

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DW 13-041

Lakes Region Water Company, Inc.

RESPONSE TO ORDER NO. 25,557 INFORMATION REQUESTS

NOW COMES Lakes Region Water Company and provides the following information in response to the Commission's Order No. 25,557:

I. BACKGROUND

1. On August 2, 2013, the Commission issued Order No. 25,557, denying Lakes Region Water Company's request for rehearing in this proceeding, finding that no fiscal or other emergency exists. However, the Commission, sua sponte, directed the Company to provide certain financial information to the Commission.¹ Even before Order No. 25,557 was issued, the Company agreed to provide monthly financial updates to the Commission's staff concerning its financial planning and its on-going efforts to restructure and improve its financial performance. The Company attaches its most recent update of September 3, 2013, for the month ending 8/31/2013 as part of this response.

II. INFORMATION REQUESTED BY ORDER NO. 25,557

(1) Lakes Region's efforts in maintaining ongoing compliance with state and federal laws, including environmental and labor regulations.

¹ The Company notes that Order No. 25,557 modified a prior order by requiring new information without notice and hearing, contrary to RSA 365:17. The Company does not agree with the findings of fact impliedly made by the Commission in Order No. 25,557, particularly concerning the 'unidentified' withdrawal of \$69,000. However, the Company believes it is in the best interest of both the Company and its customers to provide complete information and to work on solutions, therefore provides the responsive information herein.

A. Labor, Tax and State and Federal Laws.

There are no outstanding compliance issues related to labor laws or any other state or federal laws, except, as noted below, the Company is in the process of paying its 2012 and 2013 Federal Income Tax Liability.

B. Federal and State Drinking Water Laws and Regulations.

As explained by John Dawson in his written and oral testimony before the Commission, Lakes Region Water Company has an excellent compliance record and is a model for its operations of very small water systems. This remains the case. The Company has only two outstanding letters of deficiency which are the following:

A. Paradise Shores. Lakes Region Water Company has an outstanding letter of deficiency for its Paradise Shores system that is being addressed under agreement with the NHDES reflected in its letter to the Company of August 1, 2011 and in the Small Production Well permit issued to the Company in July of 2012.

The regulatory issues related to the Paradise Shores are complex. In short, in the event that the Company's wholesale customer at Paradise Shores, Suissevale, remains as a long term customer, the Company's will need to complete additional permitting for Mt. Roberts as a Large Production Well. If Suissevale decides to develop its own water supply, Lakes Region Water anticipates that it will operate under its existing permits, and no further action will be required. The additional studies and permitting for a large production well are important (and expensive), but the Company does not anticipate at this time that any physical or operational changes to the Mt. Roberts system would be required.

There are a number of regulatory issues that bear on Suissevale's decision. Suissevale has taken some steps to develop its own water supply, which would make it fully regulated as a

public water system under then-current drinking water regulations. To date, the wells developed by Suissevale have been inadequate and the Company does not believe that a favorable alternative to the Company Mt. Robert's supply exists. For example, according to the NHDES, the wells most recently developed by Suissevale were in the lowest 10% of ground water quality in the State. In the Company's opinion, there are substantial additional problems that make it unlikely that Suissevale could develop an alternative supply that would be preferable to the Mt. Roberts project in terms of cost, yield, pressure, water quality, or any other objective measure. However, the Company remains willing to serve Suissevale and respects its decision to pursue its own supply, as long as the Company is fairly compensated for any services it provides.

The Company has proposed an amendment to its existing wholesale supply agreement with Suissevale. By agreement, all of the Company's discussion with Suissevale are confidential. A critical issue from the Company's standpoint is the fact that Lakes Region's right and duty to supply Suissevale with drinking water is not assignable. Were Suissevale to develop its own supply, the Company's rates would need to be adjusted to compensate the Company for the costs to maintain pressure, capacity and supply on an as-needed basis.

