

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

**LAKES REGION WATER COMPANY, INC.**

**Docket No. DW 20-187**

**Request for Change in Rates**

**SETTLEMENT AGREEMENT – PERMANENT RATES**

**I. INTRODUCTION**

This Settlement Agreement for Permanent Rates (Settlement Agreement) is entered into this 28th day of April, 2022, by and among Lakes Region Water Company, Inc. (Lakes Region or the Company) and the representatives of the Department of Energy (DOE) participating in this proceeding (collectively, the Settling Parties), in order to set permanent rates for the Company, pursuant to RSA 378.

**II. BACKGROUND**

Lakes Region is a regulated utility defined by RSA 362:2 and RSA 362:4, providing water service to approximately 1,813 customers in the communities of Moultonborough, Laconia, Tuftonboro, Thornton, Campton, Conway, Freedom, Gilford, Tamworth, Ossipee, and Albany. On March 26, 2020, the New Hampshire Public Utilities Commission (Commission) issued Order No. 26,340 which directed Lakes Region to “file a rate case no later than December 31, 2020, utilizing a 2019 test year”.

On November 30, 2020, Lakes Region filed its notice of intent to file rate schedules. On January 15, 2021, Lakes Region submitted a *Petition for Permanent and Temporary Rate Increases* in this proceeding. In its *Petition*, Lakes Region requested an increase in, and consolidation of, its permanent rates, including the rates for its Consolidated Tariff Systems,

Dockham Shores Division, and Wildwood Division. In the event the Commission did not approve of consolidated rates, Lakes Region requested that the Commission approve permanent rate increases for each individual rate group on a stand-alone basis. Lakes Region also requested that the Commission allow Lakes Region to change from a quarterly billing cycle to a monthly billing cycle.

On February 26, 2021, Lakes Region amended its proposed tariffs using a proposed effective date of February 28, 2021. Lakes Region requested that temporary rates for the Dockham Shores Division be established at the existing rates approved by the Commission on January 28, 2021 in Order No. 26,446. For other customers, Lakes Region proposed an increase to its Consolidated Tariff Systems of 4.51 percent, and an increase to its Wildwood Division of 39.30 percent.

On March 8, 2021 Lakes Region filed an Affidavit of Notice showing that the Company provided notice to customers of its requested rate increases by first class mail sent on February 26 and March 1, 2021, as required by N.H. Code Admin. R., Puc 1203.02 (c)(2). On March 26, 2021, the Commission issued Order No. 26,463, *Order Suspending Proposed Tariffs and Scheduling Prehearing Conference*. Lakes Region published Order No. 26,463 on its website that same day. The Company filed an affidavit of publication on April 20, 2021.

On April 7, 2021, LOV submitted a petition to intervene, to which the Company assented on April 22, 2021. On May 3, 2021, the Commission held a prehearing conference pursuant to Order No. 26,463. On May 27, 2021, LOV updated its petition to intervene to designate Carol Stansell, Richard and Kimberly Masse, and Irving (Bud) and Patricia Hadley as spokespersons for the LOV residents. The Commission granted LOV's petition to intervene, subject to certain conditions on August 3, 2021.

On August 30, 2021, Lakes Region, LOV, and the DOE filed a *Settlement Agreement – Temporary Rates*, which the Commission approved in Order No. 26,522 on September 23, 2021. Lakes Region filed its updated temporary rate tariff pages on October 7. Following approval of temporary rates, Lakes Region, the Department and LOV participated in multiple rounds of data requests and technical sessions resulting in this *Settlement Agreement for Permanent Rates*.

