

BEFORE THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

In the matters of:)
DW 10-141)
Lakes Region Water Company, Inc.)
Petition for Authority to Increase Rates)
Permanent Rate Phase)
)
DW 07-105)
Lakes Region Water Company, Inc.)
Investigation into Quality of Service and Receivership)
)
DW 10-043)
Lakes Region Water Company, Inc.)
Approval of Affiliate Agreement with LRW Water Services, Inc.)
)
DW 11-021)
Lakes Region Water Company, Inc.)
Petition for Approval of Long Term Debt)

Direct Prefiled Testimony

of

Stephen R. Eckberg
Utility Analyst

on behalf of
the Office of the Consumer Advocate

Dated: **October 14, 2011**

1 **I. INTRODUCTION**

2 **Q. Please state your name, business address and position.**

3 A. My name is Stephen R. Eckberg. I am employed by the Office of Consumer Advocate
4 (OCA) as a Utility Analyst. I include as Attachment SRE-1 to my testimony a statement
5 of my education and experience.
6

7 **Q. Have you previously testified before the Commission?**

8 A. Yes, I have testified on behalf of the OCA in a number of dockets including both phases
9 of DW 08-070 related to Step Increases to rates for Lakes Region Water Company
10 (LRWC or “the Company”), and in the temporary rate phase of DW 10-141. I have also
11 participated in DW 07-105 on behalf of the OCA.
12

13 **Q. What is the purpose of your testimony?**

14 A. My testimony has several purposes. On October 10, 2011, the Commission issued a
15 Secretarial Letter consolidating four dockets and approving a procedural schedule
16 proposed by the parties. The four dockets are: DW 07-105, an investigation regarding
17 service quality and whether the Company should be taken into receivership; DW 10-043,
18 regarding affiliate agreements between LRWC and LRW Water Services (LRWWS),
19 which is owned and operated by LRWC’s President, Thomas A. Mason Jr.; DW 10-141, a
20 rate case now in the permanent phase; and DW 11-021, LRWC’s petition for retroactive
21 approval of certain debt.

22 Therefore, my testimony will provide several recommended expense and revenue
23 adjustments related to the permanent phase of the rate case, will address the other open

1 docket, and will also discuss additional issues that are of concern relating to the
2 Company's ongoing managerial, technical and financial challenges that are impacting its
3 ability to continue to provide safe and adequate services to its customers at reasonable
4 rates.

5
6 **Q. Please provide a brief overview of your testimony.**

7 A. I would like to begin by first stating that the OCA and the other parties to these cases
8 have invested significant time over the last several months (and years really) in exploring
9 ways to help LRWC address several serious and long-standing problems related to its
10 lack of financial, managerial and technical resources. These include service quality
11 challenges such as compliance with water quality and quantity requirements of the
12 Department of Environmental Services (DES); structural and managerial issues including
13 those identified in Commission Staff Audits; significant debt incurred by LRWC,
14 including the use of expensive consumer debt to fund the daily operations of the
15 Company; and many other issues that cause the OCA to be concerned about the
16 Company's ability to continue operating in a manner that will ensure safe and reliable
17 service at just and reasonable rates. Despite all of the parties' efforts, we have not yet
18 reached a consensus on how to proceed. As a result, I will provide the OCA's positions
19 related to each of these topics, and a proposal for how to address the large and important
20 issues facing the Company.

1 **Q. Please briefly discuss the OCA's overall recommendation.**

2 A. As discussed at the end of my testimony, the OCA recommends that the Commission take
3 LRWC into receivership, largely because the traditional regulatory process will not
4 address the major issues facing the Company in the short term. While we appreciate all
5 of the Company's efforts in recent months, as well as the changes and improvements that
6 Thomas Mason has made since assuming the management of the Company from his
7 father, more must be done to prevent harm to customers that could be imminent. We are
8 hopeful that a creative approach could be used that allows the Company's current
9 management and ownership to continue to work toward solutions to the many challenges
10 faced by the Company, but with a strong and capable Receiver who can make the changes
11 necessary to get the Company in compliance with all applications statutes and
12 regulations. We have more specific recommendations on other issues detailed below.

