

STATE OF NEW HAMPSHIRE

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November 14, 2019

Re: DW 19-177, Lakes Region Water Company, Inc.
Request for Change in Rates
Request for Waiver of Puc 1604.01

To the Parties:

On October 17, 2019, Lakes Region Water Company, Inc. (LRWC) filed a notice of intent, stating that it will be seeking an increase in revenues and rates for its Dockham Shores customers. LRWC also filed a request to waive certain rate case filing requirements contained in N.H. Code Admin. Rules Puc 1604.01. Commission Staff (Staff) objected to LRWC's waiver request.

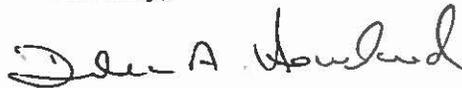
LRWC requested a waiver of the provisions of Puc 1604.01(a) which require the following information to be filed as part of a full rate case: internal financial reports, (a)(1); annual reports, (a)(2); a federal income tax reconciliation for the test year, (a)(3); a list of charitable contributions and advertising charged in the test year, (a)(5)-(6); the most recent cost of service study, (a)(7); a chart of accounts, (a)(9); Securities and Exchange Commission 10k and 10Q forms, (a)(10); the most recent depreciation study, (a)(12); the most recent management and financial audits, (a)(13); a list of officers and directors, their compensation, bonuses, and incentive plans, and copies of these plans, (a)(14)-(15); lists of the amount of voting stock, (a)(16); the amount of assets and costs allocated to non-utility operations and justification for the allocations, (a)(18); quarterly income statements, (a)(20); the amount of outstanding short-term debt, (a)(24); and a subsidiary report (a)(25). LRWC stated that those requirements should be waived, because they do not apply to Dockham Shores. LRWC acquired Dockham Shores Estates Water Company, Inc. in 2016. *See* Order No. 25,964 (November 10, 2016).

In its objection, Staff contended that Dockham Shores is a dependent division of LRWC, so that Staff requires that information from both LRWC and its Dockham Shores division to determine whether the proposed rate increase is just and reasonable. Further, Staff asserted that waiving those requirements of Puc 1604.01 would require Staff to conduct additional rounds of discovery to obtain all necessary information. Staff argued that LRWC's request to waive Puc 1604.01 should be denied, because it would not serve the public interest and would disrupt the orderly and efficient resolution of this matter. Staff maintained that the public interest would be better served by LRWC including the information required by Puc 1604.01 in its rate filing or, if a requirement is inapplicable, stating the reason why it was not provided.

The Commission has reviewed LRWC's request for a waiver of Puc 1604.01 and Staff's objection. As Dockham Shores is a division of LRWC, rather than an independent entity, the Commission finds that LRWC must comply with the requirements of Puc 1604.01 to file a rate case on behalf of its Dockham Shores customers. The Commission is unable to find that waiver of a majority of Puc 1604.01's requirements would serve the public interest and would not disrupt the orderly and efficient resolution of the matters before the Commission. *See* Puc 201.05. Accordingly, LRWC's request to waive the requirements of Puc 1604.01 has been denied.

LRWC shall provide the information required by Puc 1604.01 pertaining to it, as well as its Dockham Shores division. To the extent LRWC is unable to comply with a requirement of Puc 1604.01, it shall insert a document in its rate filing stating why the information was not provided and/or why the requirement does not apply.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is fluid and cursive, with the first name "Debra" being the most prominent.

Debra A. Howland
Executive Director

cc: Service List (Electronically)
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