

LAKES REGION WATER COMPANY INC.

420 Governor Wentworth Highway, PO Box 389
Moultonborough, NH 03254
Telephone: 603-476-2348, Fax: 603-476-2721

Proposed Statement to be transmitted to Customers

Dear Customer,

On December 19, 2019 Lakes Region Water Company ("Lakes Region" or "Company") / Dockham Shores ("DS") filed for a rate increase with the New Hampshire Public Utilities Commission ("NHPUC"). If approved, as filed, DS' annual revenues from residential customers would increase \$45,248 or 105.13%. On a per customer basis, the average revenue increase would be \$741.77 per year or \$185.44 per quarter.

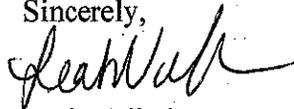
The significant increase is due to the significant investment in plant that DS made in 2017 & 2018. The investment and related expenditures resulted in improved quality of water service and addressed state and federally mandated structural improvements.

During the twelve months ended December 31, 2018 (the test year), DS' actual net operating loss of \$15,003. The net operating loss is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return.

The Company is also proposing temporary rates.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,



Leah Valladares
Utility Manager