13

14

15 **II. DW 10-141 PERMANENT RATE CASE**

16 **Q. Please begin your discussion regarding permanent rates in DW 10-141 with a brief**
17 **synopsis of the temporary rate phase.**

18 A. On February 2, 2011 the Commission issued Order No. 25,196 approving a Settlement
19 Agreement between Staff and the Company, and authorizing a Temporary rate increase.
20 The Order authorized the Company to implement an 18.51% increase in rates for a total
21 revenue requirement of \$921,829 with a rate base of \$2,324,509 on a service rendered
22 basis effective September 17, 2010. This revenue requirement includes the Third Step
23 increase from DW 08-070 in the amount of \$11,833 which was authorized and
24 implemented at the same time as Temporary Rates. The increase was applied to all rate

1 groups (metered and unmetered) on an equal percentage basis. I would also note that the
2 Commission stated in its Order that the temporary rate phase “is limited, and is not an
3 opportunity to evaluate all expenditures of the utility or address utility operations. These
4 are matters that will be fully scrutinized by the parties and Commission Staff during the
5 permanent rate phase of the proceeding.” As a result, in addition to addressing the
6 appropriate level of rates at this time, my testimony will also address larger issues related
7 to operations and other matters.
8

9 **Q. What is the revenue requirement starting point from which your recommended**
10 **adjustments are added and/or subtracted?**

11 A. I accept the currently approved Temporary Rate level as the starting point from which my
12 further proposed rate adjustments are applied. The Temporary Rate level includes certain
13 adjustments included in the Temporary Rates Settlement Agreement schedules. These
14 include a pro forma revenue increase related to the third step increase in DW 08-070, and
15 more significantly, the application of a 0% tax rate to the calculated revenue shortfall
16 when figuring the revenue requirement. In other words, there is no gross up for taxes.
17

18 **Q. Did the OCA support the Settlement Agreement presented to the Commission in the**
19 **temporary rate portion of this docket?**

20 A. No. The OCA supported setting temporary rates at the then-current rate levels due to the
21 number of uncertainties in the company's expenses and revenues. We did, however,
22 express our support for Staff's proposed use of the 0% tax factor for temporary rate

1 purposes. For permanent rates, we again support a 0% tax factor for the purpose of
2 calculating the revenue requirement in the permanent rates phase of this docket.

3
4 **Q. What is the OCA's reason for this adjustment?**

5 A. The Company has paid no Federal Income Tax for several years and it is not likely it will
6 pay any for the 2010 or 2011 tax years or even further into the future. It is the OCA's
7 position that it is not reasonable for a Company to collect funds from its ratepayers for an
8 expense it will not incur. The OCA will gladly work with the Company, Staff, and others
9 to discuss a potential rate adjustment mechanism, if necessary, that would ensure that the
10 Company has the opportunity to recover any tax amounts actually due. In this way, the
11 Company would be unharmed should it, in fact, owe Federal Income or State Business
12 taxes in any year prior to its next rate case. We feel that in this way, both the Company
13 and ratepayers are protected.

14
15 **Q. Please identify the OCA's other proposed adjustments to expenses and revenues that**
16 **impact the calculation of the revenue requirement for purposes of establishing**
17 **permanent rates.**

18 A. The OCA has several proposed revenue and expense adjustments. They include:

- 19 1. A pro forma reduction to test year expense in the amount of \$52,337.50 for
20 pensions paid to Thomas A. Mason Sr. and Barbara Mason in the amounts of
21 \$36,040 and \$16,297.50 respectively.
- 22 2. A pro forma reduction to test year expense in the amount of \$4,184 for health
23 care expenses for Thomas A. and Barbara Mason.

- 1 3. A pro forma increase to test year revenue in the amount of \$8,000 related to
2 monthly water collections performed by Company personnel and billed to
3 LRW Water Services at improperly low rates that were specified in the
4 Company's Affiliate Agreements, which as I discuss below, the OCA does not
5 believe comply with applicable standards.
- 6 4. A pro forma increase to test year revenue in the amount of \$23,668.50 related
7 to other work performed by Company personnel and billed to LRW Water
8 Services also at improperly low rates according to the current improper
9 Affiliate Agreements.
- 10 5. A pro forma increase to test year revenues for Fire Protection Revenue. While
11 a Cost of Service Study should be conducted to know exactly what this
12 amount should be, the OCA believes a reasonable minimum amount to include
13 is \$2,500. The Company has installed several hydrants but is not collecting
14 any revenues from anyone for providing Fire Protection Service. Its
15 customers should have the opportunity to realize the benefit of revenues
16 ignored for a service which the Company is providing at no charge.
- 17 6. A pro forma increase to test year revenue in the amount of \$802.43 related to
18 swimming pool accounts.
- 19 7. A pro forma adjustment to test year revenue in the amount of \$1,303.54 for
20 the known and measureable change resulting from five metered customer
21 accounts in York Village.

