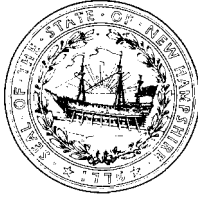


THE STATE OF NEW HAMPSHIRE



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July 25, 2006

Mark & Casey Penny
29 Bachelor Drive
Alton Bay, New Hampshire 03810

Re: DW 06-075, Lakeview Water Company, Inc.

Dear Mr. & Mrs. Penny:

As you know, Lakeview Water Company (Lakeview) is your water provider at your home on 29 Bachelor Drive in Alton. Recently, Lakeview filed a request with the New Hampshire Public Utilities Commission (NHPUC) to discontinue providing service and to dissolve the utility. A prehearing conference was held here at the NHPUC on June 30. All current and former customers were notified, but none attended this prehearing conference.

As we now understand it, due to customers installing their own private wells, Lakeview's customer base has declined to just four customers at this time. This creates a situation where the utility may no longer be able to charge reasonable rates and remain financially viable. I understand that you are one of the four remaining customers taking service from Lakeview. The purpose of this letter is to inquire as to your intentions as to future water service, and whether or not you also intend to install a well on your property. Because of the likelihood that Lakeview cannot remain a viable utility with such a small customer base, Staff is likely to support Lakeview's request to discontinue service as a public utility. However, all customers must have an adequate alternative water source prior to any shut-down of the Lakeview system.

I would appreciate hearing from you regarding your thoughts on your future water supply. Please feel free to write, or call me at 271-6019. I can also be reached through e-mail at mark.naylor@puc.nh.gov.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Naylor". The signature is written in a cursive style with a large initial "M".

Mark A. Naylor
Director, Gas & Water Division

Cc: Lakeview Water Company