

**THE STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 08-070**

**ORDER OF NOTICE**

On May 15, 2008, Lakes Region Water Company, Inc. (LRWC) filed with the New Hampshire Public Utilities Commission (Commission) a petition for approval of financing and authority to increase its rates. LRWC is a public water utility that serves approximately 1,606 customers in Campton, Conway, Freedom, Gilford, Laconia, Moultonborough, Ossipee, Tamworth, Thornton, Tuftonboro and Wolfboro.

LRWC requests approval, pursuant to RSA 369, to finance approximately \$779,930 in order to complete a number of capital improvements in its water systems. According to the pre-filed testimony of Mr. Stephen P. St. Cyr, LRWC will borrow \$629,930 from its owners, Thomas and Barbara Mason, for a 20 year term at an interest rate of 9.75%. The balance of \$150,000 will be provided as an equity contribution from the Masons.

LRWC intends to use the funds to: 1) install a 82' x 55', 325,000 gallon concrete water storage tank that will be connected to an existing pump house by a 4,500 12" PVC main at Paradise Shores; 2) install a new well at Indian Mound; 3) install a new pump station at Gunstock Glen and interconnect with neighboring Brake Hill Acres; 4) purchase two new service vehicles, a hand held meter reader and associated computer software, and miscellaneous shop and field equipment; 5) install and deepen wells and add well meters, booster pumps and related monitoring equipment at Hidden Valley and, 6) install 1,220' of 4" DRII Fusion water mains to replace PVC mains at 175 Estates.

In order to recover its investments in these capital improvements, LRWC proposes to adjust its customer rates in three step increases. The first, proposed to be effective immediately, would incorporate capital improvements completed at Hidden Valley and Indian Mound and purchases of vehicles and shop equipment completed prior to January 1, 2008. This first step increase would increase LRWC's revenues by \$67,990 or approximately 9%. A second step increase, to take effect July 1, 2008, would incorporate improvements at Paradise Shores to be completed by June 30, 2008, and would increase LRWC's revenues by \$77,914 or approximately 10%. A third step increase, to take effect January 1, 2009, would incorporate capital improvements completed by December 31, 2008, and would increase LRWC's revenues by \$36,169 or approximately 5%.

In addition, LRWC requests authorization to change the rates it charges its Gunstock Glen customers. Based on the capital improvements at the Gunstock Glen system and the interconnection with neighboring Brake Hill Acres, LRWC proposes to charge its current consolidated rate of \$421.48 annually, prior to the proposed step increases in this filing, rather than the current stand-alone annual rate of \$239.20.

The filing raises, inter alia, issues related to RSA 369 and the terms and conditions of the proposed debt financing; the proposed use of the funds; whether the proposed step increases are lawful, just and reasonable as required by RSA 378:7; and ought to be implemented on the dates proposed; and the conversion of the Gunstock Glen customers to LRWC's consolidated tariff rate. Each party has the right to have an attorney represent them at their own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on July 1, 2008 at 10:00 a.m., 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 N.H. Admin. Rule Puc 203.15(d) shall be considered; and it is

**FURTHER ORDERED**, that, immediately following the Prehearing Conference, LRWC, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow LRWC to provide any amendments or updates to its filing; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.12, LRWC shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than June 6, 2008, 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 July 1, 2008; and it is

**FURTHER ORDERED**, that, pursuant to N.H. Code Admin. R. Puc 1203.02(c) and (d), LRWC shall send to current and known prospective customers and the Clerk of the Towns of Moultonborough, Campton, Conway, Freedom, Gilford, Ossipee, Tamworth, Thornton, Tuftonboro, Wolfboro and the City of Laconia, a clear and concise statement of the rate schedules applied for and a copy of this Order of Notice, by first class U.S. Mail, postmarked no later than June 15, 2008; and it is

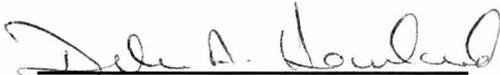
**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to LRWC and the Office of the Consumer

05/29/08  
DW 08-070

Advocate on or before June 26, 2008, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before July 1, 2008.

By order of the Public Utilities Commission of New Hampshire this twenty-ninth day of May, 2008.



Debra A. Howland  
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.