### **III. TERMS OF PERMANENT RATE SETTLEMENT AGREEMENT**

#### **A. Overview and Proposed Timeline for Illustrative Purposes**

##### **i. Overview**

The Settlement Agreement requests that the Commission approve, among other items all detailed below, a permanent rate revenue requirement and a proposed Step I Adjustment (Step I). The Step I adjustment will be a separate filing made following the Commission's order approving this Settlement Agreement, and audited by the DOE Audit Division, as shown in the schedules attached to this Settlement Agreement.<sup>1</sup> The Settling Parties recognize that, as shown in Attachments A and C, the agreed-upon permanent rate revenue requirement and subsequent rates will result in a decrease to the currently-approved temporary rates for four of its customer rate groups: Waterville Valley Gateway Pool; Unmetered General Customers for the Current Consolidated group; Metered General Customers fixed charge for the Current Consolidated group; and the Metered General Customers volumetric charge for the Current Consolidated group. Those four customer groups comprise approximately 94 percent of the ratepayers Lakes

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<sup>1</sup> The Schedules set forth in Attachment A (Permanent Rates), Attachment B (Step Adjustment) and Attachment C (Computation of Customer Rates) are incorporated as material terms whether or not specifically identified or set forth in the paragraphs of this Settlement Agreement. The Settling parties also provide the Audit Report (Attachment E) and pertinent discovery responses (Attachment F) referenced in the above-mentioned schedules.

Region serves. A credit will be applied for recoupment as provided by this Settlement Agreement and RSA 378:29.

The proposed Step I, however, will result in an increase from the permanent rate revenue requirement, which will result in an increase in rates for all the Company's customers as shown in Attachments B and C. The Settling Parties recognize that the proposed permanent rate revenue requirement and Step I, if both rates are implemented separately, could result in possible customer confusion stemming from a decrease in rates for a period of months followed by an increase in rates, in the event Step I is approved. As such, the Settling Parties agree and recommend that, instead of implementing the rates on different effective dates, the effective date for both the permanent rate revenue requirement and the Step I rate increase should be realized on the same date. This will aid in maintaining rate stabilization and avoid customer confusion.

While awaiting an order approving Step I, the Company will continue to charge its currently-approved temporary rate up until the date of a Commission Order approving the Step I increase. That affords the Company with continued and stable water revenues while benefitting customers with the protection of the temporary rate mechanism, per RSA 378:27 and RSA 378:29, which will ultimately result in a credit for many of its customers.

**ii. Proposed Timeline**

The Settling Parties agree and provide the following sequential timeline for both the Settling Parties and Commission to address the remainder of this proceeding.

1. Hearing on Permanent Rates – May 5 and 6, 2022
2. Commission Order #1 – Approves Settlement Agreement, including Permanent Rate Revenue Requirement, but delays its date of implementation (allows the Company to continue charging its temporary rates)
3. Company files for rate case expenses within 30 days of Commission Order #1, which DOE will begin to review, subject to possible discovery requests

4. Company files Step I request for all completed projects
5. DOE Audit Division conducts audit of Step I and submits report to the parties
6. DOE submits final report, after review and in cooperation with the Settling Parties, to the Commission seeking approval of Step I increase in revenue requirement and resulting rates
7. Commission Order #2 – Approves Step I, which terminates the temporary rate period and allows Company to charge new increase in rates per Step I
8. Company files tariffs within 15 days after Commission Order #2
9. Company files temporary to permanent rate recoupment within 30 days of Commission Order #2, including rate case expenses related to the Step I Adjustment.
10. DOE conducts review and possible discovery of temporary to permanent rate recoupment and rate case expenses, followed by a report, which includes review of rate case expenses, to the Commission
11. Commission Order #3 – Approves temporary to permanent rate recoupment and rate case expenses

**B. Permanent Rate Revenue Requirement**

The Settling Parties agree and recommend approval of an overall revenue requirement of \$1,378,827, which represents an increase of 3.12%, or \$41,678, over pro forma 2019 test year revenues of \$1,337,149, as set forth in the schedules contained in Attachment A, which include a Rate Base (Schedule 2; Column 6) of \$3,607,730, an overall Rate of Return (Schedule 1a) of 8.52%, and an Operating Income Requirement \$307,258 (Schedule 3; Column 8).

The Settling Parties agree that the foregoing permanent rate revenue requirement represents a reasonable compromise of all issues relating to the permanent rate revenue requirement pending before the Commission for purposes of permanent rates, including cost of capital, pro forma adjustments, capital additions to rate base, and operating expenses. As the sums expressed above are the result of compromise and settlement, they are liquidations of all

permanent rate revenue requirement issues whether or not specifically identified in this Settlement Agreement.

