

BEFORE THE STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

In the matter of:)
Hampstead Area Water Company) DW 08-065
Petition for Permanent Rates)

Direct Prefiled Testimony

of

Stephen R. Eckberg
Utility Analyst

Dated: April 22, 2009

1 I. Introduction

2
3 Q. Please state your name, business address and position.
4

5 A. My name is Stephen R. Eckberg. I am a Utility Analyst for the
6 Office of Consumer Advocate (OCA). I include as Attachment 1 to my
7 testimony a statement of my education and experience.
8

9 Q. Mr. Eckberg, have you previously testified before the Commission?
10

11 A. Yes.
12

13 II. Role of the OCA and purpose of your testimony
14

15 Q. Please describe the role of the OCA in this proceeding.
16

17 A. The OCA is statutorily authorized to advocate on behalf of
18 residential customers of regulated utilities. RSA 363:28, II.
19 Hampstead Area Water Company (HAWC or the Company) serves residential
20 customers in certain areas within the towns of Atkinson, Chester,
21 Danville, East Kingston, Fremont, Hampstead, Kingston, Nottingham,
22 Plaistow, Salem and Sandown.
23
24

1 Q. Please describe the purpose of your testimony.

2
3 A. On behalf of the residential customers of HAWC, I respond to
4 certain aspects of HAWC's original filing as well as certain proposals
5 which arose during the discovery phase of this proceeding. I expect
6 that HAWC and/or the Commission Staff will seek consideration of these
7 new proposals in conjunction with the Commission's review of HAWC's
8 original filing.

9
10 III. Response to Company's Original Filing and New Proposals

11
12 Q. Before turning to your concerns about HAWC's original filing and
13 the new proposals, please describe your understanding of how the
14 Commission sets rates.

15
16 A. The general goal of ratemaking is to account for the relationship
17 among revenues, expenses and rate base as they existed during a test
18 year period. Then, adjustments are made to revenues and expenses for
19 known and measurable changes that occur during the 12 months following
20 the test year. In making proposed adjustments to the Company's
21 request, my main focus is to apply these principles consistently.

1 Q. Please summarize the aspects of HAWC's original filing that you
2 address in this testimony.

3
4 A. The OCA is concerned about several issues first raised by HAWC's
5 original filing. Specifically, the OCA's concerns relate to the
6 following issues: the recovery of the costs associated with monthly
7 billing; the recovery of the costs associated with two unproductive
8 wells and certain other rate base additions; the recovery of costs
9 associated with certain affiliate transactions; the existence of
10 unapproved long-term debt; the Company's overall capital structure;
11 the amount included in expenses for fuel; and the Company's practice
12 of entering into contracts for public fire protection service.

13
14 Q. Before turning to your concerns about the issues raised by the
15 original filing, please summarize the new proposals that you will
16 address.

17
18 A. In addition to issues raised by the original filing, the OCA is
19 concerned about several new proposals which arose at the end of March
20 2009. These concerns relate to the following new proposals: the
21 recovery of expenses related to the December 2008 ice storm; the
22 addition to rate base of certain investments in 2008; the existence of
23 unapproved long-term debt related to these 2008 investments; and the

1 approval of un-filed debt refinancing. These issues first arose after
2 the period for discovery by the non-company parties had ended.

3
4 Q. Returning now to your concerns with the Company's original
5 filing, please summarize the OCA's concern about HAWC's recovery of
6 expenses associated with monthly billing.

7
8 A. HAWC's original filing included adjustments to test year
9 expenses for costs associated with monthly billing. See St. Cyr
10 Direct, Schedule 1A. \$27,456 related to the hiring of an additional
11 full-time employee and \$19,092 related to additional supplies. Id.
12 Although the Company originally expected to switch from quarterly to
13 monthly billing in 2008, the OCA understands that the switch has not
14 occurred yet. Instead, HAWC now anticipates converting to monthly
15 billing in June 2009. Also, HAWC no longer anticipates hiring an
16 additional employee. Instead, the work will be performed by three
17 existing Lewis Builders' employees. See Attachment 2, HAWC's response
18 to Staff 2-8 (c).

19
20 Q. What does the OCA recommend to the Commission regarding these
21 expenses?

22
23 A. The OCA recommends that the Commission not include these expenses
24 for the purpose of setting rates. These expenses are not appropriate

1 to include as an adjustment to test year expenses, as they will occur
2 beyond the period of 12-months following the test year. Also, this
3 type of expense does not seem to fall within the scope of permissible
4 step adjustments, as defined by the Commission most recently in DW 08-
5 070, Re Lakes Region Water Co. Monthly billing is not "necessary for
6 the provision of safe and adequate service," Order 24,925, p. 14;
7 necessary to respond to "deficiencies identified by DES," Id., p. 11;
8 or "for larger capital projects which, if not recoverable, would have
9 a detrimental impact on a utility's rate of return." Id. Rather, the
10 proposed expenses for monthly billing are consistent with "more of a
11 planned project." Id.

12
13 Q. If the Commission considers allowing the Company to recover the
14 expenses related to monthly billing in a step adjustment, should it
15 also adjust HAWC's rate base?

16
17 A. Yes. If HAWC is allowed to recover its expenses related to
18 conversion to monthly billing through a step adjustment, at that time,
19 the Commission should adjust HAWC's working capital allowance from
20 20.55%, see Attachment 3, St. Cyr Direct, Schedule 3B, to 12.33%. See
21 Attachment 4, HAWC's response to OCA 2-9.

1 Q. Please summarize the OCA's concern about HAWC's recovery of the
2 costs associated with two unproductive wells.

3
4 A. The Company proposed adjustments to rate base, accumulated
5 depreciation and depreciation expense related to a well drilled in its
6 Bryant Woods system and a well in its Dearborn Ridge system. See
7 Attachment 5, Direct Testimony of Stephen P. St. Cyr (St. Cyr Direct),
8 p. 2, lines 7-21; Attachment 6, St. Cyr Direct, Schedule 1A, p. 2;
9 Attachment 7, St. Cyr Direct, Schedule 3; and Attachment 8, St. Cyr
10 Direct, Schedule 3A. Neither well has been used to serve customers;
11 the Company concluded that the Bryant Woods well was unproductive in
12 April 2007 and concluded that the Dearborn Ridge well was unproductive
13 in June 2008. See Attachment 9, HAWC's response to Staff 2-13. For
14 this reason, HAWC proposed to recover the costs of these wells over a
15 period of five years, see Attachment 10, HAWC's response to Staff 1-
16 13, rather than the 30-year period that HAWC originally proposed when
17 it sought financing for the construction of these wells. See
18 Attachment 11, HAWC's response to OCA 2-11.

19
20 Q. What does the OCA recommend to the Commission regarding these
21 expenses?

22
23 A. The Commission should allow the proposed increase to rate base
24 for the two unproductive wells. However, the Commission should

1 require HAWC to recover these costs over a period of thirty years, as
2 the Company originally proposed when it sought approval for the
3 financing associated with these wells.
4

5 **Q. Does the OCA have any other concerns about proposed additions to**
6 **rate base?**
7

8 **A.** Yes. The Company's filing includes rate base adjustments for
9 \$84,000 related to a Hydraulic System Model and GIS mapping. These
10 items and related financing were the subject of Docket DW 08-033 and
11 Order 24,864. See Attachment 5, St. Cyr Direct, p. 2, lines 10-16.
12 However, the Company has stated that neither of these projects is
13 complete and the related costs for both additions to plant and
14 depreciation should be removed from rate base and pro forma test year
15 expenses. See Attachment 31, HAWC's response to OCA 3-5. The OCA
16 concurs with the Company's conclusion.
17

18 Further, the OCA understands that the Company has postponed the SCADA
19 system upgrades for which the Company also requested and received
20 financing approval in Docket DW 08-033. See Attachment 32, HAWC's
21 response to Staff 2-15. Therefore, as with the Hydraulic Model and
22 GIS mapping above, the proposed rate base additions and depreciation
23 related to the SCADA should be removed from the Company's rate request
24 in this docket. See Attachment 5, St. Cyr Direct, p. 2, lines 11-16.

1
2 Q. Please summarize the OCA's concern about HAWC's recovery of costs
3 associated with certain affiliate transactions.
4

5 A. HAWC transacts business regularly with its affiliates. These
6 affiliates include Lewis Builders Development, Inc. (LBDI), Lewis
7 Equipment Co., and Atkinson Resort & Country Club. In 2006, 2007 and
8 2008, HAWC paid Lewis Equipment \$6,666.27, \$16,231.38, and \$4,150.51.
9 See Attachment 12, HAWC's response to OCA 3-15, and attachment OCA 3-
10 15 re 2006, p. 4; attachment OCA 3-15 re 2007, p. 9; and attachment
11 OCA 3-15 re 2008, p. 4.
12

13 Also, in 2007, HAWC incurred charges of at least \$2,460 related to the
14 services of affiliate Atkinson Resort and Country Club. See
15 Attachment 13, HAWC's response to Staff 2-9 (c), and excerpts from
16 attachment Staff 2-9 (c). See also Attachment 14, HAWC's response to
17 OCA 3-2 (e) (re Atkinson Resort and Country Club services) and
18 Attachment 15, Audit Staff's final report (March 24, 2009), p. 20
19 ("Atkinson Resort, a subsidiary of Lewis Builders, has provided off-
20 hours telephone answering services for [HAWC] since September 2003").
21 However, only one affiliate agreement, between HAWC and LBDI, is on
22 file with the Commission. See Attachment 16, Audit Staff's final
23 report, p. 16, and Audit Issue 17; and Attachment 17, HAWC's response
24 to OCA 1-10, and attachment OCA 1-10.

1

2 Also, the affiliate agreement between HAWC and LBDI does not cover
3 certain services for which HAWC proposes to increase its expenses for
4 future rates. More specifically, HAWC proposes to adjust its test
5 year expenses by \$5,833 for services rendered by a new IT employee of
6 LBDI. See Attachment 6, St. Cyr Direct, Schedule 1A, p. 1. HAWC,
7 however, acknowledges that these services are not included in its
8 existing affiliate contract with LBDI. See Attachment 18, HAWC's
9 response to OCA 3-3. See also, Attachment 16, Audit Staff's final
10 report, p. 16, and Audit Issue 17, p. 43.

11

12 Q. What does the OCA recommend to the Commission regarding these
13 expenses?

14

15 A. Although the Commission could disallow recovery of these
16 expenses, see RSA 366:4, the OCA recommends only that the Commission
17 require, within 30 days of its order, that HAWC file, pursuant to RSA
18 366:3, for approval an amended affiliate agreement with LBDI,
19 reflecting the IT services, as well as new affiliate agreements with
20 Lewis Equipment Co. and Atkinson Resort & Country Club.

21

22 Q. Does the OCA have an opinion as to whether HAWC needs to file an
23 affiliate agreement with its other affiliate, Lewis Builders, Inc.
24 too?

1

2 A. No. The OCA does not have enough information to formulate an
3 opinion as to whether the Commission should require HAWC to also file
4 an affiliate agreement with Lewis Builders, Inc. The payments made to
5 Lewis Builders may be related to payments on HAWC's long-term debt.
6 However, the OCA is not certain of this, and there is no information
7 in the record, or in the Company's responses to discovery to know this
8 for sure.

9

10 Q. Please summarize the OCA's concern about HAWC's unapproved long-
11 term debt.

12

13 A. The OCA's concern relates to the Company's Accounts Payable to
14 Associated Companies. The year-end balance at the end of the test
15 year for payables to LBDI was (\$990,052). See Attachment 19, HAWC's
16 response to OCA 1-21 (a), and attachment OCA 1-21 (a), p. 6. See also
17 Attachment 20, Audit Staff's final report, p. 2. Of this total,
18 "\$48,708 dates to activity in 2004 and represents 5% of the total
19 outstanding balance[;] \$427,477 dates to activity in 2005 and
20 represents 43% of the total outstanding balance[; and] \$238,032 dates
21 to activity in 2006 and represents 24% of the total outstanding
22 balance." Id. In other words, "72% of the entire amount owed to
23 Lewis Builders Development is over one year past due." Id. The year-
24 end balance of payables owed to LBDI at the end of 2008 was

1 \$1,090,939.43. See Attachment 21, HAWC's response to OCA 2-16 (b),
2 and attachment 2-16 (b), p. 9.

3
4 As Audit Staff recognized, RSA 369 requires Commission approval of
5 debt payable more than 12 months after its issuance. See Attachment
6 22, Audit Staff's final report, Audit Issue #1, pp. 24-25; and RSA
7 369:1. Therefore, all amounts payable to LBDI presently older than 12
8 months should be approved by the Commission as long-term debt. Id.

9
10 Q. What does the OCA recommend to the Commission regarding this
11 issue?

12
13 A. The OCA recommends that the Commission require HAWC to take one
14 of two actions. Either, the Commission could require HAWC to file,
15 within 30 days of its order, a petition pursuant to RSA 369:1,
16 requesting approval of the total of all amounts owed to LBDI as of
17 June 1, 2009. Although some of this amount may be less than 12 months
18 old, HAWC's current plan to pay its accounts payable to LBDI "as cash
19 flow permits," see Attachment 21, HAWC's response to OCA 2-17, does
20 not engender confidence in the OCA that these shorter-term payables
21 will be paid before they reach the age requiring Commission approval.
22 Thus, retiring these shorter-term debts now will allow HAWC to avoid
23 having to make additional long-term debt filings with the Commission.
24 The other alternative would require an equity infusion and is

1 discussed in conjunction with the next issue, the Company's overall
2 capital structure.

3
4 Q. Please summarize the OCA's concern about the Company's overall
5 capital structure.

6
7 A. The Company's filing shows its capital structure at the end of
8 the test year to be comprised of 109.7% long term debt and -9.7% total
9 equity. See Attachment 23, St. Cyr Direct, Schedule 2, p. 2. Also,
10 the Company states that its "overall capital structure is more
11 weighted to debt than it would prefer." See Attachment 24, HAWC's
12 Petition for Permanent Rates, p. 3, paragraph 10. The OCA shares this
13 concern. The Company, in this rate proceeding, however, does not
14 propose anything which would significantly change this capital
15 structure. The OCA acknowledges that generally, debt is less
16 expensive than equity, and, therefore, a capital structure which
17 favors debt may be more advantageous to ratepayers. The OCA is not
18 confident, however, that a structure comprised of 109.7% debt is
19 demonstrative of a healthy Company which can continue to provide safe
20 and adequate service to its customers.

21
22 Q. What does the OCA recommend to the Commission regarding this
23 issue?

1 A. I recommend the Commission direct the Company to address its
2 capital structure by providing a written plan within six months of the
3 date of the final order detailing how the Company proposes to
4 transition, over a reasonable period of time, to a capital structure
5 more in line with the norm for regulated water utilities. One way the
6 Company might seek to make significant progress to address this issue
7 is by converting all or some of the overdue outstanding accounts
8 payable (roughly \$1 million) to affiliates into a capital contribution
9 and thus equity. As mentioned above, this equity conversion could be
10 in lieu of the Company seeking approval pursuant to RSA 369:1 for
11 approval of this debt.

12
13 **Q. Please summarize the OCA's concern about the Company's pro forma**
14 **increase for fuel costs.**

15
16 A. The Company's original filling contains a proposed pro forma
17 increase of \$4,412 for gasoline costs to 2007 test year expenses for
18 increased fuel costs during the 12 months following the test year. See
19 Attachment 25, St. Cyr Direct, p. 9, lines 12-17. The Company spent
20 \$13,568 for approximately 4,400 gallons of gasoline during the test
21 year. Id. Fuel costs have now dropped significantly from the record
22 high levels seen during mid-2008. Therefore, the Company's pro forma
23 increase for fuel prices is not necessary.

1 Q. What does the OCA recommend to the Commission regarding this
2 issue?

3
4 A. The OCA recommends that the Commission deny the Company's
5 proposed pro forma increase for fuel costs, and only allow the Company
6 to collect the amount it spent for gasoline during the test year.
7 Although fuel prices in late 2008 were lower than those in 2007 and
8 much of 2008, I do not recommend any downward adjustment to test-year
9 expenses. Such a proposal would effectively annualize changes that
10 occurred late in the twelve months after the test year and is contrary
11 to Commission policy and practice to allow adjustments for known and
12 measurable changes occurring within that post test-year period.

13
14 Q. Please summarize the OCA's concern about the Company's practice
15 of entering into contracts for public fire protection service.

16
17 A. The Commission approved public fire protection rates in DW 06-
18 105. See Order No. 24,747 (May 4, 2007). Specifically, the
19 Commission authorized the Company to revise its tariff to provide for
20 annual fees of \$200.00 per hydrant and \$2,000 for availability. Id.
21 at pp. 4-5, and p. 8. See also Attachment 26, HAWC response to OCA 3-
22 10. Notwithstanding and subsequent to this order, HAWC has allowed
23 its public fire protection services to Hampstead to be governed by a
24 contract with the town of Hampstead with rates different than those is

1 its tariff. See Attachment 27, HAWC's response to OCA 2-6, and
2 attachment OCA 2-6; and Attachment 28, HAWC's response to Staff 3-1
3 (c), and Attachment Staff 3-1(c). See also Attachment 29, HAWC's
4 response to Staff 1-20. Additionally, in discovery, HAWC indicated
5 that it planned to execute a new contract with Hampstead for 2009.
6 See Attachment 27, HAWC's response to OCA 2-6, and attachment OCA 2-6,
7 pp. 4-5.

8
9 **Q. What does the OCA recommend to the Commission regarding this**
10 **issue?**

11
12 **A.** The OCA has expressed its concern to the Company during technical
13 conferences, and, based on the Company's response, expects the Company
14 to discontinue its practice of entering into contracts for public fire
15 protection. As a result, the OCA does not recommend that the
16 Commission take any action on this issue at this time.

17
18 **Q. Does that complete your discussion of issues contained in the**
19 **Company's original filing?**

20
21 **A.** Yes it does. Now I would like to discuss the OCA's concerns
22 about some of the Company's more recent proposals as I indicated
23 earlier.

1 Q. Please summarize the OCA's concern about the recent proposal that
2 the Company recover expenses related to the December 2008 ice storm.

3
4 A. In March, the Company asked the parties to consider allowing it
5 to recover costs associated with the December 2008 ice storm. See
6 Attachment 30, HAWC's email and summary of new items for consideration
7 dated March 30, 2008, p. 2.

8
9 Q. What does the OCA recommend to the Commission regarding this
10 issue?

11
12 A. Given the timing of the Company's proposal, following the
13 conclusion of discovery on the Company's filing, we have not had an
14 opportunity to investigate these expenses in order to assure ourselves
15 that these costs are just, reasonable and prudently incurred.
16 Therefore, we recommend that the Commission not consider them for the
17 purpose of setting rates.

18
19 Q. Please summarize the OCA's concern about the recent proposal that
20 additions to rate base in 2008 be considered in setting rates.

21
22 A. Also in March, the Company proposed to increase rate base and
23 expenses for certain additions to plant in 2008. See Attachment 30,
24 HAWC's email and summary of new items for consideration dated March

1 30, 2008, p. 2. The additions and retirements to plant amounted to
2 \$94,232 and \$8,470, respectively. Id.

3
4 **Q. What does the OCA recommend to the Commission regarding this**
5 **issue?**

6
7 **A.** Typically, the Commission sets rates based upon rate base in
8 service during the test year. The test year in this case is 2007.
9 Consequently, it is not appropriate to consider these additions to
10 rate base, and associated expenses, for the purpose of setting
11 permanent rates.

12
13 If Commission considers allowing the Company to recover these costs
14 through a step adjustment, the OCA recommends that the Commission
15 review such a request in accord with its recent decision in DW 08-070,
16 Re Lakes Region Water Co. See Order 24,925 (December 30, 2008). As
17 discussed earlier with regard to the monthly billing proposal, the
18 expenditures must be "necessary for the provision of safe and adequate
19 service," Order 24,925, p. 14; necessary to respond to "deficiencies
20 identified by DES," Id., p. 11; or "for larger capital projects which,
21 if not recoverable, would have a detrimental impact on a utility's
22 rate of return." Id.

1 Again, because of the timing of the Company's proposal, the OCA has
2 not had an adequate opportunity to assure itself that the 2008
3 additions to plant fall within the permissible scope of a step
4 adjustment. Moreover, we have not had an opportunity to investigate
5 these investments or expenses in order to assure ourselves that the
6 associated costs are just, reasonable and prudently incurred, or that
7 the plant is used and useful. Therefore, we recommend that the
8 Commission not consider these investments and expenses for the purpose
9 of setting rates.

10
11 **Q. Please summarize the OCA's concern about the "2008 Promissory**
12 **Note."**

13
14 **A.** At the end of March 2009, the Company provided the parties with a
15 "2008 Additions Promissory Note" between HAWC and LBDI. See
16 Attachment 30, HAWC's email and summary of new items for consideration
17 dated March 30, 2008, pp. 1 and 4. The proposed term of the note is
18 20 years and the proposed principal corresponds to the amount of the
19 2008 additions to plant proposed by the Company for inclusion in rate
20 base, \$94,232. Id. To be clear, this "2008 Additions Promissory Note"
21 is not the debt, or related to any of the uses for the debt, that the
22 Commission considered and approved in DW 08-033 (Order 24,864), which
23 the Company refers to in its pre-filed testimony. See Pre-filed
24 Direct Testimony of Stephen P. St. Cyr, p. 2, lines 10-21. Unlike the

1 financing in DW 08-033, which related to other plant investment in
2 2008, see Attachment 5, St. Cyr Direct Testimony, p. 2, lines 10-16,
3 the "2008 Additions Promissory Note" has not yet been filed by the
4 Company or approved by the Commission. The OCA is concerned that the
5 Company has already borrowed and spent this money prior to seeking
6 approval from the Commission to incur this long-term debt.

7
8 **Q. What does the OCA recommend to the Commission regarding this**
9 **issue?**

10
11 **A.** The Commission should require the Company to file, within 30 days
12 of its order, a petition pursuant to RSA 369:1 for approval of this
13 debt. Also, the Commission should not consider this unapproved debt,
14 or the expenses associated with this unapproved debt, for purposes of
15 setting rates in this case.

16
17 **Q. Please summarize the OCA's concern about the Company's recent**
18 **proposal to refinance a certain portion of its long-term debt.**

19
20 **A.** Also in March 2009, the Company sought feedback from the parties
21 about refinancing some of its long-term debt owed to Lewis Builders
22 and LBDI. See Attachment 30, HAWC's email and summary of new items
23 for consideration dated March 30, 2008, p. 3. Although the OCA is
24 pleased that the Company is taking steps to refinance some of its

1 long-term debt at a lower interest rate, which would be beneficial to
2 ratepayers, RSA 369:1 requires the Company to follow a certain process
3 before it can proceed with the refinancing. Also, until that long-
4 term debt is approved by the Commission, it should not be considered
5 for the purpose of setting rates.

6
7 Q. What does the OCA recommend to the Commission regarding this
8 issue?

9
10 A. The OCA recommends that the Commission direct the Company to
11 file, within 30 days of its order, a petition pursuant to RSA 369:1
12 for approval of the proposed refinancing loan. The OCA also recommends
13 that the terms of the refinancing not be considered for the purpose of
14 setting rates until it is approved by the Commission.

15
16 Q. Before concluding your testimony, do you have any final comments?

17
18 A. Yes. My testimony is based upon issues known to me at this time,
19 which are not confidential. The OCA has participated in settlement
20 discussions with the parties, and the content of these discussions
21 (and the concerns that the OCA may have about the issues discussed)
22 are confidential unless and until a settlement agreement is filed with
23 the Commission. To the extent that additional issues arise or become

2 comment on these at a later time.

3.

