

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

Docket No. DW 13-041

Lakes Region Water Company, Inc.

REPORT FOR THE TWO MONTHS ENDING MAY 31, 2015

1. **Efforts to reduce overall costs:** We met with insurance agents who provided the company with liability and medical Insurance. The result of the meetings was a deduction in cost for about both Liability and medical insurance coverages.
2. **Capital Projects – Indian Mound:** During April the Company started up construction after the winter break on the Indian Mound System. As of May 31 we are approximately 25% complete of the project and anticipate being finished around September 30, 2015.
3. **Efforts to reduce Payables.** See the attached detail of Accounts Payable as of June 1, 2015 (schedule attached). For the period ending May 26, 2015 the Accounts Payable balance was \$194,509 as compared to \$193,153 at June 1, 2015 for a slight decrease.
4. **Update on how Lakes Region will use outside consultants:** Consistent with previous reports to the commission on this matter, the Company continues to limit its use of consultants to areas such as technical and legal matters, including federal / state tax filings and rate case assistance. The use of outside accounting support has been reduced in 2014 to providing assistance with the NHPUC Annual Report, closing the books and updating depreciation and property excel schedules, plant and equipment schedules. We are confident that these costs will be reduced even further in 2015 when we transition to much improved financial software is in place.
5. **Rate Filing:** The Company has filed its “Intent to File” with the commission for its impending rate case. LRWC solicited six firms to provide legal and accounting support to assist us in preparing the rate case. Of the six firms we received two responses, Upton and Hatfield for legal assistance and Steven P. St.Cyr associates for accounting and exhibit(s) preparation.
6. **Annual Reports:** The Company completed the 2014 NHPUC Annual Report ahead of its due date. We have completed our 2014 Annual Financial Statements; the results were independently reviewed and approved by Leone, McDonnell & Roberts CPA’s. This was a review and not an audit.

7. **2014 Tax Returns:** Leone, McDonnell & Roberts CPA's prepared both our Federal and State tax returns. LRWC had no Federal Tax liability for 2014. The State had a \$5,000 liability.
8. **Data Processing conversion:** As mentioned in previous reports we are committed on improving our financial system. We will be working with Logics, a North Carolina based company who provides state of art financial solutions for utilities. We will have a kick-off conference call the first week of June and will begin the real work the week soon after. The following is the projected timeline; Financial Management - July, Payroll – August, Utilities Management – October.
9. **Staff Departure:** After 10+ years of dedicated service John “Jake” Dawson has resigned his position with LRWC. Jake will be missed.