The Settling Parties further agree that, subject to the provisions of this Settlement Agreement, the rates and revenue requirement set forth in Attachments A and C will result in permanent rates for Lakes Region's customers that are just and reasonable within the meaning of RSA 374:2 and RSA 378:7, and reflect Lakes Region's investment in plant that is prudent, used and useful, and is based on a reasonable rate base and a just and reasonable rate of return thereon in compliance with RSA 378:27 – 29.

### **C. Step I**

The Settling Parties Agree that the Company shall be allowed a combined step adjustment, Step I, based on three components: (1) the costs of post-test year plant additions placed in service as of December 31, 2020 and 2021; (2) post-test year Annual Wage Expense increases that were deferred pending review in this proceeding, as set forth in Schedules 1 to 5d in Attachment B; (3) and completion of paving work associated with post-test year plant additions estimated to be completed in the second quarter of 2022.<sup>2</sup> The Settling Parties agree that while the inclusion of construction work in progress in rates is prohibited, per

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<sup>2</sup> The Settling Parties understand and agree that Schedule 3 of Attachment B includes an estimated cost not-to-exceed total of \$36,150 for repaving work expected to be completed in Lakes Region's Paradise Shores System as part of Lakes Region's on-going main replacements, as set forth in Attachment B, Schedule 3. In discovery and technical sessions, Lakes Region advised that, except for repaving costs, all of the projects set forth in Attachment B were completed and placed in service by the fall of 2021. The Company delayed repaving of Robin Lane, Glen Forest Drive and Sunrise Drive at the request of the homeowners' association, the Balmoral Improvement Association ("BIA"), that owns the roads and rights-of-way, due to threatened litigation by a homeowner who disputes, *inter alia*, the location of these roads and rights-of-way, and both Lakes Region's and the BIA's rights and liabilities for repaving and the main replacement. Lakes Region anticipates that all repaving will be completed in May of 2022 but that the actual completion date for the repaving work is subject to uncertainties due to weather, availability of contractors and materials, and the threat of legal action by the homeowner.

RSA 378:30-a, the audit, review, and requested approval by the Commission will be undertaken after the paving work is completed.

The Settling Parties estimate that once the paving work is complete, the Company will file all applicable materials to the DOE for the DOE Audit Division's review. Once the audit is complete, the DOE, and other parties to the docket, will review the filing and resulting calculations, in conjunction with the Company, and submit a report to the Commission recommending a final revenue requirement increase and resulting rates. In the event the Company is unable to complete the necessary paving by six months subsequent to Commission Order # 1, due to circumstances beyond its control (see footnote 2), the Company reserves the right to withdraw the costs associated with the paving work from its Step I request. The Settling Parties agree that removal of those costs will not require adjustment to the Settlement Agreement or modification of the Commission's Order #1.

The Settling Parties agree that the proposed Step I adjustment, subject to DOE Audit Staff and Settling Parties' review, will result in an increase not to exceed \$144,863 in the Company's revenue requirement. That is an approximate 10.83 percent increase in the pro forma 2019 test year revenues of \$1,337,149, as set forth in the schedules included in Attachment B.

**D. Maximum Combined Effect of Permanent Rate Revenue Requirement and Step I**

The Settling Parties agree that the maximum combined effect of the Permanent Rate Revenue Requirement (\$41,678) and Step I (not to exceed \$144,863) would be at total maximum revenue requirement increase of \$186,541 (\$41,678 + not to exceed \$144,863). The resulting revenue requirement, after approval of Step I, would not exceed \$1,523,690 (Attachment C, Page 5). That is an approximate 13.95 percent increase in the pro forma 2019 test year revenues of \$1,337,149.