B. West Point. In June of 2013, the Company received a Letter of Deficiency for the West Point System due to failure to collect a sample for uranium. The Company collected the sample during the required quarter but it had frozen subsequent to collection and therefore disqualified. Notice of the Company's failure to report the sample was sent to the Company's customers. However, the Company's outstanding Letter of Deficiency will remain open until the replacement sample is collected and reported in 2014. There is no reason to believe that any violation of drinking water quality standards occurred based on the sampling records and compliance history for the West Point system.

(2) **Lakes Region's internal efforts at financial restructuring, including the development of rate filings, as needed.**

Lakes Region financial restructuring efforts, in addition to those provided to Staff on September 3, 2013, included the following:

- a. **Use of operational revenues.** The Company's operational revenues have been positive in 2013 and it has used operating revenues to reduce payables, by deferring its practice of using operating revenues to fund capital improvements, as suggested by the Commission. The Company's records of accounts payables show an increase due to the addition of income tax liability, but are otherwise significantly improved.
- b. **Federal Income Tax Liability.** The Company has used operating revenues to improve its balance sheet and has paid \$34,000 (75%) of its outstanding 2012 federal income tax obligation to the Internal Revenue Service. The Company is actively negotiating an agreement with the IRS and had an on-site meeting with the IRS. In the interim, the Company continues to make periodic payments toward both its 2012 and 2013 Federal Income Tax liability. The Company anticipates that any remaining balance will be resolved at the time of refinancing discussed herein.
- c. **Sale of Surplus Land.** The Company has reached an agreement to sell surplus land owned but no longer used by the Company to an abutter. The Company will retain an interest in the surplus land in the event it is needed for future water supply purposes, with the abutter effectively owning it as additional back acreage on which no development would occur. The Company has prepared a filing for

Commission approval under RSA 374:30, pending the buyer's agreement to minor modification of the terms. Sale proceeds will be used to improve its balance sheet, including Federal Income Tax liability.

- d. **Refinancing.** The Company is in the process of negotiating refinancing of its existing loan with TD Bank at lower interest rates. The Company has received a favorable proposal from CoBank and is expecting to review and finalize terms for approval by the Commission. The Company anticipates that it will use refinancing to pay the majority of its existing debts to rate case vendors, after vendor reductions ranging from 25% to 50%. The Company anticipates filing for Commission approval as soon as possible once terms are finalized in 2013.

(3) The day-to-day management of Lakes Region's finances, including payment arrangements with its creditors.

Lakes Region is aggressively managing its finances to reduce or eliminate debts. It has met and discussed payment arrangements with the Internal Revenue Service as noted above. In addition, the Company has negotiated reductions in debts to rate case vendors, except for its accountant, Norman Roberge, ranging from 25% to 50%, pending and subject to the Company's refinancing of its existing loans, as noted herein. The Company expects to reach a similar agreement with Mr. Roberge as part of refinancing.

(4) The development of financial planning related to capital projects, including the Mt. Roberts proposal.

On July 31, 2013, the Company presented a list of capital projects and cost estimates to staff. The Company has not developed a capital budget or a financial plan, but expects to do so as part of its refinancing or rate increase approval to be filed with the Commission in 2013.

(5) Lakes Regions plan for payment of its present and future taxes: See Items 2 and 3 above. The Company has already paid approximately \$34,000 (75%) of its \$52,000 2012 tax liability and expects to have its remaining 2012 tax liability paid in full by November-December 2013. The Company expects that its 2013 estimated tax liability will be addressed as part of its refinancing. The Company also intends to request a rate increase based on an adjusted 2012 test year that will include pro forma adjustment to recover all or portions of its 2013 under-funded tax liability based on test year revenues and due to reductions in rate case vendor debts negotiated as part of refinancing.

(6) A proactive plan on what it will take to make Lakes Region bankable with access to capital.

