

THE STATE OF NEW HAMPSHIRE

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May 2, 2012

RE: DW 10-306, Lakeland Management Company, Inc.  
Order No. 25,357

To the Parties:

Enclosed is revised page 15 of Order No. 25,357 (May 1, 2012). On page 15, the quarterly sewer rates have been revised.

All other portions of this order remain unchanged.

Please substitute the enclosed revised page to your copy of Order No. 25,357.

Very truly yours,

A handwritten signature in cursive script that reads "Debra A. Howland".

Debra A. Howland  
Executive Director

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Enclosure

Customer Class	Old Base Charge	New Base Charge	Old Consumption Charge	New Consumption Charge per CCF
Commercial Class A	None	\$803	85.4% of total water charge	\$8.1303
Commercial Class B	None	\$268	85.4%	\$2.5070
Residential Multi-Family	None	\$2,340	85.4%	\$3.6290
Residential Single-Family	None	\$60	85.4%	\$3.6290

In the settlement agreement, Staff and Lakeland requested that the Commission approve a rate design change which would move the Maple Hill Acres apartment complex from Commercial Class B to Residential Multi-Family for both water and sewer service. Lakeland testified at hearing that this change was reasonable because of the unique expenses associated with serving Maple Hill Acres. 12/20/11 Tr. at 30-31 lines 19 to 21. Staff also testified that it didn't feel that the revenue and usage numbers for the test year for Maple Hill Acres gave an accurate representation for usage and revenue going forward. 12/20/11 Tr. at 14 lines 9-12.

Staff and Lakeland also request that the Commission approve a new method for allocating the revenue requirement among its sewer customers through a combination of a fixed base charge and volumetric charge rather than through a volumetric charge only that applies under current rates. At hearing, Staff testified that there were fixed expenses for electricity, management charges, property taxes, and insurance and that it was more appropriate to allocate those fixed costs among both water and sewer customers. 12/20/11 Tr. at 45-46 lines 14 to 7. Staff considered customer characteristics in allocating the revenue between a consumption charge and a base charge and stated that the Lakeland customers generally didn't appear to be