**E. Cost of Equity**

The Settling Parties agree and recommend approval of a Cost of Common Equity in this proceeding of 10.13 percent, which is based upon the formulaic approach for deriving a cost of common equity for small water utilities developed by the Public Utilities Commission Staff on November 4, 2019, in Docket No. IR 19-005, *Investigation to Determine a Method for Setting a Generic Return on Equity for Small Water Utilities*, which the Settling Parties agree to use.<sup>3</sup> The calculation of the proposed 10.13 percent Cost of Common Equity is based on a calculated baseline Return on Equity of 9.63 percent (Attachment D) plus an additional 50 basis points in recognition of rate case expense savings realized by not litigating cost of common equity during the course of this rate proceeding. The Settling Parties agree that the use of this methodology is for the limited purpose of this proceeding.

**F. Property Taxes.**

The Settling Parties agree that the local property taxes included in the proposed Permanent Rate Revenue Requirement total \$47,897 (Schedule 10, Attachment A). The Settling Parties further agree that the local property tax amount should be adjusted upward from that included in the Permanent Rate Revenue Requirement by no more than \$5,703 [\$1,594 + \$4,109] (Schedule 2 and 3, Attachment B), subject to audit by the DOE Audit Division and review by the DOE, to reflect plant additions in 2020 and 2021, should the Commission approve the Step I adjustment. The Settling Parties further agree that the Company will record a deferred debit and a subsequent adjustment to local property taxes in Lakes Region's revenue requirement, if any, will be addressed in the Company's next full rate proceeding in accordance with RSA 72:8-e.

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<sup>3</sup> A copy of the Commission Staff's (now DOE) November 4, 2019, recommendation along with the portion of the proposed rule changes specific to the calculation of a "Generic Return on Equity" are included in Attachment D to this Settlement Agreement.

## **G. Consolidated Rate**

The Settling Parties agree and recommend that the Commission approve a system-wide consolidated rate based upon the agreed upon Permanent Rate Revenue Requirement. The Settling Parties further agree that a consolidated rate will avoid a wide disparity in rates among the two separate divisions of Dockham Shores and Wildwood if consolidated rates are not approved. *See Hampstead Area Water Company, Inc.*, Order No. 24,626 at 9-10 (May 26, 2006). The Settling Parties further note that, consistent with Commission precedent, “eliminating disparities among individual systems is likewise consistent with the long-term best interests of the utility’s customers.” *Id.* at 10. The Commission has further stated that in “the case of water utilities with multiple individual systems, consolidation will help insulate those individual systems from future rate shock when significant investments are made to comply with environmental mandates or for other reasons ... [t]his protection helps ensure that each system can continue to provide safe and adequate water service pursuant to RSA 374:1.” *Id.*

The Settling Parties note that the currently separate Wildwood and Dockham Shores Divisions would face a substantial rate increase if their individual rates remained independent from the consolidated rate group. Furthermore, as the Wildwood and Dockham Shores Divisions are relatively small, the individual rates resulting from normal plant investment could be onerous to their respective small customer bases. By consolidating rates, the Wildwood and Dockham Shores divisions will still face a rate increase, but one that is lower than if their rates were to remain unconsolidated. In addition, the cost of expensive plant additions or replacements in the future will be spread among the entire customer base of all Company divisions, decreasing the impact on the individual divisions, while providing for those necessary investments which are inevitable for all of the Company’s systems, regardless of consolidation. Rate consolidation

provides long-term benefits to all customers over time in each of Lakes Region’s 19 separate systems as improvements are made to each system. Consolidation will also produce administrative efficiencies for the Company that can reduce administrative costs borne by customers.

