

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Docket No. DW 15 – 209

*Lakes Region Water Co., Inc.*

*Petition for Permanent Rate Increases*

NOW COMES Lakes Region Water Company, by and through Upton & Hatfield, LLP, and petitions for permanent rate increases as follows:

1. Lakes Region Water Co., Inc., (“Company”) requests approval of a rate increase from general customers in the amount of \$398,274 which is 38.18% above the Company’s approved rates. On a per customer basis, the average revenue increase would be \$239.06 per year or \$59.77 per quarter.

2. The Company has prepared supporting schedules and testimony in support of this request based on a 2014 test year. These schedules show that the Company’s test year net operating income of \$95,928 is significantly less than required to pay operating expenses and earn a reasonable return on investment in its water system serving the public.

3. The Company’s testimony and schedules show that it has added \$608,475 in plant improvements, including significant improvements to its Indian Mound and Paradise Shores systems. The Company plans to complete the Indian Mound project with an estimated, remaining costs of \$129,775. The Company requests that the Commission approve a step increase for this and other projects based on the Company’s 5 year capital improvements plan in order to defer future rate case expenses.

4. The Company also proposes to acquire the Mt. Roberts' land for \$415,906. For the purposes its rate request, the Company's schedules reflect a 20-year fixed interest rate of 5.50%. The Company has received a financing proposal from CoBank this day which reflects a current 20-year fixed interest rate of 5.41% less a patronage discount of 0.75%. *See Mason Exhibit 4.* The Company intends to request approval of the financing for the Mt. Roberts project as part of this proceeding, consistent with the terms proposed by CoBank.

5. Lastly, the Company intends to request for approval temporary rates in this proceeding in order to minimize the need for rate recoupment after permanent rates are approved.

6. RSA 378:7 authorizes the Commission to fix rates after a hearing upon determining that the rates, fares, and charges are just and reasonable. In determining whether rates are just and reasonable, the Commission must balance the customers' interest with the investors' interest in obtaining a reasonable return on their investment. *Appeal of Eastman Sewer Co.*, 138 N.H. 221, 225 (1994).

7. For the reasons explained in its testimony and supporting information, the Company requests that the Commission determine that its proposed rates are just and reasonable and approve the same.

WHEREFORE Lakes Region Water Co., Inc. respectfully requests that the Commission approve a permanent rate increase as presented herein and grant such other relief as justice may require.

Respectfully submitted,

**LAKES REGION WATER  
COMPANY, INC.**

By its Counsel,

**UPTON & HATFIELD, LLP**



Dated: July 31, 2015

---

Justin C. Richardson  
NHBA #12148  
159 Middle Street  
Portsmouth, NH 03801  
(603) 436-7046  
[jrichardson@uptonhatfield.com](mailto:jrichardson@uptonhatfield.com)

#### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was this day forwarded via Electronic Mail to Commission Staff and the Office of Consumer Advocate, pending the establishment of an official Service List for this matter.



---

Justin C. Richardson