4 Q. Does this conclude your testimony?

5

6 A. Yes.

7

8

Qualifications of Stephen R. Eckberg

My name is Stephen R. Eckberg. I am employed as a Utility Analyst with the Office of Consumer Advocate (OCA), where I have worked since 2007. My business address is 21 S. Fruit Street, Suite 18, Concord, New Hampshire 03301.

I earned a B.S. in Meteorology from the State University of New York at Oswego in 1978, and an M.S. in Statistics from the University of Southern Maine in 1994.

After receiving my M.S., I was employed as an analyst in the Boston office of Hagler Bailly, Inc, a consulting firm working with regulated utilities to perform evaluations of energy efficiency and demand-side management programs.

From 2000 through 2003, I was employed at the NH Governor's Office of Energy and Community Services (now the Office of Energy and Planning) as the Director of the Weatherization Assistance Program. Most recently, I was employed at Belknap-Merrimack Community Action Agency as the Statewide Program Administrator of the NH Electric Assistance Program (EAP). In that capacity, I presented testimony before this Commission in dockets related to the design, implementation and management of the EAP. I have also testified before Committees of the New Hampshire Legislature on issues related to energy efficiency and low income electric assistance.

In my work for the OCA, I have testified jointly with Kenneth E. Traum, Assistant Consumer Advocate, in DG 08-048, Unitil Corporation

and Northern Utilities, Inc. Joint Petition for Approval of Stock Acquisition, in DW 08-070, Lakes Region Water Company Petition for Financing and Step Increases. I have also entered testimony in DW 08-073, Pennichuck Water Works, Inc. Petition for Rate Increase.

I am a member of the American Statistical Association. I have attended regulatory training at New Mexico State University's Center for Public Utilities, and I participate in committees of the National Association of State Consumer Advocates (NASUCA) on behalf of the OCA.

- b) See Attached PSNH and National Grid pages 1&2. (to save paper we have not included the PSNH customer information page 3)

Staff 2-8

Regarding Customer Records and Collection Cost Adjustment:

- a) The Company's 2007 NHPUC Annual Report shows a \$14,189 increase in Account # 903 from 2006 which was explained as "... *more time (spent) pursuing customers with past due balances.*"
 - i) Please provide further explanation with regard to the actions undertaken by the Company during the test year in this regard.
 - ii) Is it the Company's expectation to incur this magnitude of expense relative to the pursuit of past due balances in subsequent years? Please explain.
- b) The Company's 2007 NHPUC Annual Report shows that Account # 904, Uncollectible Accounts, increased by \$8,791 from 2006 with the explanation that "*The Company wrote off some long overdue customer balances.*"
 - i) Were these write-offs related to the steps undertaken by the Company during the test year in its pursuit of past due balances?
 - ii) Is it the Company's expectation to incur this magnitude of accounts receivable write-offs in subsequent years? Please explain.
 - iii) Please provide summaries of the Company's accounts receivable aging reports as of 12/31/06 and 12/31/07.
- c) Has the Company hired the additional full-time individual relative to its switch from quarterly billing to monthly billing?
 - i. If yes, please provide the date of hire as well as the agreed upon annual salary and benefits amounts.
 - ii. If no, please indicate when the Company anticipates making this hiring.
- d) Please provide a detailed job description for the anticipated new full-time position.
- e) Please indicate the salary portion and the benefits portion of the \$27,456 adjustment amount indicated in the Company's filing as well as explain how these respective amounts were determined.
- f) With regard to the individual who formerly performed the customer records and collection function; will this individual's duties be diminished in any way subsequent to the hiring of the new full-time individual? Please explain.
- g) Will either the individual who formerly performed the customer records and collection function or the new full-time individual also perform duties for any of HAWC's affiliates? Please explain and if yes, please indicate the amount of time this is anticipated to be?

ANSWER:

a)

- i) In previous years, the Company would send disconnect notices to past due customers approximately once per month. The Company also had the customer service person handle all customer payment arrangements by herself with little oversight. During the test year the Company sent disconnect notices to customers once a week. It also began sending monthly statements to customers with past due balances. In the past the customers only received their quarterly bill. No statements were sent in the other 2 months. The Company also started having monthly receivables meetings to review all customers under payment arrangements. At these monthly meetings are the 2 customer service people (Amy and Judy) and the controller (John). Chris Lewis Morse (owner) also attends some of the meetings (Chris' time is not charged – her time is handled through the Management Contract).
 - ii) Yes, we expect this to continue in future years. The Company does not consider the amount of time now spent on collections to be excessive. The Company considers the amount of time spent on collections in previous years to be insufficient. This can be seen in the decrease in receivables, past due receivables and number of outstanding accounts. The Company started tracking receivable aging in 2007 (see attached). During 2007, the average outstanding A/R balance was \$153,234, with an average outstanding past due amount of \$76,482 and an average of 1,239 customers with outstanding balances. For 2008 these numbers decreased by 28% to 53% – Average A/R Balance = \$103,098, Average Outstanding Past Due = \$43,431 and Average # of Customers with Outstanding Balances = 890
- b)
- i) No, they were written off because the Company determined that they were uncollectable.
 - ii) The Company would like to say no but there is no way it can give a good estimate.
 - iii) Enclosed is the detailed aging report as of 12/31/07. Please note that the final figures shown are \$189.92 different from the 12/31/07 financial statement. This is due to miscellaneous adjustments and/or credits made after year end. There is not an available detailed aging report as of 12/31/06. The Company switched to a new software program as of 1/1/07 and no longer has access to the old software to run the report. The summary aging numbers for the month ends of 2007 and 2008 are shown as an attachment to Staff 2-8 a) ii).
- c) No.

- i) Not applicable.
- ii) The Company expects that the job will be filled by employees currently on the payroll of Lewis Builders. Angela Crowell (receptionist), Julie Lockard (payroll clerk) and Judy Armstrong (secretary) currently do work for HAWC. Any hours currently spent on HAWC work is billed by Lewis Builders to HAWC on a monthly basis. The Company anticipates that these 3 people will perform the extra work necessitated with going to monthly invoicing.
- d) The job duties will include, but be limited to, reading customer meters, preparing customer billings, taking phone calls from customers, entering customer deposits into the computer, making bank deposits, resolving customer inquiries and disputes, updating customer records, preparing work orders, filing, maintaining and updating CPR's, and handling payment arrangements with customers.
- e) The Company estimates the salary to be \$24,960 and the taxes/benefits portion to be \$2,496.
- f) No, the individual's duties will not diminish. In fact, the Company anticipates that there will be more work. With the switch from quarterly to monthly billing, the Company expects a tripling (from 4 to 12 billings per year) of the amount of work associated with certain tasks, i.e., reading meters, preparing bills, processing payments, etc.
- g) As stated in 2-8 c) ii) above the Company expects that the work will be performed by 3 current employees of Lewis Builders. Any work performed for HAWC will be billed on a monthly basis to HAWC. The current HAWC customer service person acts as the backup person for Lewis Builders' Property Manager when she is not available due to vacations, sickness, etc. In the reverse situation the Lewis Builders' Property Manager acts as the backup to HAWC's current customer service person when she is not available due to vacations, sickness, etc. This situation is not expected to change in the future.

Staff 2-9

Regarding Office Supplies and Expense Adjustment: The Company's 2007 NHPUC Annual Report shows that Account # 921 increased by \$24,263 from 2006 which was explained as, "*The new billing software created a need for new invoices and billing related supplies plus the costs of the annual service agreement.*"

- a) What is the cost of the annual service agreement for the new billing software?
- b) Since it appears that the test year expenses contained in this account are a mixture of costs related to both the replaced billing software as well as the new billing software, should not there be recorded a pro-forma adjustment to remove the costs related to the replaced billing software, i.e., replaced invoices, billing related supplies, service agreement, etc? Please explain.

Hampstead Area Water Company

Schedule 3B

Working Capital

	2007 Proforma <u>Amount</u>	2007 Actual <u>Amount</u>	2006 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$898,110	\$828,524	\$742,733
75/365	<u>20.55%</u>	<u>20.55%</u>	<u>20.55%</u>
Working Capital	<u>\$184,562</u>	<u>\$170,262</u>	<u>\$152,632</u>

New Hampshire Public Utilities Commission, Docket No. DW 08-065
OCA Data Requests to HAWC
Set 2
January 14, 2009

9. Regarding the response to OCA 1-3. The Company states that it is requesting to implement monthly billing cycles. Does the Company's petition include an adjustment to Cash Working Capital to correspond with the proposed change to monthly billing?

ANSWER: No. The cash working capital schedule should be adjusted to reflect 12.33% instead of 20.55%.

10. Regarding the response to OCA 1-5. Please explain the Company's understanding of "the standard approach" to cash working capital as referred to in this response.

ANSWER: The "standard approach" recognizes that expenses are incurred throughout a period before a Company is able to bill and collect funds from customers for those expenses.

11. Regarding the response to OCA 1-15(a). What is the basis for the Company's belief that a five year depreciation period is appropriate for the wells at Bryant Woods and Dearborn Ridge?

ANSWER: The Company is using a 5 year period, which is the same period that the Commission approved for the hydrology study in DW 06-104. The Company initially used 30 years (the PUC recommended number of years for wells and springs) for the Bryant Woods and Dearborn Ridge wells. Subsequently, the Company has proposed a 5 year period because the wells are unproductive and have been abandoned. The Company has no present plans to develop these wells. Arguably, the Company should write off the expenditures and recover such expenditures over a shorter period of time. The Company believes that 5 year recovery period is fair and reasonable.

12. Please provide a copy of SPS-3 from docket DW 08-088 referred to in response to OCA 1-16.

ANSWER: See attached.

13. Please explain how it is possible for the Company's capital structure to be comprised of 106.46% long term debt and -6.46% equity.

ANSWER: It is possible due to the accumulation of past net losses. In recent years the Company's owner has put in additional paid in capital, which has reduced the negative equity position. The Company has also pursued and achieved higher rates and revenues to either reduce or eliminate net losses.

14. Regarding the response to Staff 1-17(a). The Schedule attached to this response shows 2 note amounts of \$48,597 and \$84,000 from lender LBDI pursuant to Commission Order 24,864. As shown on the Schedule, the notes both carry an interest rate of 8.50%. Order 24,864 at page 2, states that the initial interest rate on these notes should be 7.50%. Please explain this difference.

1 preparation of financial statement and tax returns. St. Cyr & Associates assist the
2 Company in various regulatory filings including expansion of its franchise,
3 financing of construction projects and adjusting rates. It has been engaged to
4 prepare this rate filing including the various exhibits, supporting schedules and
5 written testimony.

6 Q. What is the purpose of your testimony?

7 A. The purpose of my testimony is to support the Company's efforts to increase rates
8 to its customers so as to reflect in rates its 2008 additions to plant and its 2008
9 adjustments to expenses.

10 Q. Does the Company have PUC approval of the financing for the 2008 additions?

11 A. On March 4, 2008 the Company filed a petition requesting PUC approval to
12 finance the purchase and installation of SCADA, the development of a water
13 system model and a system wide geographic information system (GIS) and the
14 construction of additional wells amounting to \$165,329. The Company's request
15 is subject to PUC docket DW 08-033, which was granted by the Commission's
16 Order 24,864 on June 20, 2008.

17 Q. How does the 2008 Lewis financing impact this rate filing?

18 A. The Company has proformed the impact of the 2008 Lewis financing into the rate
19 filing. The plant additions and the related depreciation have been added to rate
20 base. The loan amounts and related interest have been added to the long term
21 debt.

22 Q. In addition to the 2008 Lewis financing, is there anything else that you would like
23 to address before you address the rate filing and the rate schedules?

Schedule 1A
Page 2 of 3

Miscellaneous Expenses

2007 Test Year Proforma	\$1,000
2007 Test Year Actual	<u>-2,322</u>
Proforma Adjustment	<u>\$3,322</u>

To adjust test year expenses for the restoration of annual miscellaneous expenses (and the elimination of a one time adjustment in 2007)

Salaries and Wages

2007 Test Year Proforma	\$200,391
2007 Test Year Actual	<u>197,235</u>
Proforma Adjustment	<u>\$3,156</u>

To adjust test year expenses for various adjustments to salaries and wages

Vehicle Expenses

2007 Test Year Proforma	\$24,665
2007 Test Year Actual	<u>20,253</u>
Proforma Adjustment	<u>\$4,412</u>

To adjust test year expenses for \$4.00 per gallon of gas

Total Proforma Adjustments to Operating and Maintenance Expenses **\$69,586**

Depreciation Expenses

2008 Additions to Plant

2007 Test Year Proforma	\$22,674
2007 Test Year Actual	<u>0</u>
Proforma Adjustment	<u>\$22,674</u>

To adjust test year expenses for annual depreciation expenses associated with the 2008 additions

Taxes other than Income

State Utility Property Taxes

2007 Test Year Proforma	\$1,016
2007 Test Year Actual	<u>0</u>
Proforma Adjustment	<u>\$1,016</u>

To adjust test year expenses for the increase in State Utility Property Taxes associated with the 2008 additions to plant

Municipal Property Taxes

2007 Test Year Proforma	\$2,580
2007 Test Year Actual	<u>0</u>
Proforma Adjustment	<u>\$2,580</u>

To adjust test year expenses for the increase in Municipal Property Taxes associated with the 2008 additions to plant

Total Proforma Adjustments to Taxes other than Income **\$3,596**

Hampstead Area Water Company

Schedule 3

Rate Base

Line No.	Account Title (a)	December 2007 Balance (b)	December 2006 Balance (c)	Actual Beg/End Avg Bal (d)	2008 Proforma Adjustments (e)	Proforma Beg/End Avg Bal (f)
1	Plant in Service	\$10,560,296	\$10,392,913	<u>\$10,476,605</u>	\$163,039	\$10,639,644
2	Less: Accumulated Depreciation	<u>(2,464,572)</u>	<u>(2,152,162)</u>	<u>(2,308,367)</u>	<u>(11,337)</u>	<u>(2,319,704)</u>
3	Net Utility Plant	8,095,724	\$8,240,751	\$8,168,238	\$151,702	\$8,319,940
4	Cash Working Capital	170,262	152,632	170,262	14,300	184,562
5	Material and Supplies	0	0	0		0
6	Prepayments	28,977	29,638	29,308		29,308
7	Accumulated Deferred Income Taxes - Assets	26,227	27,520	26,874		26,874
8	Net Contribution in Aid of Construction	<u>(4,678,605)</u>	<u>(4,847,209)</u>	<u>(4,762,907)</u>		<u>(4,762,907)</u>
11	Total Rate Base	<u>\$3,642,585</u>	<u>\$3,603,332</u>	<u>\$3,631,773</u>	<u>\$166,002</u>	<u>3,797,775</u>

Hampstead Area Water Company

Schedule 3A

Rate Base Adjustments

Wells & Springs - Hydrolic Study & GIS	\$84,000
Wells & Springs - Bryant Woods & Dearborn Ridge	30,442
Pumping Equipment - SCADA	<u>48,597</u>
Total Additions to Plant	\$163,039
Less: Accumulated Depreciation	<u>11,337</u>
Net Plant	<u>\$151,702</u>

Woods and Dearborn Ridge wells. Subsequently, the Company has proposed a 5 year period because the wells are unproductive and have been abandoned. The Company has no present plans to develop these wells. Arguably, the Company should write off the expenditures and recover such expenditures over a shorter period of time. The Company believes that 5 year recovery period is fair and reasonable. The Company is using 10 years (the PUC recommended number of years for costs reflected in the pumping equipment account) for the SCADA. The Company is using 10 year for existing SCADA systems.

Staff 2-13

Regarding response to Staff Data Request 1-13:

- a) Please provide a brief narrative with regard to the wells at Bryant Woods and Dearborn Ridge which explains the following:
 - i) The Company's decision making process for drilling these wells. -
 - ii) The Company's conclusion that both wells are unproductive and when this conclusion was made with respect to each well.
- b) Please explain and justify the Company's proposal to "depreciate" these wells over a period of five years.

ANSWER:

- a)
 - i) The Bryant Woods well was drilled due to very favorable terms with the NHDES in regards to permitting a replacement well. Typically when requesting a replacement well from DES you are required to abandon the well in which you are replacing. DES allowed HAWC to waive the requirement for HAWC to abandon the existing well that the new well was "replacing". Therefore we would be allowed to add an additional source to help regain capacity (up to 40 GPM) at the Bryant Woods well field. During the drilling of the well it was discovered that there was little to no water available. Due to declining yield in the existing Dearborn Ridge well the new well was drilled to replace the existing Dearborn Ridge well. HAWC performed a pumping test on the well and received a conditional approval on the new replacement well. Due to the minimal yield of the well HAWC enhanced the new well through hydrofracting. Some time after hydrofracting the new well it was discovered that the original Dearborn well benefited from the enhancement of the new well. This allowed HAWC to rescind the replacement well application and continue using the old Dearborn well. Ultimately this benefited the company greatly because the terms of the replacement well conditional approval would have been very costly to adhere to.
 - ii) The reasons for concluding that both wells were unproductive are stated in the previous response. The Bryant woods replacement well was

concluded to be unproductive in April of 2007. The Dearborn Ridge well was concluded to be unproductive in June of 2008.

- b) See response to 2-12b.

Staff 2-14

Regarding response to Staff Data Request 1-14:

- a) Please provide copies of the Company's 2008 municipal property tax bills received subsequent to its response to Staff DR 1-14.
- b) Please provide a copy of the Company's 2008 State Utility Property Tax Return.
- c) Please provide copies of the Company's 2007 and 2008 detailed property assessment reports compiled by the New Hampshire Department of Revenue Administration.

ANSWER:

- a) See attached.
- b) See attached. The increase should be considered as an adjustment to this rate case. The Company is meeting with the NH DRA to review this bill and possibly file for an abatement.
- c) See attached.

Staff 2-15

Regarding the DW 08-033 financing:

- a) Please describe the current status of the SCADA system upgrades, the hydraulic system model and the GIS water system mapping.
- b) For any and all of the aforementioned projects that have been completed, please provide a detailed final cost analysis.
- c) To the extent any of the above projects have been deferred, please explain why.
- d) If executed, please provide copies of the promissory notes associated with: i) the SCADA system upgrades, ii) the hydraulic study and GIS model, and iii) the two Atkinson wells at Bryant Woods and Dearborn Ridge.

ANSWER:

- a) The SCADA upgrades were put out to bid and the Company has received two quotes. The company has not made a decision on how to move forward. The hydraulic system model has been put on hold until the Atkinson and Hampstead interconnection moves forward. The GIS mapping has been put on hold indefinitely.
- b) Not applicable.

Staff 1-12

Regarding Vehicle Expense Adjustment:

Please provide a detailed analysis of fuel expense for the period from July 2007 through June 2008 which substantiates the 4,495 gallons used by the Company during that period of time as well as shows the actual cost incurred relative to that usage during that timeframe.

Answer: See attached.

Staff 1-13

Regarding Wells at Bryant Woods and Dearborn Ridge:

- a) Please indicate the respective dates that each well began providing service to the Company's customers.
- b) The Company's filing in DW 08-033 indicated that the combined cost of these wells was \$32,733 which is \$2,291 higher than the amount indicated in the instant docket. Please explain this difference and please provide a current detailed cost schedule for each well.
- c) Please provide copies of the final approvals received from NH DES for the respective wells.

Answer: a) The construction of both wells is completed. Regrettably, both wells are unproductive and were not placed in service. The Company has no present plans to drill additional wells at Bryant Woods and Dearborn Ridge. The Company believes that such costs should be recovered over 5 year period. As such, the proforma adjustment to accumulated depreciation and the proforma adjustment to depreciation expense needs to be adjusted. The new proforma adjustment to accumulated depreciation would be \$3,044 ($\$30,442 / 5 / 2$). The new proforma adjustment to depreciation expense needs would be \$6,088 ($\$30,442 / 5$).

b) Final cost for Dearborn came in less – see attached.

c) N/A – none received

Staff 1-14

Regarding Property Tax Expense:

- a) Please provide copies of all 2007 property tax bills received by the Company.
- b) Please provide copies of all 2008 property tax bills received thus far by the Company.
- c) Please provide a copy of the Company's State Utility Property Tax Return for 2007 as well as a copy of the NH Department of Revenue Administration's 2007 assessment of the Company.

Answer: a) see attached.

New Hampshire Public Utilities Commission, Docket No. DW 08-065

OCA Data Requests to HAWC

Set 2

January 14, 2009

9. Regarding the response to OCA 1-3. The Company states that it is requesting to implement monthly billing cycles. Does the Company's petition include an adjustment to Cash Working Capital to correspond with the proposed change to monthly billing?

ANSWER: No. The cash working capital schedule should be adjusted to reflect 12.33% instead of 20.55%.

10. Regarding the response to OCA 1-5. Please explain the Company's understanding of "the standard approach" to cash working capital as referred to in this response.

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12. Please provide a copy of SPS-3 from docket DW 08-088 referred to in response to OCA 1-16.

ANSWER: See attached.

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ANSWER: It is possible due to the accumulation of past net losses. In recent years the Company's owner has put in additional paid in capital, which has reduced the negative equity position. The Company has also pursued and achieved higher rates and revenues to either reduce or eliminate net losses.

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New Hampshire Public Utilities Commission, Docket No. DW 08-065
Definitions and Instructions
OCA Data Requests to HAWC
Set 3
February 25, 2009

HAMPSTEAD AREA WATER COMPANY, INC.
DW 08-065
ANSWERS TO OCA DATA REQUESTS - SET 3
PERMANENT RATES

Date request received: 02-25-09

Date of Response: 03-11-09

OCA 3-15

Witness: John Sullivan

15. Regarding the responses to OCA 1-21(a) and OCA 2-16 (a) and (b). Please provide details on all payments made by the Company to Lewis Builders and other affiliates on the "Accounts Payable to Associated Companies (233)" during the calendar years 2006, 2007, and 2008.

RESPONSE: See attached.