Lakes Region believes that the steps outlined herein will materially improve its financial condition, particularly if all or portions of its un-funded 2013 estimated tax liability are deemed recoverable by means of a test year adjustment.

(7) Whether Lakes Region plans to utilize SRF funding.

Currently LRWC has no plans on using SRF as a funding source. In the future SRF could be considered a possible funding source. However, a rate mechanism that provides sufficient funds for payment of the SRF is critical and the Company believes that more favorable terms may be available from other sources.

(8) An explanation as to how the unidentified withdrawal of \$69,913 was used.

No unidentified withdrawal occurred. Counsel has discussed this with Staff and understands that the \$69,913 unidentified withdrawal referenced in Order No. 25,557 is based on a misunderstanding of Exhibit 10 presented at the hearings.

By way of summary, the cash flow report for 2012 explains how company resources were acquired (provided) and utilized (used) during the year being reported upon. During 2012 Mrs. Mason received either cash or services with a value of \$53,443, this amount was shown on the cash flow statement as being a reduction of the Stockholder Paid in Capital Account. The confusion concerning the remaining \$69,000 comes from the fact that in years 2011 (and a small amount in 2010), the cash flow reports for those years record cash or services received by the stockholder as increase in Accounts Receivable, since it was the intention of having the Stockholder reimburse the Company for those expenditures. In 2012 when it was evident that the Stockholder did not have the ready resources to reimburse the Company, the Stockholder and Company agreed to reduce the Account Receivable amount by a reduction in the Stockholder's Paid in Capital Account. This transaction for \$69,000 in 2012 had no effect on the cash position of the Company in 2012, the transaction did increase cash available on the cash flow report by the reduction of the Stockholder Account Receivable but the cash flow report also had an equal decrease in cash available by the reduction in Stockholder Paid in Capital Account.

The Company has scheduled a meeting with Staff and the Office of Consumer Advocate on September 24, 2013 and, if needed, can provide additional information.

(9) Lakes Region's specific plan for operating its business under the traditional utility regulatory model.

Lakes Region met with Staff on June 20, 2013 and has agreed to provide monthly financial updates to Staff. By law, traditional utility model must include an opportunity to earn a reasonable return on investment, and the focus is not on form of rate regulation, except as defined by statute or rule, but on the result. However, Lakes Region fully expects that its financial performance will continue to improve using the traditional utility rate model with the

addition of Mt. Roberts and other capital improvements that have been completed subsequent to its last rate case. This in combination with improvements to the Company's capital structure through planned refinancing and on-going managerial improvements, should continue to improve the Company's financial performance.

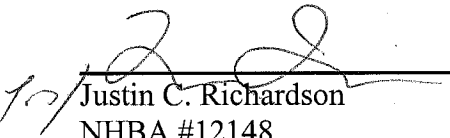
Respectfully submitted,

**LAKES REGION WATER
COMPANY, INC.**

By its Counsel,

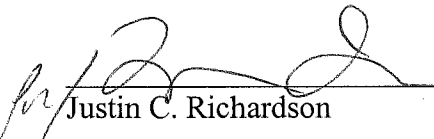
UPTON & HATFIELD, LLP

Dated: September 13, 2013


Justin C. Richardson
NHBA #12148
159 Middle Street
Portsmouth, NH 03801
(603) 436-7046
jrichardson@upton-hatfield.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was this day forwarded via Electronic Mail to all parties on the official service list for DW 13-041.


