

[WITNESS PANEL: Mason|St. Cyr|Naylor|LaFlamme]

1 final approval from DES for all of those projects?

2 A. (Mason) I believe the only thing we don't have in
3 writing yet is on the water treatment equipment for
4 175. I don't believe we have that. It's gone back and
5 forth with DES, but we should have that any day.

6 MS. HATFIELD: I'd like to make a record
7 request that the Company provide a list of each project
8 within each of those subdivisions that requires a permit
9 from DES, and noting whether or not the permit has been
10 received?

11 CHAIRMAN GETZ: We'll reserve Exhibit
12 Number 3 for that data response.

13 **(Exhibit 3 reserved)**

14 MS. HATFIELD: Thank you very much.

15 BY MS. HATFIELD:

16 Q. In terms of Step 2, which you discuss in a couple of
17 places in the Settlement, I think it's referred to on
18 Page 2, that's of Exhibit 2. And, I think there you're
19 describing -- you say "The proposed second step, to be
20 effective July 1st", that was your original proposal,
21 "would encompass the Paradise Shores projects completed
22 as of June 30th, 2008." And, I'm wondering, is that --
23 do you still intend to include Paradise Shores projects
24 completed as of June 30 in Step 2?

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1 projects.

2 Q. So, that previously approved debt was carried forward
3 and is part of the funding source for the projects that
4 would be brought in as rate base in the Step 1
5 increase?

6 A. (St. Cyr) That's correct.

7 A. (Naylor) And, if I could expand on that, Commissioner.
8 The schedules in Attachment D, that provides the total
9 of all the plant additions incorporated in this
10 agreement. And, if you look at Page -- Attachment D,
11 Page 2, we've got the plant in service by system, and
12 the common plant, and, then, at the very bottom, there
13 would be a deduction for contributions in aid of
14 construction. Those two numbers net out to around
15 \$900,000. And, that's -- that's roughly the capital
16 that's reflected on Attachment E.

17 Q. Right.

18 A. So, it should be a fairly close match there.

19 CMSR. BELOW: I guess, Mr. Chairman, in
20 light of the fact that in our Order 24,877 we said that
21 "we will take up the issue of Lakes Region's capital
22 structure in DW 08-070", I guess I would like to request
23 that the Company prepare a proformed equity and debt
24 statement, a capitalization statement, based on current

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1 capital and debt, plus what's proposed here. Is that
2 possible?

3 WITNESS ST. CYR: Yes.

4 CMSR. BELOW: Okay.

5 CHAIRMAN GETZ: We will reserve
6 Exhibit 6 for that response.

7 **(Exhibit 6 reserved)**

8 CMSR. BELOW: Could we also reserve as
9 an exhibit the affiliate agreement, once it's finalized,
10 between Lakes Region and LRW Services, since we also --
11 the Settlement Agreement anticipates that that would have
12 already been filed by now in DW 07-105?

13 CHAIRMAN GETZ: Yes. We will reserve
14 Exhibit 6 for the filing of the revised affiliate
15 agreement.

16 **(Exhibit 7 reserved)**

17 MS. THUNBERG: I'm sorry, Mr. Chairman,
18 did you say "Exhibit 6" or "Exhibit 7"?

19 CHAIRMAN GETZ: Exhibit 7.

20 MS. THUNBERG: Thank you.

21 BY CMSR. BELOW:

22 Q. How frequently are bills for the Company issued? I'm
23 curious, because the Stipulation proposes that the
24 rates be implemented on a bills rendered basis for

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