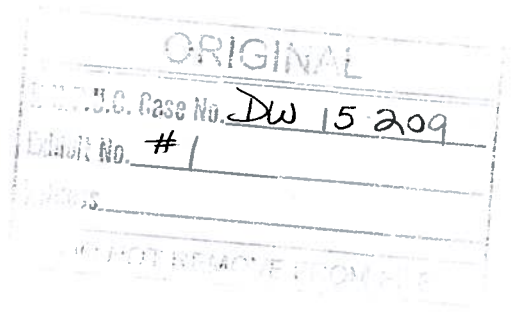


STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 15 – 209

Lakes Region Water Co., Inc.
Petition for Temporary Rate Increase



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

1. Lakes Region Water Co., Inc., ("Company") has requested approval of a permanent rate increase in this proceeding in the amount of \$398,274 (38.18%) above its approved rates based on a 2014 test-year in which it earned net operating income of \$95,928 on a 13 month average rate base of \$2,637,330. This represents a rate of return of 3.64% which is well below its authorized rate of return of 8.19%.

2. As set forth in the testimony and schedules submitted herewith, the Company requests that the Commission approve a temporary rate increase in this proceeding in the amount of is \$209,958. subject to reconciliation pursuant to RSA 378:29.

3. RSA 378:27 provides for temporary rates that "shall be sufficient to yield not less than a reasonable return on the cost of the property of the utility used and useful in the public service less accrued depreciation, as shown by the reports of the utility filed with the commission, unless there appears to be reasonable ground for questioning the figures in such reports."

4. The Company's current rates provide for a return of 3.64% which is less than both a reasonable and its approved rate of return (8.19%) based on the \$2,637,330 cost of its utility property, less accrued depreciation.

5. The Company requests that the Commission approve temporary rates on a service rendered basis as of the date specified for publication of the Commission's Order of Notice in this proceeding. *See Appeal of Pennichuck Water Works*, 120 N.H. 562, 567 (1980) (rates may be effective as of "the date on which the utility files its underlying request for a change in its permanent rates.").

WHEREFORE Lakes Region Water Co., Inc. respectfully requests that the Commission:

- A. Issue an Order of Notice;
- B. Approve temporary and permanent rates in this proceeding; and
- C. Grant such other relief as justice may require.

Respectfully submitted,

**LAKES REGION WATER
COMPANY, INC.**

By its Counsel,

UPTON & HATFIELD, LLP

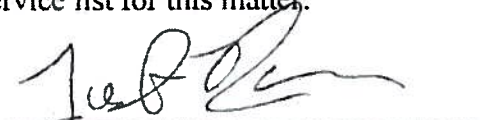


Justin C. Richardson
NHBA #12148
159 Middle Street
Portsmouth, NH 03801
(603) 436-7046
jrichardson@uptonhatfield.com

Dated: August 17, 2015

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was this day forwarded via Electronic Mail to all person's on the Commission's official service list for this matter.


Justin C. Richardson

Lakes Region Water Company

DW 15-209

Petition, Testimony, Exhibits and
Other Rate Case Filing Requirements
For Temporary Rates

P. O. Box 389
420 Governor Wentworth Highway
Moultonboro, NH 03254
Telephone: (603) 476-2348
Fax: (603) 476-2721

LAKES REGION WATER COMPANY, INC.

Lakes Region Water Company

Index

1. Introductory letter
2. Report of Proposed Rate Changes (See Schedule 6)
3. Proposed Tariff Pages
4. Direct Testimony of Stephen P. St. Cyr
5. Rate Case Exhibits for Temporary Rates
6. Attestation of Tim Fontaine

Email: lrwater@lakesregionwater.com
www.lakesregionwater.com

EXHIBIT 1

LAKE REGION WATER COMPANY, INC.

Lakes Region Water Company
before the
New Hampshire Public Utilities Commission
DW 15-209
Introductory Letter

The Lakes Region Water Company ("Lakes Region" or "Company") respectfully requests that the Commissioners accept this temporary rate filing in support of its request for an increase in the water rates. The Company proposes to increase its annual revenues from general customers by \$221,487 or 21.23%. On a per customer basis, the average, annual increase would be \$132.95 or \$33.24 per quarter. The increase in revenue does not affect the Property Owners Association at Suissevale, Inc. ("POASI"), whose rates are subject to a special contract.

During the twelve months ended December 31, 2014 (the test year) the Company's net operating income amounted to \$95,928, significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return.

A temporary rate increase is necessary in order to eliminate the revenue deficiency incurred during the test year. It is also necessary to reflect the 2014 additions to plant and related accumulated depreciation into rate base. In addition, it is necessary to allow the Company to earn its authorized rate of return. For the Company, it will improve cash flow, revenue and earnings and enable the Company to meet its expenses and related obligations. For our customers, it will lessen the impact of the permanent rate increase.

The Company proposes that the temporary rates be effective the date that the Company provides notice to its customers.

With respect to the specific rate filing and its exhibits and supporting schedules, the Company has engaged the services of Justin C. Richardson of Upton & Hatfield to provide legal services and Stephen P. St. Cyr of St. Cyr & Associates to provide accounting / rate services including preparing the exhibits and drafting and presenting testimony on the merits of the case. Enclosed are petition, testimony, exhibits and the other rate filing requirements.

Email: lrwater@lakesregionwater.com
www.lakesregionwater.com

EXHIBIT 2

Lakes Region Water Company

Schedule 6

Report of Proposed Rate Changes

Utility Lakes Region Water Co. Date Filed: 8/14/2015
 Tariff No.: 7 Pages 10 - 12 Effective Date:

Rate of Class of Service	Effect of Change	Number of Customers	Authorized Present Revenue	Proposed Revenue	Proposed Change Amount	Proposed Change Percentage
Unmetered Customers	\$ 80,497	591	\$ 367,707	\$ 448,204	\$ 80,497	21.89%
WVG Pool	308	1	1,448	\$ 1,756	308	21.27%
Metered Customers excluding Suissevale	<u>140,682</u>	<u>1,074</u>	<u>673,988</u>	<u>\$ 814,670</u>	<u>140,682</u>	20.87%
Total Unmetered and Metered Customers excluding Suissevale Contract	\$ 221,487	1,666	\$ 1,043,143	\$ 1,264,630	\$ 221,487	21.23%
Suissevale Contract	65,754	<u>1</u>	<u>136,526</u>	<u>202,280</u>	<u>65,754</u>	48.16%
Total Sales of Water	<u>\$ 287,241</u>	<u>1,667</u>	<u>\$ 1,179,669</u>	<u>\$ 1,466,910</u>	<u>\$ 287,241</u>	24.35%
Forfeited Discount			\$ 6,438	\$ 6,438		
Miscellaneous Services Revenues	-		52,620	52,620	-	
Other Water Revenue - Rate Case Surcharge	<u>(77,283)</u>		<u>77,283</u>	<u>-</u>	<u>(77,283)</u>	
Total Other Operating Revenues	<u>\$ (77,283)</u>		<u>\$ 136,341</u>	<u>\$ 59,058</u>	<u>\$ (77,283)</u>	
Total Water Operating Revenues	<u>\$ 209,958</u>	<u>1,667</u>	<u>\$ 1,316,010</u>	<u>\$ 1,525,968</u>	<u>\$ 209,958</u>	15.95%
 Avg. Res. Cust.		<u>1,666</u>	<u>\$ 626.14</u>	<u>\$ 759.08</u>	<u>\$ 132.95</u>	<u>21.23%</u>

SPSt. Cyr
8/11/2015

EXHIBIT 3

**GENERAL SERVICE - METERED
For
CONSOLIDATED TARIFF SYSTEM**

DIVISIONS

FAR ECHO HARBOR, PARADISE SHORES, WEST POINT,
WATERVILLE VALLEY GATEWAY, HIDDEN VALLEY, WENTWORTH
COVE, PENDLETON COVE, DEER RUN, WOODLAND GROVE, ECHO
LAKE WOODS, BRAKE HILL

AVAILABILITY

This schedule is available to all water service in the franchise area.

CHARACTER OF SERVICE

Water will be furnished at the minimum pressure of twenty (20) pounds per square inch and at a maximum pressure of one hundred twenty five (125) pounds per square.

RATES

Minimum charge per customer per quarter	\$149.82
or annual flat rate per customer	\$599.28
Metered Rate Per 100 Cubic Feet	\$ 5.71

TERMS OF PAYMENT

Bills under these rates will be rendered quarterly and are due and payable upon presentation. Interest at the rate of eighteen percent (18%) per annum will be charged on all bills thirty days (30) past due.

Issued in compliance with NHPUC Order No. ... in Docket DW 15-209 dated ...

ISSUED: August 17, 2015

ISSUED BY: Thomas Mason

EFFECTIVE:

TITLE: President

GENERAL SERVICE - UNMETERED
For
CONSOLIDATED TARIFF SYSTEM

DIVISION

WATERVILLE VALLEY GATEWAY - POOL

AVAILABILITY

This schedule is available to all water service in the franchise area.

CHARACTER OF SERVICE

Water will be furnished at the minimum pressure of twenty (20) pounds per square inch and at a maximum pressure of one hundred twenty five (125) pounds per square.

