

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

DW 08-070

LAKES REGION WATER COMPANY, INC.

Petition for Step Adjustment in Rates

ORDER OF NOTICE

On May 15, 2008, Lakes Region Water Company, Inc. (Lakes Region) filed for financing authority and for approval to increase its rates once plant additions constructed with the proceeds of the financing were in service and used and useful. On December 30, 2008, in Order No. 24,925, the Commission approved two step increases in rates to reflect capital improvements that were used and useful prior to September of 2008. In that order, the Commission authorized Lakes Region to file for a third step increase to rates for plant additions to be completed and in service by the end of 2008. At the time of the approval, Lakes Region anticipated making its filing for the third step increase in 2009. Lakes Region did not, however, make its filing until May 20, 2010, at which time Lakes Region filed its request for authority to increase its rates in order to realize an additional \$37,411 in revenues, an increase of 4.88% over its 2009 net water sales revenue.

Lakes Region's May 20th step adjustment filing includes additional utility plant in service totaling \$245,193, which compares to Lakes Region original estimate of \$249,838. Included in this amount is \$31,611 in plant costs incurred at the company's Brake Hill Acres system, recovery of which was not previously contemplated for inclusion in the third step increase. Lakes Region contends these additional costs were necessary and part of the Gunstock Glen and Brake Hill interconnection project. Lakes Region also requests that it be permitted to incorporate its Gunstock Glen customers into its consolidated tariff thereby eliminating the separate rate those

customers have been charged. Lakes Region proposes that the consolidated rate for Gunstock Glen customers be applied on a service rendered basis as of the date of the Commission's order approving this third step increase. As a result, Gunstock Glen customers would realize an increase of approximately 117.27% in their annual water bills.

The filing raises, inter alia: RSA 378:28 and whether the costs incurred in the plant additions to be placed in rate base were prudent, and whether the plant additions are used and useful; whether it is appropriate to include plant additions at Brake Hill Acres into rates that were not previously contemplated as part of this third step increase; and RSA 378:7 and whether moving Gunstock Glen customers to Lakes Region's consolidated tariff will result in just and reasonable rates. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that Lakes Region, the Staff of the Commission, and any Intervenors hold a Technical Session on July 28, 2010 at 9:00 a.m. at the Commission located at 21 South Fruit Street, Suite 10, Concord, New Hampshire, to review the petition, allow Lakes Region to provide any amendments or updates to its filing, and to develop a proposed procedural schedule to govern the remainder of the proceeding; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, Lakes Region shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than July 13, 2010, 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 28, 2010 and by providing a copy of this Order of Notice to all current and known prospective customers by first class mail; 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 seven copies of a Petition to Intervene with copies sent to Lakes Region and the Office of the Consumer Advocate on or before July 23, 2010, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest 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 28, 2010.

By order of the Public Utilities Commission of New Hampshire this second day of July, 2010.



Debra A. Howland
Executive Director

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.