

THE STATE OF NEW HAMPSHIRE



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October 23, 2012

Justin C. Richardson, Esq.
Upton & Hatfield, LLP
159 Middle Street
Portsmouth, NH 03801

Re: DW 10-141, et. al., Lakes Region Water Company, Inc.
Company Conformance with the Terms of Commission Order No. 25,391

Dear Mr. Richardson:

This letter is in reference to the filings made by Lakes Region Water Company, Inc. (Lakes Region) on September 4, 2012 and September 17, 2012, related to the composition of Lakes Region's Board of Directors (Board). These filings were made by Lakes Region in response to the Commission's request, set forth on Page 24 of Order No. 25,391 (July 13, 2012), for changes to the composition of the Board. The Commission also ordered Lakes Region to file a report regarding the new membership of the Board in Order 25,391.

The Commission has reviewed Lakes Region's September 4 and September 17 filings carefully. The Commission informs Lakes Region that, while two of the replacement Board Directors (Messrs. Alfred Maletesta and Gary Odoardi), appear to offer technical and managerial skills that may be of assistance to Lakes Region in its efforts to improve its financial and managerial position, Lakes Region did not comply with the intent of the Commission's request in Order No. 25,391. Specifically, the Commission requested that "two new [Board] members, unrelated to Mr. [Thomas] Mason [the junior], be appointed to replace Mrs. [Barbara] Mason and the late Mr. [Thomas] Mason [the senior]." The Commission notes that Lakes Region has included Mr. Thomas Mason, the junior, in the group of three new Board Directors, contravening the Commission's intent to not have Mr. Mason serve as a replacement Board member. Also, the Commission notes that, despite Mr. Thomas Mason, the junior, having essentially described Mrs. Barbara Mason as incapacitated at the Commission hearing for this proceeding (*see* Hearing Transcript of March 15, 2012-Morning Session at 62-63), Mrs. Mason has remained a member the Board. Moreover, there is no indication as to

DW 10-141, et. al.
October 23, 2012
Page 2

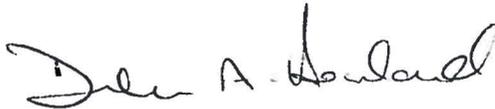
whether Lakes Region has turned to customers of Lakes Region to recommend one of the new members of the Board, as suggested in Order No. 25,391.

In light of these facts, the Commission, pursuant to its duty and power under RSA 374:4 to keep informed as to the management and operation of Lakes Region, orders Lakes Region to respond in writing to the following inquiries by close of Commission business on November 9, 2012:

1. Is Mrs. Barbara Mason competent to discharge her duties as a Director of Lakes Region's Board? If so, Lakes Region shall provide, as part of its response, a written affirmative statement of Mrs. Mason's competency, signed by a responsible corporate officer of Lakes Region.

2. Did Lakes Region reach out to customers during its selection process for replacement members of the Board?

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is fluid and cursive, with the first name "Debra" being the most prominent.

Debra Howland
Executive Director

cc: DW 10-141, et. al. Docket Service List

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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