RATES

Minimum charge per quarter	\$ 439.00
Or annual flat rate for community pool	\$1,755.98

TERMS OF PAYMENT

Bills under these rates will be rendered quarterly and are due and payable upon presentation. Interest at the rate of eighteen percent (18%) per annum will be charged on all bills thirty days (30) past due.

Issued in compliance with NHPUC Order No. ... in Docket DW 15-209 dated ...

ISSUED: August 17, 2015

ISSUED BY: Thomas Mason.

GENERAL SERVICE - UNMETERED
For
CONSOLIDATED TARIFF SYSTEM

DIVISION

TAMWORTH WATER WORKS, 175 ESTATES, DEER COVE, LAKE
OSSIPPEE VILLAGE, INDIAN MOUND and GUNSTOCK GLEN

AVAILABILITY

This schedule is available to all water service in the franchise area.

CHARACTER OF SERVICE

Water will be furnished at the minimum pressure of twenty (20) pounds per square inch and at a maximum pressure of one hundred twenty five (125) pounds per square.

RATES

Minimum charge per quarter	\$189.60
Or annual flat rate per customer	\$758.38

TERMS OF PAYMENT

Tamworth Water Works bills under these rates will be rendered quarterly and in advance of services rendered and are due and payable upon presentation. Interest at the rate of eighteen percent (18%) per annum will be charges on all bills thirty days (30) past due.

175 Estates, Deer Cover, Lake Ossipee Village, Indian Mound and Gunstock Glen bills under these rates will be rendered quarterly and are due and payable upon presentation. Interest at the rate of eighteen percent (18%) per annum will be charged on all bills thirty days (30) past due.

Issued in compliance with NHPUC Order No. ... in Docket DW 15-209 dated ...

ISSUED: August 17, 2015

ISSUED BY: Thomas Mason

EFFECTIVE: _____

TITLE: President

EXHIBIT 4

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DW 15-209

*Lakes Region Water Company
Request for Temporary Rate Increase*

Direct Testimony of Stephen P. St. Cyr
in Support of Temporary Rate Adjustment

1 **Q. Please state your name and address.**

2
3 A. Stephen P. St. Cyr of Stephen P. St. Cyr & Associates, 17 Sky Oaks Drive,
4 Biddeford, Me. 04005.

5
6 **Q. Please state your present employment position.**

7
8 A. I am presently employed by St. Cyr & Associates, which provides accounting,
9 tax, management and regulatory services, primarily to utilities.

10
11 **Q. What is the purpose of your testimony?**

12
13 A. The purpose of my testimony is (1) to provide an overview of the temporary rate
14 schedules, (2) explain the temporary increase in revenue and rates, and (3) state
15 the reasons why temporary rates are necessary.

16
17 **Q. What is the test year that the Company is using in this filing?**

18
19 A. The Company is utilizing the twelve months ended December 31, 2014.

20
21 **Q. What schedules have you prepared in support of the Company's request for**
22 **temporary rates?**

23
24 A. I have prepared one set of schedules as follows:
25 Computation of Revenue Deficiency
26 Schedule 1, Statement of Income
27 Schedule 1 Supporting Schedules 1A, 1B, 1C & 1E
28 Schedule 3, Rate Base
29 Schedule 3 Supporting Schedules 3A & 3B
30 Schedule 4, Rate of Return Information
31 Schedule Supporting Schedules 4A & 4B
32 Schedules 5 & 5.1, Income Tax Computation and Effective Tax Factor
33 Schedules 6 & 6.1, Report of Proposed Rate Changes and Calculation of Rates
34 Schedules 7 & 8, 2014 Additions and Retirements of Plant

35
36 **Q. What was the general approach to the pro forma adjustments for temporary**
37 **rates as compared to permanent rates?**

38
39 A. Generally, for the purposes of temporary rates, the Company's proposed
40 schedules eliminated 2015 additions to plant, its proposed increase in the cost of
41 common equity and certain test year expenses. The Company used a 3 year
42 average for certain expenses because it believes that the 3 year average result
43 more closely approximated the level of expenses going forward.

44
45 **Q. Please provide a brief overview of the schedules.**
46

1 A. Computation of Revenue Deficiency

2
3 The schedule entitled "Computation of Revenue Deficiency for the Test Year
4 ended December 31, 2014" shows an actual, operating income deficiency of
5 \$119,976.

6 Schedule 1, Statement of Income and supporting Schedules 1A, 1B, 1C & 1E

7
8 Schedule 1 shows total pro forma adjustments of \$209,958 to operating revenues,
9 resulting in total revenues of \$1,525,968. It also shows total pro forma
10 adjustments of \$85,444 to operating expenses, resulting in total operating
11 expenses of \$1,305,526. The net of the total operating revenue of \$1,525,968 and
12 total operating expenses of \$1,305,525 results in a net operating income ("NOI")
13 of \$220,442. The NOI of \$220,442 is the amount necessary to earn its proposed
14 rate of return of 7.97% on its proposed \$2,765,328 rate base.

15
16 Schedule 1A identifies the specific pro forma adjustment to revenue. Pro forma
17 adjustment #3 for \$221,487 represents the total amount of revenue needed from
18 the WVG Pool, unmetered customer and metered customers in order to cover its
19 expenses and allow it to earn its proposed rate of return.

20
21 Schedule 1B identifies the specific pro forma adjustments to operating expenses
22 totaling \$85,444 including increases in federal income and state business taxes,
23 depreciation and property and payroll tax offset by a decrease in O&M expense.

24
25 Schedule 1C reflects wage adjustments and related payroll taxes.

26
27 Schedule 1E shows the pro forma adjustment to remove the gain from the Hidden
28 Valley land sale.

29
30 Schedule 3, Rate Base and supporting Schedules 3A & 3B.

31
32 Schedule 3 shows the actual 13 month average rate base balances of \$2,637,330,
33 the 2014 pro forma adjustments of \$127,999 and the 2014 pro forma rate base
34 balances of \$2,765,328.

35
36 Schedule 3A identifies the specific pro forma adjustments to rate base. The
37 Company continues to believe that all assets placed in service during the test year
38 should be fully reflected in rate base and a full year's depreciation on such assets
39 should be fully reflected in depreciation expense and accumulated depreciation.
40 As such, the Company has made a number of pro forma adjustments to adjust the
41 13 month average balances to year end balances.

42
43 Schedule 3B shows the computation of cash working capital for 2014 pro forma
44 amount and 2014 and is based on the pro forma test year operation and
45 maintenance expenses.

1 Schedule 4. Rate of Return Information and supporting Schedules 4A & 4B

2
3 Schedule 4 reflects the overall rate of return for the actual test year of 8.19% and
4 for the pro forma test year of 7.97%. Incorporated into the pro forma rate of
5 return is 9.60% return on equity for temporary rate purposes. Also, incorporated
6 into the pro forma rate of return is 4.60% cost of debt.
7

8 Schedules 4A and 4B provide supporting detail for the rate of return information.
9

10 Schedules 5 & 5.1. Income tax Computation and Effective Tax Factor

11
12 Schedule 5 shows the amount of tax needed on the pro forma net operating
13 income required. The Company is utilizing federal income rate of 34% and state
14 business tax rate of 8.50%.
15

16 Schedule 6. Report of Proposed Rate Changes

17
18 If the Company filing is approved as submitted, its total water Operating
19 Revenues for temporary rates will amount to \$1,525,968. The Total Sales of
20 Water amounts to \$1,466,910, of which \$1,264,630 comes from the Company's
21 1,666 unmetered and metered customers. The average, annual residential
22 customer's bill will increase \$132.95 or 21.23% for temporary rate purposes.
23

24 Schedule 6.1. Calculation of Rates

25
26 The Company is using the same methodology it has used in the past and that it is
27 using to develop permanent rates. See schedule for rates for WVG Pool,
28 unmetered customer and metered customers. It is applying the rate increase to the
29 various components of rates.
30

31 Schedules 7 & 8

32
33 Schedules 7 & 8 are supporting schedules that support the 2014 additions and
34 retirements to plant and the related depreciation and property taxes.
35

36 **Q. What is the amount of the temporary increase in revenue?**

37
38 **A.** The total amount is \$209,958.
39

40 **Q. How much of the temporary increase in revenue is from sales of water to**
41 **customers?**

42
43 **A.** The total sales of water to customers are \$287,241.
44

45 **Q. How much of the temporary increase in revenue is from sales of water to**
46 **customers exclusive of the amount from the Company's Suissevale Contract?**

1
2 A. The total sales of water to customers exclusive of the Company's Suissevale
3 Contract are \$221,487.
4

5 **Q. Why are temporary rates necessary?**
6

7 A. Temporary rates are necessary in order to: (a) eliminate the revenue deficiency
8 incurred during the test year; (b) reflect the 2014 additions to plant and related
9 accumulated depreciation into rate base; and (c) allow the Company to earn its
10 authorized rate of return. In the absence of temporary rates, the Company will
11 earn less than its approved or a reasonable rate of return. Temporary rates will
12 also lessen the impact of the permanent rate increase.
13

14 **Q. When is the Company proposing that the temporary rates be effective?**
15

16 A. The Company is proposing that the temporary rates be effective as of the date that
17 the Company provides notice to its customers of the rate change.
18

19 **Q. Would you please summarize what the Company is requesting in its rate
20 filing?**
21

