

STEPHEN P. ST. CYR & ASSOC.

17 Sky Oaks Drive, Biddeford, ME 04005

PHONE: (207) 282-5222

FAX: (207) 282-5225

Accounting & Finance
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September 24, 2010

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

Re: DW 10-141 Lakes Region Water Company
Temporary and Permanent Rate Increase

Dear Ms. Howland:

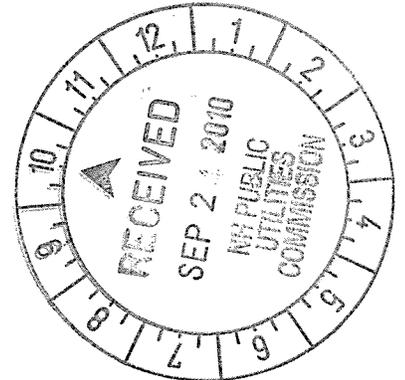
Enclosed are an original and seven copies of the Union Leader's affidavit regarding the publication of Lakes Region Water Company's ("LRWC") display advertisement pertaining to the prehearing conference in DW 10-141, as required by PUC order number 25,140 dated August 17, 2010. Also, please note that LRWC sent each of its customers via mail the display advertisement on September 16, 2010.

Sincerely



Stephen P. St. Cyr

Tom Mason
Norm Roberge



496603

UNION LEADER CORPORATION

P O BOX 9513
MANCHESTER, NH 03108

LAKES REGION WATER CO INC
ATTN TARYN ZAMBOURAS
PO BOX 389
MOULTONBOROUGH NH 03254

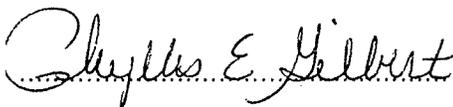
I hereby certify that the legal notice of LAKES REGION/RATE INCREASES,
PO number: was published in the New Hampshire Union Leader
and/or New Hampshire Sunday News, newspapers printed at Manchester, NH
by the Union Leader Corp.

On :

09/17/2010

State of New Hampshire
Hillsborough County
Subscribed and sworn to before me this

17th day of September, 2010



Notary Public



Business

NEW HAMPSHIRE
UNION LEADER

Friday, Sept. 17, 2010 • Page B6

\$30B loan fund gets the OK

◆ **Credit expansion:** Senate passes legislation designed to help small businesses.

Staff and Wire Report

WASHINGTON — The Senate passed long-delayed legislation yesterday designed to open up credit to small businesses and award them with other incentives to expand and hire new workers.

Democrats won a 61-38 vote to pass the legislation, joined by two Republicans.

The measure would establish a \$30 billion government fund to help open up lending for credit-starved small businesses, cut their taxes and boost Small Business Administration loan programs.

The new loan fund would be available to community banks

to encourage lending to small businesses. Supporters say banks should be able to use the fund to leverage up to \$300 billion in loans.

Democrats say the measure is needed to help small businesses cope with a credit crunch that worsened dramatically after the financial crisis two years ago.

New Hampshire Bankers Association President Gerald H. Little said the main issue for banks is the quality of loans, not lack of liquidity.

"Underwriting standards need to be observed and they are what they are," Little said.

"Much of the loan demand that is not getting met today simply

Democrats say the measure is needed to help small businesses cope with a credit crunch that worsened dramatically after the financial crisis two years ago.

doesn't pass muster."

But Witmer H. Jones, district director for the U.S. Small Business Administration in New Hampshire, said the bill's provision to increase federal guarantees for SBA loans from 75 to 90 percent would "make a huge difference."

When the limit was temporarily increased to 90 percent under the Recovery Act, SBA lending in New Hampshire rose to 79 loans worth just over \$14 million in March 2010. After it ran out, lending fell to 52 loans worth just under \$5 million in July.

"The Recovery Act has been proven to work here in New Hampshire in terms of getting capital to small businesses," Jones said. This legislation would also aid lending by lowering Small Business Administration loan program fees and raising loan guarantee and

lending limits.

The measure had been delayed for months and was successfully filibustered by Republicans in July. But on Tuesday, Democrats cracked the filibuster with the help of two Republicans, Sens. George Voinovich of Ohio and George LeMieux of Florida. That set the stage for yesterday's vote.