Justin C. Richardson

Concord Office

10 Centre Street
PO Box 1090
Concord, NH
03302-1090
603-224-7791
1-800-640-7790
Fax 603-224-0320

Attorneys At Law

Gary B. Richardson
John F. Teague
James F. Raymond
Barton L. Mayer
Charles W. Grau
Bridget C. Ferns
Heather M. Burns
Lauren Simon Irwin
Matthew R. Serge
Michael S. McGrath*
Marilyn Billings McNamara
Lisa M. Hall
James A. O'Shaughnessy

Hillsborough Office

8 School Street
PO Box 13
Hillsborough, NH
03244-0013
603-464-5578
1-800-672-1326
Fax 603-464-3269

Attorneys At Law

Douglas S. Hatfield
Margaret-Ann Moran
Steven J. Venezia*

North Conway Office

23 Seavey Street
PO Box 2242
North Conway, NH
03860-2242
603-356-3332
Fax 603-356-3932

Attorney At Law

Robert Upton, II

Portsmouth Office

159 Middle Street
Portsmouth, NH 03801
603-436-7046
1-877-436-6206
Fax 603-431-7304

Attorneys At Law

Russell F. Hilliard
Justin C. Richardson

www.upton-hatfield.com
law@upton-hatfield.com

*Also admitted in MA

**Upton
& Hatfield^{LLP}**
ATTORNEYS AT LAW



Please respond to the Portsmouth office

September 3, 2013

Via Electronic and First Class Mail

Marcia Brown, Esq.
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: Docket No. DW 13-041
Lakes Region Water Company
Financial Report as of August 31, 2013

Dear Attorney Brown:

On June 20, 2013, Lakes Region Water Company met with the Commission staff and agreed to provide certain financial information on a monthly basis to inform the Commission as to the Company's plans for future capital improvements, refinancing, and the need for future rate increases to reflect the Company's cost of service. This information is provided for the Commission and the staff's review pursuant to RSA 674:3.

The Company provided its first update on July 31, 2013 based on the six items recommended in your June 20, 2013 email. Based on our discussions, I understand that staff has filed a letter reflecting the Company's agreement to provide monthly updates, but the letter is not yet available on the Commission's Docket Book. I therefore provide an update for the month ending August 31, 2013, prepared by the Company's Financial Manager, Timothy Fontaine, using the outline suggested in your email of June 20, 2103. Please note that the Company will provide a separate update on September 13, 2013 in response to Order No. 25,557.

Please note that the Company has a good faith basis for believing that certain attachments to this email are confidential financial records within the meaning of RSA 91-A:5, IV. The Company intends to submit a motion for confidential treatment in the event that any of the documents marked confidential are required for a hearing under Rule Puc 203.08.

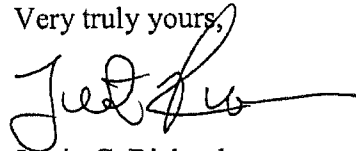
1. **Capital Improvements Plan:** A detailed plan identifying priority capital improvements was provided in the July 31 Report. The Company has not adopted a formal budget for capital improvements, pending refinancing and resolution of its 2012 and 2013 income tax liability. For the month of August 2013 there were no changes made in the area of capital improvements.
2. **Efforts to reduce overall costs:** the Company continues to explore opportunities to reduce costs and improve processes. We are currently in discussions with a large national financial institution on both refinancing current debt and securing capital improvements financing. The final details are not yet available, but the Company is expecting to review terms to refinance its existing debt at a lower cost and request approval for the same. During August staff continued to monitor expense control/reduction efforts. See Item #3, below. Update: the Company has received a proposal this day, which has been marked as CONFIDENTIAL FINANCIAL INFORMATION PURSUANT TO RSA 91-A:5, IV.
3. **Efforts to reduce Payables balance and how it is reducing A/P and prioritizing payments to vendors:** See A/P update as of 8/28/13 PDF. For the month ending 7/31/13 the A/P balance was \$543,000 as compared to \$570,654 at 8/30/13. The increase was due to the recognition of accrued income taxes. LRWC anticipates reduction in A/P obligations by renegotiating its obligations with a number of professional consultants as part of refinancing. See September 3, 2013, proposal from Upton & Hatfield, LLP. If successful, the Company estimates a total reduction of between \$50k to \$75k in A/P. In addition, during August, LRWC paid the IRS \$25,000 for past tax obligations.
4. **Federal Income Tax Obligations:** LRWC has been working with the IRS to pay off/down its 2012 FIT Tax liability. The amount owed initially was approximately \$52,000. During the last month LRWC paid approximately \$25,000 leaving a balance due of about \$27,000. LRWC has an agreement of structured payments. If all progresses according to plans, LRWC foresees having the balance paid off no later than the end of November 2013.
5. **Effort to Obtain Outside capital:** Over the prior two months, LRWC has been having discussions with a large national financial institution. This institution provides financing to utilities throughout the United States, including New Hampshire. In addition, it offers leases, loans to finance; construction projects, equipment, acquisitions etc. To date, the Company's discussions have gone very well and the Company is optimistic about a potential relationship with this organization. Update: the Company has received a proposal this day, which has been marked as CONFIDENTIAL FINANCIAL INFORMATION PURSUANT TO RSA 91-A:5, IV.
6. **Update on how Lakes Region will use outside consultants:** LRWC has limited its use of consultants to support technical areas, including tax filings, engineering and legal matters where staff lacks that specific expertise. The Company expects to minimize outside expenses as much as possible but does not have immediate plans to change.