1 8. A pro forma adjustment to test year revenue in the amount of \$844 to account
2 for water volume sales not billed to Company Owner & another Company
3 Officer who are residents of Paradise Shores.

4 9. A pro forma adjustment to reduce a Company pro forma adjustment related to
5 “Field Employee #2,” a full time employee who began work on 3/23/2009.
6 The Company proposes that “full year employment” equates to 52 weeks x 50
7 hours per week = 2,600 hours. The OCA proposes to reduce this to 52 weeks
8 x 40 hours per week = 2,080 hours, which is the typical amount for a normal
9 work year. This is a reduction of 520 hours x \$16.13 = \$8,388 from the
10 Company’s proposed pro forma operating expense adjustment.

11 10. A pro forma adjustment in the amount of \$5,081 to decrease test year interest
12 expenses related to unnecessary interest charged on unauthorized increased
13 balance to the “Mason Note.”

14
15 Each of these adjustments, as well as one other for which I am not able to determine a
16 specific amount, is discussed in more detail in Attachment SRE-2, where I provide the
17 basis for each adjustment.

18
19 **Q. Generally, why do you propose these adjustments?**

20 A. Several of my proposed adjustments, including those related to so-called “pensions” paid
21 to the Company's owners Thomas A. Mason Sr. and Barbara Mason, are not proper
22 expenses that are normally included by utilities in rates. These payments are not
23 properly funded pensions, but instead are simply cash payments to the owners.

1 Therefore, we recommend the Commission disallow these expenses. Ratemaking
2 principles dictate that ratepayers pay only for those items which are currently providing
3 service to customers. This applies to tangible assets such as pipes, pumps and tanks and
4 also includes personnel. Simply put, Mr. and Mrs. Mason are no longer working for the
5 Company and therefore are not providing service to ratepayers.

6
7 **Q. Is it correct that Mr. and Mrs. Mason were formerly employees of the Company?**

8 A. Yes. And during the years when they actively working for the Company, it could have
9 been considered a legitimate expense to include for ratemaking purposes the costs of
10 funding an appropriate retirement or pension plan which would then pay out to the retired
11 employees after their term of active service according to any terms and conditions of the
12 pension plan. However, in the absence of such a properly created and funded plan, it is
13 not appropriate to make regular payments to former employees as a current expense, and
14 simply call such payments a “pension.”

15
16 The same is true for my adjustment related to removing health care expenses for the
17 Company owners. The Masons are no longer actively working for the Company and
18 therefore it is not reasonable that ratepayers should bear costs associated with making
19 payments for health care for them. These costs associated with what are normally
20 considered “post-employment benefits” could have been funded during their period of
21 active employment, but they were not. They may not now be included in rates.

1 **Q. Do you make other similar adjustments due to improper costs?**

2 A. Yes. Two of my adjustments relate to the Affiliate Agreements which were in place
3 during the test year, but which are not appropriate because they contain different rates
4 charged between the regulated Company and the unregulated affiliate owned by Mr.
5 Mason. I discuss these agreements in more detail in Section III below, in the context of
6 the pending case related to review of new agreements. The agreements currently in place
7 provide that LRW Water Services will pay a rate of \$19 per hour including use of a
8 pickup truck when it uses employees of the regulated Company. It also provides that
9 LRWWS will pay \$250 monthly to the Company for the regular services provided by
10 Company employees to pick up and deliver water samples and checking on pump houses
11 “while in the neighborhood” doing similar tasks at systems for LRWC. However, the
12 agreement requires that LRWC must pay LRWWS \$50 per hour for the use of employees
13 of the affiliated company. This means that ratepayers pay more when the affiliate’s
14 employees are used than the utility is paid with the affiliate uses utility employees. The
15 Company has not provided information to support such an asymmetrical cost structure,
16 and this practice must stop.