After Senate passage, the bill would return the measure to the House, which is likely to approve it for Obama's signature.

The bill is advancing too late to help lower a 9.6 percent nationwide unemployment rate before Election Day.

It follows successful efforts this year to provide a temporary payroll tax holiday to companies that hire the jobless, and to extend assistance to the unemployed, cash-starved state governments and local school districts.

FedEx closing 100 facilities, cutting 1,700 workers

NEW YORK (AP) — FedEx Corp. indicated yesterday that the global economic recovery isn't as strong as previously thought, and moved to fix the weak spot in its operations: its

Bunn said it was too early to specify at which sites the cuts would take place, but he noted the cuts will be made in the FedEx Freight operating unit, not FedEx Express.

Newsreel

NH leads nation in paying down debt

New Hampshire leads the nation in consumer reduction of personal credit card debt, according to a report in the San Francisco Business Times.

The report says, however, that although consumer credit card debt is down 3 percent since January, people's credit scores are worse.

San Francisco-based CreditKarma, which tracks such things, blamed this quixotic circumstance on "a strange mix of economic conditions."

Persistent high unemployment and a real estate market that has tanked have both hurt credit scores even though people are slowly paying off debt. Credit scores are down 2 points on average since the start of the year.

In California, consumers have typically cut their credit card debt by 6 percent since the start of the year. The Golden State is one of 11 U.S. states where average credit card debt has dropped by at least 5 percent since January. New Hampshire tops the list with an 11 percent drop.

Despite the rather gloomy news, California is tied with New Jersey and Massachusetts for the highest average credit score in the country, 685.

Arkansas has the lowest average credit score at 640.

Nationally, the average consumer with a credit card in August had:

- \$7,694 in credit card debt
- \$174,447 in home mort-

country.

The New Hampshire Higher Education Assistance Foundation (NHHEAF) broke into the top five, tying for fifth place, with a rating of 2.9 percent while the national default average increased from 6.7 percent to 7.0 percent.

The cohort default rate measures the percentage of borrowers who enter repayment on their loan in a given federal fiscal year and default on their loans by the end of the following fiscal year.

NHHEAF has a dedicated default aversion team that works diligently with families that may be struggling to maintain their student loan payments. Team members offer families one-on-one assistance and alternative methods of meeting their student loan obligations such as deferment and forbearance options.

"Our team is committed to using our resources to ensure New Hampshire student loan borrowers are successful throughout student loan repayment and avoid the long-term effects of default," stated Christine Williams, senior vice president, servicing operations.

Flooring business in N. Conway sold

CONWAY — Kevin and Karen Milford are the new owners of Art-Lee Floor Covering of North Conway/Intervale, according to a report from NH Business Sales Inc.

NHBS announced the sale of from Alan and Gaynor



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FedEx freight and FedEx National less-than-truckload operations on Jan. 30, closing 100 facilities and cutting 1,700 workers. FedEx says the move, along with other cost cuts, will ensure the trucking business is profitable next year.

FedEx spokesman Jesse

USPS regional capital. The Memphis, Tenn., company earned \$380 million, or \$1.20 per share in the fiscal first-quarter that ended in August, compared with \$181 million, or 58 cents per share a year ago. Revenue rose 18 percent to \$9.46 billion.

PUBLIC NOTICE

PUBLIC NOTICE

LAKES REGION WATER COMPANY Notice of Petition for Rate Increase DW 10-141

Lakes Region Water Company ("LRWC") has petitioned the New Hampshire Public Utilities Commission for approval of new permanent consolidated rates. LRWC has proposed including its customers from Gunstock Glen in the new permanent consolidated rate. On a per customer basis, the average increase for its current consolidated customers would be \$184.94 annually or \$46.24 quarterly or \$15.41 monthly (the metered customer quarter fixed rate would increase by \$34.97 to \$126.22 and a \$1.47 increase in volume charge to \$5.30 per 100 cubic feet). Our Gunstock Glen customers are projected to see an increase of \$428.30 annually or \$107.08 quarterly or \$35.69 monthly.