22 A. The Company respectfully requests that the Commissioners approve an increase
23 in annual revenues of \$209,958 for temporary rates.
24

25 **Q. Does this conclude your testimony?**
26

27 A. Yes.
28

29 SPSt. Cyr
30 08/12/15

EXHIBIT 5

NHPUC Docket DW 15-209**Temporary Rates****Lakes Region Water Company****Computation of Revenue Deficiency****For the Test Year Ended December 31, 2014**

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	2,637,330	\$2,765,328
Rate of Return (Schedule 4)	<u>8.19%</u>	<u>7.97%</u>
Operating Income Required	\$215,904	\$220,442
Net Operating Income (Schedule 1)	<u>95,928</u>	<u>220,442</u>
Operating Income Deficiency	\$119,976	\$0
Tax Effect	<u>0</u>	<u>0</u>
Revenue Deficiency	<u>\$119,976</u>	<u>\$0</u>

SPSt. Cyr
8/11/2015

Statement of Income

Line No.	Account Title (Number) (a)	2014 Year End Balance (b)	Proforma Adjustments (c)	Proforma 2014 Year End Balance (d)	2013 Year End Balance (e)	2012 Year End Balance (f)
UTILITY OPERATING INCOME						
	Water Sales	\$ 1,043,143	\$ 221,487	\$ 1,264,630	\$ 1,020,775	\$ 1,007,168
	Water Sales - Special Contract	136,526	65,754	202,280	146,679	146,672
	Forfeited Discounts	6,438		6,438	5,865	4,759
	Miscellaneous Service Revenues	52,620		52,620	22,024	44,209
	Rate Case Surcharge	77,283	(77,283)	-	75,574	-
1	Total Operating Revenues (400)	\$ 1,316,010	\$ 209,958	\$ 1,525,968	\$ 1,270,917	\$ 1,202,808
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)	974,898	(30,034)	944,862	807,778	744,086
4	Depreciation Expense (403)	164,383	18,279	182,662	142,206	120,854
5	Amortization of Contribution in Aid of Construction (405)	(17,129)	(5218)	(17,347)	(15,911)	(16,911)
6	Amortization of Utility Plant Acquisition Adjustment (406)	(5,708)		(5,708)	(5,708)	(5,708)
7	Amortization Expense-Other (407)					
8	Taxes Other Than Income (408.1-408.13)	74,833	8,796	83,629	75,811	65,630
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	28,807	88,621	117,428	77,844	69,293
10	Total Operating Expenses	\$ 1,220,082	\$ 85,444	\$ 1,305,526	\$ 1,080,820	\$ 977,244
11	Net Operating Income (Loss)	95,928	124,514	220,442	190,097	225,564
12	Income From Utility Plant Leased to Others (413)					
13	Gains (Losses) From Disposition of Utility Property (414)	30,795	(30,795)	-	-	-
14	Net Water Utility Operating Income	\$ 126,723	\$ 93,719	\$ 220,442	\$ 190,097	\$ 225,564
OTHER INCOME AND DEDUCTIONS						
15	Revenues From Merchandising, Jobbing and Contract Work (415)					
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)					
17	Equity in Earnings of Subsidiary Companies (418)					
18	Interest and Dividend Income (419)					
19	Allow. for funds Used During Construction (420)					
20	Nonutility Income (421)					
21	Gains (Losses) From Disposition Nonutility Property (422)					
22	Miscellaneous Nonutility Expenses (426)	(2,216)		(2,216)	(2,141)	(2,341)
23	Total Other Income and Deductions	\$ (2,216)		\$ (2,216)	\$ (2,141)	\$ (2,341)
TAXES APPLICABLE TO OTHER INCOME						
24	Taxes Other Than Income (408.2)					
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)					
26	Total Taxes Applicable To Other Income					
INTEREST EXPENSE						
27	Interest Expense (427)	63,513	(24,480)	39,033	50,398	72,323
28	Amortization of Debt Discount & Expense (428)	1,837		1,837	1,788	1,788
29	Amortization of Premium on Debt (429)					
30	Total Interest Expense	\$ 65,350	\$ (24,480)	\$ 40,870	\$ 52,184	\$ 74,111
31	Income Before Extraordinary Items	59,157	118,199	177,356	135,772	149,112
EXTRAORDINARY ITEMS						
32	Extraordinary Income (433)					
33	Extraordinary Deductions (434)					
34	Income Taxes, Extraordinary Items (409.3)					
35	Net Extraordinary Items					
	NET INCOME (LOSS)	\$ 59,157	\$ 118,199	\$ 177,356	\$ 135,772	\$ 149,112

Lakes Region Water Company
Statement of Income - Proforma Adjustments

Schedule 1A

Operating Revenues

#1	2014 Test Year Proforma Water Sales - Special Contract	\$ 202,280
	2014 Test Year Actual Water Sales - Special Contract	<u>136,526</u>
	Proforma Adjustment	<u>\$ 65,754</u>
	To adjust test year revenues for the 2014 proforma increase of \$65,754 (\$202,280 - \$136,526) in POASI Special Contract.	
#2	2014 Test Year Proforma - Rate Case Surcharge	\$ -
	2014 Test Year Actual - Rate Case Surcharge	<u>77,283</u>
	Proforma Adjustment	<u>\$ (77,283)</u>
	To remove from 2014 proforma rate case surcharge that has been completed as of 12/31/2014. A like adjustment is made to regulatory commission expense (see expense adjustment #8).	
#3	2014 Test Year Proforma	1,264,630
	2014 Test Year Actual	<u>1,043,143</u>
	Proforma Adjustment	<u>221,487</u>
	To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.	
	Total Proforma Adjustment to Operating Revenues	<u>\$ 209,958</u>

SPSt. Cyr
8/11/2015

Lakes Region Water Company
Statement of Income - Proforma Adjustments

Schedule 1B

Operating and Maintenance Expenses

#1 Wages		
2014 Test Year Proforma		\$381,731
2014 Test Year Actual		<u>359,457</u>
Proforma Adjustment	(see Sch 1C)	<u>\$22,274</u>
To adjust test year hours to reflect full year		
Entire adjustment is for office personnel		
#2 Wages		
2014 Test Year Proforma adjusted for wage increases		\$381,731
2014 Test Year Proforma adjusted for hours (see # 1 above)		<u>381,731</u>
Proforma Adjustment	(see Sch 1C)	<u>\$0</u>
To adjust test year wages for wage increase effective 08/15/15 net of capitalized		
Adjustment affects categories as follows:		
Officer	2,653	
Field	5,690	
Office	<u>6,927</u>	
Total	<u>15,270</u>	
#3 Pension		
2014 Test Year Proforma		\$0
2014 Test Year Actual		<u>0</u>
Proforma Adjustment		<u>\$0</u>
To add pension expense for Company employees		
#4 Water Treatment Expenses - Water Tests		
2014 Test Year Proforma		\$15,180
2014 Test Year Actual		<u>11,908</u>
Proforma Adjustment		<u>\$3,272</u>
To adjust test year water tests for the 3 year average of such expenses		
[(2012) - \$20,180 — (2013) - \$13,452 — (2014) \$11,908 = \$45,540 / 3 = \$15,180]		
#5 Bad Debts		
2014 Test Year Proforma		\$9,000
2014 Test Year Actual		<u>18,076</u>
Proforma Adjustment		<u>(\$9,076)</u>
To adjust bad debts to 3yr average		
[(2012) - \$7,477 — (2013) - \$1,448 — (2014) \$18,076 = \$27,001 / 3 = \$9,000]		
#6 Accounting		
2014 Test Year Proforma		\$43,206
2014 Test Year Actual		<u>4,028</u>
Proforma Adjustment		<u>\$39,178</u>
Remove from 2014 the reduction to Accounting Cost from the Vendors		
discount received at time of closing of CoBank loan to fully pay vendors		

#7 <u>General Law</u>		
2014 Test Year Proforma		\$15,700
2014 Test Year Actual		<u>29,017</u>
Proforma Adjustment		<u>(\$13,317)</u>
To adjust general law expense to the 3 year average of such expenses [(2012) - \$17,274 — (2013) - \$809 — (2014) \$29,017 = \$47,100 / 3 = \$15,700]		
#8 <u>Regulatory Commission Expenses - Rate Case Expenses</u>		
2014 Test Year Proforma		\$0
2014 Test Year Actual		<u>77,389</u>
Proforma Adjustment		<u>(\$77,389)</u>
To remove from 2014 actual test year rate case expenses that has been recovered as of 12/31/2014. A like adjustment is made to rate case surcharge income (see revenue adjustment #2)		
#9 <u>Regulatory Commission Expenses - DW 07-105</u>		
2014 Test Year Proforma		\$9,980
2014 Test Year Actual		<u>0</u>
Proforma Adjustment		<u>\$9,980</u>
Amount to be amortized $\$49,902 \times (12 / 60) = \$9,980$ This is to amortize rate case expenses in DW 07-105, which were approved as part of DW 10-141 rate case expense review, over a period of 60 months. The total approved by the Commission for expenses related to 07-105 was \$81,921, however subsequent to Commission approval, vendors agreed to a reduction of (\$32,019) of their expenses related to 07-105 in exchange for immediate payment of remaining balance of \$49,902 of rate case expenses related to 07-105. Payment was approved by the Commission in order 25,655 dated 04/29/14.		
#10 <u>Office Expenses</u>		
2014 Test Year Proforma		\$29,324
2014 Test Year Actual		<u>34,280</u>
Proforma Adjustment		<u>(\$4,956)</u>
To adjust 2014 actual test year office expenses for certain one time expenses associated with painting office and purchasing small office equipment and a new office pressure tank.		
Total Proforma Adjustments to O & M Expenses		\$ <u>(30,034)</u>

