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Please respond to the Portsmouth office

January 28, 2013

Via Electronic Mail

Debra A. Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: Lakes Region Water Company, Inc.; DW 10-141

Dear Ms. Howland:



Lakes Region Water Company has received today's letter from the Office of Consumer Advocate (OCA) which "requests the Commission to adjust the rate charged by the Company for services to its affiliate from \$25 to at least \$50 per hour." The Company opposes this request because it is an untimely request to reconsider issues determined by Order No. 25,391 and because the position advocated by the OCA would have a substantial adverse impact on the Company and its customers.

On July 13, 2012, the Commission issued Order No. 25,391 which found "the terms of the affiliate agreement to be just and reasonable and for the public good" but directed that the Company submit "a schedule of market rates charged by LRW Services' competitors for services rendered to Lakes Region on a recurring basis". *Id.* The Company submitted its response on December 3, 2012. While the OCA states its letter responds to the Company's filing, it offers no comments or other information concerning the market rates provided by the Company. Instead, the OCA uses the filing as an opportunity to repeat arguments that the Commission declined to adopt, and, arguably, rejected, when it issued Order No. 25,391. The OCA's request is therefore untimely under RSA 541:3.

The OCA's request would also harm the Company and its customers. The Commission found "the terms of the affiliate agreement to be just and reasonable and for the public good, and approve[d] the inclusion of agreement-related costs in Lakes Region's revenue requirements". See Order No. 25,391, Page 20 (emphasis added). As the Company explained in its Closing Statement, if the

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Commission were to adopt OCA's position, the rate adjustment would have a substantial negative impact on customers. See *Closing Statement*, Page 12 ("The Company would then lose over \$18,000 (\$11,600 in 2010 & 2011) it receives from LRW Service during the test year."). The Company's test year rates would have to be increased to reflect the loss of this revenue under the Affiliate Agreement.

It is too late to re-open the Company's rate case and there is no good reason to do so at this time. The OCA's letter offers no information on the market rates provided by the Company, which support those approved by the Commission in Order No. 25,391. As a result, no further action is necessary. To the extent that the OCA has concerns regarding the actual rates, those concerns can be raised in a future rate case.

Thank you for your consideration of this matter. If you have any questions, please feel free to contact me.

Very truly yours,



Justin C. Richardson

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JCR/sem

Enclosure(s)

cc: Discovery Service List DW 10-141 (Via Electronic Mail)