September 3, 2013
Page 3

Thank you for your assistance working with the Company on these matters. As noted, the Company expects to provide further information on or before September 13, 2013 in response to Order No. 25,557.

If you have any questions, please contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin C. Richardson", with a long horizontal flourish extending to the right.

Justin C. Richardson
jrichardson@uptonhatfield.com

JCR/sem

LAKES REGION WATER COMPANY, INC.
BALANCE SHEET
(Unaudited)

	JULY 31, <u>2013</u>	JULY 31, <u>2012</u>
ASSETS		
Property, Plant and Equipment		
Cost	\$ 4,525,950	\$ 4,577,560
Less: Acquisition Adjustment	(254,025)	(254,025)
Net Cost	\$ 4,271,925	\$ 4,323,535
Less: Accumulated Depreciation / Amortization	(1,489,225)	(1,445,875)
Accumulated Amortization of Acquisition Adjustment	163,951	158,243
Total Property, Plant and Equipment	<u>2,946,650</u>	<u>3,035,903</u>
Current Assets		
Cash	9,352	(8,631)
Accounts Receivable	142,162	96,526
Inventory	17,182	13,361
Deferred Expenses	34,338	37,196
Total Current Assets	<u>203,033</u>	<u>138,452</u>
Other Assets		
Unamortized Debt Financing Costs	2,382	4,905
Miscellaneous Deferred Costs	260,389	258,784
Total Other Assets	<u>262,771</u>	<u>263,689</u>
TOTAL ASSETS	<u><u>\$ 3,412,454</u></u>	<u><u>\$ 3,438,044</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Stockholders' Equity		
Common Stock	\$ 10,000	\$ 10,000
Additional Paid-In Capital	955,248	970,499
Capital Stock Expense	(11,042)	(12,883)
Retained Earnings	508,187	350,590
Total Stockholders' Equity	<u>1,462,393</u>	<u>1,318,206</u>
Long-Term Debt, less current portion	<u>481,369</u>	<u>592,996.81</u>
Current Liabilities		
Current Portion, Long-Term Debt	94,260	94,260
Accounts Payable	534,316	677,289
Accrued Expenses	100,126	8,883
Total Current Liabilities	<u>728,703</u>	<u>780,432</u>
Deferred Income Taxes	<u>116,004</u>	<u>105,511</u>
Contribution in Aid of Construction		
Gross Received (net of premature retirements)	849,099	849,099
Less: Accumulated Amortization	(225,112)	(208,201)
Total Contribution in Aid of Construction	<u>623,987</u>	<u>640,898</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 3,412,454</u></u>	<u><u>\$ 3,438,043</u></u>

LAKES REGION WATER COMPANY, INC.
STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
FOR THE SEVEN (7) MONTHS ENDING JULY 31,
(Unaudited)