2006

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
3804	CHECKING	20341	03/01/2006	1,607.00	1,607.00			
3805	CHECKING	20341	03/01/2006	67.50	67.50			
3806	CHECKING	20341	03/01/2006	54.00	54.00			
3807	CHECKING	20341	03/01/2006	13.50	13.50			
3808	CHECKING	20341	03/01/2006	731.50	731.50			
3809	CHECKING	20341	03/01/2006	351.00	351.00			
3810	CHECKING	20341	03/01/2006	135.00	135.00			
3900	CHECKING	20341	03/01/2006	749.25	749.25			
3902	CHECKING	20341	03/01/2006	784.89	784.89			
3903	CHECKING	20341	03/01/2006	134.63	134.63			
3904	CHECKING	20341	03/01/2006	51.00	51.00			
3948	CHECKING	20341	03/01/2006	344.25	344.25			
3951	CHECKING	20341	03/01/2006	76.50	76.50			
4015	CHECKING	20341	03/01/2006	433.50	433.50			
4017	CHECKING	20341	03/01/2006	113.63	113.63			
4018	CHECKING	20341	03/01/2006	916.88	916.88			
4019	CHECKING	20341	03/01/2006	89.25	89.25			
4020	CHECKING	20341	03/01/2006	204.00	204.00			
4596	CHECKING	20341	03/01/2006	578.55	578.55			
4599	CHECKING	20341	03/01/2006	162.68	162.68			
4619	CHECKING	20341	03/01/2006	100.50	100.50			
4645	CHECKING	20341	03/01/2006	1,211.83	1,211.83			
4739	CHECKING	20341	03/01/2006	1,729.70	1,729.70			
4740	CHECKING	20341	03/01/2006	1,729.70	1,729.70			
4742	CHECKING	20341	03/01/2006	684.05	684.05			
4743	CHECKING	20341	03/01/2006	517.00	517.00			
4749	CHECKING	20311	01/12/2006	27,345.00	27,345.00			
4751	CHECKING	20341	03/01/2006	181.10	181.10			
4752	CHECKING	20341	03/01/2006	3.67	3.67			
4753	CHECKING	20341	03/01/2006	597.76	597.76			
4754	CHECKING	20341	03/01/2006	352.98	352.98			
4756	CHECKING	20341	03/01/2006	2,050.93	2,050.93			
4757	CHECKING	20341	03/01/2006	2,026.22	2,026.22			
4761	CHECKING	20341	03/01/2006	107.10	107.10			
4762	CHECKING	20341	03/01/2006	29.15	29.15			
4763	CHECKING	20341	03/01/2006	58.30	58.30			
4764	CHECKING	20341	03/01/2006	1,181.72	1,181.72			
4765	CHECKING	20341	03/01/2006	370.51	370.51			
4766	CHECKING	20341	03/01/2006	992.02	992.02			
4773	CHECKING	20341	03/01/2006	4,889.65	4,889.65			
4774	CHECKING	20341	03/01/2006	506.80	506.80			
4775	CHECKING	20341	03/01/2006	585.56	585.56			
4784	CHECKING	20341	03/01/2006	602.24	602.24			
4785	CHECKING	20341	03/01/2006	655.39	655.39			
4786	CHECKING	20341	03/01/2006	470.74	470.74			
4787	CHECKING	20341	03/01/2006	254.86	254.86			
4788	CHECKING	20341	03/01/2006	23.56	23.56			
4789	CHECKING	20341	03/01/2006	624.94	624.94			
4800	CHECKING	20341	03/01/2006	385.50	385.50			
4801	CHECKING	20341	03/01/2006	694.33	694.33			
4805	CHECKING	20341	03/01/2006	1,048.56	1,048.56			
4806	CHECKING	20341	03/01/2006	53.55	53.55			
4807	CHECKING	20341	03/01/2006	53.55	53.55			
4808	CHECKING	20341	03/01/2006	53.55	53.55			
4809	CHECKING	20341	03/01/2006	53.55	53.55			
4810	CHECKING	20341	03/01/2006	14.58	14.58			
4811	CHECKING	20341	03/01/2006	29.15	29.15			
4812	CHECKING	20341	03/01/2006	1,045.28	1,045.28			
4813	CHECKING	20341	03/01/2006	2,555.76	2,555.76			
4821	CHECKING	20341	03/01/2006	45.50	45.50			
4822	CHECKING	20341	03/01/2006	125.12	125.12			
4823	CHECKING	20341	03/01/2006	284.38	284.38			
4825	CHECKING	20341	03/01/2006	31.50	31.50			
4826	CHECKING	20341	03/01/2006	86.63	86.63			
4827	CHECKING	20341	03/01/2006	196.87	196.87			
4828	CHECKING	20341	03/01/2006	215.88	215.88			
4829	CHECKING	20341	03/01/2006	972.32	972.32			
4833	CHECKING	20341	03/01/2006	756.20	756.20			

DW 08-065 HAWC Petition for Permanent Rates
Eckberg Testimony, Attachment 12

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
4836	CHECKING	20341	03/01/2006	183.12	183.12			
4837	CHECKING	20341	03/01/2006	225.00	225.00			
4839	CHECKING	20341	03/01/2006	200.89	200.89			
4840	CHECKING	20341	03/01/2006	138.78	138.78			
4842	CHECKING	20341	03/01/2006	155.00	155.00			
4846	CHECKING	20370	04/28/2006	560.16	560.16			
4847	CHECKING	20370	04/28/2006	1,575.98	1,575.98			
4848	CHECKING	20370	04/28/2006	2,117.44	2,117.44			
4849	CHECKING	20370	04/28/2006	1,847.04	1,847.04			
4850	CHECKING	20341	03/01/2006	13.00	13.00			
4865	CHECKING	20341	03/01/2006	22.44	22.44			
4866	CHECKING	20370	04/28/2006	895.55	895.55			
4871	CHECKING	20370	04/28/2006	1,411.80	1,411.80			
4872	CHECKING	20370	04/28/2006	1,364.74	1,364.74			
4879	CHECKING	20341	03/01/2006	14.69	14.69			
4882	CHECKING	20341	03/01/2006	205.59	205.59			
5464	CHECKING	20311	01/12/2006	48,500.00	48,500.00			
5628	CHECKING	20622	11/29/2006	66.31	66.31			
6499	CHECKING	20560	10/25/2006	41,533.46	41,533.46			
6526	CHECKING	20561	10/31/2006	2,574.56	2,574.56			
6536	CHECKING	20561	10/31/2006	9,437.14	9,437.14			
33106	CHECKING	20362	04/07/2006	1,834.95	1,834.95			
51906	CHECKING	20390	06/05/2006	1,225.00	1,225.00			
53106	CHECKING	20390	06/05/2006	1,249.45	1,249.45			
011306	CHECKING	2948	01/13/2006	1,443.19	1,443.19			
020106	CHECKING	2953	02/01/2006	104.90	104.90			
030306	CHECKING	2977	03/03/2006	1,391.48	1,391.48			
062106	CHECKING	3009	06/21/2006	12,000.00	12,000.00			
062306	CHECKING	3011	06/23/2006	2,500.00	2,500.00			
110904	CHECKING	4	05/10/2006	4,460.68				
020106A	CHECKING	2959	02/01/2006	9,060.80	9,060.80			
030106A	CHECKING	2975	03/01/2006	899.85	899.85			
081705A	CHECKING	4	05/10/2006	4,530.40				
10/06 401K	CHECKING	20640	12/18/2006	696.78	696.78			
11/06-401K	CHECKING	20652	12/22/2006	966.35	966.35			
110904A	CHECKING	4	05/10/2006	3,499.90				
12-31-02 AP HAM	CHECKING	20510	09/22/2006	304,374.75	10,000.00			
		20523	09/22/2006		10,000.00			
		20542	10/05/2006		10,000.00			
		20578	10/31/2006		20,000.00			
		20593	11/28/2006		30,000.00			
120104A	CHECKING	4	05/10/2006	3,499.90				
6/1-6/30/06	CHECKING	20434	07/10/2006	1,471.95	1,471.95			
7/06-401K	CHECKING	20640	12/18/2006	849.74	849.74			
8/06 401K	CHECKING	20640	12/18/2006	668.45	668.45			
9/06 401K	CHECKING	20640	12/18/2006	849.77	849.77			
CL1/1-7/31/06	CHECKING	20547	10/09/2006	3,115.81	3,115.81			
INSB/06	CHECKING	20640	12/18/2006	27.73	27.73			
JULY2006	CHECKING	20470	08/16/2006	207,303.33	207,303.33			
N\P 234.0200001	CHECKING	20398	06/06/2006	1,024.54	1,024.54			
N\P 234.0200002	CHECKING	20441	07/24/2006	1,024.54	1,024.54			
N\P 234.0200003	CHECKING	20467	07/31/2006	1,024.54	1,024.54			
N\P 234.0200004	CHECKING	20495	09/01/2006	1,024.54	1,024.54			
N\P 234.0200005	CHECKING	20542	10/05/2006	1,024.54	1,024.54			
N\P 234.0200006	CHECKING	20568	10/31/2006	1,024.54	1,024.54			
N\P 234.0200007	CHECKING	20593	11/28/2006	1,024.54	1,024.54			
N\P 234.0900001	CHECKING	20398	06/06/2006	199.75	199.75			
N\P 234.0900002	CHECKING	20441	07/24/2006	199.75	199.75			
N\P 234.0900003	CHECKING	20467	07/31/2006	199.75	199.75			
N\P 234.0900004	CHECKING	20495	09/01/2006	199.75	199.75			
N\P 234.0900005	CHECKING	20542	10/05/2006	199.75	199.75			
N\P 234.0900006	CHECKING	20568	10/31/2006	199.75	199.75			
N\P 234.0900007	CHECKING	20593	11/28/2006	199.75	199.75			
N\P 234.1100009	CHECKING	20329	03/01/2006	1,070.64	1,070.64			
N\P 234.1100010	CHECKING	20360	04/07/2006	1,070.64	1,070.64			
N\P 234.1100011	CHECKING	20376	05/12/2006	1,070.64	1,070.64			
N\P 234.1100012	CHECKING	20398	06/06/2006	1,070.64	1,070.64			
N\P 234.1100013	CHECKING	20441	07/24/2006	1,070.64	1,070.64			

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Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV Lewis Builders Development Inc								
N\P 234.1100014	CHECKING	20467	07/31/2006	1,070.64	1,070.64			
N\P 234.1100015	CHECKING	20495	09/01/2006	1,070.64	1,070.64			
N\P 234.1100016	CHECKING	20542	10/05/2006	1,070.64	1,070.64			
N\P 234.1100017	CHECKING	20568	10/31/2006	1,070.64	1,070.64			
N\P 234.1100018	CHECKING	20593	11/28/2006	1,070.64	1,070.64			
N\P 234.1200009	CHECKING	20329	03/01/2006	1,395.30	1,395.30			
N\P 234.1200010	CHECKING	20360	04/07/2006	1,395.30	1,395.30			
N\P 234.1200011	CHECKING	20376	05/12/2006	1,395.30	1,395.30			
N\P 234.1200012	CHECKING	20398	06/06/2006	1,395.30	1,395.30			
N\P 234.1200013	CHECKING	20441	07/24/2006	1,395.30	1,395.30			
N\P 234.1200014	CHECKING	20467	07/31/2006	1,395.30	1,395.30			
N\P 234.1200015	CHECKING	20495	09/01/2006	1,395.30	1,395.30			
N\P 234.1200016	CHECKING	20542	10/05/2006	1,395.30	1,395.30			
N\P 234.1200017	CHECKING	20568	10/31/2006	1,395.30	1,395.30			
N\P 234.1200018	CHECKING	20593	11/28/2006	1,395.30	1,395.30			
N\P 234.1300009	CHECKING	20329	03/01/2006	911.57	911.57			
N\P 234.1300010	CHECKING	20360	04/07/2006	911.57	911.57			
N\P 234.1300011	CHECKING	20376	05/12/2006	911.57	911.57			
N\P 234.1300012	CHECKING	20398	06/06/2006	911.57	911.57			
N\P 234.1300013	CHECKING	20441	07/24/2006	911.57	911.57			
N\P 234.1300014	CHECKING	20467	07/31/2006	911.57	911.57			
N\P 234.1300015	CHECKING	20495	09/01/2006	911.57	911.57			
N\P 234.1300016	CHECKING	20542	10/05/2006	911.57	911.57			
N\P 234.1300017	CHECKING	20568	10/31/2006	911.57	911.57			
N\P 234.1300018	CHECKING	20593	11/28/2006	911.57	911.57			
N\P 234.1400009	CHECKING	20329	03/01/2006	1,152.89	1,152.89			
N\P 234.1400010	CHECKING	20360	04/07/2006	1,152.89	1,152.89			
N\P 234.1400011	CHECKING	20376	05/12/2006	1,152.89	1,152.89			
N\P 234.1400012	CHECKING	20398	06/06/2006	1,152.89	1,152.89			
N\P 234.1400013	CHECKING	20441	07/24/2006	1,152.89	1,152.89			
N\P 234.1400014	CHECKING	20467	07/31/2006	1,152.89	1,152.89			
N\P 234.1400015	CHECKING	20495	09/01/2006	1,152.89	1,152.89			
N\P 234.1400016	CHECKING	20542	10/05/2006	1,152.89	1,152.89			
N\P 234.1400017	CHECKING	20568	10/31/2006	1,152.89	1,152.89			
N\P 234.1400018	CHECKING	20593	11/28/2006	1,152.89	1,152.89			
N\P 234.1500001	CHECKING	20398	06/06/2006	1,432.69	1,432.69			
N\P 234.1500002	CHECKING	20441	07/24/2006	1,432.69	1,432.69			
N\P 234.1500003	CHECKING	20467	07/31/2006	1,432.69	1,432.69			
N\P 234.1500004	CHECKING	20495	09/01/2006	1,432.69	1,432.69			
N\P 234.1500005	CHECKING	20542	10/05/2006	1,432.69	1,432.69			
N\P 234.1500006	CHECKING	20568	10/31/2006	1,432.69	1,432.69			
N\P 234.1500007	CHECKING	20593	11/28/2006	1,432.69	1,432.69			
N\P 234.1600001	CHECKING	20441	07/24/2006	694.51	694.51			
N\P 234.1600002	CHECKING	20467	07/31/2006	694.51	694.51			
N\P 234.1600003	CHECKING	20495	09/01/2006	694.51	694.51			
N\P 234.1600004	CHECKING	20542	10/05/2006	694.51	694.51			
N\P 234.1600005	CHECKING	20568	10/31/2006	694.51	694.51			
N\P 234.1600006	CHECKING	20593	11/28/2006	694.51	694.51			
REPAY CASH ADVC	CHECKING	20443	07/24/2006	1,354.00	1,354.00			
SMITHMTN1302006	CHECKING	20324	02/17/2006	228,282.97	228,282.97			
Vendor Totals				1,044,958.09*	804,592.46*	.00*	.00*	.00*
LEWISSEQUIP Lewis Equipment Company								
5056	CHECKING	20312	01/12/2006	97.00	97.00			
5112	CHECKING	20299	01/10/2006	81.06	81.06			
5143	CHECKING	20330	03/01/2006	151.02	151.02			
5144	CHECKING	20330	03/01/2006	329.68	329.68			
5200	CHECKING	20348	03/30/2006	414.84	414.84			
5218	CHECKING	20348	03/30/2006	109.28	109.28			
5281	CHECKING	20366	04/12/2006	661.28	661.28			
5307	CHECKING	20366	04/12/2006	235.28	235.28			
5367	CHECKING	20524	09/22/2006	229.88	229.88			
5384	CHECKING	20524	09/22/2006	168.41	168.41			
5428	CHECKING	20524	09/22/2006	153.98	153.98			
5454	CHECKING	20524	09/22/2006	262.12	262.12			
5507	CHECKING	20524	09/22/2006	76.75	76.75			
5593	CHECKING	20594	11/28/2006	1,841.55	1,841.55			
5669	CHECKING	20594	11/28/2006	140.00	140.00			

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISSEQUIP Lewis Equipment Company								
5676	CHECKING	20594	11/28/2006	359.03	359.03			
5706	CHECKING	20644	12/22/2006	825.78	825.78			
120104B	CHECKING		5 05/10/2006	2,947.68				
5369A	CHECKING	20524	09/22/2006	529.33	529.33			
		Vendor Totals		9,613.95*	6,666.27*	.00*	.00*	.00*
LEWISINC Lewis Builders Inc								
020106	CHECKING	2958	02/01/2006	15,921.16	15,921.16			
051606	CHECKING	2998	05/16/2006	2,025.09	2,025.09			
122305	CHECKING		6 05/10/2006	15,921.16				
011205A	CHECKING		6 05/10/2006	4,460.68				
020106B	CHECKING	2960	02/01/2006	1,125.05	1,125.05			
031406B	CHECKING	2982	03/14/2006	1,350.06	1,350.06			
031605D	CHECKING		6 05/10/2006	4,460.68				
10/06 APT RENT	CHECKING	20579	10/31/2006	1,153.85	1,153.85			
11/06 APT RENT	CHECKING	20605	11/28/2006	41.56	41.56			
6/30/06	CHECKING	20437	07/11/2006	1,125.05	1,125.05			
9/06 APT RENT	CHECKING	20545	10/05/2006	964.64	964.64			
APTRENT7/06	CHECKING	20462	08/01/2006	900.04	900.04			
AUG06APTRENT	CHECKING	20500	09/01/2006	1,125.05	1,125.05			
N\P 234.0300143	CHECKING	20331	03/01/2006	715.61	715.61			
N\P 234.0300144	CHECKING	20361	04/07/2006	715.61	715.61			
N\P 234.0300145	CHECKING	20377	05/12/2006	715.61	715.61			
N\P 234.0300146	CHECKING	20399	06/06/2006	715.61	715.61			
N\P 234.0300147	CHECKING	20442	07/24/2006	715.61	715.61			
N\P 234.0300148	CHECKING	20468	07/31/2006	715.61	715.61			
N\P 234.0300149	CHECKING	20496	09/01/2006	715.61	715.61			
N\P 234.0300150	CHECKING	20544	10/05/2006	715.61	715.61			
N\P 234.0300151	CHECKING	20569	10/31/2006	715.61	715.61			
N\P 234.0300152	CHECKING	20595	11/28/2006	715.61	715.61			
N\P 234.0400001	CHECKING	20399	06/06/2006	372.46	372.46			
N\P 234.0400002	CHECKING	20442	07/24/2006	372.46	372.46			
N\P 234.0400003	CHECKING	20468	07/31/2006	372.46	372.46			
N\P 234.0400004	CHECKING	20496	09/01/2006	372.46	372.46			
N\P 234.0400005	CHECKING	20544	10/05/2006	372.46	372.46			
N\P 234.0400006	CHECKING	20569	10/31/2006	372.46	372.46			
N\P 234.0400007	CHECKING	20595	11/28/2006	372.46	372.46			
N\P 234.0500143	CHECKING	20331	03/01/2006	1,891.46	1,891.46			
N\P 234.0500144	CHECKING	20361	04/07/2006	1,891.46	1,891.46			
N\P 234.0500145	CHECKING	20377	05/12/2006	1,891.46	1,891.46			
N\P 234.0500146	CHECKING	20399	06/06/2006	1,891.46	1,891.46			
N\P 234.0500147	CHECKING	20442	07/24/2006	1,891.46	1,891.46			
N\P 234.0500148	CHECKING	20468	07/31/2006	1,891.46	1,891.46			
N\P 234.0500149	CHECKING	20496	09/01/2006	1,891.46	1,891.46			
N\P 234.0500150	CHECKING	20544	10/05/2006	1,891.46	1,891.46			
N\P 234.0500151	CHECKING	20569	10/31/2006	1,891.46	1,891.46			
N\P 234.0500152	CHECKING	20595	11/28/2006	1,891.46	1,891.46			
N\P 234.0600001	CHECKING	20399	06/06/2006	177.10	177.10			
N\P 234.0600002	CHECKING	20442	07/24/2006	177.10	177.10			
N\P 234.0600003	CHECKING	20468	07/31/2006	177.10	177.10			
N\P 234.0600004	CHECKING	20496	09/01/2006	177.10	177.10			
N\P 234.0600005	CHECKING	20544	10/05/2006	177.10	177.10			
N\P 234.0600006	CHECKING	20569	10/31/2006	177.10	177.10			
N\P 234.0600007	CHECKING	20595	11/28/2006	177.10	177.10			
N\P 234.0700095	CHECKING	20331	03/01/2006	859.38	859.38			
N\P 234.0700096	CHECKING	20361	04/07/2006	859.38	859.38			
N\P 234.0700097	CHECKING	20377	05/12/2006	859.38	859.38			
N\P 234.0700098	CHECKING	20399	06/06/2006	859.38	859.38			
N\P 234.0700099	CHECKING	20442	07/24/2006	859.38	859.38			
N\P 234.0700100	CHECKING	20468	07/31/2006	859.38	859.38			
N\P 234.0700101	CHECKING	20496	09/01/2006	859.38	859.38			
N\P 234.0700102	CHECKING	20544	10/05/2006	859.38	859.38			
N\P 234.0700103	CHECKING	20569	10/31/2006	859.38	859.38			
N\P 234.0700104	CHECKING	20595	11/28/2006	859.38	859.38			
N\P 234.0800083	CHECKING	20331	03/01/2006	1,709.84	1,709.84			
N\P 234.0800084	CHECKING	20361	04/07/2006	1,709.84	1,709.84			
N\P 234.0800085	CHECKING	20377	05/12/2006	1,709.84	1,709.84			
N\P 234.0800086	CHECKING	20399	06/06/2006	1,709.84	1,709.84			

Invoice	Bank Account	Check Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISINC	Lewis Builders Inc						
N\P 234.0800087	CHECKING	20442 07/24/2006	1,709.84	1,709.84			
N\P 234.0800088	CHECKING	20468 07/31/2006	1,709.84	1,709.84			
N\P 234.0800089	CHECKING	20496 09/01/2006	1,709.84	1,709.84			
N\P 234.0800090	CHECKING	20544 10/05/2006	1,709.84	1,709.84			
N\P 234.0800091	CHECKING	20569 10/31/2006	1,709.84	1,709.84			
N\P 234.0800092	CHECKING	20595 11/28/2006	1,709.84	1,709.84			
Note Pay00155	CHECKING	20331 03/01/2006	2,784.29	2,784.29			
Note Pay00156	CHECKING	20361 04/07/2006	2,784.29	2,784.29			
Note Pay00157	CHECKING	20377 05/12/2006	2,784.29	2,784.29			
Note Pay00158	CHECKING	20399 06/06/2006	2,784.29	2,784.29			
Note Pay00159	CHECKING	20442 07/24/2006	2,784.29	2,784.29			
Note Pay00160	CHECKING	20468 07/31/2006	2,784.29	2,784.29			
Note Pay00161	CHECKING	20496 09/01/2006	2,784.29	2,784.29			
Note Pay00162	CHECKING	20544 10/05/2006	2,784.29	2,784.29			
Note Pay00163	CHECKING	20569 10/31/2006	2,784.29	2,784.29			
Note Pay00164	CHECKING	20595 11/28/2006	2,784.29	2,784.29			
		Vendor Totals	134,026.79*	109,184.27*	.00*	.00*	.00*
		Report Totals	1,188,598.83*	920,443.00*	.00*	.00*	.00*

