

REPORT FOR THE MONTH ENDING MARCH 31, 2014

1. **Capital Improvements Plan (CIP):** The Company provided a Revised Short Term Capital Improvements Plan for 2014-2015 in its report for January 2014, which identifies capital projects to be completed based on a budget of approximately \$250,000 for 2014 and 2015.
2. **Capital Improvement Projects:** The following projects have been completed or are on-going:
 - The Company has completed the addition of telemetry to the Gunstock Glen, Echo Lake, Pendleton Gove pump stations and made major additions to the telemetry in Hidden Valley, both upper and lower stations.
 - The Mt. Roberts pump house has been started with an expected completion date of June 1, 2014. The installation of permanent power is being started as soon as the weather breaks.
 - A section of trees located in the right-of-way of the town road have been removed in Indian Mound to allow for the replacement of 800 feet of water main.
 - In West Point, both pump stations have had upgrades done to the exterior and interior.
 - At 175 Estates, a third-party vendor assessed the system for iron treatment to identify changes to the Company's maintenance program and any upgrades needed.
 - Woodland Grove has had some minor interior construction to allow for easier and safer access to the treatment equipment when maintenance is needed.
3. **Board of Directors:** The last Board of Directors meeting was held on January 21, 2014. A meeting is being scheduled for late April, 2014 in order to accept a grant from DES for improvements made to its Brake Hill and Gunstock Glenn systems. *See* Item 9 below.
4. **Financial Review:** An accounting review conducted by the accounting firm Leone, McDonnell and Roberts, PA ("Leone") is underway. Leone's report is expected no later than April 30, 2014. The Company filed its Annual Report with the Commission in March 2014.
5. **Efforts to reduce overall costs:** The Company continues to explore opportunities to reduce costs and improve its processes. Utility Manager Timothy Fontaine has continued to work with Northern Data to increase the Company's in-house accounting and financial reporting capabilities.

6. **Efforts to reduce Payables:** See the attached detail of Accounts Payable (A/P) as of 4/8/14. For the month ending 1/28/14, the A/P balance was \$565,135 as compared to \$504,495 at 4/8/14. The decrease is largely attributed to reconciling its estimated 2013 FIT liability to its internal calculation of its actual 2013 tax liability. As noted below, the Company's actual 2013 tax liability is being reviewed for filing by the Leone accounting firm.
7. **Federal Income Tax Obligations:** The Company worked on financial data and schedules for filing its tax returns. The Company submitted the information for review by Leone, which shows a significant reduction in its 2013 tax liability. The Company filed for an extension on filing its 2013 tax returns, pending review by Leone. The data suggests that the Company overpaid its 2013 tax liability in part due to accelerated depreciation on replacement vehicles purchased by the Company.
8. **Efforts to Obtain outside Capital:** In February and March, the Company provided responses to Staff Data Requests in the docket for approval of its refinancing with CoBank, DW13-041. The Company received a favorable recommendation from the Commission Staff. The OCA and the Company concurred with Staff recommendations.
9. **Interconnection Grant:** The Company received approval of a grant from the NHDES in the amount of \$22,500 for an interconnection of its Brake Hill and Gunstock Glenn water systems. The grant reimburses the Company for a portion of the costs for a project previously completed by the Company.
10. **Update on how Lakes Region will use outside consultants:** The Company has limited its use of consultants to support technical areas, including tax filings, engineering and legal matters. The Company expects that its use of outside consultants will be reduced in 2014, as it continues to work with Northern Data to improve its in-house accounting and reporting capabilities.