## H. Rate Design

### i. Permanent Rate Revenue Requirement Rates

The Settling Parties agree to the following rate design, on a consolidated quarterly basis, and a consumption charge on a per one hundred cubic feet (ccf) of water.<sup>4</sup>

Rate Group	Previously Approved Base Charge	Proposed Permanent Rate Revenue Requirement Base Charge	Previously Approved Consumption Charge	Proposed Permanent Rate Revenue Requirement Consumption Charge
<b>Consolidated Tariff Systems (Divisions with Consumption Charge)</b>	\$145.42	\$148.31	\$5.66	\$5.77
<b>Consolidated Tariff Systems (Divisions without Consumption Charge)</b>	\$184.89	\$190.10	N/A	N/A
<b>Consolidated Tariff System (Waterville Valley Gateway – Pool)</b>	\$429.32	\$442.70	N/A	N/A
<b>Dockham Shores</b>	\$145.42	\$148.31	\$5.66	\$5.77
<b>Wildwood</b>	\$130.50	\$190.10	N/A	N/A

<sup>4</sup> The rates submitted for comparison do not include the currently-approved temporary rate increase. The Settling Parties further note that while Wildwood and Dockham Shores are presented in the above chart as stand-alone systems to show potential rate impact, the tariffs submitted after possible approval would reflect the Wildwood and Dockham Shores divisions as part of the consolidated rate group.

**ii. Estimated Step I Rates**

The Settling Parties Agree that the following chart estimates the highest allowable impact on ratepayers as compared to the Permanent Revenue Requirement rates, if the Commission approves those rates detailed above. The estimated rate design is based upon a quarterly rate and a consumption charge on a per one hundred cubic feet (ccf) of water. The Settling Parties reiterate that these rates are merely illustrative and intended to exhibit the maximum rate allowed by the Settlement Agreement with possible approval of the Step I increase.<sup>5</sup>

Rate Group	Proposed Permanent Rate Revenue Requirement Base Charge	Proposed Step I Revenue Requirement Base Charge	Proposed Permanent Rate Revenue Requirement Consumption Charge	Proposed Permanent Rate Revenue Requirement Consumption Charge
<b>Consolidated Tariff Systems (Divisions with Consumption Charge)</b>	\$148.31	\$163.89	\$5.77	\$6.38
<b>Consolidated Tariff Systems (Divisions without Consumption Charge)</b>	\$190.10	\$210.07	N/A	N/A
<b>Consolidated Tariff System (Waterville Valley Gateway – Pool)</b>	\$442.70	\$489.21	N/A	N/A
<b>Dockham Shores</b>	\$148.31	\$163.89	\$5.77	\$6.38
<b>Wildwood</b>	\$190.10	\$210.07	N/A	N/A

<sup>5</sup> Again, the Settling Parties agree that while Wildwood and Dockham Shores are presented in the above chart as stand-alone systems, the tariffs submitted after possible approval would reflect the Wildwood and Dockham Shores divisions as part of the consolidated rate group.

## **I. Billing Cycle**

The Settling Parties agree that the Company's request to convert from a quarterly billing cycle to a monthly billing cycle should be deferred for examination during Lakes Region's next full rate proceeding. The Settling Parties recognize that a conversion to monthly billing benefits metered customers as those customers would be able to adjust consumption behavior sooner than billing on a quarterly basis. The Settling Parties further recognize that the same benefit does not exist for unmetered customers. As such, the Settling Parties further agree that a billing conversion is dependent upon a reduction in the overall number of unmetered customers to be examined in the Company's next full rate proceeding.

## **J. Effective Date of Permanent Rate Revenue Requirement and Step I Rates**

The Settling Parties recognize that the agreed-upon permanent rates will result in a rate decrease from the currently-approved temporary rates for most of the Company's ratepayers. The Settling Parties further recognize that the agreed-upon Step I rates would result in a subsequent increase to all customer classes. The Settling Parties also recognize that approval of Step I rates extends beyond the final hearing for permanent rates as the Company will need to produce supporting documentation for DOE Audit Staff's review. .

As such, the Settling Parties agree that, instead of implementing the permanent rates and Step I rates on different effective dates, which would result in a rate decrease for most Company customers, followed some time thereafter by a rate increase, the effective date for both the permanent rate decrease and Step I rate increase should be realized on the same date. This will aid in maintaining rate stabilization and avoid customer confusion. The Settling Parties recommend that the simultaneous date be set by the issuance of a second Commission Order after the permanent rate hearing.