Depreciation Expenses

#11 <u>2014 Additions to Plant</u>		
2014 Test Year Proforma		\$182,662
2014 Test Year Actual		<u>164,383</u>
Proforma Adjustment		<u>\$18,279</u>
To adjust test year expenses for annual depreciation expenses associated with the 2014 additions (See schedule 7 column (g))		
<u>2015 Additions to Plant</u>		
#12 2014 Test Year Proforma		\$182,662
2014 Test Year Proforma (from entry 11 above)		<u>182,662</u>
Proforma Adjustment		<u>\$0</u>
To adjust test year expenses for annual depreciation expenses associated with the 2015 additions		

(See Sch 9 column (g) \$12,341 plus Sch 10 column (f) \$2,714 = \$15,055

Total Proforma Adjustments to Depreciation Expenses **\$18,279**

Amortization of CIAC

#13 2014 Additions to CIAC
2014 Test Year Proforma \$ (17,347)
2014 Test Year Actual (17,129)
Proforma Adjustment \$ (218)
To adjust test year expenses for annual amortization of CIAC associated with the 2014 additions

Total Proforma Adjustments to Amortization of CIAC **\$ (218)**

Taxes other than Income

#14 State Utility Property Taxes
2014 Test Year Proforma \$21,826
2014 Test Year Actual 18,558
Proforma Adjustment (see Sch 7, col J) \$3,268
To adjust test year expenses for the increase in State Utility Property Taxes associated with the 2014 additions to plant

#15 State Utility Property Taxes
2014 Test Year Proforma \$21,826
2014 Test Year Actual 21,826
Proforma Adjustment (see Sch 9, col J - \$3,601 & Sch 10, col G - \$339) \$0
To adjust test year expenses for the increase in State Utility Property Taxes associated with the 2015 specific and general additions to plant

#16 Municipal Property Taxes
2014 Test Year Proforma \$37,697
2014 Test Year Actual 33,873
Proforma Adjustment (see Sch 7, col J) \$3,824
To adjust test year expenses for the increase in Municipal Property Taxes associated with the 2014 additions to plant

#17 Municipal Property Taxes
2014 Test Year Proforma \$37,697
2014 Test Year Actual 37,697
Proforma Adjustment (see Sch 9, col J - \$4,975 & Sch 10, G - \$325) \$0
To adjust test year expenses for the increase in Municipal Property Taxes associated with the 2015 specific and general additions to plant

#18 Payroll Taxes
2014 Test Year Proforma \$29,022
2014 Test Year Actual 27,318
Proforma Adjustment (see Sch 1C, col H) \$1,704
To adjust test year payroll taxes for the change in wages above

#19 Payroll Taxes

2014 Test Year Proforma	\$29,022
2014 Test Year Actual	<u>29,022</u>
Proforma Adjustment (see Sch 1C, col I)	<u>\$0</u>
To adjust test year payroll taxes for the change in wages above	

Total Proforma Adjustments to Taxes other than Income	<u>\$8,796</u>
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Income Taxes

#20 Federal Income Taxes

2014 Test Year Proforma (see Sch 5, Col I)	\$92,229
2014 Test Year Actual	<u>18,444</u>
Proforma Adjustment	<u>\$73,785</u>
To adjust test year expenses for the increase in federal taxable income and related federal tax	

State Business Taxes

#21 2014 Test Year Proforma (see Sch 5, Col I)	\$25,199
2014 Test Year Actual	<u>10,363</u>
Proforma Adjustment	<u>\$14,836</u>
To adjust test year expenses for the increase in state gross business profits and the related business taxes	

Total Proforma Adjustments to Income Taxes	<u>\$88,621</u>
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Total Proforma Adjustment to Operating Expenses	<u>\$85,444</u>
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Interest Expense

#22 Interest Expense

2014 Test Year Proforma (see Sch 5, Col I)	\$39,033
2014 Test Year Actual	<u>63,513</u>
Proforma Adjustment	<u>(\$24,480)</u>
To adjust test year expenses for the elimination of the TDBank interest, the increase in the CoBank interest, the new interest on the 2015 CoBank and Mt. Roberts loans	

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8/11/2015

Lakes Region Water Company

Schedule 1C

Wage Adjustments

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee #	2014 Actual Wages	Adj #1	2014 Adjusted for Full Yr	4% incr Adj # 2	2014 Proforma Wages	(c + e) Total Wage Adjustment	Employer Payroll Tax (c x 7.65%) Adj Full Yr	(e x 7.65%) 4% incr
1	66,317		66,317	2,653	68,970	2,653	-	203
2	45,961		45,961	1,838	47,799	1,838	-	141
3	50,239		50,239	2,010	52,249	2,010	-	154
4	60,672		60,672	2,427	63,099	2,427	-	186
5	4,872		4,872	195	5,067	195	-	15
6	54,705		54,705	2,188	56,893	2,188	-	167
7	47,506		47,506	1,900	49,406	1,900	-	145
8	34,045		34,045	1,362	35,407	1,362	-	104
9	10,816	22,274	33,090	1,324	34,414	23,598	1,704	101
10	3,816		3,816	153	3,969	153	-	12
Total Wages	378,949	22,274	401,223	16,050	417,273	38,324	1,704	1,228
Capitalized Wages	(19,492)	-	(19,492)	(780)	(20,272)	(780)	-	(60)
Net Wage Expense	359,457	22,274	381,731	15,270	397,001	37,544	1,704	1,168

Capitalized Wages %
Employees Capitalized

2	45,961	1,838	47,799
3	50,239	2,010	52,249
4	60,672	2,427	63,099
5	4,872	195	5,067
Total Gross Wages	161,744	6,470	168,214
Capitalized Wages	19,492	780	20,272
Capitalized Wages %	12.05%	12.05%	12.05%

Adjustments:

#1

Gross up employee 9 from 17 weeks to 52 weeks [2014 wages \$10,816 / 17 wks X 52 wks = \$33,090 minus \$10,816 = \$22,274

#2

Adjustments for 4% wage increase to be implemented after 07/01/15 and prior to 10/31/15

Officer	2,653
Field (net of capitalized)	5,690
Office	6,927
	15,270

#3

Adjust payroll taxes for employer tax on increased wages Increased wages X .0765 = tax increase
the adjustment is net of the capitalized wages

NHPUC Docket DW 15-209

Temporary Rates

**Lakes Region Water Company
Statement of Income - Proforma Adjustments**

Schedule 1E

Other Income

#1	2014 Test Year Proforma - Land Sale	\$ -
	2014 Test Year Actual - Land Sale	<u>30,795</u>
	Proforma Adjustment	<u>\$ (30,795)</u>
	To remove from 2014 proforma Hidden Valley land sale	

Line No.	Account Title (a)	December 2013 Balance (b)	January 2014 Balance (c)	February 2014 Balance (d)	March 2014 Balance (e)	April 2014 Balance (f)	May 2014 Balance (g)	June 2014 Balance (h)	July 2014 Balance (i)	August 2014 Balance (j)	September 2014 Balance (k)	October 2014 Balance (l)	November 2014 Balance (m)	December 2014 Balance (n)	Actual 13 Month Avg Bal (o)	2014 Proforma Adjustments (p)	2014 Proforma Balance (q)
1	Utility Plant	4,901,148	4,515,804	4,516,708	4,522,991	4,667,587	4,894,114	4,895,012	4,901,273	4,915,326	4,925,826	4,934,275	4,944,901	5,034,709	4,797,651	237,058	5,034,709
2	Less: Accumulated Depreciation	(1,476,345)	(1,483,830)	(1,485,306)	(1,506,872)	(1,517,822)	(1,487,623)	(1,498,203)	(1,523,357)	(1,515,829)	(1,527,637)	(1,537,398)	(1,540,229)	(1,548,018)	(1,515,478)	(84,739)	(1,600,217)
3	Net Utility Plant	3,024,803	3,031,974	3,021,394	3,016,119	3,349,765	3,406,491	3,396,809	3,377,916	3,399,497	3,398,189	3,396,877	3,395,672	3,486,691	3,282,173	152,259	3,434,412
4	Plant Acquisition Adjustments	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)	(254,025)		(254,025)
5	Less: Accum Amort of Util Plant Acq Adj	160,348	166,821	167,294	167,335	167,376	167,417	167,458	167,499	167,540	168,013	168,070	168,543	172,056	167,828	4,228	172,056
6	Total Net Utility Plant	2,931,126	2,944,770	2,934,663	2,929,429	3,263,116	3,319,873	3,310,242	3,291,390	3,313,512	3,312,177	3,310,922	3,310,190	3,370,722	3,185,956	156,487	3,352,443
7	Material and Supplies	9,579	9,063	12,497	14,424	12,934	13,983	16,278	16,634	16,095	20,376	19,746	19,718	4,717	14,397	(9,680)	4,717
8	Prepaid Insurance	34,859	31,465	27,689	24,213	20,447	17,091	36,814	42,139	38,372	45,249	41,833	42,339	37,246	31,751	53,494	37,245
9	Prepaid Property Taxes	11,783	11,783	11,783	11,783	11,783	11,783	11,783	11,783	11,783	11,783	11,783	11,783	11,729	11,779	(52)	11,727
10	ADIT - Liberalized Depreciation	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(171,289)	(190,070)	(172,734)	(51,736)	(190,070)
11	Contribution in Aid of Construction	(849,099)	(849,099)	(849,099)	(849,099)	(849,099)	(870,678)	(870,678)	(870,678)	(870,678)	(870,678)	(870,678)	(870,678)	(870,678)	(852,501)	(58,377)	(870,678)
12	Accumulated Amortization of CAAC	234,174	233,581	234,688	236,395	237,802	239,209	240,616	242,023	243,430	244,837	246,244	247,651	249,058	240,615	58,886	249,058
13	Subtotal Rate Base	2,205,133	2,209,568	2,201,242	2,195,856	2,525,754	2,559,777	2,572,566	2,560,861	2,583,025	2,592,255	2,588,381	2,589,512	2,612,766	2,461,283	131,422	2,594,705
14	Cash Working Capital *														176,047	(5,424)	170,623
15	Total Rate Base	2,205,133	2,209,568	2,201,242	2,195,856	2,525,754	2,559,777	2,572,566	2,560,861	2,583,025	2,592,255	2,588,381	2,589,512	2,612,766	2,637,330	127,998	2,765,328

