

STATE OF NEW HAMPSHIRE

Inter-Department Communication

ORIGINAL
N.H.P.U.C. Case No. DW 10-141
Exhibit No. RR 7
Witness: Mark Naylor
DO NOT REMOVE FROM FILE

DATE: March 30, 2012
AT (OFFICE): NHPUC

FROM: Stuart Hodgdon, Chief Auditor

SUBJECT: Lakes Region Water Company, Inc.
DW 10-141, et. al.
Record Request #7

TO: Commissioners

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This is Audit Staff's response to the Commission's Record Request #7 in the hearing for DW-10-141, et. al., Lakes Region Water Company, Inc. The subject matter of this record request is an e-mail, entered into the hearing record as Exhibit LRW-30, that I sent to Mark, Naylor, Jayson Laflamme, Norman Roberge, Stephen St.Cyr, and to Meredith Hatfield and Stephen R. Eckberg of the Office of the Consumer Advocate concerning the Final Audit Report on Lakes Region Water Company.

The Final Audit Report was issued on February 15, 2011 and contained ten Audit Issues. For Audit Issue #8, Deposit- Write Off, I concluded that \$1,907 should be deducted from expense account, Uncollectible Accounts for the rate filing. However, on March 2, 2011 Company representative Mr. Roberge came forward with additional information that led me to change my position.

It is my opinion that the Company is on firm ground that the deposits were processed for different individual amounts, due to a mix up of checks placed with the deposit tickets, but that all funds were deposited. The Company's expense account included both a debit and then an offsetting credit for the sum of \$1,907. Therefore, no adjustment needs to be made for this amount to the rate filing.