While the Settling Parties maintain and recommend that the subsequent Commission Order following the permanent rate hearing approve the Settlement Agreement, and the resulting Permanent Rate Revenue Requirement and rates, the resulting Permanent Rate Revenue Requirement rates should not be applied at the issuance of that Commission Order. Instead, the Settling Parties recommend the Commission issue a second order after hearing, which would terminate the temporary rate period and institute the Step I rates, which include the Permanent Rate Revenue Requirement rates, at the same time.

**K. Temporary to Permanent Rate Recoupment**

The Settling Parties recognize that the Commission authorized a temporary rate increase for the Company, for service rendered as of September 23, 2021. *Lakes Region Water Company, Inc.*, Order No. 26,533 (September 23, 2021). As the Settling Parties agree that implementation of the Permanent Rate Revenue Requirement and resulting rates will be a decrease from most customers' temporary rates, a majority of the Company's customers will receive a credit for the difference between the temporary rates and the ultimately approved permanent rates.

Per the section above regarding the effective date of Permanent Rate Revenue Requirement and Step I rates, the Settling Parties agree, subject to Commission approval, that the effective date that the new permanent rates shall go into effect shall be the same date upon which the Commission issues its order approving the Step I adjustment. As such, the time period for the temp-to-perm recoupment shall also be from September 23, 2021 through the date of the Commission's order approving Step I rates. The Settling Parties also agree that the temp-to-perm recoupment will apply solely to the Permanent Rate Revenue Requirement, which will result in a credit to most customers, and not the Step I increase and its resulting rate increase

which, if implemented and considered the final rate for temporary to permanent rate recoupment purposes, would result in a surcharge to customers. RSA 378:29.

The Company agrees to submit its temporary to permanent rate calculation and proposed recoupment within 30 days of the Commission's order approving Step I and its resulting rates. The DOE agrees to review the temporary to permanent rate submission, which includes the possibility of propounding discovery, and submit a report to the Commission, in coordination with the Company, for Commission approval of the resulting credit or surcharge.

**L. Rate Case Expenses**

The Settling Parties agree and recommend the Commission approve Lakes Region's recovery of its reasonable rate case expenses for this proceeding through a surcharge to customers. Lakes Region's rate case expenses may include, but are not limited to, legal and consultant expenses, incremental administrative expenses such as copying and delivery charges, and other such rate case related expenditures allowed under N.H. Admin. R., Puc 1906.01. Lakes Region agrees to file its final rate case expenses and proposal for surcharge recovery, pursuant to Puc 1905.02, no later than 30 days from the date of the Commission's order approving the Step I adjustment in this proceeding. The Settling Parties agree that the Department will review Lakes Region's proposal and provide a report for the Commission's consideration prior to the issuance of an order on rate case expense recovery.

The resulting surcharge shall be reflected as a separate item on all customers' bills. The Settling Parties agree, however, that the surcharge may be offset by the possible credit an individual customer may be entitled to from the temporary to permanent rate recoupment. As such, the Settling Parties agree that final report provided by the DOE should combine both its review of the temporary to permanent recoupment, described in the prior section, and rate case

expenses. This provides administrative efficiency for the Settling Parties and for the Commission, as the Commission could address both issues in a final order issued after its order on the Step I adjustment.

Upon issuance of the Commission's order approving rate case expense recovery, Lakes Region agrees to file, within 15 days of that order, a compliance tariff supplement including the approved surcharge relating to the total recovery of rate case expenses, as well as the average monthly surcharge per customer, if applicable.

**M. Meter Installation and Request for Waiver of Puc 603.03(a)**

The Settling Parties agree that Lakes Region services several unmetered customers, as evidenced by their tariffs. The Settling Parties further agree that the ultimate goal of the Company would be to install meters for all of its customers. Lakes Region proposed in the pre-filed testimony of Lakes Region President Thomas A. Mason implementation of a water conservation investment program which would allow for the recovery of costs related to meter installation over time. The Commission, however, declined to allow this on procedural grounds. Order No. 26,463 at 2 (March 26, 2021). As a result, the Settling Parties agree that Lakes Region will commit to the goal of installing customer meters in its unmetered Deer Cove, Lake Ossipee Village, and Indian Mound divisions before it files for its next rate case.