* The "Actual 13 Month Avg Bal" for Cash Working Capital is the 12/31/14 balance.

NHPUC Docket DW 15-209**Temporary Rates****Lakes Region Water Company****Schedule 3A****Rate Base Adjustments****Plant in Service**

#1	Plant in Service at 12/31/14	\$5,034,709
	Plant in Service 13 Month Average	<u>4,797,651</u>
	Total Proforma Adjustment	<u>\$237,058</u>
	To adjust Plant in Service to year end balance	
#2	Plant in Service at 12/31/14	\$5,034,709
	Plant in Service at 12/31/14	<u>5,034,709</u>
	Total Proforma Adjustment	<u>\$0</u>
	To adjust 12/31/14 Plant in Service for 2015 specific additions	
#3	Plant in Service at 12/31/14	\$5,034,709
	Plant in Service at 12/31/14	<u>5,034,709</u>
	Total Proforma Adjustment	<u>\$0</u>
	To adjust 12/31/14 Plant in Service for 2015 general additions	
	Total Proforma Adjustments to Plant in Service	<u>\$237,058</u>

Accumulated Depreciation

#4	Accumulated Depreciation at 12/31/14	(1,582,018)
	Accumulated Depreciation 13 Month Average	<u>(1,515,498)</u>
	Total Proforma Adjustment	<u>(\$66,520)</u>
	To adjust Accumulated Depreciation to year end balance	
#5	Accumulated Depreciation at 12/31/14	(\$1,600,297)
	Accumulated Depreciation at 12/31/14	<u>(1,582,018)</u>
	Total Proforma Adjustment	<u>(\$18,279)</u>
	To adjust 12/31/14 Accumulated Depreciation for additional half year depreciation on 2014 additions	
#6	Accumulated Depreciation at 12/31/14	(\$1,600,297)
	Accumulated Depreciation at 12/31/14	<u>(1,600,297)</u>
	Total Proforma Adjustment	<u>\$0</u>
	To adjust 12/31/14 Accumulated Depreciation for annual depreciation on 2015 specific additions	
#7	Accumulated Depreciation at 12/31/14	(\$1,600,297)
	Accumulated Depreciation at 12/31/14	<u>(1,600,297)</u>
	Total Proforma Adjustment	<u>\$0</u>
	To adjust 12/31/14 Accumulated Depreciation for annual depreciation on 2015 general additions	
	Total Proforma Adjustments to Accumulated Depreciation	<u>(\$84,799)</u>

Accumulated Amortization of Utility Plant Acquisition Adjustmen

#8	Accumulated Amortization at 12/31/14	172,056
	Accumulated Amortization 13 Month Average	<u>167,828</u>

Total Proforma Adjustment	<u>\$4,228</u>
To adjust Accumulated Amortization to year end balance	
Total Proforma Adjustment to Accumulated Amortization	<u>\$4,228</u>
Material & Supplies	
#9 Material & Supplies 12/31/14	4,717
Material & Supplies 13 Month Average	<u>14,397</u>
Total Proforma Adjustments	<u>(\$9,680)</u>
To adjust Material & Supplies to year end balance	
Total Proforma Adjustment to Material & Supplies	<u>(\$9,680)</u>
Prepaid Other	
#10 Prepaid Other at 12/31/14	37,245
Prepaid Other 13 Month Average	<u>33,751</u>
Total Proforma Adjustments	<u>\$3,494</u>
To adjust Prepaid Other to year end balance	
Total Proforma Adjustment to Prepaid Insurance	<u>\$3,494</u>
Prepaid Property Taxes	
#11 Prepaid Property Taxes at 12/31/14	11,727
Prepaid Property Taxes 13 Month Average	<u>11,779</u>
Total Proforma Adjustments	<u>(\$52)</u>
To adjust Prepaid Property Taxes to year end balance	
Total Proforma Adjustment to Prepaid Property Taxes	<u>(\$52)</u>
ADIT - Liberized Depreciation	
#12 ADIT - Liberalized Depreciation at 12/31/14	(190,070)
ADIT - Liberalized Depreciation 13 Month Average	<u>(172,734)</u>
Total Proforma Adjustments	<u>(\$17,336)</u>
To adjust ADIT - Liberalized Depreciation to year end balance	
Total Proforma Adjustment to ADIT - Liberalized Depreciation	<u>(\$17,336)</u>
Contribution in Aid of Construction	
#13 CIAC at 12/31/14	(870,878)
CIAC 13 Month Average	<u>(862,501)</u>
Total Proforma Adjustments	<u>(\$8,377)</u>
To adjust CIAC to year end balance	
Total Proforma Adjustment to CIAC	<u>(\$8,377)</u>
Accumulated Amortization of CIAC	

#14	AA of CIAC at 12/31/14	249,303
	AA of CIAC 13 Month Average	<u>240,635</u>
	Total Proforma Adjustment	<u>\$8,668</u>
	To adjust Accumulated Amortization of CIAC to year end balance	

#15	AA of CIAC at 12/31/14	\$249,521
	AA of CIAC at 12/31/14	<u>249,303</u>
	Total Proforma Adjustment	<u>\$218</u>
	To adjust 12/31/14 AA of CIAC for additional half year on 2014 additions	

#16	AA of CIAC at 12/31/14	\$249,521
	AA of CIAC at 12/31/14	<u>249,521</u>
	Total Proforma Adjustment	<u>\$0</u>
	To adjust 12/31/14 AA of CIAC for annual AA of CIAC on 2015 additions	

Total Proforma Adjustments to AA of CIAC	<u>\$8,886</u>
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Cash Working Capital

#17	Cash Working Capital adjusted for increase in O&M Expenses	\$170,623
	Cash Working Capital at 12/31/14	<u>176,047</u>
	Total Proforma Adjustment	<u>(\$5,424)</u>
	To adjust cash working capital for additional working related to increase in O&M Expenses	

Total Proforma Adjustment to Cash Working Capital	<u>(\$5,424)</u>
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8/11/2015

NHPUC Docket DW 15-209**Temporary Rates****Lakes Region Water Company****Schedule 3B****Working Capital**

	<u>2014 Proforma Amount</u>	<u>2014 Actual Amount</u>	<u>2013 Actual Amount</u>	<u>2012 Actual Amount</u>
Operating and Maintenance Expenses	<u>\$944,862</u>	<u>\$974,896</u>	<u>\$807,778</u>	<u>\$744,086</u>
Customers paying in arrears				
Year 2012= (75/365) X (1554/1645)				19.41%
Year 2013= (75/365) X (1554/1645)			19.41%	
Year 2014= (75/365) X (1566/1667)	19.30%	19.30%		
Minus Customers paying in advance				
Year 2012= (75/365) X (101/1645)				-1.26%
Year 2013= (75/365) X (101/1645)			-1.26%	
Year 2014= (75/365) X (101/1667)	<u>-1.24%</u>	<u>-1.24%</u>		
Total	<u>18.06%</u>	<u>18.06%</u>	<u>18.15%</u>	<u>18.15%</u>
Working Capital	<u>\$170,623</u>	<u>\$176,047</u>	<u>\$146,609</u>	<u>\$135,049</u>

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8/11/2015

Lakes Region Water Company

Schedule 4

Page 1 of 2

Rate of Return Information

Overall Rate of Return	Actual				Proforma		
	Component Ratio	Component Cost Rate	Wght Avg Cost Rate		Component Ratio	Component Cost Rate	Wght Avg Cost Rate
Equity Capital	66.68%	9.60%	6.40%		67.44%	9.60%	6.47%
Long Term Debt	33.32%	5.36%	1.78%		32.56%	4.60%	1.50%
Total Capital	100.00%		8.19%		100.00%		7.97%