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES	\$ 701,684	\$ 632,144
OPERATING EXPENSES:		
Production	52,353	63,650
Treatment	12,705	20,359
Transmission and distribution	46,460	75,040
Customers' billing and collection	8,453	10,704
General and administrative	308,325	241,357
Depreciation / amortization	57,505	74,284
Taxes - other than income	28,839	24,309
Provision for income taxes	64,524	-
Total operating expenses	579,164	509,703
NET OPERATING INCOME	122,520	122,441
GAIN / (LOSS) ON SALE OF ASSETS	-	-
NET WATER UTILITY OPERATING INCOME	122,520	122,441
NON-OPERATING INCOME, NET	3,349	2,258
INTEREST EXPENSE	(33,580)	(40,894)
NET INCOME	92,289	83,805
RETAINED EARNINGS, beginning of period	415,897	266,783
Ajustments	-	2
RETAINED EARNINGS, end of period	\$ 508,186	\$ 350,590

LAKES REGION WATER COMPANY, INC.
SUPPLEMENTARY INFORMATION
FOR THE SEVEN (7) MONTHS ENDING JULY 31,
(Unaudited)

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
General Sales:		
Unmetered Sales	\$ 232,350	\$ 218,834
Metered Sales	414,509	384,306
Disconnect / Reconnect - Income	6,398	6,410
House transfer	980	1,918
Payment pickup	28	228
Meter Maintenance Income	1,224	40
Maintenance on Customer Property	1,786	1,149
Customer Bad Check Charges	45	40
Sales Outside Contractors	-	19,221
Rate Case Surcharge	44,365	-
	<u>\$ 701,684</u>	<u>\$ 632,144</u>
OPERATING EXPENSES:		
Production		
Labor	\$ 5,317	\$ 11,820
Purchased Water	-	1,200
Materials	4,192	8,119
Contracted Services	1,348	2,100
Purchased Power	40,497	39,411
Rents	1,000	1,000
	<u>\$ 52,353</u>	<u>\$ 63,650</u>
Treatment		
Labor	\$ 1,780	\$ 8,478
Chemicals	(0)	533
Violation Publication	-	-
Water Tests	7,999	11,297
Materials	2,927	51
	<u>\$ 12,705</u>	<u>\$ 20,359</u>
Transmission and distribution		
Labor	\$ 6,362	\$ 19,108
Contracted Services	(3,290)	-
Materials	9,194	14,979
Equipment Lease	3,600	3,600
Transportation Expenses	30,354	36,974
Tel-Step	240	379
	<u>\$ 46,460</u>	<u>\$ 75,040</u>

LAKES REGION WATER COMPANY, INC.
SUPPLEMENTARY INFORMATION
FOR THE SEVEN (7) MONTHS ENDING JULY 31,
(Unaudited)

	<u>2013</u>	<u>2012</u>
Customers' billing and collection		
Labor	\$ 5,104	\$ 6,227
Bad Debts	1,932	457
Contracted Services	732	1,149
Materials	684	2,870
	<u>\$ 8,453</u>	<u>\$ 10,704</u>
General and administrative		
General Office Salaries & Wages	\$ 152,141	\$ 99,396
Employees' Welfare, net	27,364	27,996
Insurance	29,400	25,200
General Expenses:		
Heat / Electric Office	1,458	2,225
Contracted Services	8,610	4,176
Memberships	255	182
Telephone	5,765	5,395
Operating Permits	5,100	5,100
Office Supplies & Miscellaneous	19,591	17,184
Outside Services	20,391	52,682
Regulatory Commission Expense	38,249	1,821
	<u>\$ 308,325</u>	<u>\$ 241,357</u>
Depreciation / amortization		
Depreciation	\$ 70,665	\$ 87,444
Amortization of Acquisition Adjustments	(3,311)	(3,311)
Amortization of Contribution in Aid of Construction	(9,849)	(9,849)
	<u>\$ 57,505</u>	<u>\$ 74,284</u>
Taxes - other than income		
Payroll Taxes	\$ 15,101	\$ 12,371
Property Taxes	13,738	11,938
	<u>\$ 28,839</u>	<u>\$ 24,309</u>
NON-OPERATING INCOME, NET		
Interest Income	\$ 3,449	\$ 2,758
Amortization of Equity Financing Expense	-	-
Other	(100)	(500)
	<u>\$ 3,349</u>	<u>\$ 2,258</u>
INTEREST EXPENSE		
Interest on Long-Term Debt	\$ 32,537	\$ 39,851
Amortization of Deferred Debt Financing Expense	1,043	1,043
	<u>\$ 33,580</u>	<u>\$ 40,894</u>