The Settling Parties agree that this commitment is a goal and that no strict timeline is imposed under the terms of this Settlement Agreement. The Settling Parties, furthermore, agree that there will be no penalty to the Company should this goal not be met by its next full rate proceeding provided there are reasonable circumstances beyond Lakes Region's control preventing such. The Company also commits to submitting with its next full rate proceeding a report on the status of meter installations for those three divisions, including detail regarding

customer accounts which did not have a meter installed and the reason for such delay, for Commission review and disposition as part of that next rate proceeding

The Settling Parties also agree that Lakes Region, as a public water utility, is subject to the Puc 600 rules governing such utilities. Per Puc 603.03(a), “[a]ll water sold by a utility shall be billed on the basis of metered volume sales unless a waiver is granted by the commission pursuant to Puc 201.05 for unmetered service.” Per the stated metering goal above, the Settling Parties agree and recommend that the Commission waive Puc 603.03(a) for Lakes Region until disposition of its next full rate proceeding in order for the Company to remain compliant with Commission rules while endeavoring to complete its metering goal.

The Settling Parties agree that this waiver serves the public interest as it will not require the Company to incur the annual cost of filing for waiver until Lakes Region’s next full rate proceeding, which reduces possible future cost to ratepayers and saves the Company from repeated administrative expenses and regulatory lag. Puc 201.05(a)(1) and (b)(1). The Settling Parties further agree that the method proposed in this Settlement Agreement is an appropriate alternative method to an annual waiver request filed by the Company. Puc 201.05(b)(2). The Settling Parties, lastly, agree that this waiver will not disrupt the orderly and efficient resolution of matters before the Commission as it will allow the Company to pursue its goal by its next full rate proceeding without the need for continued waiver requests. Puc 201.05(a)(2).

The Settling Parties agree that for administrative efficiency purposes, Lakes Region shall revise the “Division” paragraph of its “General Service – Metered” Tariff Page 15 to read as follows:

DIVISION

FAR ECHO HARBOR, PARADISE SHORES, WEST POINT, WATERVILLE  
VALLEY GATEWAY, HIDDEN VALLEY, WENTWORTH COVE,  
PENDELTON COVE, DEER RUN, WOODLAWN GROVE, ECHO LAKE  
WOODS, BRAKE HILL, AND CUSTOMERS IN THE LAKE OSS�PEE  
VILLAGE, INDIAN MOUND OR DEER COVE DIVISIONS IN WHICH THE  
COMPANY HAS INSTALLED A METER.

The proposed tariff amendment will allow the Company to properly charge its customers affected by a meter installation at the appropriate time without the need to complete metering of an entire division before tariff submission.

**IV. CONDITIONS**

**A.** This Settlement Agreement is expressly conditioned upon the Commission's acceptance of all its provisions, without change or condition. If the Commission does not accept the Settlement Agreement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Settlement Agreement, and the Settling Parties are unable to agree with said changes, conditions, or findings, the Settlement Agreement shall be deemed withdrawn and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose.

**B.** The Settling Parties agree that the Commission's acceptance of the Settlement Agreement does not constitute continuing approval of, or precedent for, any particular issue in this proceeding other than those specified herein.

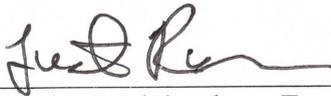
**C.** This Settlement Agreement may be executed in multiple counterparts, which together shall constitute an agreement.

**IN WITNESS WHEREOF**, the Settling Parties have caused this Settlement Agreement to be duly executed in their respective names by their agents, each being fully authorized to do so on behalf of their principal.

LAKES REGION WATER COMPANY, INC.  
By Its Attorney,

NH WATER LAW

Dated: 4/28/2022

By:   
Justin C. Richardson, Esq.

NH DEPARTMENT OF ENERGY

Dated: 4/28/2022

By: /s/ Christopher R. Tuomala  
Christopher R. Tuomala, Esq.  
Hearings Examiner/Department Attorney