

# STEPHEN P. ST. CYR & ASSOC.

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Accounting & Finance  
Budgeting & Forecasting  
Financial Statement Preparation  
Regulatory Affairs  
Tax Preparation & Planning  
Management Services

May 30, 2008

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

Re: Lakes Region Water Company  
DW 07-105, Investigation into Quality of Service

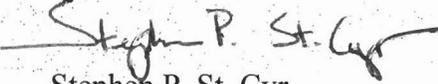
Dear Ms. Howland:

Enclosed please find the original and eight copies of Lakes Region Water Company's calculation of its 2007 actual rate of return. In the settlement agreement between the Commission's Staff and the Company, the Company agreed to submit its calculation of the actual rate of return by May 30, 2008.

Based on the calculation, the Company believes that its actual rate of return (4.12%) is sufficiently below its last authorized rate of return (8.23%) to justify an increase in rates. The Company is reviewing whether to pursue a general rate increase, particularly in light of its recent financing and step increase petition.

If you, the Commission Staff and/or the Commissioners have any questions or comments, or need additional information, please contact me directly at 207-282-5222 or at [stephenpstcyr@yahoo.com](mailto:stephenpstcyr@yahoo.com).

Sincerely,

  
Stephen P. St. Cyr

CC: DW 07-105 Service List

