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Please respond to the Portsmouth office

March 19, 2013

Debra A. Howland, Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429



Re: Lakes Region Water Company, Inc., Financial Manager Costs;  
DW 10-141

Dear Executive Director Howland:

On March 5, 2013, Lakes Region Water Company filed a *Request for Approval of Financial Manager* in this proceeding. The Company requested the Commission authorize it to "submit a compliance tariff for a rate surcharge to reflect recovery of an annual salary of \$50,000, plus standard single person benefits, taxes, and related costs". I enclose a *Schedule of Costs for Utility Financial Manager* in that regard. Furthermore, because the Company is now at risk for these costs, the Company requests review and approval by the Commission as soon as may be possible.

The Commission did not require prior approval of the hiring of its Financial Manager. Rather, the Commission ordered that "[t]he documented costs of these hiring efforts are to be recouped through the Manager-related rate surcharge, which shall be accounted for, and submitted to the Commission for approval, within 10 days of the hiring of the Manager." Order No. 25,391. However, the Company sought approval on March 5, 2013 because Mr. Fontaine is not "a resident of Lakes Region's service area (Belknap, Carroll, or Grafton Counties)" as contemplated by the order.

On February 22 & 25, 2013, the Company sought concurrence from the Office of Consumer Advocate ("OCA") and Staff prior to making an offer of employment. On February 26 and 27, 2013, Staff and the OCA took no position on the Company's proposal. The Company understood Staff and the OCA's position to be that the Company should proceed in the manner believed to be in the best interest of the Company and its customers. Accordingly, the Company reached an agreement with Mr. Fontaine and sought approval from the Commission on March 5, 2013.

March 19, 2013

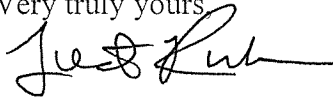
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On March 5, 2013, the Company intended to defer the hiring date until after Commission approval. However, following the hearings in DW13-41, the Company asked Mr. Fontaine to begin serving as its Financial Manager on March 12, 2013. The Company felt it was important to engage Mr. Fontaine as soon as possible. On March 13, 2013, the Company proposed a schedule of costs for review by Staff, OCA, Suissevale and Hidden Valley. On March 14, 2013, the OCA indicated that it did "not object to recovery of all of the costs except for the staff labor included in the admin costs (\$323.25)."

The Company concurs with the OCA's proposed adjustment and has prepared the enclosed *Schedule of Costs for Utility Financial Manager* for the Commission's approval. As of today's date, Staff and Suissevale have not taken a position. Mr. David Smith, President of the Hidden Valley Property Owner's Association, is believed to object to the Company's March 5, 2012 request, but he has not filed a timely or other objection. Lakes Region Water Company requests that the Commission approve the costs for its Financial Manager on an expedited basis as these costs are being incurred by the Company.

If you have any questions concerning this matter, please contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin C. Richardson", written over a horizontal line.

Justin C. Richardson

[jrichardson@upton-hatfield.com](mailto:jrichardson@upton-hatfield.com)

JCR/sem

Enclosure(s)

cc: Service List DW 10-141 (Via Electronic Mail)