17
18 Similarly, my adjustment #10 relates to unnecessary interest charged on the unauthorized
19 increased balance to what the Company refers to as the “Mason Note.”

20
21 **Q. Please briefly discuss the other categories of adjustments that you propose.**

22 A. Generally, several of my other adjustments related to unrecognized revenue from various
23 sources, including water provided to family members (and possibly employees) at no

1 charge or at reduced charges, which is also improper. Other adjustments concern costs
2 related to unauthorized borrowing from the owners at an annual interest rate of 9.75%,
3 which is unauthorized debt with an unacceptable high and unapproved interest rate.
4 Finally, I also believe that there may be additional revenues that relate to non-regulated
5 water systems that were operated by one of the owners prior to his retirement,¹ and which
6 now are listed by DES as operated by LRWC despite the fact that they are not within the
7 Company's franchise. The Company has recorded some revenue related to Company
8 employees providing services to "Mason Sr. managed systems." Unfortunately, with
9 respect to those systems, I do not have a specific recommendation for an adjustment as
10 we do not have enough information to make either a calculation or an estimate. I propose
11 a placeholder for an adjustment because I believe there may be additional income derived
12 related if the Company is still involved in activities related to managing these six water
13 systems formerly operated by Mr. Mason Sr. In response to discovery, the Company
14 stated that it billed Mr. Mason Sr. the amount of \$5,226 for work done by Company
15 employees for "Tom Mason Sr. managed systems" during the test year. However, I
16 would also note that the OCA does not believe that LRWC should be operating any
17 systems outside of its service territory, so if that practice is continuing, it should cease
18 immediately. To the extent that DES' listing is not correct, it should be updated by those
19 who are operating the six systems in question. It is also worth pointing out that neither
20 Affiliate Agreements previously in place, nor those currently under consideration cover
21 any relationship between the regulated Company and systems previously managed by Mr.
22 Mason Sr.

¹ Mr. Mason surrendered his water operator's license in June 2009 as part of the plea agreement in the Tamworth Water contamination criminal case.

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As I stated above, each of my adjustments is discussed in detail in Attachment SRE-2.

Q. What is the impact of your proposed adjustments?

A. The combined impact of my proposed reductions to expenses and increases to revenues is an effective increase to operating revenues of \$91,570 from the values included in the schedules attached to the Temporary Rate Settlement. Using those same schedules, I estimate that this translates into a permanent revenue requirement increase from previous rates of 6.6% as compared to the Temporary Rate increase which is 18.51% above previous rates. This estimate, because it uses the Temporary Rate schedules, does not include any increases to plant-in-service or related rate base items for 2010 capital improvements. The OCA is willing to consider such adjustments if the costs related to those improvements have been audited, and if all such improvements are currently used and useful in providing service to customers.

Q. Do you have any other recommendations for the Commission relative to this rate case?

A. Yes. The OCA also strongly recommends that the Commission direct the Company to retain an expert to perform a Cost of Service Study. The OCA believes there are a number of areas in the Company's rate structure which need attention, and that better rate design could assure that the Company is properly assigning costs to groups of customers. For example, the Company has a number of Commercial customers but does not have any commercial water rates. If the patterns or levels of water use of these commercial

1 customers are significantly different than those of residential customers, it may be
2 appropriate to design separate rates for commercial customers to more properly reflect
3 the costs of serving them. Also, as discussed above, there are at least two swimming pool
4 accounts which collect widely varying revenues for the Company. While I have
5 proposed an adjustment to account for this, it may be the case that additional information
6 would be useful to develop a better solution. Further, data provided by the Company in
7 the updated "S" tables of its 2009 annual report indicate that there are widely varying
8 revenue levels being collected within systems. See Attachment SRE-3, Response to Staff
9 1-11. Revenues per thousand gallons sold range from \$4.63 in Indian Mound to \$36.35
10 in Far Echo Harbor. While some variation is to be expected as a result of consolidated
11 rates, the data suggest that the variations in revenue per thousand gallons sold may be
12 greater than is desirable. This suggests to the OCA that a cost of service study would be
13 useful in order to ensure that the rate design in effect is appropriately apportioning the
14 revenue requirement among customer groups and providing the company with the best
15 possibility of collecting its revenue requirement from customers.