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Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
4873	CHECKING	21041	09/26/2007	1,482.39	1,482.39			
4874	CHECKING	21041	09/26/2007	1,505.92	1,505.92			
4880	CHECKING	21041	09/26/2007	1,198.87	1,198.87			
4883	CHECKING	21041	09/26/2007	401.42	401.42			
4884	CHECKING	21041	09/26/2007	313.94	313.94			
4885	CHECKING	21041	09/26/2007	210.96	210.96			
4886	CHECKING	21041	09/26/2007	4,536.43	4,536.43			
4897	CHECKING	21041	09/26/2007	359.37	359.37			
4898	CHECKING	21041	09/26/2007	158.13	158.13			
4899	CHECKING	21041	09/26/2007	57.50	57.50			
4901	CHECKING	21041	09/26/2007	4,411.68	4,411.68			
4903	CHECKING	21041	09/26/2007	151.94	151.94			
4904	CHECKING	21041	09/26/2007	55.25	55.25			
4905	CHECKING	21041	09/26/2007	345.31	345.31			
4910	CHECKING	21041	09/26/2007	101.90	101.90			
4911	CHECKING	21041	09/26/2007	1,195.79	1,195.79			
4912	CHECKING	21041	09/26/2007	1,093.63	1,093.63			
4913	CHECKING	21041	09/26/2007	173.81	173.81			
4916	CHECKING	21041	09/26/2007	105.88	105.88			
4917	CHECKING	21041	09/26/2007	240.62	240.62			
4918	CHECKING	21041	09/26/2007	38.50	38.50			
4919	CHECKING	21041	09/26/2007	396.50	396.50			
4920	CHECKING	21041	09/26/2007	213.35	213.35			
4921	CHECKING	21041	09/26/2007	44.06	44.06			
4922	CHECKING	21126	11/29/2007	2,395.13	2,395.13			
4923	CHECKING	21041	09/26/2007	37.19	37.19			
4924	CHECKING	21126	11/29/2007	2,541.37	2,541.37			
4925	CHECKING	21126	11/29/2007	5,086.29	5,086.29			
4928	CHECKING	21041	09/26/2007	66.69	66.69			
4935	CHECKING	21041	09/26/2007	388.13	388.13			
4944	CHECKING	21052	10/05/2007	866.97	866.97			
4945	CHECKING	21041	09/26/2007	155.42	155.42			
4946	CHECKING	21041	09/26/2007	272.92	272.92			
4947	CHECKING	21041	09/26/2007	227.66	227.66			
4948	CHECKING	21041	09/26/2007	3.27	3.27			
4949	CHECKING	21041	09/26/2007	45.40	45.40			
4951	CHECKING	21052	10/05/2007	46.62	46.62			
4952	CHECKING	21052	10/05/2007	163.17	163.17			
4953	CHECKING	21052	10/05/2007	302.20	302.20			
4954	CHECKING	21052	10/05/2007	176.83	176.83			
4955	CHECKING	21041	09/26/2007	3.89	3.89			
4956	CHECKING	21052	10/05/2007	457.35	457.35			
4957	CHECKING	21041	09/26/2007	6.80	6.80			
4958	CHECKING	21052	10/05/2007	9.71	9.71			
4959	CHECKING	21052	10/05/2007	35.69	35.69			
4960	CHECKING	21052	10/05/2007	35.69	35.69			
4961	CHECKING	21052	10/05/2007	13.60	13.60			
4962	CHECKING	21052	10/05/2007	315.30	315.30			
4963	CHECKING	21052	10/05/2007	87.41	87.41			
4964	CHECKING	21052	10/05/2007	485.63	485.63			
4965	CHECKING	21052	10/05/2007	434.79	434.79			
4966	CHECKING	21052	10/05/2007	372.68	372.68			
4967	CHECKING	21052	10/05/2007	41.74	41.74			
4978	CHECKING	21069	10/19/2007	1,764.75	1,764.75			
4979	CHECKING	21069	10/19/2007	1,811.81	1,811.81			
4983	CHECKING	21052	10/05/2007	207.22	207.22			
4984	CHECKING	21052	10/05/2007	524.18	524.18			
4986	CHECKING	21052	10/05/2007	338.57	338.57			
4987	CHECKING	21069	10/19/2007	1,886.22	1,886.22			
4990	CHECKING	21126	11/29/2007	3,154.44	3,154.44			
4991	CHECKING	21069	10/19/2007	1,129.68	1,129.68			
4992	CHECKING	21052	10/05/2007	866.97	866.97			
4993	CHECKING	21126	11/29/2007	2,799.33	2,799.33			
4995	CHECKING	21052	10/05/2007	564.60	564.60			
5000	CHECKING	21069	10/19/2007	1,060.50	1,060.50			
5006	CHECKING	21052	10/05/2007	585.75	585.75			
5008	CHECKING	21052	10/05/2007	408.38	408.38			
5015	CHECKING	21052	10/05/2007					

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Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
5016	CHECKING	21052	10/05/2007	542.62	542.62			
5017	CHECKING	21052	10/05/2007	107.70	107.70			
5022	CHECKING	21052	10/05/2007	653.49	653.49			
5029	CHECKING	21069	10/19/2007	1,811.81	1,811.81			
5030	CHECKING	21069	10/19/2007	1,811.81	1,811.81			
5034	CHECKING	21052	10/05/2007	112.18	112.18			
5037	CHECKING	21052	10/05/2007	606.98	606.98			
5038	CHECKING	21052	10/05/2007	139.92	139.92			
5042	CHECKING	21126	11/29/2007	3,016.20	3,016.20			
5043	CHECKING	21069	10/19/2007	1,775.43	1,775.43			
5044	CHECKING	21052	10/05/2007	825.68	825.68			
5058	CHECKING	21052	10/05/2007	661.64	661.64			
5059	CHECKING	21052	10/05/2007	476.85	476.85			
5060	CHECKING	21052	10/05/2007	22.44	22.44			
5071	CHECKING	21052	10/05/2007	192.91	192.91			
5072	CHECKING	21052	10/05/2007	529.48	529.48			
5164	CHECKING	21126	11/29/2007	2,710.08	2,710.08			
5165	CHECKING	21052	10/05/2007	320.11	320.11			
5166	CHECKING	21069	10/19/2007	1,629.52	1,629.52			
5167	CHECKING	21069	10/19/2007	1,294.66	1,294.66			
5168	CHECKING	21069	10/19/2007	1,782.88	1,782.88			
5169	CHECKING	21069	10/19/2007	1,681.69	1,681.69			
5170	CHECKING	21126	11/29/2007	3,059.85	3,059.85			
5171	CHECKING	21052	10/05/2007	366.99	366.99			
5172	CHECKING	21126	11/29/2007	2,047.11	2,047.11			
5173	CHECKING	21126	11/29/2007	2,047.11	2,047.11			
5195	CHECKING	21069	10/19/2007	1,448.51	1,448.51			
5196	CHECKING	21069	10/19/2007	1,706.72	1,706.72			
5200	CHECKING	21052	10/05/2007	946.40	946.40			
5206	CHECKING	21069	10/19/2007	1,152.97	1,152.97			
5207	CHECKING	21126	11/29/2007	1,152.97	1,152.97			
5211	CHECKING	21052	10/05/2007	315.00	315.00			
5221	CHECKING	21052	10/05/2007	138.47	138.47			
5223	CHECKING	21052	10/05/2007	282.30	282.30			
5226	CHECKING	21052	10/05/2007	690.18	690.18			
5227	CHECKING	21127	11/29/2007	1,270.50	1,270.50			
5228	CHECKING	21052	10/05/2007	993.45	993.45			
5229	CHECKING	21052	10/05/2007	484.91	484.91			
5230	CHECKING	21052	10/05/2007	701.75	701.75			
5231	CHECKING	21052	10/05/2007	204.72	204.72			
5232	CHECKING	21052	10/05/2007	109.80	109.80			
5233	CHECKING	21052	10/05/2007	123.53	123.53			
5340	CHECKING	21052	10/05/2007	134.61	134.61			
5360	CHECKING	21127	11/29/2007	1,051.90	1,051.90			
5367	CHECKING	21069	10/19/2007	395.22	395.22			
5369	CHECKING	21052	10/05/2007	614.32	614.32			
5372	CHECKING	21127	11/29/2007	1,326.50	1,326.50			
5373	CHECKING	21052	10/05/2007	102.37	102.37			
5374	CHECKING	21052	10/05/2007	170.61	170.61			
5375	CHECKING	21052	10/05/2007	68.24	68.24			
5376	CHECKING	21052	10/05/2007	334.92	334.92			
5377	CHECKING	21052	10/05/2007	753.72	753.72			
5396	CHECKING	21069	10/19/2007	470.79	470.79			
5417	CHECKING	21069	10/19/2007	989.83	989.83			
5418	CHECKING	21069	10/19/2007	577.01	577.01			
5419	CHECKING	21069	10/19/2007	680.57	680.57			
5420	CHECKING	21069	10/19/2007	747.64	747.64			
5421	CHECKING	21069	10/19/2007	212.73	212.73			
5427	CHECKING	21069	10/19/2007	639.24	639.24			
5428	CHECKING	21069	10/19/2007	945.68	945.68			
5435	CHECKING	21069	10/19/2007	57.06	57.06			
5437	CHECKING	21127	11/29/2007	1,191.69	1,191.69			
5438	CHECKING	21127	11/29/2007	1,191.69	1,191.69			
5440	CHECKING	21069	10/19/2007	170.35	170.35			
5465	CHECKING	21069	10/19/2007	110.33	110.33			
5466	CHECKING	21069	10/19/2007	699.34	699.34			
5467	CHECKING	21069	10/19/2007	48.36	48.36			
5468	CHECKING	21069	10/19/2007	877.03	877.03			

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Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
5472	CHECKING	21069	10/19/2007	384.25	384.25			
5473	CHECKING	21069	10/19/2007	436.50	436.50			
5475	CHECKING	21069	10/19/2007	457.21	457.21			
5476	CHECKING	21069	10/19/2007	24.18	24.18			
5477	CHECKING	21069	10/19/2007	465.41	465.41			
5501	CHECKING	21090	11/08/2007	93.84	93.84			
5502	CHECKING	21090	11/08/2007	31.28	31.28			
5514	CHECKING	21069	10/19/2007	365.10	365.10			
5531	CHECKING	21090	11/08/2007	456.32	456.32			
5536	CHECKING	21090	11/08/2007	407.24	407.24			
5538	CHECKING	21090	11/08/2007	24.18	24.18			
5541	CHECKING	21090	11/08/2007	17.75	17.75			
5547	CHECKING	21090	11/08/2007	63.00	63.00			
5548	CHECKING	21090	11/08/2007	173.25	173.25			
5549	CHECKING	21090	11/08/2007	393.75	393.75			
5555	CHECKING	21090	11/08/2007	460.49	460.49			
5556	CHECKING	21090	11/08/2007	166.60	166.60			
5557	CHECKING	21090	11/08/2007	56.84	56.84			
5558	CHECKING	21090	11/08/2007	38.08	38.08			
5559	CHECKING	21090	11/08/2007	98.22	98.22			
5561	CHECKING	21090	11/08/2007	331.35	331.35			
5562	CHECKING	21090	11/08/2007	1.96	1.96			
5564	CHECKING	21090	11/08/2007	17.64	17.64			
5565	CHECKING	21090	11/08/2007	7.84	7.84			
5566	CHECKING	21090	11/08/2007	7.84	7.84			
5567	CHECKING	21090	11/08/2007	3.92	3.92			
5568	CHECKING	21090	11/08/2007	85.23	85.23			
5569	CHECKING	21090	11/08/2007	55.72	55.72			
5570	CHECKING	21090	11/08/2007	19.60	19.60			
5571	CHECKING	21090	11/08/2007	27.44	27.44			
5573	CHECKING	21090	11/08/2007	117.60	117.60			
5575	CHECKING	21090	11/08/2007	19.60	19.60			
5577	CHECKING	21090	11/08/2007	497.17	497.17			
5578	CHECKING	21090	11/08/2007	1.96	1.96			
5681	CHECKING	21090	11/08/2007	183.38	183.38			
5873	CHECKING	21069	10/19/2007	97.69	97.69			
5881	CHECKING	21069	10/19/2007	174.16	174.16			
5885	CHECKING	21069	10/19/2007	60.00	60.00			
5911	CHECKING	21069	10/19/2007	17.95	17.95			
5912	CHECKING	21069	10/19/2007	35.90	35.90			
5917	CHECKING	21069	10/19/2007	26.93	26.93			
5918	CHECKING	21069	10/19/2007	83.25	83.25			
5924	CHECKING	21069	10/19/2007	247.61	247.61			
5926	CHECKING	21069	10/19/2007	22.44	22.44			
5943	CHECKING	21069	10/19/2007	44.88	44.88			
5944	CHECKING	21090	11/08/2007	205.62	205.62			
5945	CHECKING	21069	10/19/2007	198.28	198.28			
5946	CHECKING	21069	10/19/2007	357.39	357.39			
5947	CHECKING	21069	10/19/2007	26.93	26.93			
5948	CHECKING	21069	10/19/2007	566.34	566.34			
5949	CHECKING	21069	10/19/2007	354.13	354.13			
6014	CHECKING	21090	11/08/2007	331.74	331.74			
6015	CHECKING	21090	11/08/2007	422.28	422.28			
6024	CHECKING	21090	11/08/2007	730.56	730.56			
6060	CHECKING	21090	11/08/2007	374.46	374.46			
6062	CHECKING	21090	11/08/2007	97.58	97.58			
6063	CHECKING	21090	11/08/2007	47.34	47.34			
6070	CHECKING	21090	11/08/2007	456.34	456.34			
6076	CHECKING	21090	11/08/2007	145.75	145.75			
6077	CHECKING	21090	11/08/2007	331.25	331.25			
6078	CHECKING	21090	11/08/2007	53.00	53.00			
6082	CHECKING	21090	11/08/2007	451.91	451.91			
6084	CHECKING	21090	11/08/2007	293.75	293.75			
6085	CHECKING	21090	11/08/2007	129.25	129.25			
6086	CHECKING	21090	11/08/2007	47.00	47.00			
6104	CHECKING	21090	11/08/2007	294.34	294.34			
6105	CHECKING	21090	11/08/2007	47.53	47.53			
6111	CHECKING	21090	11/08/2007	51.86	51.86			

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Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
6112	CHECKING	21090	11/08/2007	51.86	51.86			
6113	CHECKING	21090	11/08/2007	454.41	454.41			
6116	CHECKING	21090	11/08/2007	173.85	173.85			
6143	CHECKING	21090	11/08/2007	403.12	403.12			
6144	CHECKING	21090	11/08/2007	113.87	113.87			
6147	CHECKING	21090	11/08/2007	47.34	47.34			
6148	CHECKING	21090	11/08/2007	31.56	31.56			
6149	CHECKING	21090	11/08/2007	711.46	711.46			
6151	CHECKING	21090	11/08/2007	93.83	93.83			
6165	CHECKING	21090	11/08/2007	300.00	300.00			
6166	CHECKING	21090	11/08/2007	300.00	300.00			
6167	CHECKING	21090	11/08/2007	300.00	300.00			
6168	CHECKING	21090	11/08/2007	25.39	25.39			
6169	CHECKING	21090	11/08/2007	22.95	22.95			
6170	CHECKING	21090	11/08/2007	23.70	23.70			
6205	CHECKING	21090	11/08/2007	221.14	221.14			
6209	CHECKING	21090	11/08/2007	15.78	15.78			
6214	CHECKING	21090	11/08/2007	24.40	24.40			
6215	CHECKING	21090	11/08/2007	220.92	220.92			
6216	CHECKING	21090	11/08/2007	269.71	269.71			
6218	CHECKING	21090	11/08/2007	423.71	423.71			
6221	CHECKING	21090	11/08/2007	254.42	254.42			
6222	CHECKING	21090	11/08/2007	68.98	68.98			
6224	CHECKING	21090	11/08/2007	372.35	372.35			
6225	CHECKING	21090	11/08/2007	53.66	53.66			
6229	CHECKING	21090	11/08/2007	228.94	228.94			
6234	CHECKING	21090	11/08/2007	122.84	122.84			
6240	CHECKING	21090	11/08/2007	224.64	224.64			
6248	CHECKING	21090	11/08/2007	450.00	450.00			
6268	CHECKING	21090	11/08/2007	77.75	77.75			
6279	CHECKING	21090	11/08/2007	63.12	63.12			
6280	CHECKING	21090	11/08/2007	78.90	78.90			
6281	CHECKING	21090	11/08/2007	157.80	157.80			
6283	CHECKING	21090	11/08/2007	299.82	299.82			
6302	CHECKING	21090	11/08/2007	464.54	464.54			
6303	CHECKING	21090	11/08/2007	368.52	368.52			
6304	CHECKING	21090	11/08/2007	15.53	15.53			
6305	CHECKING	21090	11/08/2007	25.59	25.59			
6308	CHECKING	21090	11/08/2007	497.44	497.44			
6321	CHECKING	21090	11/08/2007	493.53	493.53			
6322	CHECKING	21090	11/08/2007	427.51	427.51			
6323	CHECKING	21090	11/08/2007	78.90	78.90			
6324	CHECKING	21090	11/08/2007	31.56	31.56			
6325	CHECKING	21090	11/08/2007	31.56	31.56			
6326	CHECKING	21090	11/08/2007	88.70	88.70			
6335	CHECKING	21090	11/08/2007	52.09	52.09			
6336	CHECKING	21090	11/08/2007	53.31	53.31			
6337	CHECKING	21090	11/08/2007	369.18	369.18			
6338	CHECKING	21090	11/08/2007	398.29	398.29			
6340	CHECKING	21090	11/08/2007	15.78	15.78			
6342	CHECKING	21090	11/08/2007	88.70	88.70			
6346	CHECKING	21090	11/08/2007	15.78	15.78			
6347	CHECKING	21090	11/08/2007	15.78	15.78			
6348	CHECKING	21090	11/08/2007	221.61	221.61			
6349	CHECKING	21090	11/08/2007	490.63	490.63			
6351	CHECKING	21090	11/08/2007	15.78	15.78			
6352	CHECKING	21090	11/08/2007	92.13	92.13			
6353	CHECKING	21090	11/08/2007	184.26	184.26			
6356	CHECKING	21090	11/08/2007	459.25	459.25			
6371	CHECKING	21090	11/08/2007	239.27	239.27			
6375	CHECKING	21090	11/08/2007	286.74	286.74			
6376	CHECKING	21090	11/08/2007	13.28	13.28			
6377	CHECKING	21090	11/08/2007	55.09	55.09			
6378	CHECKING	21090	11/08/2007	30.85	30.85			
6379	CHECKING	21090	11/08/2007	99.16	99.16			
6380	CHECKING	21090	11/08/2007	378.49	378.49			
6381	CHECKING	21090	11/08/2007	76.11	76.11			
6382	CHECKING	21090	11/08/2007	2.20	2.20			

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
6385	CHECKING	21090	11/08/2007	8.81	8.81			
6386	CHECKING	21090	11/08/2007	4.41	4.41			
6387	CHECKING	21090	11/08/2007	65.15	65.15			
6388	CHECKING	21090	11/08/2007	44.07	44.07			
6389	CHECKING	21090	11/08/2007	22.04	22.04			
6390	CHECKING	21090	11/08/2007	300.07	300.07			
6391	CHECKING	21090	11/08/2007	198.32	198.32			
6392	CHECKING	21090	11/08/2007	198.32	198.32			
6393	CHECKING	21090	11/08/2007	198.32	198.32			
6395	CHECKING	21090	11/08/2007	46.27	46.27			
6396	CHECKING	21090	11/08/2007	6.61	6.61			
6397	CHECKING	21090	11/08/2007	22.04	22.04			
6399	CHECKING	21090	11/08/2007	399.15	399.15			
6400	CHECKING	21090	11/08/2007	73.19	73.19			
6406	CHECKING	21090	11/08/2007	7.24	7.24			
6407	CHECKING	21090	11/08/2007	307.08	307.08			
6408	CHECKING	21090	11/08/2007	480.27	480.27			
6437	CHECKING	21090	11/08/2007	125.53	125.53			
6443	CHECKING	21090	11/08/2007	145.84	145.84			
6444	CHECKING	21090	11/08/2007	125.53	125.53			
6449	CHECKING	21090	11/08/2007	245.68	245.68			
6450	CHECKING	21090	11/08/2007	460.99	460.99			
6455	CHECKING	21090	11/08/2007	301.60	301.60			
6456	CHECKING	21090	11/08/2007	293.88	293.88			
6457	CHECKING	21090	11/08/2007	42.65	42.65			
6459	CHECKING	21090	11/08/2007	110.46	110.46			
6463	CHECKING	21090	11/08/2007	441.84	441.84			
6471	CHECKING	21090	11/08/2007	109.90	109.90			
6473	CHECKING	21090	11/08/2007	492.69	492.69			
6495	CHECKING	21090	11/08/2007	238.15	238.15			
6504	CHECKING	21090	11/08/2007	149.58	149.58			
6510	CHECKING	21090	11/08/2007	443.50	443.50			
6527	CHECKING	21090	11/08/2007	434.25	434.25			
6535	CHECKING	21090	11/08/2007	1.50	1.50			
6537	CHECKING	21090	11/08/2007	94.68	94.68			
6538	CHECKING	21090	11/08/2007	459.07	459.07			
6539	CHECKING	21090	11/08/2007	31.56	31.56			
6540	CHECKING	21090	11/08/2007	499.25	499.25			
6557	CHECKING	21090	11/08/2007	8.53	8.53			
6560	CHECKING	21090	11/08/2007	307.10	307.10			
6561	CHECKING	21090	11/08/2007	184.26	184.26			
6582	CHECKING	21090	11/08/2007	73.19	73.19			
6585	CHECKING	21090	11/08/2007	15.78	15.78			
6586	CHECKING	21090	11/08/2007	63.12	63.12			
6597	CHECKING	21090	11/08/2007	388.13	388.13			
6598	CHECKING	21090	11/08/2007	248.40	248.40			
6600	CHECKING	21090	11/08/2007	357.08	357.08			
6601	CHECKING	21090	11/08/2007	145.73	145.73			
6618	CHECKING	21090	11/08/2007	145.01	145.01			
6619	CHECKING	21090	11/08/2007	136.48	136.48			
6620	CHECKING	21090	11/08/2007	226.20	226.20			
6622	CHECKING	21090	11/08/2007	378.72	378.72			
6623	CHECKING	21090	11/08/2007	189.36	189.36			
6624	CHECKING	21090	11/08/2007	157.80	157.80			
6625	CHECKING	21090	11/08/2007	48.79	48.79			
6626	CHECKING	21090	11/08/2007	78.90	78.90			
6648	CHECKING	21090	11/08/2007	102.65	102.65			
6674	CHECKING	21090	11/08/2007	101.98	101.98			
6678	CHECKING	21090	11/08/2007	17.06	17.06			
6681	CHECKING	21090	11/08/2007	7.35	7.35			
6718	CHECKING	21090	11/08/2007	478.98	478.98			
6719	CHECKING	21090	11/08/2007	242.42	242.42			
6721	CHECKING	21090	11/08/2007	395.95	395.95			
6722	CHECKING	21090	11/08/2007	371.56	371.56			
6723	CHECKING	21090	11/08/2007	63.12	63.12			
6725	CHECKING	21090	11/08/2007	453.89	453.89			
6727	CHECKING	21090	11/08/2007	102.36	102.36			
6729	CHECKING	21090	11/08/2007	211.12	211.12			

