

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DW 13-041

Lakes Region Water Company, Inc.

REPORT FOR THE TWO MONTHS ENDING SEPTEMBER 30, 2014

1. **Efforts to reduce overall costs:** The Company has entered into an agreement / license with Logics to provide financial software services. As reported previously, the Company's current financial software was developed to serve utilities but lacks certain capabilities such as automated property records, integrated payroll processing, account reconciliation and many other features that would benefit Lakes Region Water Company. This solution will be less expensive than our current provider. The Company is in the process of changing its liability insurance coverage. This change will not only be substantially less costly but will be a more comprehensive coverage. In the next couple of months it is anticipated that a number of health insurance providers will be offering insurance coverage in NH. We look forward to meeting with representatives of these companies to explore what they may have to offer us.
2. **Capital Projects – Indian Mound:** The Company is planning significant upgrades to the Indian Mound System. The scope of the work will address the systems infrastructure and the replacement of aging pipes. The estimate cost of this project is in the range of between \$100,000-\$130,000.
3. **Financing:** The Company completed refinancing with CoBank in June. Due to on-going reductions in Accounts Payable (A/P) prior to closing, the Company borrowed \$474,567 on the \$500,000 note and \$318,809 on the \$400,000 note authorized by the Commission in DW 13-335. As a result, the Company borrowed approximately \$100,000 less than the full amount authorized. The Company plans to file a petition by October 10, 2014 for Commission consideration to approve \$130,000 for Indian Mound capital upgrade (new financing from CoBank) and the remainder \$160,000 is for the upgrade of vehicles and equipment in need of replacement. The vehicles and equipment are currently in service and financed.
4. **Efforts to reduce Payables.** See the attached detail of Accounts Payable as of October 10, 2014, accompanying schedule. For the period ending October 4, 2014 the Accounts Payable balance was \$143,995 as compared to \$507,799 at August 4, 2014. The decrease is attributed to refinancing with CoBank, vendor discounts and payments to consultants.

5. **Mt Roberts:** This project is essentially complete. The infrastructure was completed in August 2014. The Company is scheduling a meeting with the DES and working on a proposed agreement to transfer ownership to the Company.
6. **Update on how Lakes Region will use outside consultants:** Consistent with previous reports to the commission, the Company has limited its use of consultants to areas such as technical and legal matters, including tax filings and rate cases. The use of outside accounting support has been reduced in 2014 and we are confident that these costs will be reduced even further in 2015.
7. **Staffing:** The Company recently hired an individual to assist the office in accounting, billing, telephone assistance, customer issues and the smooth operation of the business function. We are fortunate that this person has five plus years of water utility experience working in this capacity

