

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 20-187

LAKES REGION WATER COMPANY, INC.

Request for Change in Rates

Order on Temporary Rates

ORDER NO. 26,522

September 23, 2021

In this order, the Commission authorizes Lakes Region Water Company, Inc. (Lakes Region), to implement the temporary rates proposed in the Settlement Agreement, which allows for overall revenue requirement increase of \$64,367 for all Lakes Region Water Systems, combined. The temporary rates will be subject to reconciliation for service rendered as of the date of this order, based on the outcome of the permanent rate case.

I. PROCEDURAL HISTORY

On November 30, 2020, Lakes Region filed a notice of intent to file rate schedules. On January 15, 2021, Lakes Region filed its Petition for Temporary and Permanent Rates, including a request for approval of a 10.44 percent return on equity. Accompanying the Petition. Lakes Region provided pre-filed testimony from Thomas P. Mason, and Stephen P. St Cyr. Pursuant to RSA 378:27, Lakes Region requested temporary rates. On February 12, and 26, 2021, Lakes Region filed amended petitions.

The Commission issued Order No. 26,463 on March 26, 2021, suspending Lakes Region's proposed tariff for 18 months and scheduling a prehearing conference for May 3, 2021. On April 7, 2021, a group of approximately 200 Lake Ossipee Village homeowners filed a petition for intervention through five representatives, Carol

Stansell, Richard and Kimberly Masse, and Irving and Patricia Hadley. A prehearing conference was held on May 3, 2021. By letter dated August 3, 2021, the Commission granted the intervention requests of the individuals who signed the original petition to intervene, as well as the homeowners and residents in Lake Ossipee Village who noted their support for either the original petition to intervene or the updated petition to intervene filed on May 27, 2021. No additional intervention requests were filed.

On August 30, 2021, Energy filed a settlement agreement (Settlement Agreement) regarding temporary rates reached between Lakes Region, and Energy Staff participating in this matter (the Settling Parties). A hearing on Lakes Region's petition for temporary rates and the Settlement Agreement was held on September 8, 2021.

II. POSITIONS OF THE PARTIES

A. Lakes Region

In its Petition for a rate increase, 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 does not approve consolidation of rates, Lakes Region proposed a permanent rate increase for each individual rate group and a temporary rate increase for each individual rate group. Lakes region requested to convert all customer bills from a quarterly billing cycle to a monthly billing cycle.

On February 26, 2021, the Company amended its proposed temporary and permanent rate tariffs with a proposed effective date of February 28, 2021. For temporary rates, Lakes Region proposed an increase to its Consolidated Tariff Systems of 4.51 percent, Wildwood Division of 39.30 percent, and requested temporary rates at current rates for its Dockham Shores Division.

III. SETTLEMENT AGREEMENT

A. Temporary Rates

The Settling Parties agreed that, in accordance with RSA 378:27, temporary rates, based on the Lakes Region's Temporary Rate filing and the books and records on file with the Commission, should be established. The Settling Parties recommended that the Commission consider a consolidation of all rate groups upon its final determination of permanent rates.

The Settling Parties agreed that temporary rates, based upon the proposed increases in the Company's pro forma water sales, are just and reasonable. The Settling Parties agreed the current rates should be temporarily increased as follows:

Rate Group	Current Base Charge	Proposed Temporary Base Charge	Current Consumption Charge	Proposed Temporary Consumption Charge
Consolidated Tariff Systems (Divisions with Consumption Charge)	\$145.42	\$151.98	\$5.66	\$5.90
Consolidated Tariff Systems (Divisions without Consumption Charge)	\$184.89	\$193.23	N/A	N/A
Consolidated Tariff System (Waterville Valley Gateway – Pool)	\$429.32	\$448.67	N/A	N/A
Dockham Shores	\$145.42	\$145.42	\$5.66	\$5.66
Wildwood	\$130.50	\$169.65	N/A	N/A

B. Effective Date

The Settling Parties agreed the effective date for these temporary rates, on a service-rendered basis, should be the earlier of October 1, 2021, or the date the Commission issues an order on temporary rates. The Settling Parties further agreed that temporary rates will be subject to reconciliation pursuant to RSA 378:29, effective

the earlier of October 1, 2021, or the date the Commission issues a temporary rate order, after the final determination of rates is ruled upon by the Commission in this docket.