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
6731	CHECKING	21090	11/08/2007	247.37	247.37			
6770	CHECKING	21090	11/08/2007	65.43	65.43			
6771	CHECKING	21090	11/08/2007	34.58	34.58			
6772	CHECKING	21090	11/08/2007	53.29	53.29			
6773	CHECKING	21090	11/08/2007	17.29	17.29			
6774	CHECKING	21090	11/08/2007	242.06	242.06			
6781	CHECKING	21090	11/08/2007	495.39	495.39			
6813	CHECKING	21090	11/08/2007	419.39	419.39			
6814	CHECKING	21090	11/08/2007	138.32	138.32			
6815	CHECKING	21090	11/08/2007	86.45	86.45			
6817	CHECKING	21090	11/08/2007	43.94	43.94			
6818	CHECKING	21090	11/08/2007	69.16	69.16			
6820	CHECKING	21090	11/08/2007	54.36	54.36			
6830	CHECKING	21090	11/08/2007	18.36	18.36			
6867	CHECKING	21090	11/08/2007	17.29	17.29			
6868	CHECKING	21090	11/08/2007	122.62	122.62			
6870	CHECKING	21090	11/08/2007	34.58	34.58			
6871	CHECKING	21090	11/08/2007	157.20	157.20			
6872	CHECKING	21090	11/08/2007	186.52	186.52			
6873	CHECKING	21090	11/08/2007	114.77	114.77			
6874	CHECKING	21090	11/08/2007	34.58	34.58			
6879	CHECKING	21090	11/08/2007	106.58	106.58			
6880	CHECKING	21090	11/08/2007	51.87	51.87			
6881	CHECKING	21090	11/08/2007	213.16	213.16			
6882	CHECKING	21090	11/08/2007	381.97	381.97			
6888	CHECKING	21090	11/08/2007	125.00	125.00			
6889	CHECKING	21090	11/08/2007	415.50	415.50			
6897	CHECKING	21090	11/08/2007	128.69	128.69			
6899	CHECKING	21090	11/08/2007	467.35	467.35			
6900	CHECKING	21090	11/08/2007	118.93	118.93			
6910	CHECKING	21090	11/08/2007	87.87	87.87			
6912	CHECKING	21090	11/08/2007	266.45	266.45			
6918	CHECKING	21090	11/08/2007	269.20	269.20			
6919	CHECKING	21090	11/08/2007	86.45	86.45			
6920	CHECKING	21090	11/08/2007	312.08	312.08			
6922	CHECKING	21090	11/08/2007	187.11	187.11			
6928	CHECKING	21090	11/08/2007	12.00	12.00			
6929	CHECKING	21090	11/08/2007	200.69	200.69			
6949	CHECKING	21090	11/08/2007	376.74	376.74			
6955	CHECKING	21090	11/08/2007	79.94	79.94			
6956	CHECKING	21090	11/08/2007	215.93	215.93			
6959	CHECKING	21090	11/08/2007	54.68	54.68			
6960	CHECKING	21090	11/08/2007	89.74	89.74			
6967	CHECKING	21090	11/08/2007	186.71	186.71			
6983	CHECKING	21090	11/08/2007	144.00	144.00			
6986	CHECKING	21090	11/08/2007	8.26	8.26			
6988	CHECKING	21090	11/08/2007	416.28	416.28			
7014	CHECKING	21090	11/08/2007	162.81	162.81			
7015	CHECKING	21090	11/08/2007	485.66	485.66			
7016	CHECKING	21090	11/08/2007	54.68	54.68			
7017	CHECKING	21090	11/08/2007	255.15	255.15			
7018	CHECKING	21090	11/08/2007	345.06	345.06			
7019	CHECKING	21090	11/08/2007	26.73	26.73			
7021	CHECKING	21090	11/08/2007	441.05	441.05			
7023	CHECKING	21090	11/08/2007	444.69	444.69			
7025	CHECKING	21090	11/08/2007	44.88	44.88			
7026	CHECKING	21090	11/08/2007	89.74	89.74			
7027	CHECKING	21090	11/08/2007	54.68	54.68			
7028	CHECKING	21090	11/08/2007	72.90	72.90			
7032	CHECKING	21090	11/08/2007	18.69	18.69			
7033	CHECKING	21090	11/08/2007	189.79	189.79			
7045	CHECKING	21090	11/08/2007	1.50	1.50			
7056	CHECKING	21090	11/08/2007	166.14	166.14			
7060	CHECKING	21090	11/08/2007	263.42	263.42			
7061	CHECKING	21090	11/08/2007	325.70	325.70			
7064	CHECKING	21090	11/08/2007	207.21	207.21			
7067	CHECKING	21090	11/08/2007	54.10	54.10			
7099	CHECKING	21090	11/08/2007	245.00	245.00			

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
7100	CHECKING	21090	11/08/2007	190.00	190.00			
7110	CHECKING	21090	11/08/2007	468.18	468.18			
7111	CHECKING	21090	11/08/2007	95.00	95.00			
7120	CHECKING	21090	11/08/2007	225.34	225.34			
7123	CHECKING	21090	11/08/2007					
7125	CHECKING	21090	11/08/2007	69.35	69.35			
7126	CHECKING	21090	11/08/2007	203.47	203.47			
7149	CHECKING	21090	11/08/2007	55.07	55.07			
7152	CHECKING	21090	11/08/2007	385.00	385.00			
7177	CHECKING	21090	11/08/2007	388.46	388.46			
7178	CHECKING	21090	11/08/2007	346.28	346.28			
7181	CHECKING	21090	11/08/2007	134.87	134.87			
7182	CHECKING	21090	11/08/2007	182.25	182.25			
7183	CHECKING	21090	11/08/2007	179.82	179.82			
7184	CHECKING	21090	11/08/2007	106.58	106.58			
7185	CHECKING	21090	11/08/2007	190.76	190.76			
7186	CHECKING	21090	11/08/2007	54.68	54.68			
7187	CHECKING	21090	11/08/2007	18.23	18.23			
7188	CHECKING	21090	11/08/2007	437.40	437.40			
7193	CHECKING	21090	11/08/2007	456.71	456.71			
7204	CHECKING	21090	11/08/2007	16.53	16.53			
7223	CHECKING	21090	11/08/2007	27.87	27.87			
7234	CHECKING	21090	11/08/2007	72.46	72.46			
7238	CHECKING	21090	11/08/2007	89.19	89.19			
7262	CHECKING	21090	11/08/2007	111.88	111.88			
7263	CHECKING	21090	11/08/2007	830.87	830.87			
7277	CHECKING	21090	11/08/2007	413.77	413.77			
7278	CHECKING	21090	11/08/2007	234.03	234.03			
7279	CHECKING	21090	11/08/2007	249.21	249.21			
21021	CHECKING	21021	09/20/2007	2,500.00	2,500.00			
21129	CHECKING	21129	12/04/2007	61.34	61.34			
012607	CHECKING	21091	11/14/2007	2,050.46	2,050.46			
123105	CHECKING	21091	11/14/2007	7,485.82	7,485.82			
01/15/07	CHECKING	20875	06/11/2007	1,205.09	1,205.09			
01/31/07	CHECKING	20875	06/11/2007	960.90	960.90			
02/28/07	CHECKING	20875	06/11/2007	882.16	882.16			
03/31/07	CHECKING	20875	06/11/2007	1,065.83	1,065.83			
12-31-02 AP HAM	CHECKING	20681	01/12/2007	304,374.75	20,000.00			
		20728	02/14/2007		30,000.00			
		20838	05/09/2007		25,000.00			
		20887	06/12/2007		25,000.00			
		20945	07/25/2007		30,000.00			
		20982	08/23/2007		30,000.00			
		21020	09/12/2007		55,682.28			
4/30/07	CHECKING	20875	06/11/2007	850.16	850.16			
401K 7/07	CHECKING	21091	11/14/2007	1,233.27	1,233.27			
401K 8/07	CHECKING	21091	11/14/2007	1,645.51	1,645.51			
5/31/07 401K	CHECKING	21019	09/12/2007	713.66	713.66			
6-07 401K	CHECKING	21019	09/12/2007	1,323.24	1,323.24			
9/07 401K	CHECKING	21091	11/14/2007	1,308.42	1,308.42			
APTRNT1/07-3/07	CHECKING	20793	04/06/2007	129.27	129.27			
MAILING7/10/06	CHECKING	21090	11/08/2007	28.75	28.75			
MGMT FEE00001	CHECKING	21179	12/28/2007	8,333.33	8,333.33			
MGMT FEE00040	CHECKING	21052	10/05/2007	9,166.67	9,166.67			
MGMT FEE00041	CHECKING	21082	11/02/2007	9,166.67	9,166.67			
MGMT FEE00042	CHECKING	21138	12/05/2007	9,166.67	9,166.67			
MILE01/07-02/07	CHECKING	21090	11/08/2007	55.40	55.40			
N\P 234.0200008	CHECKING	20676	01/12/2007	1,024.54	1,024.54			
N\P 234.0200009	CHECKING	20707	02/07/2007	1,024.54	1,024.54			
N\P 234.0200010	CHECKING	20778	04/06/2007	1,024.54	1,024.54			
N\P 234.0200011	CHECKING	20778	04/06/2007	1,024.54	1,024.54			
N\P 234.0200012	CHECKING	20819	05/02/2007	1,024.54	1,024.54			
N\P 234.0200013	CHECKING	20875	06/11/2007	1,024.54	1,024.54			
N\P 234.0200014	CHECKING	20941	07/19/2007	1,024.54	1,024.54			
N\P 234.0200015	CHECKING	20965	08/20/2007	1,024.54	1,024.54			
N\P 234.0200016	CHECKING	21017	09/12/2007	1,024.54	1,024.54			
N\P 234.0200017	CHECKING	21049	10/05/2007	1,024.54	1,024.54			
N\P 234.0200018	CHECKING	21077	11/01/2007	1,024.54	1,024.54			

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Invoice	Bank Account	Check Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV Lewis Builders Development Inc							
N\P 234.0200019 CHECKING		21138 12/05/2007	1,024.54	1,024.54			
N\P 234.0900008 CHECKING		20676 01/12/2007	199.75	199.75			
N\P 234.0900009 CHECKING		20707 02/07/2007	199.75	199.75			
N\P 234.0900010 CHECKING		20778 04/06/2007	199.75	199.75			
N\P 234.0900011 CHECKING		20778 04/06/2007	199.75	199.75			
N\P 234.0900012 CHECKING		20819 05/02/2007	199.75	199.75			
N\P 234.0900013 CHECKING		20875 06/11/2007	199.75	199.75			
N\P 234.0900014 CHECKING		20941 07/19/2007	199.75	199.75			
N\P 234.0900015 CHECKING		20965 08/20/2007	199.75	199.75			
N\P 234.0900016 CHECKING		21001 09/12/2007	199.75	199.75			
N\P 234.0900017 CHECKING		21049 10/05/2007	199.75	199.75			
N\P 234.0900018 CHECKING		21077 11/01/2007	199.75	199.75			
N\P 234.0900019 CHECKING		21138 12/05/2007	199.75	199.75			
N\P 234.1100019 CHECKING		20676 01/12/2007	1,070.64	1,070.64			
N\P 234.1100020 CHECKING		20707 02/07/2007	1,070.64	1,070.64			
N\P 234.1100021 CHECKING		20778 04/06/2007	1,070.64	1,070.64			
N\P 234.1100022 CHECKING		20778 04/06/2007	1,070.64	1,070.64			
N\P 234.1100023 CHECKING		20819 05/02/2007	1,070.64	1,070.64			
N\P 234.1100024 CHECKING		20875 06/11/2007	1,070.64	1,070.64			
N\P 234.1100025 CHECKING		20941 07/19/2007	1,070.64	1,070.64			
N\P 234.1100026 CHECKING		20965 08/20/2007	1,070.64	1,070.64			
N\P 234.1100027 CHECKING		21001 09/12/2007	1,070.64	1,070.64			
N\P 234.1100028 CHECKING		21049 10/05/2007	1,070.64	1,070.64			
N\P 234.1100029 CHECKING		21077 11/01/2007	1,070.64	1,070.64			
N\P 234.1100030 CHECKING		21138 12/05/2007	1,070.64	1,070.64			
N\P 234.1200019 CHECKING		20676 01/12/2007	1,395.30	1,395.30			
N\P 234.1200020 CHECKING		20707 02/07/2007	1,395.30	1,395.30			
N\P 234.1200021 CHECKING		20778 04/06/2007	1,395.30	1,395.30			
N\P 234.1200022 CHECKING		20778 04/06/2007	1,395.30	1,395.30			
N\P 234.1200023 CHECKING		20819 05/02/2007	1,395.30	1,395.30			
N\P 234.1200024 CHECKING		20875 06/11/2007	1,395.30	1,395.30			
N\P 234.1200025 CHECKING		20941 07/19/2007	1,395.30	1,395.30			
N\P 234.1200026 CHECKING		20965 08/20/2007	1,395.30	1,395.30			
N\P 234.1200027 CHECKING		21001 09/12/2007	1,395.30	1,395.30			
N\P 234.1200028 CHECKING		21049 10/05/2007	1,395.30	1,395.30			
N\P 234.1200029 CHECKING		21077 11/01/2007	1,395.30	1,395.30			
N\P 234.1200030 CHECKING		21138 12/05/2007	1,395.30	1,395.30			
N\P 234.1300019 CHECKING		20676 01/12/2007	911.57	911.57			
N\P 234.1300020 CHECKING		20707 02/07/2007	911.57	911.57			
N\P 234.1300021 CHECKING		20778 04/06/2007	911.57	911.57			
N\P 234.1300022 CHECKING		20778 04/06/2007	911.57	911.57			
N\P 234.1300023 CHECKING		20819 05/02/2007	911.57	911.57			
N\P 234.1300024 CHECKING		20875 06/11/2007	911.57	911.57			
N\P 234.1300025 CHECKING		20941 07/19/2007	911.57	911.57			
N\P 234.1300026 CHECKING		20965 08/20/2007	911.57	911.57			
N\P 234.1300027 CHECKING		21001 09/12/2007	911.57	911.57			
N\P 234.1300028 CHECKING		21049 10/05/2007	911.57	911.57			
N\P 234.1300029 CHECKING		21077 11/01/2007	911.57	911.57			
N\P 234.1300030 CHECKING		21138 12/05/2007	911.57	911.57			
N\P 234.1400019 CHECKING		20676 01/12/2007	1,152.89	1,152.89			
N\P 234.1400020 CHECKING		20707 02/07/2007	1,152.89	1,152.89			
N\P 234.1400021 CHECKING		20778 04/06/2007	1,152.89	1,152.89			
N\P 234.1400022 CHECKING		20778 04/06/2007	1,152.89	1,152.89			
N\P 234.1400023 CHECKING		20819 05/02/2007	1,152.89	1,152.89			
N\P 234.1400024 CHECKING		20875 06/11/2007	1,152.89	1,152.89			
N\P 234.1400025 CHECKING		20941 07/19/2007	1,152.89	1,152.89			
N\P 234.1400026 CHECKING		20965 08/20/2007	1,152.89	1,152.89			
N\P 234.1400027 CHECKING		21001 09/12/2007	1,152.89	1,152.89			
N\P 234.1400028 CHECKING		21049 10/05/2007	1,152.89	1,152.89			
N\P 234.1400029 CHECKING		21077 11/01/2007	1,152.89	1,152.89			
N\P 234.1400030 CHECKING		21138 12/05/2007	1,152.89	1,152.89			
N\P 234.1500008 CHECKING		20676 01/12/2007	1,432.69	1,432.69			
N\P 234.1500009 CHECKING		20707 02/07/2007	1,432.69	1,432.69			
N\P 234.1500010 CHECKING		20778 04/06/2007	1,432.69	1,432.69			
N\P 234.1500011 CHECKING		20778 04/06/2007	1,432.69	1,432.69			
N\P 234.1500012 CHECKING		20819 05/02/2007	1,432.69	1,432.69			
N\P 234.1500013 CHECKING		20875 06/11/2007	1,432.69	1,432.69			
N\P 234.1500014 CHECKING		20941 07/19/2007	1,432.69	1,432.69			

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Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV Lewis Builders Development Inc								
N\P 234.1500015	CHECKING	20965	08/20/2007	1,432.69	1,432.69			
N\P 234.1500016	CHECKING	21001	09/12/2007	1,432.69	1,432.69			
N\P 234.1500017	CHECKING	21049	10/05/2007	1,432.69	1,432.69			
N\P 234.1500018	CHECKING	21077	11/01/2007	1,432.69	1,432.69			
N\P 234.1500019	CHECKING	21138	12/05/2007	1,432.69	1,432.69			
N\P 234.1600007	CHECKING	20676	01/12/2007	694.51	694.51			
N\P 234.1600008	CHECKING	20707	02/07/2007	694.51	694.51			
N\P 234.1600009	CHECKING	20778	04/06/2007	694.51	694.51			
N\P 234.1600010	CHECKING	20778	04/06/2007	694.51	694.51			
N\P 234.1600011	CHECKING	20819	05/02/2007	694.51	694.51			
N\P 234.1600012	CHECKING	20875	06/11/2007	694.51	694.51			
N\P 234.1600013	CHECKING	20941	07/19/2007	694.51	694.51			
N\P 234.1600014	CHECKING	20965	08/20/2007	694.51	694.51			
N\P 234.1600015	CHECKING	21001	09/12/2007	694.51	694.51			
N\P 234.1600016	CHECKING	21049	10/05/2007	694.51	694.51			
N\P 234.1600017	CHECKING	21077	11/01/2007	694.51	694.51			
N\P 234.1600018	CHECKING	21138	12/05/2007	694.51	694.51			
POSTAGE 10/06	CHECKING	21091	11/14/2007	7,563.83	7,563.83			
RENT 1RST QU 04	CHECKING	21091	11/14/2007	1,300.00	1,300.00			
RENT00001	CHECKING	21179	12/28/2007	1,408.33	1,408.33			
RENT00039	CHECKING	21077	11/01/2007	1,408.33	1,408.33			
RENT00040	CHECKING	21052	10/05/2007	1,408.33	1,408.33			
RENT00041	CHECKING	21082	11/02/2007	1,408.33	1,408.33			
RENT00042	CHECKING	21138	12/05/2007	1,408.33	1,408.33			
STAPLES8/24/06	CHECKING	21090	11/08/2007	11.49	11.49			
WHPA-LP10/20/06	CHECKING	21090	11/08/2007	19.00	19.00			
Vendor Totals				639,148.22*	550,455.75*	.00*	.00*	.00*
LEWISSEQUIP Lewis Equipment Company								
5696	CHECKING	20820	05/02/2007	71.38	71.38			
5731	CHECKING	20779	04/06/2007	473.21	473.21			
5759	CHECKING	20779	04/06/2007	315.29	315.29			
5808	CHECKING	20820	05/02/2007	76.32	76.32			
5815	CHECKING	20820	05/02/2007	59.04	59.04			
5816	CHECKING	20820	05/02/2007	402.60	402.60			
5845	CHECKING	20820	05/02/2007	12.26	12.26			
5870	CHECKING	20820	05/02/2007	6,452.45	6,452.45			
5976	CHECKING	20876	06/11/2007	5,811.36	5,811.36			
6005	CHECKING	21059	10/19/2007	1,833.77	1,833.77			
6007	CHECKING	21059	10/19/2007	127.50	127.50			
6030	CHECKING	21059	10/19/2007	104.83	104.83			
6065	CHECKING	21059	10/19/2007	248.44	248.44			
6103	CHECKING	21059	10/19/2007	78.36	78.36			
6130	CHECKING	21059	10/19/2007	45.81	45.81			
5706A	CHECKING	20779	04/06/2007	118.76	118.76			
Vendor Totals				16,231.38*	16,231.38*	.00*	.00*	.00*
LEWISINC Lewis Builders Inc								
12/06	CHECKING	20679	01/12/2007	51.95	51.95			
A/P	CHECKING	20840	05/09/2007	25,005.00	25,005.00			
N\P 234.0300153	CHECKING	20677	01/12/2007	715.61	715.61			
N\P 234.0300154	CHECKING	20708	02/07/2007	715.61	715.61			
N\P 234.0300155	CHECKING	20752	03/12/2007	715.61	715.61			
N\P 234.0300156	CHECKING	20780	04/06/2007	715.61	715.61			
N\P 234.0300157	CHECKING	20821	05/02/2007	715.61	715.61			
N\P 234.0300158	CHECKING	20877	06/11/2007	715.61	715.61			
N\P 234.0300159	CHECKING	20942	07/19/2007	715.61	715.61			
N\P 234.0300160	CHECKING	20966	08/20/2007	715.61	715.61			
N\P 234.0300161	CHECKING	21002	09/12/2007	715.61	715.61			
N\P 234.0300162	CHECKING	21050	10/05/2007	715.61	715.61			
N\P 234.0300163	CHECKING	21078	11/01/2007	715.61	715.61			
N\P 234.0300164	CHECKING	21139	12/05/2007	715.61	715.61			
N\P 234.0400008	CHECKING	20677	01/12/2007	372.46	372.46			
N\P 234.0400009	CHECKING	20708	02/07/2007	372.46	372.46			
N\P 234.0400010	CHECKING	20752	03/12/2007	372.46	372.46			
N\P 234.0400011	CHECKING	20780	04/06/2007	372.46	372.46			
N\P 234.0400012	CHECKING	20821	05/02/2007	372.46	372.46			
N\P 234.0400013	CHECKING	20877	06/11/2007	372.46	372.46			

Invoice	Bank Account	Check Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISINC	Lewis Builders Inc						
N\P 234.0400014	CHECKING	20942 07/19/2007	372.46	372.46			
N\P 234.0400015	CHECKING	20966 08/20/2007	372.46	372.46			
N\P 234.0400016	CHECKING	21002 09/12/2007	372.46	372.46			
N\P 234.0400017	CHECKING	21050 10/05/2007	372.46	372.46			
N\P 234.0400018	CHECKING	21078 11/01/2007	372.46	372.46			
N\P 234.0400019	CHECKING	21139 12/05/2007	372.46	372.46			
N\P 234.0500153	CHECKING	20677 01/12/2007	1,891.46	1,891.46			
N\P 234.0500154	CHECKING	20708 02/07/2007	1,891.46	1,891.46			
N\P 234.0500155	CHECKING	20752 03/12/2007	1,891.46	1,891.46			
N\P 234.0500156	CHECKING	20780 04/06/2007	1,891.46	1,891.46			
N\P 234.0500157	CHECKING	20821 05/02/2007	1,891.46	1,891.46			
N\P 234.0500158	CHECKING	20877 06/11/2007	1,891.46	1,891.46			
N\P 234.0500159	CHECKING	20942 07/19/2007	1,891.46	1,891.46			
N\P 234.0500160	CHECKING	20966 08/20/2007	1,891.46	1,891.46			
N\P 234.0500161	CHECKING	21002 09/12/2007	1,891.46	1,891.46			
N\P 234.0500162	CHECKING	21050 10/05/2007	1,891.46	1,891.46			
N\P 234.0500163	CHECKING	21078 11/01/2007	1,891.46	1,891.46			
N\P 234.0500164	CHECKING	21139 12/05/2007	1,891.46	1,891.46			
N\P 234.0600008	CHECKING	20677 01/12/2007	177.10	177.10			
N\P 234.0600009	CHECKING	20708 02/07/2007	177.10	177.10			
N\P 234.0600010	CHECKING	20752 03/12/2007	177.10	177.10			
N\P 234.0600011	CHECKING	20780 04/06/2007	177.10	177.10			
N\P 234.0600012	CHECKING	20821 05/02/2007	177.10	177.10			
N\P 234.0600013	CHECKING	20877 06/11/2007	177.10	177.10			
N\P 234.0600014	CHECKING	20942 07/19/2007	177.10	177.10			
N\P 234.0600015	CHECKING	20966 08/20/2007	177.10	177.10			
N\P 234.0600016	CHECKING	21002 09/12/2007	177.10	177.10			
N\P 234.0600017	CHECKING	21050 10/05/2007	177.10	177.10			
N\P 234.0600018	CHECKING	21078 11/01/2007	177.10	177.10			
N\P 234.0600019	CHECKING	21139 12/05/2007	177.10	177.10			
N\P 234.0700105	CHECKING	20677 01/12/2007	859.38	859.38			
N\P 234.0700106	CHECKING	20708 02/07/2007	859.38	859.38			
N\P 234.0700107	CHECKING	20752 03/12/2007	859.38	859.38			
N\P 234.0700108	CHECKING	20780 04/06/2007	859.38	859.38			
N\P 234.0700109	CHECKING	20821 05/02/2007	859.38	859.38			
N\P 234.0700110	CHECKING	20877 06/11/2007	859.38	859.38			
N\P 234.0700111	CHECKING	20942 07/19/2007	859.38	859.38			
N\P 234.0700112	CHECKING	20966 08/20/2007	859.38	859.38			
N\P 234.0700113	CHECKING	21002 09/12/2007	859.38	859.38			
N\P 234.0700114	CHECKING	21050 10/05/2007	859.38	859.38			
N\P 234.0700115	CHECKING	21078 11/01/2007	859.38	859.38			
N\P 234.0700116	CHECKING	21139 12/05/2007	859.38	859.38			
N\P 234.0800093	CHECKING	20677 01/12/2007	1,709.84	1,709.84			
N\P 234.0800094	CHECKING	20708 02/07/2007	1,709.84	1,709.84			
N\P 234.0800095	CHECKING	20752 03/12/2007	1,709.84	1,709.84			
N\P 234.0800096	CHECKING	20780 04/06/2007	1,709.84	1,709.84			
N\P 234.0800097	CHECKING	20821 05/02/2007	1,709.84	1,709.84			
N\P 234.0800098	CHECKING	20877 06/11/2007	1,709.84	1,709.84			
N\P 234.0800099	CHECKING	20942 07/19/2007	1,709.84	1,709.84			
N\P 234.0800100	CHECKING	20966 08/20/2007	1,709.84	1,709.84			
N\P 234.0800101	CHECKING	21002 09/12/2007	1,709.84	1,709.84			
N\P 234.0800102	CHECKING	21050 10/05/2007	1,709.84	1,709.84			
N\P 234.0800103	CHECKING	21078 11/01/2007	1,709.84	1,709.84			
N\P 234.0800104	CHECKING	21139 12/05/2007	1,709.84	1,709.84			
Note Pay00165	CHECKING	20677 01/12/2007	2,784.29	2,784.29			
Note Pay00166	CHECKING	20708 02/07/2007	2,784.29	2,784.29			
Note Pay00167	CHECKING	20752 03/12/2007	2,784.29	2,784.29			
Note Pay00168	CHECKING	20780 04/06/2007	2,784.29	2,784.29			
Note Pay00169	CHECKING	20821 05/02/2007	2,784.29	2,784.29			
Note Pay00170	CHECKING	20877 06/11/2007	2,784.29	2,784.29			
Note Pay00171	CHECKING	20942 07/19/2007	2,784.29	2,784.29			
Note Pay00172	CHECKING	20966 08/20/2007	2,784.29	2,784.29			
Note Pay00173	CHECKING	21002 09/12/2007	2,784.29	2,784.29			
Note Pay00174	CHECKING	21050 10/05/2007	2,784.29	2,784.29			
Note Pay00175	CHECKING	21078 11/01/2007	2,784.29	2,784.29			