Lakes Region Water Company, Inc. Accounts Payable Aging as of 10/4/2014													
Payables 10/3/2014 Increase/ Decrease	9/4/2014 Total Due	Vendor Name	10/3/2014 Total	1 Month 0-30	2 Months 31-60	3 Months 61-90	4 Months 91-120	5 Months 121-150	6 Months 151-180	7-12 Months 181-365	13-24 Months 366-730	25-36 Months 731-1095	Over 3 Years >1095
-	-	City of Laconia	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Campton	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Conway	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Freedom	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Gilford	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Moultonboro	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Ossipee - Tax Dept.	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Tamworth	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Thornton	-	-	-	-	-	-	-	-	-	-	-
-	(1,348.38)	Town of Tuftonboro	(1,348.38)	-	-	-	-	-	-	(1,348.38)	-	-	-
-	(1,348.38)	Total Property Taxes	(1,348.38)	-	-	-	-	-	-	(1,348.38)	-	-	-
1,999.14	2,873.64	NHEC	5,083.89	1,355.00	3,728.89	-	-	-	-	-	-	-	-
(230.10)	1,226.95	PSNH	2,117.79	1,048.24	1,069.55	-	-	-	-	-	-	-	-
3,101.09	4,100.59	Total Electric Utility Bills	7,201.68	2,403.24	4,798.44	-	-	-	-	-	-	-	-
21,457.00	0.00	State of New Hampshire	21,457.00	20,850.00	607.00	-	-	-	-	-	-	-	-
(2,153.27)	8,957.16	Internal Rev. Service	(11,110.43)	-	-	-	-	-	-	-	(11,110.43)	-	-
-	-	United States Treasury	-	-	-	-	-	-	-	-	-	-	-
-	-	Treasurer State of NH	-	-	-	-	-	-	-	-	-	-	-
46,593.22	8,957.16	Total State of NH Property and Other Taxes	10,346.57	20,850.00	607.00	-	-	-	-	-	(11,110.43)	-	-
7,945.66	1,934.88	Payroll Taxes	9,880.54	8,012.98	1,867.56	-	-	-	-	-	-	-	-
7,945.66	1,934.88	Total Payroll Taxes	9,880.54	8,012.98	1,867.56	-	-	-	-	-	-	-	-
-	-	A & L Laboratory, Inc.	-	-	-	-	-	-	-	-	-	-	-
-	-	AAA Financial Services	-	-	-	-	-	-	-	-	-	-	-
2,176.77	0.00	American Express-Open	2,176.77	2,176.77	-	-	-	-	-	-	-	-	-
0	0.00	AmeriGas	-	-	-	-	-	-	-	-	-	-	-
-	-	Anthem BCBS	6,092.29	6,092.29	-	-	-	-	-	-	-	-	-
-	-	Balmoral Improv. Assoc.	-	-	-	-	-	-	-	-	-	-	-
-	-	Justin Benes	-	-	-	-	-	-	-	-	-	-	-
896.00	0.00	Blue Ridge Landscaping, Inc	896.00	-	-	896.00	-	-	-	-	-	-	-
-	-	Casella Waste Services Inc	-	-	-	-	-	-	-	-	-	-	-
-	-	Dawson Jr. & Sons	-	-	-	-	-	-	-	-	-	-	-
(67.00)	67.00	Dig Safe Systems	-	-	-	-	-	-	-	-	-	-	-
255.00	40.00	Eastern Analytical Inc.	295.00	295.00	-	-	-	-	-	-	-	-	-
-	-	E.M. Heath, Inc.	-	-	-	-	-	-	-	-	-	-	-
(1,532.62)	1,532.62	ExxonMobil	-	-	-	-	-	-	-	-	-	-	-
-	242.73	F.W. Webb Co.	15.68	15.68	-	-	-	-	-	-	-	-	-
-	-	Fair Point Communications- WP	-	-	-	-	-	-	-	-	-	-	-
-	-	Frase Electric LLC	-	-	-	-	-	-	-	-	-	-	-
(420.00)	840.00	Generating Solutions, LLC	420.00	-	-	-	-	420.00	-	-	-	-	-
(749.12)	749.12	GM Cardmember Services	-	-	-	-	-	-	-	-	-	-	-
-	-	Henley Enterprises, Inc.	-	-	-	-	-	-	-	-	-	-	-
-	0.00	Hidden Valley Association	-	-	-	-	-	-	-	-	-	-	-
-	0.00	HydroSource Associates, Inc	-	-	-	-	-	-	-	-	-	-	-
278.84	0.00	Indian Mound Hardware	278.84	230.98	47.86	-	-	-	-	-	-	-	-
-	-	IPFS Corp.	-	-	-	-	-	-	-	-	-	-	-
-	-	James Dawson	-	-	-	-	-	-	-	-	-	-	-
-	-	John Dawson III	34.98	34.98	-	-	-	-	-	-	-	-	-
-	-	Kepco Construction	-	-	-	-	-	-	-	-	-	-	-
-	-	Lakes Region Water Company Inc	-	-	-	-	-	-	-	-	-	-	-
-	4,915.00	Leone, McDonnell & Roberts	6,688.56	-	1,559.83	213.73	4,915.00	-	-	-	-	-	-
-	0.00	Lewis Engineering	-	-	-	-	-	-	-	-	-	-	-
-	-	LR Communications inactive	195.92	195.92	-	-	-	-	-	-	-	-	-
20,142.50	22,372.00	LRW Water Services, Inc.	42,514.50	20,742.50	-	3,400.00	-	-	-	18,372.00	-	-	-
-	-	Caroline Maher	-	-	-	-	-	-	-	-	-	-	-