IV. COMMISSION ANALYSIS

Unless precluded by law, disposition may be made of any contested case at any time prior to the entry of a final decision or order. RSA 541-A:31, V(a). The Commission encourages parties to settle disagreements through negotiation and compromise because it is an opportunity for creative problem solving. *Hampstead Area Water Company, Inc.*, Order No. 26,131 at 3 (May 3, 2018). Nonetheless, the Commission cannot approve a settlement, even when all parties agree, without independently determining that the result comports with applicable standards. *Id.*

Pursuant to RSA 378:27, the Commission may approve temporary rates for the duration of a rate proceeding if the Commission finds that the public interest so requires and the reports of the public utility filed with the Commission indicate that the proposed temporary rates are reasonable. The standard for approval of temporary rates, which are reconcilable, is less stringent than that for permanent rates, “in that temporary rates shall be determined expeditiously, without such investigation as might be deemed necessary to a determination of permanent rates.” *Appeal of Office of Consumer Advocate*, 134 N.H. 651, 660 (1991) (quoting *New Eng. Tel. & Tel. Co. v. State*, 95 N.H. 515, 518 (1949) (internal quotations omitted)).

The Settlement Agreement requests the Commission approve a 4.51 percent increase in the revenue requirement from current rates for the Consolidated Tariff Divisions, a 30 percent increase for the Wildwood Division, and temporary rates at the current level for the Dockham Shores Division. We find, based on the Company’s annual reports and books and records filed with the Commission, that such temporary

rates are sufficient. RSA 378:27. Taking into consideration the bill impacts of the proposed temporary rates, see Attachment 1 to this order, we find that customer impacts are reasonable, and that Lakes Region and the customers are protected by the reconciliation mechanism pursuant to RSA 378:29. We also find that temporary rates provided in the Settlement are just and reasonable under the circumstances. Accordingly, we find the Settlement Agreement just and reasonable and in the public interest.

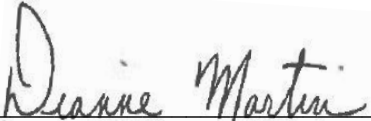
Based upon the foregoing, it is hereby

ORDERED, that the Settlement Agreement on temporary rates is **APPROVED**; and it is

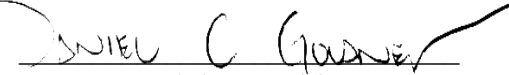
FURTHER ORDERED, that the temporary rates will be effective for service-rendered as of the date of this order, subject to reconciliation pursuant to RSA 378:29 at the conclusion of Lakes Region Water Company, Inc.'s permanent rate proceeding; and it is

FURTHER ORDERED, that Lakes Region shall submit to the Commission properly annotated tariff pages consistent with this order within 15 days of the date of this order.

By order of the Public Utilities Commission of New Hampshire this twenty-third day of September, 2021.



Dianne Martin
Chairwoman



Daniel C. Goldner
Commissioner

Attachment 1

Lakes Region Water Company
DW 20-187
Temporary Rates
Proposed Customer Bills

	<u>Quarterly Customer Bills</u>			<u>Annual Customer Bills</u>		
	<u>LRWC</u>	<u>Settlement</u>		<u>LRWC</u>	<u>Settlement</u>	
	<u>Proposed</u>	<u>Temp.</u>		<u>Proposed</u>	<u>Settlement</u>	
	<u>Temp</u>	<u>Rates</u>		<u>Temp</u>	<u>Temp.Rates</u>	
	<u>Current</u>			<u>Current</u>		
<u>LRWC Metered Customers</u>						
Base Rate	\$ 145.42	\$ 151.98	\$ 151.98	\$ 581.68	\$ 607.92	\$ 607.92
2019 avg cust usage 100ccf	(1) 6.885	6.885	6.885	(3) 27.539	27.539	27.539
Volume Rate per 100ccf	5.66	5.90	5.90	5.66	5.90	5.90
Volume Charge	\$ 38.97	\$ 40.62	\$ 40.62	\$ 155.87	\$ 162.48	\$ 162.48
Total Charge	\$ 184.39	\$ 192.60	\$ 192.60	\$ 737.55	\$ 770.40	\$ 770.40
<u>LRWC Unmetered Customers</u>	\$ 184.89	\$ 193.23	\$ 193.23	\$ 739.56	\$ 772.92	\$ 772.92
<u>LRWC Waterville Valley Gateway Pool</u>	\$ 429.32	\$ 448.67	\$ 448.67	\$ 1,717.28	\$ 1,794.68	\$ 1,794.68
<u>DS Meter Customers</u>						
Base Rate	\$ 145.42	\$ 145.42	\$ 145.42	\$ 581.68	\$ 581.68	\$ 581.68
2019 avg cust usage 100gal	(2) 102.54	102.54	102.54	(4) 410.15	410.15	410.15
Volume Rate per 100gal	(5) 0.757	0.757	0.757	0.757	0.757	0.757
Volume Charge	\$ 77.62	\$ 77.62	\$ 77.62	\$ 310.48	\$ 310.48	\$ 310.48
Total Charge	\$ 223.04	\$ 223.04	\$ 223.04	\$ 892.16	\$ 892.16	\$ 892.16
<u>Wildwood Unmetered Customers</u>	\$ 130.50	\$ 181.79	\$ 169.65	\$ 522.00	\$ 727.16	\$ 678.60

Service List - Docket Related

Docket# : 20-187

Printed: 9/23/2021

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