Lakes Region Water Company, Inc.													
Accounts Payable Aging as of													
Balance	Increase	Vendor Name	8/28/2013 Total	1 Month 0-30	2 Months 31-60	3 Months 61-90	4 Months 91-120	5 Months 121-150	6 Months 151-180	7-12 Months 181-365	13-24 Months 366-730	25-36 Months 731-1095	Over 3 Years >1095
7/31/2013	(Decrease)												
-	-	City of Laconia	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Campton	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Conway	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Freedom	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Gilford	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Moultonboro	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Ossipee - Tax Dept.	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Tamworth	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Thornton	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Tuftonboro	-	-	-	-	-	-	-	-	-	-	-
-	-	Total Property Taxes	-	-	-	-	-	-	-	-	-	-	-
864.04	474.35	NHEC	1,338.39	1,338.39	-	-	-	-	-	-	-	-	-
462.95	615.79	PSNH	1,078.74	1,078.74	-	-	-	-	-	-	-	-	-
1,326.99	1,090.14	Total Electric Utility Bills	2,417.13	2,417.13	-	-	-	-	-	-	-	-	-
30,107.75	-	State of New Hampshire	30,107.75	-	-	-	-	-	-	17,085.23	13,022.52	-	-
54,000.00	26,668.28	Accrued income taxes	80,668.28	51,668.28	-	-	-	-	-	29,000.00	-	-	-
84,107.75	26,668.28	Total StateProperty and Accrued Inc Taxes	110,776.03	51,668.28	-	-	-	-	-	46,085.23	13,022.52	-	-
-	1,481.40	Payroll Taxes	1,481.40	1,481.40	-	-	-	-	-	-	-	-	-
-	1,481.40	Total Payroll Taxes	1,481.40	1,481.40	-	-	-	-	-	-	-	-	-
10,845.15	(193.99)	AAA Financial Services	10,651.16	-	206.01	228.90	203.11	206.22	5,132.01	1,091.25	944.03	-	2,639.63
-	1,000.00	Balmoral Improv. Assoc.	1,000.00	-	1,000.00	-	-	-	-	-	-	-	-
-	434.00	Eastern Analytical Inc.	434.00	434.00	-	-	-	-	-	-	-	-	-
2,161.77	(2,161.77)	Generating Solutions, LLC	-	-	-	-	-	-	-	-	-	-	-
132.00	-	Granite State Rural Water	132.00	-	-	132.00	-	-	-	-	-	-	-
13,542.50	(600.00)	LRW Water Services, Inc.	12,942.50	-	-	-	-	-	-	3,600.00	-	9,342.50	-
-	6,660.00	Northern Data Systems Inc.	6,660.00	6,660.00	-	-	-	-	-	-	-	-	-
-	1,790.00	R E Prescott	1,790.00	1,790.00	-	-	-	-	-	-	-	-	-
8,000.00	(4,000.00)	Ransmeier & Spellman	4,000.00	-	-	-	4,000.00	-	-	-	-	-	-
133,740.00	(2,000.00)	Roberge, Norman E.	131,740.00	-	-	3,120.00	3,720.00	6,440.00	-	35,640.00	57,060.00	21,160.00	4,600.00
2,850.17	-	Sands, David S	2,850.17	-	-	-	-	-	-	850.17	1,000.00	1,000.00	-
2,204.14	-	Shaheen & Gordon, P.A.	2,204.14	-	-	-	-	-	-	-	42.60	2,161.54	-
800.56	1,185.04	Skelly's Market	1,985.60	-	1,985.60	-	-	-	-	-	-	-	-
1,780.50	2,470.00	Skilling & Sons Inc.	4,250.50	2,470.00	-	-	-	80.00	80.00	1,331.20	289.30	-	-
13,657.29	-	St Cyr, Stephen P	13,657.29	-	-	86.25	1,926.25	115.00	-	138.75	3,360.00	2,605.03	5,426.01
7,946.62	-	Upton & Hatfield LLP	7,946.62	-	-	67.50	40.00	-	-	7,839.12	-	-	-
197,660.70	4,583.28	Total General Operating and Capital Asset	202,243.98	11,354.00	3,191.61	3,634.65	9,889.36	6,841.22	5,212.01	50,490.49	62,695.93	36,269.07	12,665.64
30,400.00	(1,280.00)	Norman Roberge (rce)	29,120.00	-	-	-	-	560.00	-	2,880.00	8,440.00	16,540.00	700.00
60,384.31	-	Shaheen & Gordon, P.A. (rce)	60,384.31	-	-	-	-	-	-	-	6,411.55	53,972.76	-
65,918.24	(1,785.00)	St Cyr, Stephen P (rce)	64,133.24	-	-	-	460.00	4,025.00	-	4,402.50	15,914.67	28,570.50	10,760.57
1,820.00	(1,820.00)	The Braver Group (rce)	-	-	-	-	-	-	-	-	-	-	-
101,948.44	(1,850.00)	Upton & Hatfield LLP (rce)	100,098.44	-	1,237.50	1,140.75	7,747.53	9,634.26	-	33,014.40	47,324.00	-	-
260,470.99	(6,735.00)	Total Rate Case	253,735.99	-	1,237.50	1,140.75	8,207.53	14,219.26	-	40,296.90	78,090.22	99,083.26	11,460.57

