

**STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
INTER-DEPARTMENT MEMORANDUM**

Date: October 6, 2015

TO: Commissioners

FROM: Michael J. Sheehan, Hearing Examiner

RE: DW 15-209 Lakes Region Water Company, Inc.
Request for Change in Rates

H&PUC 600715-2:39

HEARING EXAMINER'S REPORT

At your request, I presided over the September 30, 2015, prehearing conference in the above referenced case.

On August 5, 2015, Lakes Region Water Company, Inc. (LWRC) filed proposed tariff pages and supporting documents seeking temporary and permanent rate increases. By Order No. 25,809 (Sept. 4, 2015), the Commission suspended the proposed tariffs pursuant to RSA 378:6 and scheduled a prehearing conference for September 30, 2015.

Appearances:

Parties:

Justin C. Richardson, Esq., for Lakes Region Water Company
Susan W. Chamberlin, Esq., for the Office of Consumer Advocate
Rorie E. Patterson, Esq., for Commission Staff

Proposed Intervenors:

Douglas L. Patch, Esq., for the Property Owners Association at Suissevale, Inc.
Murray D. Movitz, *pro se*, for residents of Judges Road, Thornton
William Endres, *pro se*, for Indian Mound Property Owners Association
(Attorney Gary E. Blais not present)
Mark Evitts, *pro se*, for residents of Hidden Valley

Affidavit of Publication:

LWRC filed an Affidavit of Publication which stated that a copy of Order No. 25,809 was sent on September 12 and 14, 2015, by first class mail, "to all current and known prospective customers as well as to the Clerk of the Towns of Campton, Conway, Freedom, Gilford, Laconia, Moultonborough, Ossipee, Tamworth, Thornton, and Tuftonboro."

Intervention Requests:

The following parties sought intervention:

The Property Owners Association at Suissevale, Inc. (Suissevale), which owns and maintains its own water distribution system in Moultonboro, but buys the water to serve its residents from LWRC at wholesale through a single meter pursuant to a long term rate agreement. According to Suissevale, the contract rate may vary based on financial documents that LWRC periodically files with the Commission. Suissevale thus argues it has an interest in this docket.

Nineteen residents of Judges Road in Thornton signed a petition to intervene. Murray D. Movits and Susan M. Riley, also residents of Judges Road, separately sought intervention. Mr. Movits stated at the prehearing conference that he and Ms. Riley wanted to be combined with the other Judges Road residents. They are all property owners in the Waterville Valley Gateway community and customers of LRWC.

Mark Evitts orally asked to intervene on behalf of residents of Hidden Valley in Tuftonboro, a community served by LRWC. The hearings examiner suggested Mr. Evitts file a written petition to intervene.

The Indian Mound Property Owners Association (Indian Mound), which is another community served by LRWC.

No one objected to any of the petitions to intervene.

Other Motions:

LWRC filed a motion to waive Puc 1905.01(a), which requires the utility to file, “at the time a utility files the materials required for a full rate case ... a detailed description of rate case expenses actually incurred as of the date of the filing and projected total rate case expenses” LWRC said it could not file a statement of “expenses actually incurred” because it takes time to process the bills and invoices incurred through the filing date. LWRC filed the required information on September 23. No party objected to the motion.

Attorney Blais filed a motion to appear before the Commission *pro hac vice* on behalf of Indian Mound.

Initial Positions:

LWRC stated that its last rate case was filed in 2010 based on a 2009 test year, that it is currently earned far below its authorized rate of return, that it has made substantial investments in its physical plant, and that it intends to improve the various systems over the coming years. LWRC stated that, in context, its rate request is reasonable.

OCA took no position on the initial filing and indicated its desire to explore the filing and examine several particular issues of concern through the discovery process.

Staff took no position on the filing, stated it would thoroughly investigate the petition and supporting information, and agreed that the parties would discuss a procedural schedule during the technical session and recommend a schedule following their meeting.

Several of the proposed intervenors made a brief opening statement and, collectively, expressed concerns about the size of the proposed rate increase, the amount of investment made and to be made by LWRC, and about one community served by LWRC subsidizing the capital improvements for another community.

Technical Session:

The parties were to meet in a technical session following the prehearing conference to discuss a proposed procedural schedule and other matters.

Recommendations:

I recommend that the Commission grant all petitions to intervene. All proposed intervenors are customers of LWRC either directly or, in the case of Suissevale, through a long term purchase agreement, and thus meet the requirements of RSA 541-A:32, I(b).

I recommend that the Commission grant LWRC's request for a waiver of Puc 1905.01(a). Filing "a detailed description of case expenses actually incurred" "at the time a utility files" its rate case is impractical, LWRC promptly filed the necessary information when available, and no party was prejudiced.

Finally, I recommend the Commission deny Attorney Blais's motion for admission *pro hac vice* as unnecessary because Puc 203:16(a)(2) states that "an attorney authorized to practice in any state or the District of Columbia" may appear before the Commission. It is not necessary for Mr. Blais to seek *pro hac vice* admission because he is admitted in Rhode Island

By /s/ Michael Sheehan
Michael J. Sheehan, Hearing Examiner

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 15-209-1 Printed: October 06, 2015

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.