Invoice	Bank Account	Check Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISINC	Lewis Builders Inc						
Note Pay00176	CHECKING	21139 12/05/2007	2,784.29	2,784.29			
		Vendor Totals	127,178.63*	127,178.63*	.00*	.00*	.00*
		Report Totals	782,558.23*	693,865.76*	.00*	.00*	.00*

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Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
5222	CHECKING	21249	02/15/2008	3,679.58	3,679.58			
5224	CHECKING	21249	02/15/2008	2,506.10	2,506.10			
5343	CHECKING	21485	07/18/2008	3,800.00	3,800.00			
5344	CHECKING	21485	07/18/2008	7,200.00	7,200.00			
5345	CHECKING	21214	01/23/2008	1,539.84	1,539.84			
5366	CHECKING	21509	08/01/2008	3,163.73	3,163.73			
5368	CHECKING	21509	08/01/2008	2,858.24	2,858.24			
5383	CHECKING	21214	01/23/2008	1,552.98	1,552.98			
5384	CHECKING	21214	01/23/2008	1,552.98	1,552.98			
5397	CHECKING	21214	01/23/2008	1,261.87	1,261.87			
5426	CHECKING	21214	01/23/2008	1,528.15	1,528.15			
5434	CHECKING	21509	08/01/2008	2,843.90	2,843.90			
5496	CHECKING	21509	08/01/2008	2,762.89	2,762.89			
5497	CHECKING	21214	01/23/2008	1,086.53	1,086.53			
5503	CHECKING	21509	08/01/2008	3,194.73	3,194.73			
5532	CHECKING	21214	01/23/2008	1,340.47	1,340.47			
5533	CHECKING	21214	01/23/2008	993.42	993.42			
5534	CHECKING	21214	01/23/2008	122.85	122.85			
5535	CHECKING	21214	01/23/2008	788.64	788.64			
5537	CHECKING	21275	03/06/2008	2,465.80	2,465.80			
5542	CHECKING	21275	03/06/2008	1,685.69	1,685.69			
5543	CHECKING	21275	03/06/2008	1,034.96	1,034.96			
5544	CHECKING	21275	03/06/2008	1,832.32	1,832.32			
5560	CHECKING	21214	01/23/2008	597.30	597.30			
5563	CHECKING	21214	01/23/2008	776.89	776.89			
5572	CHECKING	21214	01/23/2008	572.43	572.43			
5574	CHECKING	21275	03/06/2008	1,345.12	1,345.12			
5576	CHECKING	21214	01/23/2008	707.17	707.17			
5876	CHECKING	21275	03/06/2008	1,176.50	1,176.50			
5877	CHECKING	21275	03/06/2008	1,176.50	1,176.50			
5878	CHECKING	21275	03/06/2008	1,534.16	1,534.16			
5879	CHECKING	21275	03/06/2008	1,538.86	1,538.86			
5882	CHECKING	21275	03/06/2008	1,724.94	1,724.94			
5920	CHECKING	21275	03/06/2008	2,011.59	2,011.59			
5921	CHECKING	21275	03/06/2008	1,749.70	1,749.70			
5923	CHECKING	21275	03/06/2008	2,183.96	2,183.96			
5927	CHECKING	21275	03/06/2008	1,185.81	1,185.81			
5928	CHECKING	21275	03/06/2008	1,094.85	1,094.85			
7123	CHECKING	21485	07/18/2008	61.00	61.00			
7458	123107 401	CHECKING	21485	07/18/2008	1,297.52	1,297.52		
MGMT FEE00002	CHECKING	21275	03/06/2008	8,333.33	8,333.33			
MGMT FEE00003	CHECKING	21485	07/18/2008	8,333.33	8,333.33			
MGMT FEE00004	CHECKING	21519	08/08/2008	8,333.33	8,333.33			
MGMT FEE00005	CHECKING	21519	08/08/2008	8,333.33	8,333.33			
MGMT FEE00043	CHECKING	21196	01/10/2008	9,166.67	9,166.67			
MGMT FEE00044	CHECKING	21237	02/01/2008	9,166.67	9,166.67			
MGMT FEE00045	CHECKING	21275	03/06/2008	9,166.67	9,166.67			
MGMT FEE00046	CHECKING	21309	04/01/2008	9,166.67	9,166.67			
MGMT FEE00047	CHECKING	21360	05/08/2008	9,166.67	9,166.67			
MGMT FEE00048	CHECKING	21389	05/30/2008	9,166.67	9,166.67			
MGMT FEE00049	CHECKING	21457	07/01/2008	9,166.67	9,166.67			
MGMT FEE00050	CHECKING	21509	08/01/2008	9,166.67	9,166.67			
MGMT FEE00051	CHECKING	21551	08/29/2008	9,166.67	9,166.67			
MGMT FEE00052	CHECKING	21603	10/03/2008	9,166.67	9,166.67			
MGMT FEE00053	CHECKING	21658	11/03/2008	9,166.67	9,166.67			
MGMT FEE00054	CHECKING	21701	11/26/2008	9,166.67	9,166.67			
N\P 234.0200020	CHECKING	21196	01/10/2008	1,024.54	1,024.54			
N\P 234.0200021	CHECKING	21237	02/01/2008	1,024.54	1,024.54			
N\P 234.0200022	CHECKING	21275	03/06/2008	1,024.54	1,024.54			
N\P 234.0200023	CHECKING	21309	04/01/2008	1,024.54	1,024.54			
N\P 234.0200024	CHECKING	21360	05/08/2008	1,024.54	1,024.54			
N\P 234.0200025	CHECKING	21389	05/30/2008	1,024.54	1,024.54			
N\P 234.0200026	CHECKING	21457	07/01/2008	1,024.54	1,024.54			
N\P 234.0200027	CHECKING	21509	08/01/2008	1,024.54	1,024.54			
N\P 234.0200028	CHECKING	21551	08/29/2008	1,024.54	1,024.54			
N\P 234.0200029	CHECKING	21603	10/03/2008	1,024.54	1,024.54			
N\P 234.0200030	CHECKING	21658	11/03/2008	1,024.54	1,024.54			
N\P 234.0200031	CHECKING	21701	11/26/2008	1,024.54	1,024.54			

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV	Lewis Builders Development Inc							
N\P 234.0900020	CHECKING	21196	01/10/2008	199.75	199.75			
N\P 234.0900021	CHECKING	21237	02/01/2008	199.75	199.75			
N\P 234.0900022	CHECKING	21275	03/06/2008	199.75	199.75			
N\P 234.0900023	CHECKING	21309	04/01/2008	199.75	199.75			
N\P 234.0900024	CHECKING	21360	05/08/2008	199.75	199.75			
N\P 234.0900025	CHECKING	21389	05/30/2008	199.75	199.75			
N\P 234.0900026	CHECKING	21457	07/01/2008	199.75	199.75			
N\P 234.0900027	CHECKING	21509	08/01/2008	199.75	199.75			
N\P 234.0900028	CHECKING	21551	08/29/2008	199.75	199.75			
N\P 234.0900029	CHECKING	21603	10/03/2008	199.75	199.75			
N\P 234.0900030	CHECKING	21658	11/03/2008	199.75	199.75			
N\P 234.0900031	CHECKING	21701	11/26/2008	199.75	199.75			
N\P 234.1100031	CHECKING	21196	01/10/2008	1,070.64	1,070.64			
N\P 234.1100032	CHECKING	21237	02/01/2008	1,070.64	1,070.64			
N\P 234.1100033	CHECKING	21275	03/06/2008	1,070.64	1,070.64			
N\P 234.1100034	CHECKING	21309	04/01/2008	1,070.64	1,070.64			
N\P 234.1100035	CHECKING	21360	05/08/2008	1,070.64	1,070.64			
N\P 234.1100036	CHECKING	21389	05/30/2008	1,070.64	1,070.64			
N\P 234.1100037	CHECKING	21457	07/01/2008	1,070.64	1,070.64			
N\P 234.1100038	CHECKING	21509	08/01/2008	1,070.64	1,070.64			
N\P 234.1100039	CHECKING	21551	08/29/2008	1,070.64	1,070.64			
N\P 234.1100040	CHECKING	21603	10/03/2008	1,070.64	1,070.64			
N\P 234.1100041	CHECKING	21658	11/03/2008	1,070.64	1,070.64			
N\P 234.1100042	CHECKING	21701	11/26/2008	1,070.64	1,070.64			
N\P 234.1200031	CHECKING	21196	01/10/2008	1,395.30	1,395.30			
N\P 234.1200032	CHECKING	21237	02/01/2008	1,395.30	1,395.30			
N\P 234.1200033	CHECKING	21275	03/06/2008	1,395.30	1,395.30			
N\P 234.1200034	CHECKING	21309	04/01/2008	1,395.30	1,395.30			
N\P 234.1200035	CHECKING	21360	05/08/2008	1,395.30	1,395.30			
N\P 234.1200036	CHECKING	21389	05/30/2008	1,395.30	1,395.30			
N\P 234.1200037	CHECKING	21457	07/01/2008	1,395.30	1,395.30			
N\P 234.1200038	CHECKING	21509	08/01/2008	1,395.30	1,395.30			
N\P 234.1200039	CHECKING	21551	08/29/2008	1,395.30	1,395.30			
N\P 234.1200040	CHECKING	21603	10/03/2008	1,395.30	1,395.30			
N\P 234.1200041	CHECKING	21658	11/03/2008	1,395.30	1,395.30			
N\P 234.1200042	CHECKING	21701	11/26/2008	1,395.30	1,395.30			
N\P 234.1300031	CHECKING	21196	01/10/2008	911.57	911.57			
N\P 234.1300032	CHECKING	21237	02/01/2008	911.57	911.57			
N\P 234.1300033	CHECKING	21275	03/06/2008	911.57	911.57			
N\P 234.1300034	CHECKING	21309	04/01/2008	911.57	911.57			
N\P 234.1300035	CHECKING	21360	05/08/2008	911.57	911.57			
N\P 234.1300036	CHECKING	21389	05/30/2008	911.57	911.57			
N\P 234.1300037	CHECKING	21457	07/01/2008	911.57	911.57			
N\P 234.1300038	CHECKING	21509	08/01/2008	911.57	911.57			
N\P 234.1300039	CHECKING	21551	08/29/2008	911.57	911.57			
N\P 234.1300040	CHECKING	21603	10/03/2008	911.57	911.57			
N\P 234.1300041	CHECKING	21658	11/03/2008	911.57	911.57			
N\P 234.1300042	CHECKING	21701	11/26/2008	911.57	911.57			
N\P 234.1400031	CHECKING	21196	01/10/2008	1,152.89	1,152.89			
N\P 234.1400032	CHECKING	21237	02/01/2008	1,152.89	1,152.89			
N\P 234.1400033	CHECKING	21275	03/06/2008	1,152.89	1,152.89			
N\P 234.1400034	CHECKING	21309	04/01/2008	1,152.89	1,152.89			
N\P 234.1400035	CHECKING	21360	05/08/2008	1,152.89	1,152.89			
N\P 234.1400036	CHECKING	21389	05/30/2008	1,152.89	1,152.89			
N\P 234.1400037	CHECKING	21457	07/01/2008	1,152.89	1,152.89			
N\P 234.1400038	CHECKING	21509	08/01/2008	1,152.89	1,152.89			
N\P 234.1400039	CHECKING	21551	08/29/2008	1,152.89	1,152.89			
N\P 234.1400040	CHECKING	21603	10/03/2008	1,152.89	1,152.89			
N\P 234.1400041	CHECKING	21658	11/03/2008	1,152.89	1,152.89			
N\P 234.1400042	CHECKING	21701	11/26/2008	1,152.89	1,152.89			
N\P 234.1500020	CHECKING	21196	01/10/2008	1,432.69	1,432.69			
N\P 234.1500021	CHECKING	21237	02/01/2008	1,432.69	1,432.69			
N\P 234.1500022	CHECKING	21275	03/06/2008	1,432.69	1,432.69			
N\P 234.1500023	CHECKING	21309	04/01/2008	1,432.69	1,432.69			
N\P 234.1500024	CHECKING	21360	05/08/2008	1,432.69	1,432.69			
N\P 234.1500025	CHECKING	21389	05/30/2008	1,432.69	1,432.69			
N\P 234.1500026	CHECKING	21457	07/01/2008	1,432.69	1,432.69			
N\P 234.1500027	CHECKING	21509	08/01/2008	1,432.69	1,432.69			

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISDEV Lewis Builders Development Inc								
N\P 234.1500028	CHECKING	21551	08/29/2008	1,432.69	1,432.69			
N\P 234.1500029	CHECKING	21603	10/03/2008	1,432.69	1,432.69			
N\P 234.1500030	CHECKING	21658	11/03/2008	1,432.69	1,432.69			
N\P 234.1500031	CHECKING	21701	11/26/2008	1,432.69	1,432.69			
N\P 234.1600019	CHECKING	21196	01/10/2008	694.51	694.51			
N\P 234.1600020	CHECKING	21237	02/01/2008	694.51	694.51			
N\P 234.1600021	CHECKING	21275	03/06/2008	694.51	694.51			
N\P 234.1600022	CHECKING	21309	04/01/2008	694.51	694.51			
N\P 234.1600023	CHECKING	21360	05/08/2008	694.51	694.51			
N\P 234.1600024	CHECKING	21389	05/30/2008	694.51	694.51			
N\P 234.1600025	CHECKING	21457	07/01/2008	694.51	694.51			
N\P 234.1600026	CHECKING	21509	08/01/2008	694.51	694.51			
N\P 234.1600027	CHECKING	21551	08/29/2008	694.51	694.51			
N\P 234.1600028	CHECKING	21603	10/03/2008	694.51	694.51			
N\P 234.1600029	CHECKING	21658	11/03/2008	694.51	694.51			
N\P 234.1600030	CHECKING	21701	11/26/2008	694.51	694.51			
RENT00002	CHECKING	21275	03/06/2008	1,408.33	1,408.33			
RENT00003	CHECKING	21485	07/18/2008	1,408.33	1,408.33			
RENT00004	CHECKING	21519	08/08/2008	1,408.33	1,408.33			
RENT00005	CHECKING	21519	08/08/2008	1,408.33	1,408.33			
RENT00006	CHECKING	21519	08/08/2008	1,408.33	1,408.33			
RENT00007	CHECKING	21551	08/29/2008	1,408.33	1,408.33			
RENT00008	CHECKING	21551	08/29/2008	1,408.33	1,408.33			
RENT00009	CHECKING	21566	09/10/2008	1,408.33	1,408.33			
RENT00010	CHECKING	21566	09/10/2008	1,408.33	1,408.33			
RENT00011	CHECKING	21566	09/10/2008	1,408.33	1,408.33			
RENT00012	CHECKING	21566	09/10/2008	1,408.33	1,408.33			
RENT00013	CHECKING	21566	09/10/2008	1,408.33	1,408.33			
RENT00014	CHECKING	21566	09/10/2008	1,408.33	1,408.33			
RENT00015	CHECKING	21566	09/10/2008	1,408.33	1,408.33			
RENT00016	CHECKING	21618	10/10/2008	1,408.33	1,408.33			
RENT00017	CHECKING	21618	10/10/2008	1,408.33	1,408.33			
RENT00018	CHECKING	21618	10/10/2008	1,408.33	1,408.33			
RENT00019	CHECKING	21618	10/10/2008	1,408.33	1,408.33			
RENT00020	CHECKING	21618	10/10/2008	1,408.33	1,408.33			
RENT00021	CHECKING	21618	10/10/2008	1,408.33	1,408.33			
RENT00022	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00023	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00024	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00025	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00026	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00027	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00028	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00029	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00030	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00031	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00032	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00033	CHECKING	21634	10/24/2008	1,408.33	1,408.33			
RENT00043	CHECKING	21196	01/10/2008	1,408.33	1,408.33			
RENT00044	CHECKING	21237	02/01/2008	1,408.33	1,408.33			
RENT00045	CHECKING	21275	03/06/2008	1,408.33	1,408.33			
RENT00046	CHECKING	21309	04/01/2008	1,408.33	1,408.33			
RENT00047	CHECKING	21360	05/08/2008	1,408.33	1,408.33			
RENT00048	CHECKING	21389	05/30/2008	1,408.33	1,408.33			
RENT00049	CHECKING	21457	07/01/2008	1,408.33	1,408.33			
RENT00050	CHECKING	21618	10/10/2008	1,408.33	1,408.33			
RENT00051	CHECKING	21551	08/29/2008	1,408.33	1,408.33			
RENT00052	CHECKING	21603	10/03/2008	1,408.33	1,408.33			
RENT00053	CHECKING	21658	11/03/2008	1,408.33	1,408.33			
RENT00054	CHECKING	21701	11/26/2008	1,408.33	1,408.33			
Vendor Totals				371,412.53*	371,412.53*	.00*	.00*	.00*
LEWISSEQUIP Lewis Equipment Company								
6257	CHECKING	21215	01/23/2008	129.56	129.56			
6259	CHECKING	21215	01/23/2008	78.36	78.36			
6286	CHECKING	21215	01/23/2008	16.10	16.10			
6290	CHECKING	21215	01/23/2008	77.05	77.05			
6322	CHECKING	21361	05/08/2008	606.84	606.84			

Invoice	Bank Account	Check	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWIS EQUIP Lewis Equipment Company								
6363	CHECKING	21361	05/08/2008	96.13	96.13			
6373	CHECKING	21361	05/08/2008	77.05	77.05			
6410	CHECKING	21361	05/08/2008	38.64	38.64			
6498	CHECKING	21415	06/13/2008	465.29	465.29			
6499	CHECKING	21415	06/13/2008	119.68	119.68			
6501	CHECKING	21415	06/13/2008	787.27	787.27			
6563	CHECKING	21471	07/11/2008	390.18	390.18			
6572	CHECKING	21471	07/11/2008	209.79	209.79			
6626	CHECKING	21584	09/19/2008	60.53	60.53			
6669	CHECKING	21584	09/19/2008	121.40	121.40			
6766	CHECKING	21687	11/21/2008	82.57	82.57			
6771	CHECKING	21687	11/21/2008	234.00	234.00			
6772	CHECKING	21687	11/21/2008	67.71	67.71			
7700	CHECKING	21415	06/13/2008	492.26	492.26			
Vendor Totals				4,150.51*	4,150.51*	.00*	.00*	.00*
LEWIS INC Lewis Builders Inc								
13-461 REFUND	CHECKING	21416	06/13/2008	968.31	968.31			
N\P 234.0300165	CHECKING	21197	01/10/2008	715.61	715.61			
N\P 234.0300166	CHECKING	21238	02/01/2008	715.61	715.61			
N\P 234.0300167	CHECKING	21276	03/06/2008	715.61	715.61			
N\P 234.0300168	CHECKING	21310	04/01/2008	715.61	715.61			
N\P 234.0300169	CHECKING	21362	05/08/2008	715.61	715.61			
N\P 234.0300170	CHECKING	21390	05/30/2008	715.61	715.61			
N\P 234.0300171	CHECKING	21458	07/01/2008	715.61	715.61			
N\P 234.0300172	CHECKING	21510	08/01/2008	715.61	715.61			
N\P 234.0300173	CHECKING	21552	08/29/2008	715.61	715.61			
N\P 234.0300174	CHECKING	21604	10/03/2008	715.61	715.61			
N\P 234.0300175	CHECKING	21659	11/03/2008	715.61	715.61			
N\P 234.0300176	CHECKING	21702	11/26/2008	715.61	715.61			
N\P 234.0400020	CHECKING	21197	01/10/2008	372.46	372.46			
N\P 234.0400021	CHECKING	21238	02/01/2008	372.46	372.46			
N\P 234.0400022	CHECKING	21276	03/06/2008	372.46	372.46			
N\P 234.0400023	CHECKING	21310	04/01/2008	372.46	372.46			
N\P 234.0400024	CHECKING	21362	05/08/2008	372.46	372.46			
N\P 234.0400025	CHECKING	21390	05/30/2008	372.46	372.46			
N\P 234.0400026	CHECKING	21458	07/01/2008	372.46	372.46			
N\P 234.0400027	CHECKING	21510	08/01/2008	372.46	372.46			
N\P 234.0400028	CHECKING	21552	08/29/2008	372.46	372.46			
N\P 234.0400029	CHECKING	21604	10/03/2008	372.46	372.46			
N\P 234.0400030	CHECKING	21659	11/03/2008	372.46	372.46			
N\P 234.0400031	CHECKING	21702	11/26/2008	372.46	372.46			
N\P 234.0500165	CHECKING	21197	01/10/2008	1,891.46	1,891.46			
N\P 234.0500166	CHECKING	21238	02/01/2008	1,891.46	1,891.46			
N\P 234.0500167	CHECKING	21276	03/06/2008	1,891.46	1,891.46			
N\P 234.0500168	CHECKING	21310	04/01/2008	1,891.46	1,891.46			
N\P 234.0500169	CHECKING	21362	05/08/2008	1,891.46	1,891.46			
N\P 234.0500170	CHECKING	21390	05/30/2008	1,891.46	1,891.46			
N\P 234.0500171	CHECKING	21458	07/01/2008	1,891.46	1,891.46			
N\P 234.0500172	CHECKING	21510	08/01/2008	1,891.46	1,891.46			
N\P 234.0500173	CHECKING	21552	08/29/2008	1,891.46	1,891.46			
N\P 234.0500174	CHECKING	21604	10/03/2008	1,891.46	1,891.46			
N\P 234.0500175	CHECKING	21659	11/03/2008	1,891.46	1,891.46			
N\P 234.0500176	CHECKING	21702	11/26/2008	1,891.46	1,891.46			
N\P 234.0600020	CHECKING	21197	01/10/2008	177.10	177.10			
N\P 234.0600021	CHECKING	21238	02/01/2008	177.10	177.10			
N\P 234.0600022	CHECKING	21276	03/06/2008	177.10	177.10			
N\P 234.0600023	CHECKING	21310	04/01/2008	177.10	177.10			
N\P 234.0600024	CHECKING	21362	05/08/2008	177.10	177.10			
N\P 234.0600025	CHECKING	21390	05/30/2008	177.10	177.10			
N\P 234.0600026	CHECKING	21458	07/01/2008	177.10	177.10			
N\P 234.0600027	CHECKING	21510	08/01/2008	177.10	177.10			
N\P 234.0600028	CHECKING	21552	08/29/2008	177.10	177.10			
N\P 234.0600029	CHECKING	21604	10/03/2008	177.10	177.10			
N\P 234.0600030	CHECKING	21659	11/03/2008	177.10	177.10			
N\P 234.0600031	CHECKING	21702	11/26/2008	177.10	177.10			
N\P 234.0700117	CHECKING	21197	01/10/2008	859.38	859.38			
N\P 234.0700118	CHECKING	21238	02/01/2008	859.38	859.38			