Capital Structure		2014 Actual Amounts	2014 Actual Ratios		2014 Proforma Amounts	2014 Proforma Ratios
Common Stock		\$ 10,000	0.36%		\$ 10,000	0.37%
Additional Paid in Capital		1,227,180	44.46%		1,227,180	44.96%
Capital Stock Expense		(7,360)	-0.27%		(7,360)	-0.27%
Retained Earnings		610,827	22.13%		610,827	22.38%
Total Equity		\$ 1,840,647	66.68%		\$ 1,840,647	67.44%
Long Term Debt		\$919,678	33.32%		\$888,678	32.56%
Total Capital		\$ 2,760,325	100.00%		\$ 2,729,325	100.00%

Capital Structure for 2014 - 2012		2014 Amounts		2013 Amounts		2012 Amounts
Common Stock		\$ 10,000		\$ 10,000		\$ 10,000
Premium on Capital Stock		1,227,180		955,248		955,248
Capital Stock Expense		(7,360)		(9,201)		(11,042)
Retained Earnings		610,827		551,670		415,897
Total Equity		\$ 1,840,647		\$ 1,507,717		\$ 1,370,103
Long Term Debt		\$ 919,678		\$ 601,580		\$ 641,707
Total Capital		\$ 2,760,325		\$ 2,109,297		\$ 2,011,810

Capital Structure Ratios for 2014 - 2012		2014 Ratios		2013 Ratios		2012 Ratios
Common Stock		0.36%		0.47%		0.50%
Other Paid in Capital		44.46%		45.29%		47.48%
Capital Stock Expense		-0.27%		-0.44%		
Retained Earnings		22.13%		26.15%		20.67%
Total Equity		66.68%		71.48%		68.10%
Long Term Debt		33.32%		28.52%		31.90%
Total Capital		100.00%		100.00%		100.00%

Cost of Common Equity Capital
The Company is utilizing the Commission determined cost of common equity of 9.60% for temporary rate purposes.

SPSt. Cyr
8/11/2015

NHPUC Docket DW 15-209

Temporary Rates

Lakes Region Water Co., Inc
Year Ended December 31, 2014

Schedule 4A

Schedule of Notes Payable, Interest Expense & Capitalized Interest - Actual

Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Principal Balance 12/31/2013 (d)	Additions (e)	Reductions (f)	Balance 12/31/2014 (g)	Interest Rate (h)	Interest Expense (i)	Amort of Debt Exp (j)	Total Int Exp (k)	Total Int Rate (l)
TD Banknorth - 5 (refinance)	1/13/2004	1/13/2014	\$ 225,975	\$ -	\$ (225,975)	\$ -	6.09%	\$ 6,491	\$ 227	\$ 6,718	5.95%
TD Banknorth - 6 (construction)	1/13/2004	1/13/2015	207,434	-	(207,434)	-	5.58%	4,761	502	5,263	5.07%
TD Banknorth - 7(syst purch)	12/29/2004	12/29/2014	72,900	-	(72,900)	-	6.29%	2,252	908	3,160	8.67%
CoBank (5 Year)	6/24/2014	6/30/2019	-	318,810	(30,327)	288,483	3.45%	5,571	-	5,571	3.86%
CoBank (15 Year - refinance)	6/24/2014	6/30/2029	-	474,567	(13,226)	461,341	5.25%	13,007	200	13,207	5.73%
CoBank (line of credit)	6/24/2014	6/30/2015	-	31,000	-	31,000	2.17%	325	-	325	2.10%
Sub - Total (Sch F-35) (BS Line 13)			506,309	824,377	(549,862)	780,824		32,407	1,837	34,244	5.32%
N/P Gehl Finance - Mustang Excavator	11/13/2009	11/13/2014	4,803	-	(4,803)	-	0.00%	-	-	-	0.00%
N/P Ford Motor Credit -2011 Ford F350XL	9/13/2010	9/13/2015	12,300	-	(6,870)	5,430	7.89%	740	-	740	8.35%
N/P Ford Motor Credit -2011 Ford F150XL	7/21/2011	7/21/2016	18,384	-	(6,677)	11,707	7.89%	1,239	-	1,239	8.24%
N/P Ford Motor Credit -2013 Ford F250 Super	8/16/2013	8/15/2018	34,783	-	(6,663)	28,120	5.95%	1,963	-	1,963	6.24%
N/P Ford Motor Credit -2013 Ford F250 Super	8/26/2013	8/26/2018	25,001	-	(4,791)	20,210	5.95%	1,442	-	1,442	6.38%
N/P Ford Motor Credit -2014 Ford F150	8/6/2014	8/6/2019	-	31,771	(1,824)	29,947	6.24%	778	-	778	5.20%
N/P Cat Financial - 2014 Excavator	3/27/2014	4/5/2019	-	65,250	(21,810)	43,440	0.71%	344	-	344	1.58%
Sub-Total (Sch F-35) (BS Line 16)			95,271	97,021	(53,438)	138,854		6,506	-	6,506	5.56%
Total Long Term Debt (BS Line 17)			601,580	921,398	(603,300)	919,678		38,913	1,837	40,750	5.36%
Vendors			-	-	-	-		24,600	-	24,600	
Total This Schedule			\$ 601,580	\$ 921,398	\$ (603,300)	\$ 919,678		\$ 63,513	\$ 1,837	\$ 65,350	
Total Interest Expense (IS Line 27)							Cap Int	-	-	-	
							Net Expense	\$ 63,513	\$ 1,837	\$ 65,350	

SPSt. Cyr
8/11/2015

NHPUC Docket DW 15-209

Temporary Rates

Lakes Region Water Co., Inc
Year Ended December 31, 2014

Schedule 4B

Schedule of Notes Payable, Interest Expense & Capitalized Interest - Proforma

Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Principal Balance 12/31/2013 (d)	Additions (e)	Reductions (f)	Balance 12/31/2014 (g)	Proforma Adjustments (h)	Proforma Adj Bal 12/31/2014 (i)	Interest Rate (j)	Interest Expense (k)	Amort of Debt Exp (l)	Total Int Exp (m)	Proforma Adjustments (n)	Pro Adj Int Exp (o)	Total Int Rate (p)
TD Banknorth - S (refinance)	1/13/2004	1/13/2014	\$ 225,975	\$ -	\$ (225,975)	\$ -	\$ -	\$ -	6.09%	\$ 6,491	\$ 227	\$ 6,718	\$ (6,718)	\$ -	0.00%
TD Banknorth - S (construction)	1/13/2004	1/13/2015	207,434	-	(207,434)	-	-	-	5.58%	4,761	502	5,263	(5,263)	-	0.00%
TD Banknorth - 7 (syst purch)	12/29/2004	12/29/2014	72,900	-	(72,900)	-	-	-	6.29%	2,252	908	3,160	(3,160)	-	0.00%
CoBank (5 Year)	6/24/2014	6/30/2019	-	318,810	(30,327)	288,483	-	288,483	3.45%	5,571	-	5,571	4,382	9,953	3.45%
CoBank (15 Year - refinance)	6/24/2014	6/30/2029	-	474,567	(13,226)	461,341	-	461,341	5.25%	13,007	200	13,207	11,413	24,620	5.25%
CoBank (line of credit)	6/24/2014	6/30/2015	-	31,000	-	31,000	(31,000)	-	2.17%	325	-	325	(325)	-	0.00%
CoBank (IM Project)			-	-	-	-	-	-	5.50%	-	-	-	-	-	0.00%
MI Roberts			-	-	-	-	-	-	5.50%	-	-	-	-	-	0.00%
Sub - Total (Sch F-35) (BS Line 13)			506,309	824,377	(549,862)	780,824	(31,000)	749,824		32,407	1,837	34,244	329	34,573	4.61%
N/P Gehl Finance - Mustang Excavator	11/13/2009	11/13/2014	4,803	-	(4,803)	-	-	-	0.00%	-	-	-	-	-	0.00%
N/P Ford Motor Credit -2011 Ford F350XL	9/13/2010	9/13/2015	12,300	-	(6,870)	5,430	-	5,430	7.89%	740	-	740	(419)	321	7.89%
N/P Ford Motor Credit -2011 Ford F150XL	7/21/2011	7/21/2016	18,384	-	(6,677)	11,707	-	11,707	7.89%	1,239	-	1,239	(315)	924	7.89%
N/P Ford Motor Credit -2013 Ford F250 Super	8/16/2013	8/16/2018	34,783	-	(6,663)	28,120	-	28,120	5.95%	1,963	-	1,963	(290)	1,673	5.95%
N/P Ford Motor Credit -2013 Ford F250 Super	8/26/2013	8/26/2018	25,001	-	(4,791)	20,210	-	20,210	5.95%	1,442	-	1,442	(240)	1,202	5.95%
N/P Ford Motor Credit -2014 Ford F150	8/6/2014	8/6/2019	-	31,771	(1,824)	29,947	-	29,947	6.24%	778	-	778	1,091	1,869	6.24%
N/P Cat Financial - 2014 Excavator	3/27/2014	4/5/2019	-	65,250	(21,810)	43,440	-	43,440	0.71%	344	-	344	(36)	308	0.71%
Sub-Total (Sch F-35) (BS Line 16)			95,271	97,021	(53,438)	138,854	-	138,854		6,506	-	6,506	(209)	6,297	4.53%
Total Long Term Debt (BS Line 17)			601,580	921,398	(603,300)	919,678	(31,000)	888,678		38,913	1,837	40,750	120	40,870	4.60%
Vendors			-	-	-	-	-	-		24,600	-	24,600	(24,600)	-	
Total This Schedule			\$ 601,580	\$ 921,398	\$ (603,300)	\$ 919,678	\$ (31,000)	\$ 888,678		\$63,513	\$1,837	\$65,350	\$(24,480)	\$40,870	
Total Interest Expense (IS Line 27)									Cap Int	-	-	-	-	-	
									Net Expense	\$63,513	\$ 1,837	\$65,350	\$ (24,480)	\$40,870	

