

**BEFORE THE NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

*Lakes Region Water Co., Inc*

*Request for Change in Rates*

**Docket No. DW 20 – 187**

**ASSENT AND RESPONSE TO INTERVENTION REQUEST**

NOW COMES Lakes Region Water Co., Inc. (“Lakes Region”) and assents and responds to the *Petition to Intervene* by the Lake Ossipee Village Homeowners (“LOV Homeowners”) as follows:

1. Lakes Region assents to the LOV Homeowners April 7, 2021 *Petition to Intervene* in this proceeding and welcomes their participation.
2. Lakes Region feels it would be helpful to the Commission to respond to the LOV Homeowners concern due to rate increases. The LOV Homeowners are correct that Lakes Region acquired the LOV water system following Commission approval on September 30, 2004. LOV’s existing rates at the time of acquisition of the LOV system were “\$137.92 annually”. Order No. 24,376 (September 30, 2004).
3. However, this rate in effect in 2004 was the result of the prior owners’ failure to invest in the system and provide service in compliance with the Commission’s water service rules and the NHDES regulations under the NH Safe Drinking Water Act. For example, in Order No. 23,371, Page 1 (December 20, 1999), the Commission observed that the LOV system had “significant quality of service deficiencies relating to pressure, water quality, air, system operation and engineering”. These deficiencies included: “extremely low pressure on Hillside Drive, the highest point in the system, where customers would have showers interrupted

midstream, toilets could not be flushed and appliances could not be filled in a normal cycle time” (Page 3); “air in the pipes being a common problem at the system's high point; the existence of specific unacceptable water quality conditions; the extent and duration of outages; the absence of adequate alarms” (Page 4); and other issues.

4. The LOV system illustrates the challenges facing small water systems constructed by developers and the benefits that Lakes Region brings to these systems described in the *Testimony of Thomas A. Mason*, Pages 3 to 7. Lakes Region added treatment, replaced pipes, fixed leaks and rebuilt the pump station in the LOV system to resolve the problems cited by the Commission and improve service to customers. As recently as this year, Lakes Region added treatment for pH and corrosion control. By consolidating ownership of multiple small systems, Lakes Region is able to bring failing systems into compliance with NH Safe Drinking Water Standards and the Commission’s requirements.

5. The LOV Homeowners are not mistaken that rates have increased and will increase. Rate increases are unavoidable as system improvements at LOV and other systems require both labor and capital. However, the proposed rate increases are not unreasonable. Lakes Region’s last approved rate case was based on the costs reported during a 2014 test year. This case is based on a 2019 test year with an effective date of March 26, 2021, the date of notice to customers, or as determined by the Commission. The proposed 18% increase represents an annual rate of increase of 3% per year during a time when property taxes, labor and health benefits, and other costs have increased as much or more. By consolidating rates, Lakes Region is able to make improvements such as those made at LOV followings its acquisition in 2004, and in other systems such as Dockham Shores and Wildwood, without need to seek immediate cost

recovery in a rate case. This significantly benefits customers by improving service at reduced rates.

6. Based on the foregoing, Lakes Region looks forward to working with Staff, LOV and other interested parties or persons in this proceeding with a goal of an approved rate that is just and reasonable.

Respectfully submitted,

**LAKES REGION WATER  
COMPANY, INC.**

By its Counsel,

**NH WATER LAW**



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Dated: April 22, 2021

**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 by email or by first class mail as provided by Rules Puc 203.02 and 203.11.



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