

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 19 – 177

Lakes Region Water Co., Inc.

Petition for Temporary Rate Increase

Lakes Region Water Co., Inc., petitions for a temporary rate increase as follows:

1. Lakes Region Water Co., Inc., (“Company”) requests approval of a temporary rates increase for its Dockham Shores franchise by a total of \$35,019 or 81.36%. As set forth in the testimony and schedules in support of this petition, the Company requests an average increase for customers of \$574.08 per year or \$143.52 per quarter based on a pro forma test year rate base of \$356,203 and a rate of return of 5.67%.

2. The increase is due primarily to two factors: First, as described in the Company’s permanent rate testimony, the Company made substantial capital investments in the system to prevent its failure after acquiring it from its prior owner. The Company entirely replaced the failing pump station. The Company improved inadequate well yields, replaced failing storage tanks and made other improvements. These major investments improved the quality of water service and were required to comply with state mandated structural improvements. Second, the system has not had a rate increase since July 1, 2013 and its existing rates did not reasonably reflect the cost to own and operate the system over the last decade. As explained in the schedules and testimony submitted with

this petition, during the twelve-month period ending December 31, 2018, existing rates resulted in a net operating loss of \$15,003.

3. The Company requests that the Commission approve a temporary rate increase pending review of its permanent rates, subject to reconciliation as provided by RSA 378:29. RSA 378:27 provides for approval of temporary rates as follows:

378:27 Temporary Rates. – In any proceeding involving the rates of a public utility brought either upon motion of the commission or upon complaint, the commission may, after reasonable notice and hearing, if it be of the opinion that the public interest so requires, immediately fix, determine, and prescribe for the duration of said proceeding reasonable temporary rates; provided, however, that such temporary rates 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.

Temporary rates are necessary to provide for a reasonable return on the Company's investment in used and useful plant placed in service during the test year.

4. The Company requests temporary rates on a service rendered basis as of the date specified for publication of the Commission's Order of Notice in this proceeding. *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 the Company requests that the Commission:

- A. Issue an Order of Notice for publication;
- B. Approve temporary to be effective as of the date of publication on a service rendered basis, subject to reconciliation; and
- C. Grant such other relief as justice may require.

Respectfully submitted,

**LAKES REGION WATER
COMPANY, INC.**

By its Counsel,

NH WATER LAW



Dated: January 9, 2020

Justin C. Richardson (#12148)
586 Woodbury Avenue
Portsmouth, NH 03801
justin@nhwaterlaw.com
(603) 591 - 1241

CERTIFICATE OF SERVICE

I certify that a complete copy of the foregoing is being sent this day to all persons on the Commission's official service list for this proceeding.



Justin C. Richardson