16 Finally, the OCA renews our requests made in these dockets that the Commission require
17 the Company to comply with all applicable statutes and regulations, as well as with
18 appropriate financial reporting requirements of utilities. For example, the OCA supports
19 Audit Staff's recommendation that the Company stop tracking costs based on 17 separate
20 operating divisions and instead consolidate its books. (See Audit Issue #1).

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III. DA 10-043 AFFILIATE AGREEMENTS

Q. Please discuss the issues related to affiliate agreements under consideration in Docket DW 10-043.

A. The OCA recommends that the Commission not approve the Affiliate Agreements as filed by the Company in DW 10-043. Certain rates contained in Appendix A “Contractor Utilization of Water Company Personnel and Equipment” do not meet the “greater of cost or market rate” standard. Further, the agreements may not be adequately comprehensive to cover all services provided by Company employees to entities other than the regulated utility. (See the discussion above related to my proposed adjustment #7 for details on water systems which may be “managed” by the Company but are not part of the regulated utility).

Q. What rates you believe do not meet the “greater of cost or market” standard?

A. Appendix A of the proposed Agreement filed says that when the Contractor (the unregulated affiliate LRWWS) uses Company personnel it will compensate the Company at the rate of \$19.00 per hour. This cost specifically includes the employee’s hourly pay rate, payroll taxes, employee benefits, vehicle costs including fuel, maintenance, insurance and depreciation). Prior versions of this Affiliate Agreement had this same rate listed at \$50.00 per hour. In discovery, Staff inquired why the Company was proposing to reduce this rate from \$50 to \$19 per hour. Mr. Mason’s response was:

LRW Water Services would not pay \$50.00 per hour for what amounts to minor and routine services. The average hourly wage for the Lakes Region field employee is \$14.31 per hour plus payroll taxes of \$2.07 per hour plus employee benefits of \$1.08 per hour plus vehicle costs of \$6.51 per hour, which equals \$23.97 per hour. Any fees above \$19.00 per hour would not be cost effective for

1 LRW Water Services. The Company determined that it was still beneficial to
2 provide the service at \$19.00 per hour even though it was less than its costs.
3

4 The utility's President, Mr. Mason, is the son of the utility's owners, and he also owns
5 and operates the affiliate. He seems to be stating that he believes it is appropriate for the
6 utility to provide services to his unregulated Company at less than the utility's costs.

7 Decisions like this are a major concern for the OCA, and are also a major contributing
8 factor to the Company's ongoing annual losses. They also speak directly to why I
9 recommend elsewhere in my testimony that the Commission order the Company into
10 receivership.
11

12 **IV. DW 11-021 LONG TERM DEBT**

13 **Q. Please discuss the issues related to the request to retroactively approve certain debt**
14 **in Docket DW 11-021.**

15 A. The OCA has identified several issues with the Company's request for retroactive
16 approval of long term debt that it would like to identify for the Commission's
17 consideration. On page 2 of Mr. St Cyr's testimony in DW 11-021, he enumerates the
18 debt items incurred by the Company for which approval is sought. At line 13 he shows
19 "2004 GEHL Finance – Mustang Excavator" for \$20,350. The OCA's understanding is
20 that the Company no longer owns this item. It was traded in and is replaced by the item
21 on page 2 line 21 "2009 GEHL Finance – Mustang Excavator" in the amount of \$26,200.
22 It does not seem reasonable for the Commission to grant retroactive approval on \$20,350
23 of debt incurred 7 years ago that the Company no longer carries on its books as the item
24 acquired with that has been retired and replaced by a newer item. At the very least, the
25 Commission should omit this item from the list of items being approved.

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Q. Does the OCA have any other concerns related to this long term debt approval?

A. The OCA is also concerned with the way the Company is paying down the outstanding debt to its owners/shareholders. This is not necessarily related to the approval being sought in this Docket but because the approval being sought includes the long term debt referred to as the “Mason Note,” this may be the best place to raise this concern.

