5. Lakes Region understands that this petition for the Step 1 Adjustment is subject to audit by the Department of Energy ("DOE"). Lakes Region has contacted the DOE and expects to file an assented-to proposed schedule for its review and recommendations, as well as comments by Intervenors Lake Ossipee Village property owners. However, because this proceeding has already been duly noticed by the Commission's March 26, 2021 Order of Notice No. 26,463, a new order of notice is not required.

7. The Company recommends that the Step 1 Adjustment be approved on a service rendered basis as of the 1st day of the month following approval of the Step 1 Adjustment. This will simplify the reconciliation process as the Company is currently charging the temporary rates approved in this proceeding under the terms of the Settlement Agreement.

8. Following approval of the Step 1 Adjustment by the Commission, the Company will then submit a request for reconciliation of the difference between

temporary and permanent rates as provided by RSA 378:29 and the amortization and recovery of rate case expenses related to this proceeding for review and approval by the Commission, subject to review and comment by the Department of Energy and Intervenor Lake Ossipee Village property owners.

WHEREFORE Lakes Region requests that the Commission approve this Petition for a Step 1 Adjustment and grant such other relief as justice may require.

Respectfully submitted,

**LAKES REGION WATER
COMPANY, INC.**

By its Counsel,

NH WATER LAW



Dated: October 19, 2022

Justin C. Richardson, Esq. (#12148)
586 Woodbury Avenue
Portsmouth, NH 03801
justin@nhwaterlaw.com
(603) 591 – 1241

CERTIFICATE OF SERVICE

I certify that a complete copy of the foregoing is being sent this day to all persons on the Commission's official service list for this proceeding.



Justin C. Richardson, Esq.