Lakes Region Water Company, Inc. Accounts Payable Aging as of 10/4/2014													
Payables 10/3/2014 Increase/ Decrease	8/4/2014 Total Due	Vendor Name	10/3/2014 Total	1 Month 0-30	2 Months 31-60	3 Months 61-90	4 Months 91-120	5 Months 121-150	6 Months 151-180	7-12 Months 181-365	13-24 Months 366-730	25-36 Months 731-1095	Over 3 Years >1095
-	0.00	Ashely Mann	-	-	-	-	-	-	-	-	-	-	-
(5,103.00)	6,199.00	Mark Richter Repair	1,096.00	1,096.00	-	-	-	-	-	-	-	-	-
(2,002.29)	4,327.29	Meicher & Prescott	2,320.00	2,320.00	-	-	-	-	-	-	-	-	-
-	-	Michael J Quinn Builder	2,431.51	-	218.08	-	2,213.45	-	-	-	-	-	-
-	-	Murphy's Village Store	-	-	-	-	-	-	-	-	-	-	-
-	-	New Hampshire Troopers Assoc.	-	-	-	-	-	-	-	-	-	-	-
(95.00)	95.00	NHWWA	-	-	-	-	-	-	-	-	-	-	-
-	-	NEWWA	95.00	-	-	-	-	-	-	95.00	-	-	-
267.63	0.00	Northeast Delta Dental	267.63	267.63	-	-	-	-	-	-	-	-	-
8,880.00	4,620.00	Northern Data Systems Inc.	13,500.00	-	-	8,880.00	-	-	4,620.00	-	-	-	-
-	-	Northern Tire	-	-	-	-	-	-	-	-	-	-	-
-	-	Ossipee Mountain Electric	-	-	-	-	-	-	-	-	-	-	-
-	-	Pitney Bowes Global Financial	-	-	-	-	-	-	-	-	-	-	-
(39.61)	420.98	Purchase Power	381.37	381.37	-	-	-	-	-	-	-	-	-
1,650.34	1,167.93	R E Prescott	2,418.27	741.96	746.47	-	-	-	184.07	975.00	170.77	-	-
-	0.00	Ransmeier & Spellman	-	-	-	-	-	-	-	-	-	-	-
(174,430.00)	174,430.00	Roberge, Norman E.	-	-	-	-	-	-	-	-	-	-	-
-	3,031.32	Sands, David S	3,031.32	-	-	-	-	-	-	488.48	457.23	1,085.61	1,000.00
-	-	Schonstedt Instrument Co	-	-	-	-	-	-	-	-	-	-	-
-	-	Sensus Metering Systems	-	-	-	-	-	-	-	-	-	-	-
(2,204.14)	2,204.14	Shaheen & Gordon, P.A.	-	-	-	-	-	-	-	-	-	-	-
(2,120.00)	2,727.05	Skelly's Market	607.05	-	607.05	-	-	-	-	-	-	-	-
(2,592.50)	4,373.00	Skillings & Sons Inc.	1,780.50	-	-	-	-	-	-	-	949.80	836.70	-
-	-	Smitty Plumbing & Heating LLC	-	-	-	-	-	-	-	-	-	-	-
-	-	State of New Hampshire - MV	-	-	-	-	-	-	-	-	-	-	-
(15,827.92)	15,827.92	St Cyr, Stephen P	-	-	-	-	-	-	-	-	-	-	-
(1,224.64)	3,010.96	Stiles Company	1,786.32	110.90	1,675.42	-	-	-	-	-	-	-	-
-	-	Sunday Paving & Sealing	300.00	-	300.00	-	-	-	-	-	-	-	-
-	-	Tim Christian Electric	13,598.86	-	6,000.00	7,598.86	-	-	-	-	-	-	-
-	-	Time Warner Cable	-	-	-	-	-	-	-	-	-	-	-
-	-	Town of Moultonboro	-	-	-	-	-	-	-	-	-	-	-
-	-	Town Of Moultonboro	-	-	-	-	-	-	-	-	-	-	-
-	-	Thomas Mason Jr	-	-	-	-	-	-	-	-	-	-	-
-	227.00	United Health Care Ins.Co.	227.00	-	227.00	-	-	-	-	-	-	-	-
(29,447.43)	35,821.29	Upton & Hatfield LLP	6,373.86	-	-	506.00	5,867.86	-	-	-	-	-	-
1,082.36	0.00	Verizon Wireless	1,082.36	1,082.36	-	-	-	-	-	-	-	-	-
-	0.00	Viano General Contractors LLC	-	-	-	-	-	-	-	-	-	-	-
-	-	Waste Management of NH	-	-	-	-	-	-	-	-	-	-	-
1,626.46	4,790.41	Water Industries	6,416.87	2,840.60	2,793.84	526.25	-	-	-	-	256.18	-	-
(145.62)	304.37	Town of Wolfeboro	158.75	158.75	-	-	-	-	-	-	-	-	-
-	0.00	Everett J. Prescott, Inc	-	-	-	-	-	-	-	-	-	-	-
-	0.00	Fair Point Communications-DR	-	-	-	-	-	-	-	-	-	-	-
-	0.00	Fair Point Communications, Inc	-	-	-	-	-	-	-	-	-	-	-
-	0.00	Fair Point Communications - IM	-	-	-	-	-	-	-	-	-	-	-
34.26	0.00	Laconia Electric Supply	34.26	34.26	-	-	-	-	-	-	-	-	-
-	-	Lakes Region Computer LLC	-	-	-	-	-	-	-	-	-	-	-
-	-	Ti-Sales Inc.	-	-	-	-	-	-	-	-	-	-	-
-	-	Unknown	-	-	-	-	-	-	-	-	-	-	-
(176,415.66)	294,331.13	Total General Operating and Capital Asset	117,915.47	38,817.95	14,175.53	22,020.84	12,996.31	420.00	4,804.07	19,930.48	1,833.98	1,916.31	1,000.00
	Total Due												
-	0.00	Bob Montville (rce)	-	-	-	-	-	-	-	-	-	-	-
(1,700.00)	1,700.00	Norman Roberge (rce)	-	-	-	-	-	-	-	-	-	-	-
(60,384.31)	60,384.31	Shaheen & Gordon, P.A. (rce)	-	-	-	-	-	-	-	-	-	-	-
(43,670.74)	43,670.74	St Cyr, Stephen P (rce)	-	-	-	-	-	-	-	-	-	-	-
-	0.00	Steven E. Patensude, CSR (rce)	-	-	-	-	-	-	-	-	-	-	-
-	0.00	The Braver Group (rce)	-	-	-	-	-	-	-	-	-	-	-
(94,069.18)	94,069.18	Upton & Hatfield LLP (rce)	-	-	-	-	-	-	-	-	-	-	-
-	-	Union Leader Corp.	-	-	-	-	-	-	-	-	-	-	-