SPSt Cyr
8/11/2015

NHPUC Docket DW 15-209**Temporary Rates****Lakes Region Water Company****Schedule 5****Income Tax Computation**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$ 2,637,330	\$ 2,765,328
Equity Component of Cost of Capital (Schedule 4)	<u>6.40%</u>	<u>6.47%</u>
Operating Net Income Required	\$ 168,829	\$ 179,033
Tax Effect (.6559)	<u>110,735</u>	<u>117,428</u>
Income Required before Income Taxes	\$ 279,563	\$ 296,461
Less: NH Business Profits Tax @ 8.5%	<u>23,763</u>	<u>25,199</u>
Income subject to Federal Taxes	\$ 255,800	\$ 271,262
Less: Federal Income Tax @ 34%	<u>86,972</u>	<u>92,229</u>
Income after Income Taxes	<u>\$ 168,828</u>	<u>\$ 179,033</u>

SPSt. Cyr
8/11/2015

NHPUC Docket DW 15-209**Temporary Rates****Lakes Region Water Company****Effective Tax Factor****Schedule 5.1**

Taxable Income	100.00%
Less: NH Business Profits Tax	<u>8.50%</u>
Federal Taxable Income	91.50%
Federal Income Tax Rate	<u>34.00%</u>
Effective Federal Income Tax Rate	31.11%
Add: NH Business Profits Tax	<u>8.50%</u>
Effective Tax Rate	<u>39.61%</u>
Percant Of Income Available if No Tax	100.00%
Effective Tax Rate	<u>39.61%</u>
Percent Used as a Divisor in Determining the Revenue Requirement	<u>60.39%</u>
Tax Multiplier	<u>65.59%</u>

SPSt. Cyr
8/11/2015

Lakes Region Water Company

Schedule 6

Report of Proposed Rate Changes

Utility Lakes Region Water Co. Date Filed: 8/14/2015
 Tariff No.: 7 Pages 10 - 12 Effective Date:

Rate of Class of Service	Effect of Change	Number of Customers	Authorized Present Revenue	Proposed Revenue	Proposed Change Amount	Proposed Change Percentage
Unmetered Customers	\$ 80,497	591	\$ 367,707	\$ 448,204	\$ 80,497	21.89%
WVG Pool	308	1	1,448	\$ 1,756	308	21.27%
Metered Customers excluding Suissevale	<u>140,682</u>	<u>1,074</u>	<u>673,988</u>	<u>\$ 814,670</u>	<u>140,682</u>	20.87%
Total Unmetered and Metered Customers excluding Suissevale Contract	\$ 221,487	1,666	\$ 1,043,143	\$ 1,264,630	\$ 221,487	21.23%
Suissevale Contract	65,754	<u>1</u>	<u>136,526</u>	<u>202,280</u>	<u>65,754</u>	48.16%
Total Sales of Water	<u>\$ 287,241</u>	<u>1,667</u>	<u>\$ 1,179,669</u>	<u>\$ 1,466,910</u>	<u>\$ 287,241</u>	24.35%
Forfeited Discount			\$ 6,438	\$ 6,438		
Miscellaneous Services Revenues	-		52,620	52,620	-	
Other Water Revenue - Rate Case Surcharge	<u>(77,283)</u>		<u>77,283</u>	<u>-</u>	<u>(77,283)</u>	
Total Other Operating Revenues	<u>\$ (77,283)</u>		<u>\$ 136,341</u>	<u>\$ 59,058</u>	<u>\$ (77,283)</u>	
Total Water Operating Revenues	<u>\$ 209,958</u>	<u>1,667</u>	<u>\$ 1,316,010</u>	<u>\$ 1,525,968</u>	<u>\$ 209,958</u>	15.95%
Avg. Res. Cust.		<u>1,666</u>	<u>\$ 626.14</u>	<u>\$ 759.08</u>	<u>\$ 132.95</u>	<u>21.23%</u>

SPSt. Cyr
8/11/2015

Lakes Region Water Company

Schedule 6.1

Calculation of Rates

Total revenue to be raised from Pool, Unmetered and Metered Customers
excluding Suissevale Contract \$ 1,264,630.00

WVG Pool	Current Annual Rate	Percentage Increase	Proposed Annual Rate	Number of Customers	Revenue to be Raised	Current Quarterly Rate	Proposed Quarterly Rate	
	\$1,448.44	21.23%	\$1,755.98	1	\$1,755.98	\$362.11	\$439.00	<u>\$1,755.98</u>

Total revenue to be raised from Unmetered and Metered Customers
excluding Suissevale Contract \$1,262,874.02

Unmetered Customers	Current Annual Rate	Percentage Increase	Proposed Annual Rate	Number of Customers	Revenue to be Raised	Current Quarterly Rate	Proposed Quarterly Rate	
	\$625.56	21.23%	\$758.38	591	\$448,204.33	\$156.39	\$189.60	<u>\$448,204.33</u>

Total revenue to be raised from Metered Customers
excluding Suissevale Contract \$814,669.69

Metered Customers	Current Annual Fixed Rate	Percentage Increase	Proposed Annual Fixed Rate	Number of Customers	Revenue to be Raised by Fixed Rate	Current Quarterly Fixed Rate	Proposed Quarterly Fixed Rate	
	\$494.32	21.23%	\$599.28	1,074	\$643,623.75	\$123.58	\$149.82	<u>\$643,623.75</u>

Total to be raised from Volume Rate \$171,045.93

	Divided by	Annual CCF Volume	Current Volume Rate	Proposed Volume Rate	
Volume Rate Calculation	\$171,045.93 /	29,954	\$4.81	\$5.71	<u>\$171,045.93</u>
					<u>\$0.00</u>

SPSt. Cyr
8/11/2015

Additional Half Year Depreciation and State and Local Property Taxes on 2014 Additions to Plant