Lakes Region Water Company, Inc.													
Accounts Payable Aging as of													
	2/28/2014		4/8/2014	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7-12 Months	13-24 Months	25-36 Months	Over 3 Years
Vendor_Name	Prev Rep Total	Incr (Decr)	Total	0-30	31-60	61-90	91-120	121-150	151-180	181-365	366-730	731-1095	>1095
City of Laconia	1,613.00	(1,348.00)	265.00	-	-	-	265.00	-	-	-	-	-	-
Town of Campton	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Conway	1,993.00	-	1,993.00	-	-	-	-	-	1,993.00	-	-	-	-
Town of Freedom	2,104.00	(2,104.00)	-	-	-	-	-	-	-	-	-	-	-
Town of Gifford	1,353.00	-	1,353.00	-	-	-	-	1,353.00	-	-	-	-	-
Town of Moultonboro	2,486.00	(2,486.00)	-	-	-	-	-	-	-	-	-	-	-
Town of Ossipee - Tax Dept.	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Tamworth	2,055.00	-	2,055.00	-	-	-	-	2,055.00	-	-	-	-	-
Town of Thornton	1,193.00	(1,193.00)	-	-	-	-	-	-	-	-	-	-	-
Town of Tuftonboro	1,658.00	21.38	1,679.38	-	21.38	-	-	1,658.00	-	-	-	-	-
Total Property Taxes	14,455.00	(7,109.62)	7,345.38	-	21.38	-	265.00	5,066.00	1,993.00	-	-	-	-
NHEC	1,059.64	660.02	1,719.66	1,719.66	-	-	-	-	-	-	-	-	-
PSNH	1,442.63	(187.25)	1,255.38	1,255.38	-	-	-	-	-	-	-	-	-
Total Electric Utility Bills	2,502.27	472.77	2,975.04	2,975.04	-	-	-	-	-	-	-	-	-
State of New Hampshire	-	13,164.00	13,164.00	13,164.00	-	-	-	-	-	-	-	-	-
Internal Rev. Service	80,668.28	(75,311.12)	5,357.16	-	-	-	-	-	-	-	5,357.16	-	-
Total State of NH Property and Other Taxes	80,668.28	(62,147.12)	18,521.16	13,164.00	-	-	-	-	-	-	5,357.16	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
A & L Laboratory, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-
AAA Financial Services	7,204.78	(1,068.11)	6,136.67	154.99	239.11	206.66	225.31	240.10	-	1,502.44	3,568.06	-	-
Balmoral Improv. Assoc.	500.00	-	500.00	-	-	-	500.00	-	-	-	-	-	-
Eastern Analytical Inc.	-	958.00	958.00	958.00	-	-	-	-	-	-	-	-	-
E.M. Heath, Inc.	-	42.96	42.96	42.96	-	-	-	-	-	-	-	-	-
Generating Solutions, LLC	420.00	(420.00)	-	-	-	-	-	-	-	-	-	-	-
LRW Water Services, Inc.	34,723.50	(3,951.50)	30,772.00	-	-	-	1,500.00	26,272.00	-	-	3,000.00	-	-
Murphy's Village Store	1,067.37	(1,067.37)	-	-	-	-	-	-	-	-	-	-	-
NEWWA	-	95.00	95.00	-	-	-	-	95.00	-	-	-	-	-
Northeast Delta Dental	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Data Systems Inc.	-	1,497.68	1,497.68	697.14	800.54	-	-	-	-	-	-	-	-
Northern Tire	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase Power	-	(238.99)	(238.99)	-	132.00	(370.99)	-	-	-	-	-	-	-
R E Prescott	388.45	4,305.37	4,693.82	3,107.31	1,198.06	388.45	-	-	-	-	-	-	-
Ransmeier & Spellman	-	-	-	-	-	-	-	-	-	-	-	-	-
Roberge, Norman E.	154,220.00	10,600.00	164,820.00	-	3,680.00	6,920.00	5,880.00	4,000.00	4,480.00	21,960.00	56,760.00	61,140.00	-
Sands, David S	3,367.38	(336.06)	3,031.32	(168.03)	-	1,000.00	(168.03)	(175.46)	-	(307.33)	850.17	1,000.00	1,000.00
Shaheen & Gordon, P.A.	2,204.14	-	2,204.14	-	-	-	-	-	-	-	-	1,928.09	276.05
Skelly's Market	2,189.97	(1,149.59)	1,040.38	1,040.38	-	-	-	-	-	-	-	-	-
Skills & Sons Inc.	1,780.50	-	1,780.50	-	-	-	-	-	-	-	1,780.50	-	-
St Cyr, Stephen P	13,916.04	-	13,916.04	-	-	-	-	-	201.25	2,185.00	1,372.50	4,200.00	5,957.29
Tim Christian Electric	-	696.00	696.00	696.00	-	-	-	-	-	-	-	-	-
Time Warner Cable	-	222.86	222.86	222.86	-	-	-	-	-	-	-	-	-
Thomas Mason Jr	-	536.92	536.92	148.90	11.99	18.98	77.14	19.99	25.98	233.94	-	-	-
United Health Care Ins.Co.	-	-	-	-	-	-	-	-	-	-	-	-	-
Upton & Hatfield LLP	18,877.12	11,019.67	29,896.79	-	3,255.00	7,764.67	1,364.00	561.00	5,501.00	3,612.00	7,839.12	-	-
Water Industries	1,633.22	(1,065.68)	567.54	567.54	-	-	-	-	-	-	-	-	-

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Vendor_Name	Prev Rep Total	Incr (Decr)	Total	0-30	31-60	61-90	91-120	121-150	151-180	181-365	366-730	731-1095	>1095
Total General Operating and Capital Asset	242,492.47	20,677.16	263,169.63	7,468.05	9,316.70	15,927.77	9,378.42	31,012.63	10,208.23	29,186.05	75,170.35	68,268.09	7,233.34
				-	-	-	-	-	-	-	-	-	-
Norman Roberge (rce)	18,000.00	(3,640.00)	14,360.00	-	-	-	-	-	-	-	5,340.00	9,020.00	-
Shaheen & Gordon, P.A. (rce)	60,384.31	-	60,384.31	-	-	-	-	-	-	-	-	41,409.28	18,975.03
St Cyr, Stephen P (rce)	48,421.99	(4,751.25)	43,670.74	-	-	-	-	-	-	4,025.00	6,292.50	16,082.67	17,270.57
Upton & Hatfield LLP (rce)	98,210.98	(4,141.80)	94,069.18	-	-	-	-	517.50	1,620.00	19,842.78	48,628.40	23,460.50	-
Total Rate Case	225,017.28	(12,533.05)	212,484.23	-	-	-	-	517.50	1,620.00	23,867.78	60,260.90	89,972.45	36,245.60
Summary													
Total Property Taxes	14,455	(7,109.62)	7,345	-	21	-	265	5,066	1,993	-	-	-	-
Total Electric Utility Bills	2,502	472.77	2,975	2,975	-	-	-	-	-	-	-	-	-
Total State of NH Property and Other Taxes	80,668	(62,147.12)	18,521	13,164	-	-	-	-	-	-	5,357	-	-
Total Payroll Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Operating and Capital Asset	242,492	20,677.16	263,170	7,468	9,317	15,928	9,378	31,013	10,208	29,186	75,170	68,268	7,233
Total Rate Case	225,017	(12,533.05)	212,484	-	-	-	-	518	1,620	23,868	60,261	89,972	36,246
Total All Payables	565,135.30	(60,639.86)	504,495.44	23,607.09	9,338.08	15,927.77	9,643.42	36,596.13	13,821.23	53,053.83	140,788.41	158,240.54	43,478.94
NOTE:													
Decrease in A/P Balance of \$60,369 from prior period due to payment of property taxes, reconciling preliminary 2013 est. FIT liability to actual. Increase in Professional Fees.													

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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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

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EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**