Lakes Region Water Company, Inc.													
Accounts Payable Aging as of 10/4/2014													
Payables 10/3/2014	8/4/2014		10/3/2014	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7-12 Months	13-24 Months	25-36 Months	Over 3 Years
Increase/ Decrease	Total Due	Vendor Name	Total	0-30	31-60	61-90	91-120	121-150	151-180	181-365	366-730	731-1095	>1095
			-	-	-	-	-	-	-	-	-	-	-
(199,824.23)	199,824.23	Total Rate Case	-	-	-	-	-	-	-	-	-	-	-
		Summary											
	(1,348.38)	Total Property Taxes	(1,348)	-	-	-	-	-	-	(1,348.38)	-	-	-
3,101.09	4,100.59	Total Electric Utility Bills	7,202	2,403.24	4,798.44	-	-	-	-	-	-	-	-
1,389.41	8,357.16	Total State of NH Property and Other Taxes	10,347	20,850.00	607.00	-	-	-	-	-	(11,110.43)	-	-
7,945.66	1,934.88	Total Payroll Taxes	9,881	8,012.98	1,867.56	-	-	-	-	-	-	-	-
(176,415.66)	294,331.13	Total General Operating and Capital Asset	117,915	38,817.95	14,175.53	22,020.84	12,996.31	420.00	4,804.07	19,930.48	1,833.98	1,916.31	1,000.00
(199,824.23)	199,824.23	Total Rate Case	-	-	-	-	-	-	-	-	-	-	-
(363,803.73)	507,799.63	Total All Payables	143,995.88	70,084.17	21,448.53	22,020.84	12,996.31	420.00	4,804.07	18,582.10	(9,276.45)	1,916.31	1,000.00