

**STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

**DW 22-068**

**LAKES REGION WATER COMPANY, INC.**

**Petition for Step Adjustment**

**COMMENCEMENT OF ADJUDICATIVE PROCEEDING  
AND NOTICE OF PREHEARING CONFERENCE**

On October 19, 2022, Lakes Region Water Company, Inc. (Lakes Region or the Company) filed a petition for a step adjustment requesting a revenue requirement increase to recover the costs of post-test year plant additions and other costs. In support of its petition, Lakes Region filed the testimony and schedules of its consultant, Steven St. Cyr. The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, are available on the Commission's website at [www.puc.nh.gov/regulatory/Docketbk/2022/22-068.html](http://www.puc.nh.gov/regulatory/Docketbk/2022/22-068.html).

**I. BACKGROUND AND PROCEDURAL HISTORY**

In Order No. 26,633 (May 27, 2022), issued in Docket No. DW 20-187, the Commission approved a settlement agreement on permanent rates filed on April 28, 2022 (Settlement Agreement).<sup>1</sup> The Settlement Agreement also authorized Lakes Region to seek a separate step adjustment (Step I), subject to an audit by the New Hampshire Department of Energy (DOE), not to exceed \$144,863. Settlement Agreement at 7. Step I would recover the following costs: plant additions in service as of December 31, 2021; deferred annual wage expense increases; and paving costs incurred during the second quarter of 2022. Order No. 26,633 at 3-4. The Commission directed that the temporary rates approved on

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<sup>1</sup> Order No. 26,633 was revised on July 12, 2022. See revised order and errata page in Docket No. DW 20-187 at Tab 58.

September 23, 2021 would remain in effect until the Commission reviewed and ruled on the proposed Step I. *Id.* at 9.

Lakes Region's petition requested the Commission to approve Step I in the amount of \$144,863. Petition (Pet.), ¶ 4. The combined maximum effect of the permanent rates and the proposed Step I adjustment would result in a total revenue requirement increase of \$186,541. Order No. 26,633 at 4. The Company proposed that this step adjustment take effect on a service-rendered basis on the first day of the month following the date of the Commission's order approving Step I. *See* Pet., ¶ 7. Pursuant to the Settlement Agreement, the permanent rates approved by Order No. 26,633 would take effect on the same date. Settlement Agreement at 4.

The DOE filed an appearance in this docket on November 2, 2022. On November 3, 2022, the DOE filed the following procedural schedule, to which Lakes Region assented:

First Set of Data Requests – Step Adjustment	January 25, 2023
Data Request Responses	February 8, 2023
Technical Session	February 15, 2023, 10 am
Technical Session Data Requests	February 16, 2023
Technical Session Data Request Responses	February 23, 2023
File Settlement/DOE Position Statement	March 23, 2023

Lakes Region filed a partially assented-to motion to consolidate the above-captioned docket with Docket No. DW 20-187 on November 4, 2022. The Commission denied the Company's motion on November 18, 2022 in Order No. 26,728.

## **II. ISSUES PRESENTED**

The filing presents, *inter alia*, the following issues: whether the plant additions that Lakes Region placed in service as of December 31, 2021 were prudent, and used and useful, as required by RSA 378:28; whether Lakes Region appropriately calculated the proposed revenue requirement increase sought by Step I; and whether the resulting rates will be just and reasonable, as required by RSA 374:2, RSA 378:5, and

RSA 378:7. Accordingly, an adjudicative proceeding will be convened to address these issues.

The Commission will be conducting the prehearing conference and any hearings scheduled in this matter in person. The Commission will consider requests to conduct hearings using a hybrid format to permit remote participation by a specific individual only if the Commission has determined that a sufficient reason has been provided for why that individual would be unable to attend in person. Any party requesting that a specific individual be permitted to participate remotely should file a written request with the Commission's Clerk's Office no later than fifteen (15) days prior to the prehearing conference or hearing date. If the Commission determines that one or more individuals will be permitted to appear remotely, then individuals in the Commission's hearing room, including the Commissioners, will be broadcast on a web-enabled platform.

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

**ORDERED**, that an adjudicative proceeding be commenced for the purpose of reviewing and resolving the foregoing issues pursuant to RSA chapter 541-A, RSA 374:2, RSA 378:5, RSA 378:7, RSA 378:28, and the Commission's procedural rules; and it is

**FURTHER ORDERED**, that the parties' proposed procedural schedule is APPROVED; and it is

**FURTHER ORDERED**, that the Commission will hold a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, at its offices located at 21 S. Fruit St., Suite 10, Concord, New Hampshire, on February 1, 2023, at 9:00 a.m., at which each party should be prepared to address any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

**FURTHER ORDERED**, that during the prehearing conference, the Commission will consider the matters listed in Puc 203.15(c) and (d); and it is

**FURTHER ORDERED**, that any entity or individual may petition to intervene and seek to be admitted as a party in this proceeding. Each party has the right to have an attorney represent the party at the party's own expense; and it is,

**FURTHER ORDERED**, that, consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any entity or individual seeking to intervene in the proceeding shall file with the Commission a petition to intervene with copies sent to Lakes Region and any other parties on the service list, on or before January 12, 2023. The petition shall state the facts demonstrating how the petitioner's rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

**FURTHER ORDERED**, that any party objecting to a petition to intervene make said objection on or before January 23, 2023; and it is

**FURTHER ORDERED**, that parties shall file any proposed exhibits, written testimony, motions, or other documents intended to become part of the record in this proceeding with the Commission. Pursuant to the secretarial letter issued on March 17, 2020, which is posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Secretarial%20Letters/20200317-SecLtr-Temp-Changes-in-Filing-Requirements.pdf>, all Commission rules requiring the filing of paper copies are suspended until further notice. Parties may elect to submit any filing in electronic form unless otherwise ordered by the Commission. Filings will be considered filed as of the time the electronic copy is received by the Commission; and it is

**FURTHER ORDERED**, that routine procedural inquiries may be made by contacting the Commission's Clerk's Office at (603) 271-2431 or

[ClerksOffice@puc.nh.gov](mailto:ClerksOffice@puc.nh.gov). All requests to the Commission should be made in a written pleading filed with the Commission. Unless otherwise authorized by law, *ex parte* communications are prohibited; and it is

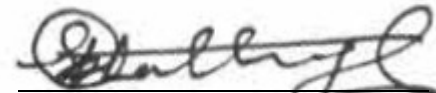
**FURTHER ORDERED**, that pursuant to N.H. Admin. R., Puc 203.12, Lakes Region shall notify all entities and individuals desiring to be heard at this hearing by publishing a copy of this order of notice on its website no later than two business days after the date of issue, such publication to be documented by affidavit filed with the Commission on or before January 3, 2023. In addition, the Clerk shall publish this order of notice on the Commission's website no later than two business days after the date of issue; and it is

**FURTHER ORDERED**, that any hearings in this matter shall be conducted in accordance with the attached hearing guidelines.

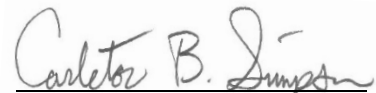
So ordered, this thirteenth day of December, 2022.



Daniel C. Goldner  
Chairman



Pradip K. Chattopadhyay  
Commissioner



Carleton B. Simpson  
Commissioner

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the 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.

# Service List - Docket Related

Docket#: 22-068

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