Lakes Region Water Company, Inc.													
Accounts Payable Aging as of													
Balance	Increase		8/28/2013	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7-12 Months	13-24 Months	25-36 Months	Over 3 Years
7/31/2013	(Decrease)	Vendor Name	Total	0-30	31-60	61-90	91-120	121-150	151-180	181-365	366-730	731-1095	>1095
		## (See Note Below)											
		Summary											
-	-	Total Property Taxes	-	-	-	-	-	-	-	-	-	-	-
1,327	1,090.14	Total Electric Utility Bills	2,417	2,417	-	-	-	-	-	-	-	-	-
84,108	26,668.28	Total State Property and Accrued Inc Taxes	110,776	51,668	-	-	-	-	-	46,085	13,023	-	-
-	1,481.40	Total Payroll Taxes	1,481	1,481	-	-	-	-	-	-	-	-	-
197,681	4,583.28	Total General Operating and Capital Asset	202,244	11,354	3,192	3,635	9,889	6,841	5,212	50,490	62,696	36,269	12,666
260,471	(6,735.00)	Total Rate Case	253,736	-	1,238	1,141	8,208	14,219	-	40,297	78,090	99,083	11,461
543,566.43	27,088.10	Total All Payables	570,654.53	66,920.81	4,429.11	4,775.40	18,096.89	21,060.48	5,212.01	136,872.62	153,808.67	135,352.33	24,126.21
39,738.00	-	Rate Recoupment Unbilled at 12/11/12	39,738.00										
152,965.00	-	Rate Case Recoupment Unbilled at 12/11/12	152,965.00										
192,703.00	-		192,703.00										
350,863.43	27,088.10	Net Unfunded Payables	377,951.53										