Invoice	Bank Account	Check Date	Original Invoice Amount	Amount Paid	Discount Taken	Misc. Ded. Applied	Current Invoice Balance
LEWISINC Lewis Builders Inc							
N\P 234.0700119	CHECKING	21276 03/06/2008	859.38	859.38			
N\P 234.0700120	CHECKING	21310 04/01/2008	859.38	859.38			
N\P 234.0700121	CHECKING	21362 05/08/2008	859.38	859.38			
N\P 234.0700122	CHECKING	21390 05/30/2008	859.38	859.38			
N\P 234.0700123	CHECKING	21458 07/01/2008	859.38	859.38			
N\P 234.0700124	CHECKING	21510 08/01/2008	859.38	859.38			
N\P 234.0700125	CHECKING	21552 08/29/2008	859.38	859.38			
N\P 234.0700126	CHECKING	21604 10/03/2008	859.38	859.38			
N\P 234.0700127	CHECKING	21659 11/03/2008	859.38	859.38			
N\P 234.0700128	CHECKING	21702 11/26/2008	859.38	859.38			
N\P 234.0800105	CHECKING	21197 01/10/2008	1,709.84	1,709.84			
N\P 234.0800106	CHECKING	21238 02/01/2008	1,709.84	1,709.84			
N\P 234.0800107	CHECKING	21276 03/06/2008	1,709.84	1,709.84			
N\P 234.0800108	CHECKING	21310 04/01/2008	1,709.84	1,709.84			
N\P 234.0800109	CHECKING	21362 05/08/2008	1,709.84	1,709.84			
N\P 234.0800110	CHECKING	21390 05/30/2008	1,709.84	1,709.84			
N\P 234.0800111	CHECKING	21458 07/01/2008	1,709.84	1,709.84			
N\P 234.0800112	CHECKING	21510 08/01/2008	1,709.84	1,709.84			
N\P 234.0800113	CHECKING	21552 08/29/2008	1,709.84	1,709.84			
N\P 234.0800114	CHECKING	21604 10/03/2008	1,709.84	1,709.84			
N\P 234.0800115	CHECKING	21659 11/03/2008	1,709.84	1,709.84			
N\P 234.0800116	CHECKING	21702 11/26/2008	1,709.84	1,709.84			
Note Pay00177	CHECKING	21197 01/10/2008	2,784.29	2,784.29			
Note Pay00178	CHECKING	21238 02/01/2008	2,784.29	2,784.29			
Note Pay00179	CHECKING	21276 03/06/2008	2,784.29	2,784.29			
Note Pay00180	CHECKING	21310 04/01/2008	2,784.29	2,784.29			
Vendor Totals			80,815.67*	80,815.67*	.00*	.00*	.00*
Report Totals			456,378.71*	456,378.71*	.00*	.00*	.00*

- i) Not applicable.
- ii) The Company expects that the job will be filled by employees currently on the payroll of Lewis Builders. Angela Crowell (receptionist), Julie Lockard (payroll clerk) and Judy Armstrong (secretary) currently do work for HAWC. Any hours currently spent on HAWC work is billed by Lewis Builders to HAWC on a monthly basis. The Company anticipates that these 3 people will perform the extra work necessitated with going to monthly invoicing.
- d) The job duties will include, but be limited to, reading customer meters, preparing customer billings, taking phone calls from customers, entering customer deposits into the computer, making bank deposits, resolving customer inquiries and disputes, updating customer records, preparing work orders, filing, maintaining and updating CPR's, and handling payment arrangements with customers.
- e) The Company estimates the salary to be \$24,960 and the taxes\benefits portion to be \$2,496.
- f) No, the individual's duties will not diminish. In fact, the Company anticipates that there will be more work. With the switch from quarterly to monthly billing, the Company expects a tripling (from 4 to 12 billings per year) of the amount of work associated with certain tasks, i.e., reading meters, preparing bills, processing payments, etc.
- g) As stated in 2-8 c) ii) above the Company expects that the work will be performed by 3 current employees of Lewis Builders. Any work performed for HAWC will be billed on a monthly basis to HAWC. The current HAWC customer service person acts as the backup person for Lewis Builders' Property Manager when she is not available due to vacations, sickness, etc. In the reverse situation the Lewis Builders' Property Manager acts as the backup to HAWC's current customer service person when she is not available due to vacations, sickness, etc. This situation is not expected to change in the future.

Staff 2-9

Regarding Office Supplies and Expense Adjustment: The Company's 2007 NHPUC Annual Report shows that Account # 921 increased by \$24,263 from 2006 which was explained as, "*The new billing software created a need for new invoices and billing related supplies plus the costs of the annual service agreement.*"

- a) What is the cost of the annual service agreement for the new billing software?
- b) Since it appears that the test year expenses contained in this account are a mixture of costs related to both the replaced billing software as well as the new billing software, should not there be recorded a pro-forma adjustment to remove the costs related to the replaced billing software, i.e., replaced invoices, billing related supplies, service agreement, etc? Please explain.

- c) Please provide an analysis of the costs contained in this account and specifically identify the expenses related to the replaced billing software, i.e., replaced invoices, billing related supplies, service agreement, etc.
- d) Please provide a detailed analysis of the \$9,374 billing supply amount indicated in the Company's filing on which the \$19,092 pro-forma adjustment was based and identify the amounts that are related to the replaced billing software as well as the amounts related to the new billing software.

ANSWER:

- a) \$2,998.
- b) The new billing software was capitalized and not charged to this account. Items such as the service agreement, billing supplies, invoices, etc are annually recurring items that need no proforma adjustment. The amount of old invoices leftover from the previous software was minimal (approximately 500 forms) and the Company does not see the need to make an adjustment. The envelopes and return envelopes used for the new billing software are the same as used for the old software so there was no overlap.
- c) Attached are copies of all invoices over \$500 charged to this account with a description of the service provided.

d) 1 bill form	\$ 0.11
1 envelope	0.08
1 return envelope	0.22
Postage	0.42
Total cost for 1 bill	\$0.83
X	2,858 customers
X	12 months
Total for year	\$ 28,465.68
Less: 2007 cost	(9,374.00)
Proforma Adjustment	\$ <u>19,091.68</u>

Staff 2-10

Regarding response to Staff DR 1-9:

- a) Please provide a detailed explanation with regard to the specific services provided to HAWC by the IT position.
- b) Please provide a detailed explanation with regard to the basis for the allocation of 10% of the IT position's salary to HAWC.

ANSWER:

- a) HAWC IT Time:

STAFF 2-764

Date	Jrn	Ref 1	Ref 2	Transaction Desc	Beginning Balance	Debit	Credit	Ending Balance
1-10-921.00				Office Supplies & Other Expenses				
1/02/2007	PJ	PLATPLUS	DEC2006	CARD ENDING IN 5217		540.00 ✓		
1/03/2007	PJ	VERIZWIR	32247109	109761293		205.90		
1/05/2007	PJ	AMERSPEE	15975	#9 WR ENVELOPES		61.00		
1/12/2007	PJ	WBMASON	SOV305	PRINTER TONER		139.98		
1/15/2007	PJ	VERIZON	01/15/07	60336242994130043		64.29		
1/19/2007	PJ	CUSI	U04875	SOFTWARE TRAINING		1,858.34		
1/19/2007	PJ	CUSI	U04875	(Rev) SOFTWARE TRAINING		1,858.34-		
1/26/2007	PJ	LEWISDEV	012607	4th qu. 2006 postage		2,050.46 ✓		
1/30/2007	PJ	WBMASON	W33295	FOLDERS FOR OFFICE		109.80		
				Total 1/31/07	.00*	3,171.43*	.00*	3,171.43*
2/01/2007	PJ	VNPAGERS	N3514283	N3-514283		33.00		
2/01/2007	PJ	WBMASON	SUZ080-0	OPTICAL MOUSE		39.99		
2/02/2007	CMD	CHECKING		Deposit			18.91-	
2/03/2007	PJ	BANKONE	WEB2/3/0	WEBSITE		297.50		
2/03/2007	PJ	VERIZWIR	32295336	109761293		157.30		
2/06/2007	PJ	DONGOWAN	MILEAGE2	MILEAGE		59.66		
2/07/2007	PJ	SULLIVAN	02/06/07	LUNCH REIMBURSEMENT		31.81		
2/09/2007	PJ	NHSTATE	BOOKS02/	OPERATOR CERT BOOK		27.50		
2/09/2007	PJ	DONGOWAN	3474	WATER DISTRIBUTION BOOK		23.00		
2/09/2007	PJ	IDEACOM	0074597-	HAWC PHONE LINES		161.00		
2/15/2007	PJ	LANZA	20729	Mileage to Water Oper. Class		47.53		
2/15/2007	PJ	VERIZON	2/15/07	60336242994130043		64.82		
2/16/2007	PJ	WBMASON	W03031-0	FOLDERS		10.98		
2/21/2007	PJ	IDEACOM	0074654-	PHONES		183.00		
2/21/2007	PJ	PC	40806057	8324015		327.44		
2/21/2007	PJ	WBMASON	W16754-0	FOLDERS		27.45		
2/22/2007	PJ	SECOFSTA	CERT2/22	CERT OF GOOD STANDING		10.00		
2/26/2007	PJ	CUSI	U05044	BILL FORMS		2,695.98 ✓		
2/28/2007	PJ	RCRD	DOCKETS2	ACCT #: L-008		43.00		
				Total 2/28/07	3,171.43*	4,240.96*	18.91-*	7,393.48*
3/01/2007	PJ	WBMASON	W51360-0	HANG FLDR FRAMES		134.22		
3/03/2007	PJ	VERIZWIR	32321186	109761293		200.78		
3/05/2007	PJ	HAMPPRIN	MAGNETS3	MAGNETS FOR VEHICLES		106.25		
3/06/2007	PJ	WBMASON	W67077-0	FILE FOLDERS		5.49		
3/08/2007	PJ	AMERSPEE	16293	#10 ENVELOPES		223.96		
3/15/2007	PJ	VERIZON	03/15/07	603 362 4299 413 004 3		156.72		
3/22/2007	PJ	WBMASON	W51360-0	HANG FLDR FRAMES-RETURNED		26.70-		
3/26/2007	PJ	AMERSPEE	16370	#10 WINDOWS		223.96		
3/30/2007	PJ	LEWISDEV	6848	1st quarter '07 postage		1,262.20 ✓		
3/31/2007	GLJ	AE 7		Adjust A/P per schedule		77.00		
				Total 3/31/07	7,393.48*	2,363.88*	.00*	9,757.36*
4/02/2007	PJ	PLATPLUS	APRIL 20	DOOR HANGERS		92.00		
4/03/2007	PJ	WBMASON	W41193-0	MP5197		7.57		
4/09/2007	PJ	CPERVY	2007-326	WEBSITE		220.00		
4/10/2007	PJ	WBMASON	SOX257-0	FLUSH CARDS		92.32		
4/10/2007	PJ	WBMASON	SOX463-0	FLUSH CARDS		184.64		
4/15/2007	PJ	VERIZON	4/15/07	60336242994130043		97.28		
4/15/2007	PJ	VERIZWIR	32344754	109761293		182.31		
4/19/2007	PJ	WBMASON	SOX257-0	RETURN FLUSH CARDS		46.16-		
4/19/2007	PJ	WBMASON	SOX463-0	RETURN FLUSH CARDS		184.64-		
4/23/2007	PJ	HAMPPRIN	STAT/ENV	STATIONARY/ENVELOPES NEW LOGO		4,624.00 ✓		
4/23/2007	PJ	HAMPPRIN	115658	ENVELOPES/STATIONARY		4,624.00		
4/23/2007	PJ	HAMPPRIN	115658	(Rev) ENVELOPES/STATIONARY		4,624.00-		
4/23/2007	PJ	BANKONE	03/07	WEB INFO & Ann Rpt		147.00		
4/25/2007	PJ	LEWISDEV	6879	graphics design		106.58		
				Total 4/30/07	9,757.36*	5,522.90*	.00*	15,280.26*
5/02/2007	PJ	RCRD	PRINTS5/	DOCKET PRINT		7.50		
5/02/2007	PJ	PLATPLUS	MAY 2007	CARD ENDS IN 5217		171.74		
5/03/2007	PJ	VERIZWIR	17056056	581450075-00001		308.24		
5/04/2007	PJ	PC	41117821	MONITOR		181.73		
5/10/2007	PJ	WBMASON	SXN791-0	REF #: 001369511		63.60		
5/15/2007	PJ	VERIZON	05/15/07	60336242994130043		98.85		
5/22/2007	PJ	WBMASON	W70861-0	REF #: 001475775		8.37		
				Total 5/31/07	15,280.26*	840.03*	.00*	16,120.29*
6/01/2007	PJ	PLATPLUS	6/2/07	CARD ENDS IN 5217		44.95		
6/03/2007	PJ	BANKONE	HEADSETS	CARD ENDS IN 3487		283.93		
6/03/2007	PJ	VERIZWIR	17168433	581450075-00001		158.37		
6/04/2007	PJ	RCRD	5/1-5/30	DOCKET PRINTS		25.50		
6/15/2007	PJ	GRNTSTAM	372332	STAMP		32.45		
6/15/2007	PJ	VERIZON	6/15/07	60336242994130043		98.63		
6/21/2007	PJ	WBMASON	SW7246-0	MP5197		9.71		
6/22/2007	PJ	EH PO	WEBMAILI	WEBSITE ANNOUNCEMENT POSTCARD		1,138.16 ✓		
6/26/2007	PJ	HAMPPRIN	WEBPOSTC	WEB ANNOUNCEMENT POSTCARDS		535.07 ✓		
6/26/2007	PJ	EH PO	20899	Web Announc. Post cards		535.07		
6/26/2007	PJ	HAMPPRIN	WEBPOSTC	(Rev) WEB ANNOUNCEMENT POSTCARD		535.07-		
6/27/2007	PJ	HAMPPRIN	116036	MAILINGS		2,100.00 ✓		
				Total 6/30/07	16,120.29*	4,426.77*	.00*	20,547.06*
7/01/2007	PJ	WBMASON	W74406-0	BINDERS		96.80		
7/02/2007	PJ	PLATPLUS	JUNE 07	CARD ENDS IN 5217		242.00		
7/03/2007	PJ	VERIZWIR	17290195	581450075-00001		157.37		
7/15/2007	PJ	VERIZON	60336242	60336242994130043		88.92		
7/16/2007	PJ	ATKRESOR	7/07-12/	ANSWERING SERVICE 07/07-12/07		1,230.00 ✓		
7/16/2007	PJ	RAM	6014	MAILING SERVICE		154.70		
7/24/2007	PJ	CUSI	U05709	CUST PROG COLL. LTR		1,000.00 ✓		
7/24/2007	PJ	HAMPPRIN	116146	3K 4X4 POSTCARDS-ONLINE BILLIN		9,000.00		
7/24/2007	PJ	HAMPPRIN	116146	(Rev) 3K 4X4 POSTCARDS-ONLINE B		9,000.00-		
7/24/2007	PJ	HAMPPRIN	116146	3K 4X4 POSTCARDS-ONLINE BILLIN		900.00		
7/31/2007	PJ	GRNTSTAM	373898	"REPRINTED" STAMP		22.90		
7/31/2007	PJ	LEWISDEV	7092	2ND QRT 07 POSTAGE		1,843.26 ✓		
7/31/2007	PJ	LEWISDEV	7093	JULY 07 POSTAGE		646.56 ✓		
				Total 7/31/07	20,547.06*	6,382.51*	.00*	26,929.57*
8/03/2007	PJ	VERIZWIR	17412622	581450075-00001		166.55 ✓		
8/09/2007	PJ	HAMPPRIN	116242	LETTERHEAD		769.00 ✓		
8/16/2007	PJ	RCRD	8/1/07	MISC		9.00		

Date	Jrn	Ref 1	Ref 2	Transaction Desc	Beginning Balance	Debit	Credit	Ending Balance
1-10-921.00				Office Supplies & Other Expenses - Continued				
8/20/2007	PJ	CUSI	M5307	ANNUAL MAINT/TECH SUPPORT		2,998.00 ✓		
8/27/2007	PJ	WBMASON	SM9752-0	REF #: 002444110		146.98		
				Total 8/31/07	26,929.57*	4,089.53*	.00*	31,019.10*
9/02/2007	PJ	PLATPLUS	9/2/07	ENDS IN 5217		334.99		
9/03/2007	PJ	VERIZWIR	17535732	581450075-00001		147.64		
9/04/2007	PJ	LEISURE	TSHIRTS	UNIFORMS		162.00		
9/04/2007	PJ	RVS SOFT	78954	EXT SOFTWARE MAINT		955.00 ✓		
9/04/2007	PJ	STITCH	115	UNIFORMS/T-SHIRTS		477.00		
9/05/2007	PJ	PM-ATK	POSTAGE9	PREPAID POSTAGE		55.50		
9/05/2007	PJ	EH PO	WR MAILI	WR MAILING		432.81 ✓		
9/05/2007	PJ	EH PO	WRMAILIN	WR MAILING		525.58		
9/10/2007	PJ	BANKONE	09/07	BATTERY FOR LF		12.99		
9/10/2007	PJ	HAMPPRIN	116399	PRINTING VOTE FLYER		650.00 ✓		
9/10/2007	PJ	HAMPPRIN	116397	PRINTING		1,700.00 ✓		
9/10/2007	PJ	HAMPPRIN	116398	PRINTING		1,239.00 ✓		
9/13/2007	PJ	GRNTSTAM	375501	COPY TO:/DATE STAMP		25.90		
9/14/2007	PJ	RAM	6189	VOTING MAILING		183.57		
9/28/2007	PJ	LEWISDEV	7229	Water Ban Mailing		1,595.41 ✓		
9/28/2007	PJ	LEWISDEV	7238	Engineering Fees Sept. '07		89.19		
9/28/2007	PJ	LEWISDEV	7247	September '07 Postage		1,499.13 ✓		
				Total 9/30/07	31,019.10*	10,085.71*	.00*	41,104.81*
10/02/2007	PJ	PLATPLUS	10/2/07	CARD ENDS IN 5217		13.14		
10/03/2007	PJ	RCRD	10/3/07	PRINTS/COPIES		8.00		
10/12/2007	PJ	SOLION	0608723	12-47752200		193.21		
10/29/2007	PJ	VERIZWIR	17659480	581450075-00001		218.51		
				Total 10/31/07	41,104.81*	432.86*	.00*	41,537.67*
11/01/2007	PJ	AWWA	10003705	WATER BOOK		56.50		
11/01/2007	PJ	CUSI	U06185	DISCONNECT LETTER		295.00		
11/01/2007	PJ	LEWISDEV	7301	October postage		521.10 ✓		
11/02/2007	PJ	PLATPLUS	11/2/07	CARD ENDS 5217		40.98		
11/06/2007	CMD	CHECKING		Deposit (STAPLES REBATE CK)			15.00-	
11/09/2007	PJ	VERIZWIR	17783547	ACCT #: 581450075-0001		200.64		
11/20/2007	PJ	WBMASON	SVN76100	Label, wethrprof		48.73		
11/30/2007	PJ	LEWISDEV	7353	Nov postage		559.56 ✓		
				Total 11/30/07	41,537.67*	1,722.51*	15.00-*	43,245.18*
12/03/2007	PJ	VERIZWIR	17907898			146.57 ✓		
12/03/2007	PJ	ATKRESOR	1733	ANS SERV Q4-07		1,230.00 ✓		
12/04/2007	PJ	HAMPPRIN	116784	PLAIN ENVELOPES		325.00		
12/14/2007	PJ	RCRD	120607	L-08		119.00		
12/14/2007	PJ	ATKPOST	SHIP12/1	SHIPPING		8.15		
12/18/2007	PJ	ATKPOST	POST12/1			8.15		
12/19/2007	PJ	ATKPOST	21170	Postage		8.15		
12/31/2007	PJ	LEWISDEV	7436	Dec postage		455.46		
				Total 12/31/07	43,245.18*	2,300.48*	.00*	45,545.66*
Total Account 1-10-921.00 - Office Supplies & Other					.00*	45,579.57*	33.91-*	45,545.66*
GRAND TOTALS					.00*	45,579.57*	33.91-*	45,545.66*

Atkinson Resort & Country Club
85 Country Club Drive

Atkinson NH 03811 USA

Phone: 603-362-8700

Fax: 603-362-5727

<http://www.atkinsonresort.com>

Name: Hampstead Area Water Co.	Account Number: 7248
Address1: 54 Sawyer Ave.	Account Linked To: Guest 1639
Address2:	Date Account Opened: 9/3/2003
City: Atkinson	
State: NH Postal Code: 03811	Contact:
Phone: 603-362-5333	Fax:
Comments:	Date/Time: 07/02/2007 1:25:19 PM

DATE	DESCRIPTION	CHARGE	CREDIT	BALANCE
7/2/2007	Accounting Misc. 8503-July 07 Answering Service	\$205.00	\$0.00	\$205.00
7/2/2007	Accounting Misc. 1425-Aug. 07 Answering Service	\$205.00	\$0.00	\$410.00
7/2/2007	Accounting Misc. 1425-Sept 07 Answering Service	\$205.00	\$0.00	\$615.00
7/2/2007	Accounting Misc. 1425-Oct. 07 Answering Service	\$205.00	\$0.00	\$820.00
7/2/2007	Accounting Misc. 1425-Nov. 07 Answering Service	\$205.00	\$0.00	\$1,025.00
7/2/2007	Accounting Misc. 1425-Dec. 07 Answering Service	\$205.00	\$0.00	\$1,230.00
	<u>TOTAL DUE</u>			<u>\$1,230.00</u>

Inv. Date: _____ Amt: \$ _____
 Inv #: _____
 Job #: _____ Phase: _____ Cat: _____
 G/L Acct #: _____
 Approval Signature: _____
 Approval Date: _____
 Initials of Enterer: *AW*

Atkinson Resort & Country Club
85 Country Club Drive

Atkinson NH 03811 USA

Phone: 603-362-8700

Fax: 603-362-5727

<http://www.atkinsonresort.com>

Hampstead Area Water Co.

