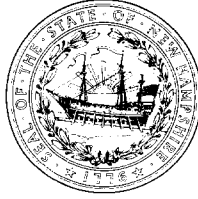


THE STATE OF NEW HAMPSHIRE

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July 24, 2006

Debra Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301

Re: DW 06-075 Lakeview Water Company

Dear Ms. Howland:

The purpose of this letter is to provide a report on the technical session held between Staff and Lakeview following the prehearing conference on June 30, 2006.

At the technical session, Staff and Lakeview discussed the current conditions at the water system. As Mr. Mobilia, President of Lakeview, indicated to the Commission, there are now only four customers remaining on the system. All other former customers have installed private wells. Staff and Lakeview both believe the system is no longer viable with only four customers, and thus Staff plans to contact those remaining customers to see if they also intend to leave the water system and install private wells.

Also, at the technical session, Staff and Lakeview contacted N.H. Department of Environmental Services (DES) to determine if the original subdivision approval was conditioned upon the existence of a community water system. If it did, then presumably the residents of the subdivision may have to petition DES for a change in the status of the subdivision to permit discontinuation of the community water system and installation of individual, private wells.



Staff is proceeding with its investigation of these details and will provide a further report to the Commission in the near future.

If there are any questions regarding this matter, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Naylor". The signature is written in a cursive style with a large, sweeping initial "M".

Mark A. Naylor
Director, Gas & Water Division

CC: Service List