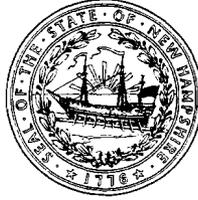


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PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

November 9, 2006

Mr. Charles Mobilia
Lakeview Water Company
111 Woodside Road
Medford, MA 02155

Re: DW 06-075, Lakeview Water Company, Inc.
Batchelor Mountain Subdivision Public Water Requirement

Dear Charlie:

I wanted to bring you up to date since we last spoke regarding your petition to discontinue service at Lakeview. As you recall, at our technical session on June 30 we contacted the New Hampshire Department of Environmental Services (DES) by phone to discuss the status of the original Batchelor Mountain subdivision. The purpose of that call was to determine if the original subdivision approval by DES required a community water system as opposed to individual wells. We have now received information that the subdivision was approved only for a community water system. Technically, the wells installed by Lakeview's customers are not legal. This obviously creates a barrier to the Commission's consideration of your petition to discontinue service.

New Hampshire state law RSA 362:4,IV(a) permits any customer of a regulated utility to discontinue taking service and to secure water from an alternative source, provided that customer can demonstrate compliance with RSA 485-A:29 and RSA 485-A:30-b. These statutes relate to the requirements of DES as to minimum lot size, soil type, and other considerations such that a lot can support both on-site septic systems and wells. As none of the Lakeview customers has yet to demonstrate compliance with these requirements, their wells appear to be illegal. Thus, it is unlikely that this Commission could permit a shutdown of the community water system until all customers who have installed on-site wells have demonstrated compliance to DES.

We would like to suggest that you along with Commission Staff meet with staff of DES to discuss this matter further. There may be some alternative ways to proceed with this and we feel a meeting with DES staff would be useful. Please give me a call as to your availability to attend a meeting here in Concord.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Naylor". The signature is fluid and cursive, with a large initial "M" and "N".

Mark A. Naylor
Director, Gas & Water Division

cc: service list