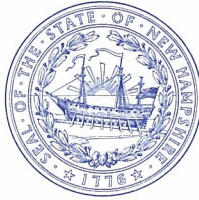


THE STATE OF NEW HAMPSHIRE

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September 28, 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.
Report of September 24, 2010 Monitoring Technical Session

Dear Ms. Howland:

In accordance with Order No. 24,877, Staff and the parties held a technical session on September 24, 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), Property Owners Association at Suissevale, Inc. (POASI), Hidden Valley Property Owners Association, and three Paradise Shores customers.

Hidden Valley

Temporary road patch is in place. LRWC plans to replace with larger, permanent patch this fall in conjunction with other paving work.

Paradise Shores

LRWC has no imminent plans to complete tank fencing, landscaping and roof membrane as they are not a requirement from the Department of Environmental Services. LRWC signed an agreement last month with Emery & Garrett Groundwater, Inc. of Meredith to perform hydrogeological investigations to ultimately secure a Large Groundwater Withdrawal Permit for the Mount Roberts well field. Work is to be funded by LRWC shareholders, with related financial and ownership arrangements with the utility to be determined at a later date. Company declined SRF funding of \$470,000 this summer for well field efforts and has no current SRF application in process.

Indian Mound

Still working on pump station renovations. Parts are in, LRWC plans to complete work late fall or early winter.

Tamworth

Uranium treatment needed to use an existing well as a backup supply is projected to be very expensive to maintain, at \$10,000 to \$40,000 per quarter. LRWC is now seeking a new well to use as a backup instead. One well drilled this summer was dry. Skillings & Sons is looking for a new well site.

Lake Ossipee Village

LRWC upgraded corrosion control, resulting in subsequent round of lead/copper samples below action levels.

Far Echo Harbor

System experienced elevated lead levels in a recent test. Flows are difficult in that wintertime usage is an order of magnitude less than summertime and only one of 90 customers is year-round, so water sits stagnant for eight months of the year. LRWC adds polyphosphates and is hoping for improvement in next round of samples.

Personnel

In-house accountant hired this summer is working full time for LRWC. Jake Dawson is helping with day-to-day management of company. Meter reader/tester was replaced with new person. LRWC remains staffed at two office and four field positions. New computer system will allow online customer payments within next month or so.

Fine Payments

LRWC continues to pay approximately \$3,100 per month toward the fine. LRWC believes civil/class action suit will be dismissed soon.

Next Meeting

At the last meeting in April, the attendees anticipated that the quarterly meetings would be subsumed into the rate case, which has now been filed as DW 10-141. As such, no next meeting date was discussed, however technical sessions are proposed in a procedural schedule submitted to the Commission for approval in the rate case docket.

This is the extent of the issues discussed at the technical monitoring session. If you have any questions or comments, please feel free to contact me.

Sincerely,



Douglas W. Brogan
Utility Engineer

cc: Service List

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