Q. Please explain.

A. During the 2009 test year, the Company incurred interest to Mr. and Mrs. Mason Sr. on the “Mason Note” amounting to \$18,331. See Permanent Rates Filing Schedule 4A included as Attachment SRE-4. The Company reports this amount on its Schedule 4A as interest. However, it claims elsewhere that the payments it is making to the Masons are not interest payments but rather principal payments on the amounts owed. The Company claims that the interest owed is accruing while it pays down principal (which as I note above is accruing at the unauthorized rate of 9.75%). The Company, to its credit, is not compounding the interest on the interest owed. In response to discovery, the Company provided its 2009 Federal Income Tax return and on line 18 of the Company’s Form 1120 (US Corporate Income Tax) the total interest reported appears to include this interest amount calculated on the “Mason Note.” A review by the OCA of all related tax forms filed by the Company does not show any 1099-INT forms which would need to be filed by the Company if it paid interest to the Company’s owners during the test year. The appearance is, therefore, that for most purposes, the amount paid on the “Mason Note” is interest, except in name only, because the Company calls it principal pay down. The

1 Company claims that this approach is at the request of the note holder (the owners)
2 though the Company has provided no written terms of the loan or its repayment to
3 substantiate this claim. Overall, this approach to paying the loan to the Company owners
4 strikes me as highly unusual. The Company includes an amount which is calculated as
5 interest in its calculation of revenue requirement, yet it claims the amount is not interest
6 when it passes the amount to the note holders.

7
8 **Q. Do you have a recommendation for the Commission on this issue?**

9 A. No. This Company is in precarious financial condition and could benefit from firm
10 guidance from the Commission on any number of matters. After addressing the fact that
11 the debt should not receive a 9.75% interest rate, I believe that the Commission should
12 direct the Company to pay the appropriate amounts as interest payments to the
13 Company's owners. I believe that it would be more appropriate for these interest
14 amounts that the Company collects from its ratepayers to be passed to the note holders as
15 interest payments.

16
17 **V. DW 07-105 INVESTIGATION INTO SERVICE QUALITY AND RECEIVERSHIP**

18 **Q. Please discuss why the OCA believes that receivership is appropriate at this time.**

19 A. Although my testimony provided above makes a recommendation regarding the
20 permanent rates level that I believe is appropriate at this time, the OCA recognizes that
21 this rate level does not address the serious challenges facing this Company. This rate
22 level does not help to address the significant level of outstanding payables that the

1 Company has accumulated over time², and it does not provide funds necessary for capital
2 improvements needed in many of the systems, some of which are required by DES and
3 environmental standards. In short, the permanent revenue requirement level that I
4 recommend does not resolve the Company's continued looming financial crisis.

5
6 In addition, simply setting a permanent rate also does not address the ongoing managerial
7 and technical challenges facing the Company. Those are significant, and while some
8 steps are being taken to make changes in how the Company and its finances are managed,
9 the OCA believes that the Company's current dire financial situation requires more
10 proactive steps that are most appropriately considered and executed in the context of
11 receivership. It is our hope that the Company would be willing to work with the parties
12 to explore a sort of "voluntary" receivership which would allow the Company to benefit
13 from the services of experts who can take actions to address the serious managerial and
14 financial problems that exists, while working with the current management and
15 ownership as partners. It is our understanding that the Company has engaged the services
16 of Bob Montville, a financial expert with many years of experience assisting business
17 with "turn around" planning and execution to address problems similar to those facing
18 LRWC. We do not believe that simply engaging Mr. Montville to help the Company
19 prepare another rate case and make changes to its management structure over time is
20 sufficient; instead, we believe that the temporary and emergency nature of receivership is
21 warranted at this time. Therefore, the OCA asks that the Commission appoint Bob
22 Montville as Receiver, and direct the parties and Staff to immediately begin work on a

² Audit Final Report showed Accounts Payable Balance of \$356,286 as of 12/31/2009.

1 plan to return the Company to strong financial health, and to address the myriad
2 managerial and technical issues that result in multiple violations of statute, rules, and
3 prudent utility operations. Some of this work has already been started, and the OCA
4 stands ready to work with the Company to develop a plan that addresses the Company's
5 challenges while protecting ratepayers.

6
7 One additional issue that I want to raise in this context is the suggestion that it may be
8 appropriate for LRWC to explore a sale of the business. While the OCA is open to this as
9 a longer term solution to what appear to be insurmountable (and recurring) problems, we
10 believe that receivership is necessary in the short term to both prevent harm to customers,
11 and to make the Company a viable target for acquisition.

12
13 **Q. Does this complete your testimony?**

14 **A. Yes.**
15
16