Div #	Name	Acct #	Non-Revenue Producing	Revenue Producing	Total Division	Additional 2014 Proforma Depreciation 2014 Additions	(i) For the Calculation of additional property tax - additions in col F were assigned to appropriate towns in col J - S Vehicles and Computer Equip not subject to prop tax - Added total by town * applicable rate - State total all towns * State Rate	(j) Moultonboro	(k) Thornton	(l) Tuftonboro	(m) Laconia	(n) Campton	(o) Conway	(p) Gilford	(q) Tamworth	(r) Ossipee	(s) Freedom	NHDES Requir	Description
1	Fair Echo Harbor																		
	Meters	334.4	\$ 367			\$ 9		\$ 367											DES Water Conservation Req. See e.g. Env-Wq 2100. House meter replacement
	Pumps	311.2	\$ 2,342			\$ 118		\$ 2,342											DES Distribution Main Req. See e.g. Env-Wq 372.31. Replacement of well pump
					\$ 2,709														
2	Paradise Shores																		
	Structures	304.2	\$ 69,896			\$ 873		\$ 69,896											DES Pump and Flow Requirements. See e.g. Env-Wq 372.18-22. improvement to pump/house
	Meters	334.4	\$ 11,764			\$ 294		\$ 11,764											DES Water Conservation Req. See e.g. Env-Wq 2100. Replace valve and 2 ring mt
	Misc. Equip	339.2	\$ 365			\$ 37		\$ 365											DES Water Conservation Req. See e.g. Env-Wq 2100. WFI Recoverer
	Services	313.4	\$ 1,810			\$ 29		\$ 1,810											DES Distribution Service Req. See e.g. Env-Wq 372.32. New Service connections
	Pumps	311.2	\$ 47,249			\$ 2,361		\$ 47,249											DES Distribution Main Req. See e.g. Env-Wq 372.31. Replacement of well pump
	Wells	337.2	\$ 12,123			\$ 118		\$ 12,123											DES Pump and Flow Requirements. See e.g. Env-Wq 372.18-22. Well improvements
	Wells	337.2	\$ 175,714			\$ 2,201		\$ 175,714											DES Pump and Flow Requirements. See e.g. Env-Wq 372.18-22. New Wells
	Meters	331.4	\$ 88,055			\$ 880		\$ 88,055											DES Distribution Main Req. See e.g. Env-Wq 372.31. Meters to fix wells to system
					\$ 406,976														
3	West Point Pump																		
	Services	313.4	\$ 685			\$ 12		\$ 685											DES Distribution Main Req. See e.g. Env-Wq 372.31. Replacement of well pump
	Meters	334.4	\$ 532			\$ 14		\$ 532											DES Distribution Service Req. See e.g. Env-Wq 372.32. New Service connections
	Structures	334.2	\$ 1,679			\$ 17		\$ 1,679											DES Water Conservation Req. See e.g. Env-Wq 2100. House meter replacement
					\$ 4,198														DES Pump and Flow Requirements. See e.g. Env-Wq 372.18-22. improvement to pump/house
4	Waterville Valley Gateway																		
	Structures	304.2	\$ 744			\$ 7		\$ 744											DES Pump and Flow Requirements. See e.g. Env-Wq 372.18-22. improvement to pump/house
	Meter	334.4	\$ 205			\$ 5		\$ 205											DES Water Conservation Req. See e.g. Env-Wq 2100. House meter replacement
					\$ 949														
5	Hidden Valley																		
	Structure	304.2	\$ 4,220			\$ 42				\$ 4,220									DES Pump and Flow Requirements. See e.g. Env-Wq 372.18-22. improvement to pump/house
	Misc. Equip	339.2	\$ 6,239			\$ 134				\$ 6,239									DES Water Conservation Req. See e.g. Env-Wq 2100. Telemetry
	Meters	334.4	\$ 2,088			\$ 53				\$ 2,088									DES Water Conservation Req. See e.g. Env-Wq 2100. House meter
					\$ 12,547														
6	Wentworth Cove																		
	Meters	334.4	\$ 169			\$ 4				\$ 169									DES Water Conservation Req. See e.g. Env-Wq 2100. House meter
	Structures	304.2	\$ 150			\$ 1				\$ 150									DES Pump and Flow Requirements. See e.g. Env-Wq 372.18-22. improvement to pump/house
	Misc. Equip	339.2	\$ 1,523			\$ 63				\$ 1,523									DES Water Conservation Req. See e.g. Env-Wq 2100. Telemetry
					\$ 1,842														
7	Pendleton Cove																		
	Misc. Equip	339.2	\$ 1,073			\$ 52				\$ 1,073									DES Water Conservation Req. See e.g. Env-Wq 2100. Telemetry
	Meters	334.4	\$ 432			\$ 11				\$ 432									DES Water Conservation Req. See e.g. Env-Wq 2100. House meters
					\$ 1,505														
8	Deer Run													\$ 833					
	Meters	334.4	\$ 833			\$ 21				\$ 833									DES Water Conservation Req. See e.g. Env-Wq 2100. House meters
					\$ 833														
9	Woodland Grove Pump																		
		311.2	\$ 832			\$ 42				\$ 832									DES Distribution Main Req. See e.g. Env-Wq 372.31. sump pump replacement
					\$ 832														
10	Echo Lake Woods																		
	Meters	334.4	\$ 208			\$ 5				\$ 208									DES Water Conservation Req. See e.g. Env-Wq 2100. House meter
11	Bravo Hill																		
	Meters	334.4	\$ 198			\$ 5				\$ 198									DES Water Conservation Req. See e.g. Env-Wq 2100. House meter
					\$ 198														
12	Tamworth Water Woods																		
	Meters	334.4	\$ 560			\$ 14				\$ 560									DES Distribution Main Req. See e.g. Env-Wq 372.31. Pump/house meters
					\$ 560														
13	175 Estates No Additions	n/a	\$ -			\$ -		\$ -											
14	Deer Cove No Additions	n/a	\$ -			\$ -		\$ -											
15	Lake Ossipee Village Meters	331.4	\$ 15,139			\$ 151													\$ 15,139

Additional Half Year Depreciation and State and Local Property Taxes on 2014 Additions to Plant

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
Div #	Name	Acct #	Non-Revenue Producing	Revenue Producing	Total Division	Additional 2014 Preforma Depreciation	2014 Additions	State of NH	Moultonboro	Thornton	Tuftsboro	Laconia	Campton	Conway	Gilford	Tamworth	Ossipee	Freedom	NHDES Requ	Description
	Services	331.4	\$ 714			\$	12											\$ 714	DES Distribution Service Req. See e.g. Env-Wr 3/2 31	New Service connections
	Wells	307.2	\$ 833			\$	8											\$ 833	DES Pump and Flow Requirements. See e.g. Env-Wr 3/2 16-22	Well improvements
					\$ 16,656															
16	Indian Mound																			
	Mains	331.4	42,517			\$	425											\$ 42,517	DES Distribution Main Req. See e.g. Env-Wr 3/2 31	Replaced Mains
	Motor	331.4	272			\$	7											\$ 272	DES Distribution Main Req. See e.g. Env-Wr 3/2 31	Pumphouse motors
	Tanks	330.4	875			\$	9											\$ 875	DES Pump and Flow Requirements. See e.g. Env-Wr 3/2 16-22	New Tank
	Misc. Equip	339.2	\$ 254			\$	12											\$ 254	DES Water Conservation Req. See e.g. Env-Wr 2100	Telemetry
	Pump	311.2	\$ 661			\$	33											\$ 661	DES Pump and Flow Requirements. See e.g. Env-Wr 3/2 16-22	Replacement pump
					\$ 44,579															
17	Granstock Glen																			
	Misc. Equip	339.2	\$ 172			\$	9								\$ 172				DES Distribution Main Req. See e.g. Env-Wr 3/2 31	Pumphouse motors
	Services	317.4	\$ 392			\$	7							\$ 392					DES Distribution Main Req. See e.g. Env-Wr 3/2 31	New Service connections
					\$ 564														DES Water Conservation Req. See e.g. Env-Wr 2100	Telemetry
53	Administrative																			
	Vehicles	341.5	\$ 105,603			\$	9,347	\$	-											Replacement Vehicles & Equip
	Computer Equip	341.5	\$ 7,716			\$	772	\$	-											4 loads & mapping software
					\$ 113,319															
Total Plant Placed in Service			\$ 608,475	\$ -	\$ 608,475	\$	18,279	\$ 495,156	\$ 411,883	\$ 949	\$ 12,547	\$ 3,347	\$ 833	\$ 1,040	\$ 762	\$ 560	\$ 44,579	\$ 16,656	\$ -	
Taxable at rate per thousand								Taxable in												
Tax Rate								(000)	\$ 495	\$ 414	\$ 1	\$ 13	\$ 3	\$ 1	\$ 1	\$ 1	\$ 1	\$ 45	\$ 17	
Additional Tax due to additions								Rate	6.6000	6.3300	16.4300	8.2500	19.8200	9.2400	17.1700	15.7700	19.1600	18.0500	9.9500	
								Add Tax	3,268.03	2,619.88	15.58	103.51	66.34	7.70	17.86	12.02	10.73	834.65	165.73	
Total municipal tax increase								Add town Tax	\$ 3,824											
Add State Tax								Add State Tax	\$ 3,288											
Total Add Tax								Total Add Tax	\$ 7,092											
			\$ -		\$ -															

2014 Retirements

Div #	Name	Acct #	Amount	Division Total	Deprciation adj on Proforma
1	Far Echo Harbor				
	Meters	334.4	\$ (151)		0
	Pumps	311.2	\$ (2,070)		0
			\$	(2,221)	
2	Paradise Shores				
	Pumps	331.2	\$ (478)		0
	Meters	334.4	\$ (2,814)		0
			\$	(3,292)	
3	West Point				
	pumps	311.2	\$ (958)		0
	Meters	334.4	\$ (178)		0
			\$	(1,136)	
4	Waterville Valley Gateway				
	Meters	334.4	\$ (160)		0
			\$	(160)	
5	Hidden Valley				
	Land	303	\$ (1,205)		
	Meters	334.4	\$ (1,173)		0
			\$	(2,378)	
6	Wentworth Cove				
	Meters	334.4	\$ (97)		0
			\$	(97)	
7	Pendelton Cove				
	Meters	334.4	\$ (225)		0
			\$	(225)	
8	Deer Run				
	Meters	334.4	\$ (482)		0
			\$	(482)	
9	Woodland Grove				
	Pumps	311.2	\$ (334)		0
			\$	(334)	
10	Echo Lake Woods				
	Meters	334.4	\$ (106)		0
			\$	(106)	
11	Brake Hill				
	Meters	334.4	\$ (96)		0
			\$	(96)	
12	Tamworth Water Works				
	No Retirements	n/a	\$ -	\$ -	0
13	175 Estates				
	No Retirements	n/a	\$ -	\$ -	0
14	Deer Cove				
	No Retirements	n/a	\$ -	\$ -	0
15	Lake Ossipee Village				
	No Retirements	n/a	\$ -	\$ -	0
16	Indian Mound				
	Pump	311.2	\$ (659)		0
			\$	(659)	
17	Gunstock Glen				
	No Retirements	n/a	\$ -	\$ -	0
50	Administrative				
	Vehicle	341.5	\$ (63,727)		0
			\$	(63,727)	
Total Plant Retired from Service			\$	(74,913)	\$ -

EXHIBIT 6

P. O. Box 389
420 Governor Wentworth Highway
Moultonboro, NH 03254
Telephone: (603) 476-2348
Fax: (603) 476-2721

LAKES REGION WATER COMPANY, INC.

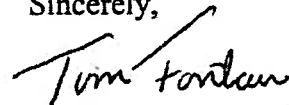
August 17, 2015

Debra A. Howland
Executive Director & Secretary
NH Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, N. H. 03301-2429

Dear Ms. Howland:

Lakes Region Water Company's ("Company") filing for the proposed rate change in DW 15-209 was prepared utilizing the Company's books and records. To the best of my knowledge and belief, the filing including its revenue and expenses and assets and liabilities accurately reflects the Company's books.

Sincerely,



Tim Fontaine

Email: lrwater@lakesregionwater.com
www.lakesregionwater.com