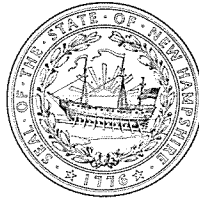


THE STATE OF NEW HAMPSHIRE

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Thomas B. Getz

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Clifton C. Below
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EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
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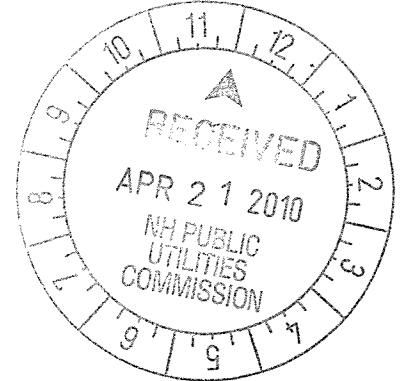
TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

April 21, 2010

Debra A. Howland, Executive Director
N.H. Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Re: DW 07-105 Lakes Region Water Company, Inc. (LRWC)
Report of April 14, 2010 Monitoring Technical Session



Dear Ms. Howland:

In accordance with Order No. 24,877, Staff and the parties held a technical session on April 14, 2010, to monitor progress on various issues as described below. Staff offers the following report of that meeting. Attendees to the meeting included Lakes Region Water Company, Inc. (LRWC), Staff, Office of the Consumer Advocate (OCA), and Department of Environmental Services (DES).

2009 Annual Report

LRWC expects to file its 2009 Annual Report within its 30-day extension. Information needed to complete the 2008 S schedules were done in-house a month ago. The accountant needs to complete the schedules and forward them to the Commission.

Hidden Valley

Snow just left so LRWC has not completed the road patch yet.

Rate Case

LRWC expects to file a rate case shortly after filing its 2009 Annual Report; LRWC is using a 2009 test year. Participants also discussed LRWC needing to either file a new Notice of Intent 30 days prior to filing the Rate Case or ask the Commission to waive the administrative rule that caused the first Notice of Intent to expire.

Fine Payments

LRWC is paying approximately \$3,100 per month toward the fine.

Paradise Shores

LRWC is seeking SRF funding from DES to develop a well field on the Mount Roberts property owned by Tom and Barbara Mason. LRWC's \$470,000 project is number 20 on the list and LRWC is keeping in touch with DES to see if LRWC's project will be funded.

SRF funds would be for items such as test wells, pump station, large groundwater withdrawal permitting process, and hydraulic study. If funding is secured, then LRWC will be filing for financing approval, will secure BFA approval, and will secure easements. DES does not accept long-term leases. LRWC is aware that the permitting process will require a Water Conservation Plan. If SRF funding not available, LRWC will fund the project in-house since Paradise Shores-Suissvale needs a new water source. Roof membrane, fencing, and landscaping still need to be done on the tank. LRWC did not have any problems with the tank over this past winter. Control room was done in 2008. LRWC does not have a date-certain for completing this work.

Tamworth

Uranium treatment will be installed late spring-early summer. The design has been approved.

Indian Mound LRWC

Still working on new roof and will then do more plumbing.

White Mountain Resort/Gateway

As-builts completed and has satisfied DES.

Gunstock Glen

LRWC will soon file for Step Three that was approved in Docket No. DW 08-070.

Personnel

LRWC has hired someone to do accounting in-house. This position replaces another position that dealt with customer service and that customer service work will be taken over by an employee who had previously done some accounting work. If personnel does work for LRWC's affiliate, then that is tracked in work orders. But LRWC says the affiliate work is very little.

Affiliate Agreement

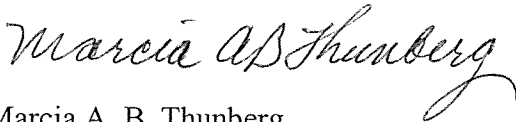
LRWC has filed its affiliate agreement and Staff is in discovery on the agreement. Staff expects to review the agreement more fully in the rate case.

Next Meeting

July 14, 2010 will be the next meeting unless LRWC files a rate case. If a rate case is filed, it is Staff and the attendees' preference that the quarterly meetings be subsumed into the rate case. Once a schedule is established in the rate case, parties in this docket will be notified of the schedule.

This is the extent of the issues discussed at the technical monitoring session. If you have any questions or comments, please feel free to reach me or Mark A. Naylor, Director of the Gas & Water Division.

Sincerely,



Marcia A. B. Thunberg
Staff Attorney

cc: Service List