Average Annual, Quarterly and Monthly Cost Per Customer Permanent Increase in Gross Revenues

	Existing Rate	Projected Rate	Projected Annual Increase	Projected Quarterly Increase	Projected Monthly Increase	Projected % Increase
Consolidated*	\$482.61	\$667.55	\$184.94	\$46.24	\$15.41	38.32%
Gunstock Glen	\$239.25	\$667.55	\$428.30	\$107.08	\$35.69	179.02%

In addition, LRWC has requested a step increase to take effect in 2011 after completion of system improvements in Paradise Shores. This request will increase the average customer's water rates by \$52.69 annually or \$13.17 quarterly or \$4.39 monthly (the metered customer would see a \$9.97 increase in their quarterly fixed rate to \$136.18 and a \$0.42 increase in their volume charge to \$5.72 per 100 cubic feet). The special contract with Property Owners Association of Suissevale Inc. (POASI) would increase by \$158,045.

Step Increase in 2011

	Projected Annual Rate from Above	Projected Annual Rate After Step Incr.	Projected Step Annual Increase	Projected Step Quarterly Increase	Projected Step Monthly Increase	Projected Step % Increase
Consolidated*	\$667.55	\$720.24	\$52.69	\$13.17	\$4.39	7.89%
Gunstock Glen	\$667.55	\$720.24	\$52.69	\$13.17	\$4.39	7.89%
POASI	\$131,831	\$289,876	\$158,045	\$39,511	\$13,170.33	119.88%

*Consolidated includes customers from: Far Echo Harbor, Paradise Shores, West Point, White Mountain Resort/Gateway, Hidden Valley, Wentworth Cove, Pendleton Cove, Deer Run, Woodland Grove, Echo Lake Woods, Brake Hill, Tamworth Water, 175 Estates, Deer Cove, Lake Ossipee Village, Indian Mound.

The Commission has scheduled a Pre-Hearing Conference to be held at the Commission's Offices in Concord on September 24, 2010 at 10:00 a.m. The Pre-Hearing Conference is open to the public. Customers and other interested parties are invited to attend the hearing and comment on the company's request. Those unable to attend the hearing may submit written comments by writing to the New Hampshire Public Utilities Commission at 21 South Fruit Street, Suite 10, Concord NH 03301 or via e-mail at puc@puc.nh.gov.

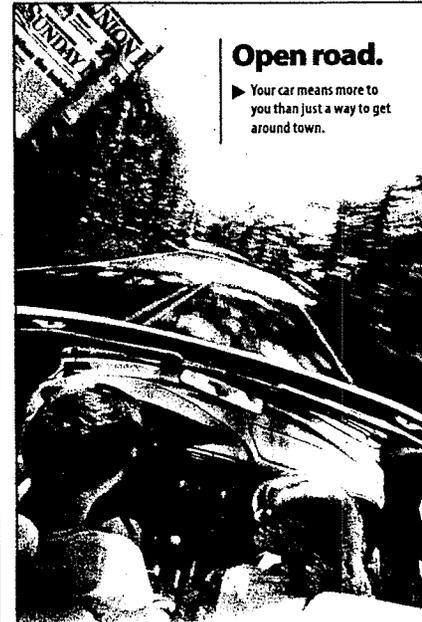
For more information, please contact Lakes Region Water Co. at (603) 476-2348 or via e-mail at lrwater@lakesregionwater.com

NH education fund cited for few defaults

CONCORD - The U.S. Department of Education recently released the fiscal year 2008 Cohort Default Rates for guaranty agencies across the

Art-Lee has served the Mount Washington Valley in sales and service in all types of flooring for more than 40 years, the company said in a news release. Kevin Milford was the general manager of Art-Lee. Now the Milfords will rename the

► See Newsreel, Page B7



Open road.

► Your car means more to you than just a way to get around town.

Which came first to the New Hampshire Union Leader, the car buyer or the car dealer? Both, because they both know that New Hampshire's number one newspaper is also New Hampshire's number one marketplace for cars, trucks, and more. So whether you're a dealer looking for more buyers or a buyer looking for a great deal, open up the Union Leader and enjoy some time on the open road.

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