54 Sawyer Ave.

Atkinson

NH

03811

Account Number: 7248

Invoice Number: 1733

Date Account Opened: 09/03/2003

Contact:

Due Date: 01/02/2008

Date/Time: 12/03/2007 11:03:13 AM

DATE	DESCRIPTION	CHARGE	CREDIT	TOTAL
11/27/2007	Accounting Misc. 1425-Jan 08	\$205.00	\$0.00	\$205.00
	Answering Service			
11/27/2007	Accounting Misc. 1425-Feb 08	\$205.00	\$0.00	\$410.00
	Answering Service			
11/27/2007	Accounting Misc. 1425-March 08	\$205.00	\$0.00	\$615.00
	Answering Service			
11/27/2007	Accounting Misc. 1425-April 08	\$205.00	\$0.00	\$820.00
	Answering Service			
11/27/2007	Accounting Misc. 1425-May 08	\$205.00	\$0.00	\$1,025.00
	Answering Service			
11/27/2007	Accounting Misc. 1425-June 08	\$205.00	\$0.00	\$1,230.00
	Answering Service			
TOTAL DUE				\$1,230.00

110921.00

New Hampshire Public Utilities Commission, Docket No. DW 08-065
Definitions and Instructions
OCA Data Requests to HAWC
Set 3
February 25, 2009

HAMPSTEAD AREA WATER COMPANY, INC.
DW 08-065
ANSWERS TO OCA DATA REQUESTS - SET 3
PERMANENT RATES

Date request received: 02-25-09
OCA 3-2

Date of Response: 03-11-09
Witness: John Sullivan

2. Regarding the attachments included in response to Staff 2-9(c), please respond to the following:
- a. See page with hand written note "General mailing to residents of Atkinson related to Town's new water ordinance." With handwritten amounts \$432.81 and \$525.58 circled. Similarly, see Invoice 116398 from Hampstead Print & Copy to HAWC dated 9/10/2007 for \$1,239.00 for printing copies of "Water Ordinance - Atkinson." Please provide additional details about the nature and purpose of this mailer. Please provide a copy as mailed to customers. Is this a recurring expense? If the response is no, has a corresponding adjustment been made to test year G&A expenses?
 - b. There are multiple invoices showing billings from Lewis Builders Development, Inc (LBDI) to HAWC for monthly postage expenses. Please explain why HAWC does not have the necessary arrangements to pay for its postage directly.
 - c. Included is a receipt and copy of a check from HAWC to "Postmaster - E Hampstead" in the amount of \$535.00. Please explain why HAWC paid this postage directly but regularly reimburses LBDI for postage paid on monthly billings (see 3(b) above).
 - d. The postage amount referred to in 3(c) above is for "Web Announcement postcards." Please provide a copy of this postcard as mailed and describe the purpose of this mailing.
 - e. Regarding invoice from Atkinson Resort & Country Club (ARCC) for Answering Services for 6 months in the total amount of \$1,230.00. Please respond to the following:
 - I. Please provide details of services provided and hours of service provided.
 - II. Please provide a copy of the current contract for services.
 - III. Is ARCC an "affiliated company" of HAWC?
 - IV. Does the current affiliate agreement on file with the Commission (see response to OCA 1-10) cover the provision of services between HAWC and ARCC?

RESPONSE:

- a. This was a mailing to Atkinson residents regarding the proposed water ordinance that would make it a criminal offense to ship water from Atkinson. See attached for copy of mailing. This issue has not yet been resolved so it may not be a one time expense. Therefore no adjustment has been made to the test year.
- b. Lewis Builders leases a postage machine from Pitney Bowes at a cost of \$2,520 per year plus supplies (ink, tape, etc). The Company does not see the

New Hampshire Public Utilities Commission, Docket No. DW 08-065
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need to lease its' own machine from Pitney Bowes at such a high cost. Lewis Builders only charges HAWC the exact postage used by HAWC. HAWC is not charged for any portion of the annual lease fees or supplies.

- c. RAM Printing - special project. It was paid directly.
- d. Website announcement. We did not retain a copy of the postcard.
- e.
 - I. The Company's office hours are Monday through Friday starting at 7 am through 4:30 pm. On nights and weekends anyone calling the main HAWC number hears a recording that directs them to press a button to be connected to a live operator in an emergency or in a situation where the caller needs to speak with a live person. The operator at ARCC takes down the necessary information from the caller and contacts an employee of HAWC to handle the problem.
 - II. There is no written contract.
 - III. Yes, the owner of HAWC (Chris Lewis Morse) owns 50% of ARCC.
 - IV. No.

The postage used by HAWC during quarters one and two of 2007 were billed by Lewis Builders on a quarterly basis. Thereafter, Lewis Builders billed postage usage on a monthly basis through December. The only exception noted by Audit was August, which did not appear to have postage expense.

The redesigned billing forms required for the new software were purchased through the software vendor, Continental Utility Solutions, Inc. (CUSI). The total cost for 15,000 statements was \$2,696. This is considered a non-recurring expense, please see Non-Recurring Expenses section of this report.

Atkinson Resort, a subsidiary of Lewis Builders, has provided off-hours telephone answering services for Hampstead Area Water Company since September 2003. During the test year, the cost for this service was \$205 per month. Audit counted twelve months of expense reflected within the test year, however, the expense period covered July 2007 through June 2008.

During the test year, HAWC launched a website which allowed customers access their account information 24-hours a day. Audit identified costs totaling \$2,573 associated with informing the customer of this endeavor: 3,000 - 4x4 "Announcement" Postcards, \$900; mailing costs \$1,673. These are considered non-recurring expenses, please see Non-Recurring Expenses section of this report.

In June, Hampstead Print and Copy charged the Company \$2,100 for "2776/6 page newsletter with tabbing put in mail". The copy of the newsletter provided to Audit for review was the 2007 Water Quality Report for Walnut Ridge Water System. The newsletter dealt with water quality, conservation, and the company/customer working together.

Two software maintenance agreements were expended in the test year. The annual maintenance and tech support contract for the new software cost \$2,998 and has a contract year of 9/30/07 through 9/30/08. The maintenance contract on the old software cost \$955 and has a contract year of 10/20/07 through 10/20/08.

September expenses contained costs associated with a flyer HAWC had prepared to address questions customers may have had concerning a special Town Meeting planned for September 12, 2007 in Atkinson. If passed, the proposed ordinance would ban companies from withdrawing water within the Town of Atkinson. These are considered non-recurring expenses, please see Non-Recurring Expenses section of this report. The following is a breakdown of charges:

<u>Description</u>		<u>Amount</u>
Lewis Builders Development	Water Ban Mailing	\$1,595
Lewis Builders Development	Postage	1,025
East Hampstead Post Office	Postage	433
East Hampstead Post Office	Postage	526
RAM	Voting Mailing	184
Hampstead Print & Copy	Envelopes	650
Hampstead Print & Copy	Flyer	1,700

Unbilled Revenue

Unbilled, or Accrued Utility Revenue, is calculated quarterly based on the number of days from the prior meter read date to the end of the quarter. That figure is debited to account 173, Accrued Utility Revenue. At the same time, the outstanding accounts receivable is posted to account 141 and both of these debits are credited to the Revenue account 461. The Company posts cash receipts from customers with a debit to cash and credit to Revenue, #461, during the quarter, and at the end of the quarter, reverses the initial debits to 173, 141 and credit to 461. The result in the Revenue account is actual cash received throughout the year, and the anticipated receivable booked in the fourth quarter.

Uncollectible Revenue

Because of the cash accounting method used to post revenue, when the Uncollectible accounts are determined and debited to account 904, Uncollectible Expense, the Revenue that would have posted and stayed in the Revenue account, but is reversed out quarterly, has to be credited back. While the method is unorthodox, it does correctly reflect the net accounting treatment of Revenue, Receivables and Uncollectible Expense. Refer to Audit Issue #14.

Management, Services and Rental Agreement

Audit reviewed the revised "Management, Services and Rental Agreement" by and between Hampstead Area Water Company, Inc. ("HAWC") and Lewis Builders Development, Inc. dated July 1, 2004 and filed with the PUC on 4/15/05. Attached to the Agreement is Schedule A, Services; Schedule A, Attachment 1, Labor Burden calculation; Schedule A, Attachment 2, Overhead calculation and Schedule B, Rent. For year 2004, the Lewis Builders Labor Burden was calculated at 47% and the Overhead rate was 11%. The Agreement provides language for yearly adjustments for the Labor Burden and Overhead. It states "shall be calculated on or before April 1 of the following year as of December 31 of the previous year and shall apply to the following calendar year."

For the test year, HAWC provided Audit with Schedule A, Services "*As amended*" which contains an August 1, 2007 revision. The revision results in an additional cost to HAWC of \$10,000 per year for IT. HAWC has not filed this amended Agreement with the Commission for approval. **Audit Issue #17**

Audit reviewed the Lewis Builders Development Inc., Labor Burden and Overhead calculations (Schedule A, Attachment 1 and 2) used in year 2007. These calculations are based on year end 2006 Lewis Builders Development Inc. financial data. Starting in year 2006, the Lewis Builders Overhead calculation includes rent of \$179,000. Audit notes that it should be reduced by the amount paid by HAWC to Lewis Builders, or \$16,900, which is shown as the Rent Expense posted to general ledger account 931, General Rents. The calculation also credits the salary and burden for N. Thayer, who works for Lewis Builders Property Management. The

Audit Issue #17

Amended Management Agreement

Background

HAWC provided a copy of the Management Agreement used for the test year.

Exception

The Management Agreement was revised August 1, 2007. At that time, the Company added costs for an IT person that totaled \$10,000 per year.

Per RSA 366:3, any modification to a contract which exceeds \$500 between a public utility and an affiliate shall be filed with the commission within 10 days.

The modified Agreement was not filed by the Company with the PUC as required under RSA 366.3.

Recommendation

The Company should have filed the revised Management Agreement with the Commission as required.

Company Response

The Company agrees that it should have filed the revised Management Agreement with the Commission as required.

Audit Comment

Audit concurs.

8. On page 5 of his testimony in support of temporary rates, lines 3-8, Mr. St. Cyr discusses increased costs of purchased power. What, if anything, is the Company doing to reduce its consumption of electricity?

Answer: The Company monitors its pumps. It monitors its production from its wells. It monitors its electric consumption during the payment of the electric bills.

9. On page 5 of his testimony in support of temporary rates, lines 10-14, Mr. St. Cyr discusses increased costs of chemicals.
- a. Will the proposed interconnection being reviewed in DW 08-088 reduce these costs?
 - b. If no, why?
 - c. If yes, please quantify and state whether the reduction was factored into the pro forma adjustment?

Answer:

- a) No.
- b) The proposed interconnection generally does not affect the amount of water being produced or treated. It may in fact increase such costs. The interconnection is intended in part to relieve the stress on wells in both systems, particularly during the summer. With the interconnection more water may be available that would need to be treated.
- c) See response to 9a.

10. On page 5 of his testimony in support of temporary rates, lines 16-17, Mr. St. Cyr refers to a management agreement with Lewis Builders, Inc.
- a. Please provide a copy of this agreement.
 - b. Please provide an itemized list of the costs arising from this contract which are included in the proposed revenue requirement.

Answer:

- a) See attached.
- b) The management fee of \$110,000 per year is billed at \$9,166.67 per month. The rent of \$16,900 per year is billed at \$1,408.33 per month.

11. On page 5 of his testimony in support of temporary rates, lines 17-19, Mr. St. Cyr refers to a new IT person. Please clarify whether this IT person is an employee of Lewis Builders or HAWC.

Answer: The IT person is an employee is an employee of Lewis Builders Development Inc.

MANAGEMENT / SERVICE / RENTAL AGREEMENT

Agreement made as of July 1, 2004 by and between Hampstead Area Water Company, Inc. ("HAWC") and Lewis Builders Development, Inc. ("Lewis"), both New Hampshire corporations, both of 54 Sawyer Avenue, Atkinson, New Hampshire. HAWC and Lewis are related parties.

WHEREAS, HAWC, a New Hampshire public utility water company, operates systems in various Towns in New Hampshire and has need of certain management and other services and has need to rent certain office, storage and warehouse space in order for it to conduct its daily operations and whereas Lewis has the management, service and real estate facilities necessary to HAWC's daily operations, now therefore the parties agree as follows:

1. Services

Lewis will provide, on an as needed basis, those services as set forth on Schedule A at the hourly or other rate as set forth on Schedule A.

2. Rental

Lewis will provide on an annual basis the square footage of rental space for HAWC's office, storage and warehousing needs as set forth on Schedule B at the per square foot per year rental basis. All real estate taxes, utilities, telephone usage, receptionist, use of copying and related office equipment (excluding copying costs for mass mailings which may be billed at 10 cents per copy) and maintenance costs are included in such per square foot per annum charge which will be recalculated on or before April 1st of the following year, as of the previous December 31st and to be applied for the said following calendar year.

3. Parts and Supplies

a. Lewis will provide HAWC with office supplies at Lewis' cost, plus overhead.

- b. Lewis may, at its discretion, provide operating, repair & replacement parts and supplies with the balance outstanding totaling not more than \$1,000.00 in the aggregate at any one time, which operating/repair items HAWC does not have the ready cash to purchase directly. Such parts or supplies shall be furnished to HAWC at Lewis' direct cost plus the then applicable overhead factor as set forth below.

4. **Labor Burden**

For all labor costs set forth on Schedule A, which rates constitute the gross pay hourly/salary payments to the individual concerned, Lewis will add a "Labor Burden" cost which represents the indirect cost of such labor, such as workers compensation insurance, employee benefits, employer paid payroll taxes, etc. Such "Labor Burden" shall be calculated in accordance with Exhibit 1 to Schedule A and shall be calculated on or before April 1st of the following year as of December 31st of the previous year and shall apply to the following calendar year. The Labor Burden for 2004 is forty-seven percent (47%) of the direct labor rate paid to each employee of Lewis.

5. **Overhead Expense**

For all costs (labor, rent, materials & services) set forth on Schedule A, Lewis will add "Overhead" expense factor (G&A) multiplier calculated on or before April 1st of the following year as of December 31st each year to be applied to the following year, in accordance with the formula set forth on Exhibit II to Schedule A. For 2004, this factor is eleven percent (11%).

6. **Billing Procedure and Content**

A. Lewis will Bill HAWC monthly, in arrears, for the actual cost of all of the items set forth in "3" above, and on Schedule A and B incurred and consumed in the previous month. Item Schedule A.II will be billed in arrears on a quarterly basis.

B. No supply material cost, rental rate, labor charge, overhead or labor burden shall include any profit or "mark up" to Lewis or to any related person or entity to either Lewis or HAWC.

DW 08-065 HAWC Petition for Permanent Rates
Eckberg Testimony, Attachment 17

C. In the event any employee of HAWC or any equipment belonging to HAWC is used by Lewis in any or for any work or project other than HAWC's operations, Lewis shall pay to HAWC the cost of such, including the then "Labor Burden" and overhead rates.

D. The Agreement may be cancelled at any time by either party upon ninety (90) days notice to the other, without penalty, and will be automatically renewed from year to year until and unless such notice is given.

E. This Agreement and any amendment or changes thereto are subject to the prior approval of the New Hampshire Public Utilities Commission.

F. This Agreement supersedes and replaces any and all previous "Management Agreements" between the parties, which previous agreement shall be deemed to have been terminated as of June 30, 2004.

HAMPSTEAD AREA WATER COMPANY, INC.

By: Peter A. Lewis
Peter A. Lewis, President

LEWIS BUILDERS DEVELOPMENT COMPANY, INC.

By: Peter A. Lewis
Peter A. Lewis, President

DW 08-065 HAWC Petition for Permanent Rates
Eckberg Testimony, Attachment 17

MANAGEMENT AGREEMENT

SCHEDULE A

As amended

I. Services (to be billed out as used)

<u>Services</u>	<u>Present Employee / Entity</u>	<u>To be Billed at Actual Rate paid to Employee</u>	
1. Accounting	John Sullivan	+ Burden ¹ + G&A ²	Hourly Basis
2. Legal Advise	Robert Levine, Esquire	+ Burden ¹ + G&A ²	Hourly Basis
3. Legal Secretary	Judy Armstrong	+ Burden ¹ + G&A ²	Hourly Basis
4. Truck Repair & Maintenance	Various employees of Lewis Equipment, Inc.	+ Burden ¹ + G&A ²	Hourly Basis
5. Payroll Services / Real Estate / Tax Service	Julie Lockard	+ Burden ¹ + G&A ²	Hourly Basis
6. Mailing Costs (actual)			

II. Management

Harold J. Morse, President,	\$100,000 per year
Christine Lewis Morse, Vice President ⁴	
Scott Tosti, IT ³	\$10,000 per year

¹ Plus the amount calculated in accordance with Schedule II

² Plus the amount calculated in accordance with Schedule I

³ revised August 1, 2007

⁴ revised June 1, 2008

LEWIS BUILDERS DEVELOPMENT INC.

PUC Audit Staff
Revised 2/15/05
FINAL

Labor Burden
FOR THE YEAR 2004

LBD Account #	Description	Amount
1-10-4100	401k Expense	\$ 12,773.32
1-10-4140	Builders Risk Insurance	\$ 3,374.00
1-10-4220	Equipment Expense-Fuel	\$ 147,041.08
1-10-4280	Health Insurance	\$ 241,831.60
1-10-4300	Holiday/Vacation/Sick Pay	\$ 53,424.22
1-10-4320	Disability Insurance	\$ 237.70
1-90-5200	Life Insurance-Field	\$ 3,460.00
1-10-4360	Misc Tools and Supplies	\$ 103,015.26
1-10-4380	Misc Utilities on Construction on Blds	\$ 63,851.42
1-10-4400	Payroll Taxes-Employer Portion	\$ 207,526.01
1-10-4420	Employee Disability Insurance	\$ (130.68)
? ?	Purchase Discounts	\$ (14,105.86)
1-10-4475	Books, Plans, Estimating, Misc	\$ 484.00
1-10-4485	Cell Phones, Pagers	\$ 3,794.80
1-10-4500	Workers Comp Insurance less 4/15/04 audited amt code B22	\$ 176,408.00
1-10-4510	Safety	\$ 2,213.99
1-10-5280	Engineering & Other Payroll	\$ 5,309.50
? ?	Real Estate Taxes (Misc Land)	\$ 19,020.00

Total Indirect Burden for the year 2003 \$ 1,029,528.36

Adjustments:

Portion of Peter L salary assigned to Labor Burden	
\$25,000 x 4 quarters. See Schedule A Section 11	\$ 100,000.00
401k field included in G&A	\$ 14,737.13
Life Insurance - Field included in G&A	\$ 3,188.15
1/2 of Insurance in Account 1-90-5160	\$ 26,816.19
Less: G&A Workers Compensation	\$ (4,394.70)

Total Adjustments \$ 140,346.77

Adjusted Indirect Overhead \$ 1,169,875.13

Total Direct Labor, Accounts 1-10-4040 and 1-10-4600 \$ 2,501,602.16

Labor Burden % 47%

LEWIS BUILDERS DEVELOPMENT INC.

PUC Audit Staff
Revised 2/15/05
FINAL

Overhead
FOR THE YEAR 2004

2003 Revenue for Lewis Development Inc \$ 16,521,684.00

G&A Expenses for year 2003:

LBD Account #	Description	Amount
1-90-5280	Administrative Payroll	\$ 485,575.99
1-90-5300	Holiday/Vacation/Sick Pay	\$ 129,250.21
1-90-5320	Marketing Payroll-Real Estate	\$ 39,267.50
1-90-5340	Officer's Salary	\$ 926,320.00
1-90-5120	Misc Employee Benefits	\$ 3,499.37
1-90-5140	Health Insurance	\$ 80,404.78
1-90-5220	Advertising (Construction Help Wanted Ads)	\$ 2,026.06
1-90-4400	Payroll Taxes	\$ 70,351.00
1-90-4500	Workers Compensation Insurance	\$ 4,394.70
1-90-5520	Utilities (Garage, Workshop, Office)	\$ 22,716.00
1-90-5000	Accounting Fees (F&D)	\$ 4,565.00
1-90-5400	Professional Development	\$ 1,245.50
1-90-5260	Office Expenses	\$ 25,043.07
1-90-5480	Telephone	\$ 26,222.38
1-90-4100	401k Expense	\$ 25,346.00
1-90-5380	Postage	\$ 7,217.86
1-90-4440, 5040	Miscellaneous Expense Accounts	
5100, 5240, 5440, 5500	" " "	\$ 8,230.09
1-90-4040	Admin OT Payroll	\$ 4,352.00
1-90-5060	Depreciation	\$ 24,720.00
1-90-5050	Computer Expense	\$ 22,859.75
1-90-5160	1/2 of Insurance	\$ 26,816.19
? ?	Advertising	\$ 103,774.00
Total G&A Expenses for the year 2003		\$ 2,044,197.45

Adjustments:

Portion of Peter L salary assigned to Labor Burden \$25,000 x 4 qtrs See Sch	\$ (100,000.00)
401k Field included in G&A	\$ (14,737.13)
Life Insurance - Field included in G&A	\$ (3,188.15)
Wages of Builders Inc Rental employee Thayer	\$ (34,299.00)
Burden for above @ estimate 40%	\$ (13,719.60)
Total Adjustments	\$ (165,943.88)

Adjusted G&A Expenses for 2003 \$ 1,878,253.57

Labor Burden % DW 08-065 HAWC Petition for Permanent Rates
Eckberg Testimony, Attachment 17

SCHEDULE B

<u>Type of Rental</u>	<u>Per Square Foot Rental Per Year</u>	<u>Square Foot Used by HAWC</u>	<u>Total Rental Per Year</u>
Office	\$ 12.00 *	575 sf	\$ 6,900.00
Storage	\$ 5.00 *	1,238 sf	\$ 6,190.00
Warehouse	\$ 5.00 *	762 sf	\$ 3,810.00
Other (description) _____	\$ *		\$
Grand Total:			\$ 16,900.00

* Gross Rent includes real estate taxes, utilities, maintenance.

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February 25, 2009

HAMPSTEAD AREA WATER COMPANY, INC.
DW 08-065
ANSWERS TO OCA DATA REQUESTS - SET 3
PERMANENT RATES

Date request received: 02-25-09
OCA 3-3

Date of Response: 03-11-09
Witness: Stephen P. St. Cyr

3. The response to OCA 1-10 which provides a copy of the most recent Affiliate Agreement includes a Schedule A with attachments 1 and 2 which indicate a revision date of 2/15/2005. Why have these Schedules not been updated since then? When, if ever, will these schedules be updated?

RESPONSE: The schedules have been updated annually and applied. The Affiliate Agreement indicates that it "will be automatically renewed from year to year until and unless notice is given." The Affiliate Agreement further indicates that "this agreement and any amendments or changes thereto are subject to the prior approval of the New Hampshire Public Utilities Commission." The Company does not view the updating of the schedule based on the approved formula/format to require PUC approval. It views such updating on annual basis as a continuation of the previously approved methodology. Likewise, when Harold Morse and Christine Lewis Morse replaced Peter Lewis as "Management" with no change in the compensation, the Company did not view the change in management as requiring PUC approval. Recently, the Company began paying for the services of an IT person as part of the agreement. This represents a new and additional cost that probably should have been brought to the Commission attention for approval. As part of this proceeding, the Company is seeking the annual costs of the IT person.

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OCA Data Requests to HAWC, Set 1

October 9, 2008

proforma adjustments. As such, it deletes the amounts from the worksheets without deleting the format.

18. In Schedule 1B, the Company calculates proforma tax increases for Temporary Rates. The Company appears to charge for both the State Utility Property Tax (\$6.60) and to also use the full Municipal Tax Rate for Atkinson (\$14.10) and Hampstead (\$18.54) – which includes the State Education Tax component. Please explain why.

Answer: The Company inadvertently included the State Education Tax component of the Municipal Tax Rate for Atkinson and Hampstead. The State Education Tax component is \$2.28 and \$2.54 for Atkinson and Hampstead, respectively.

19. Schedule 2, page 1, line 37, concerns “Miscellaneous Deferred Debits.” Please explain what is included in these amounts.

Answer: These amounts include PUC approved rate case expenses that are being charged to expenses as the Company bills such rate case expenses to its customers. It also includes other deferred charges relating to current and future PUC petitions that are being accumulated until decisions are made in those PUC petitions.

20. Schedule 2, page 1 of 2, Line 1 reports Utility Plant in Service at year end 2007 and 2006 of \$10,790,925 and \$10,503,154, respectively. Schedule 3, Line 1 reports corresponding values as \$10,560,296 and \$10,392,913, respectively. Please explain the differences in the corresponding year end values.

Answer: Schedule 2, page 1 of 2, Line 1 reports Utility Plant (not Utility Plant in Service), which includes construction work in progress of \$230,629 and \$110,241 for 2007 and 2006, respectively.

21. Refer to Schedule 2, page 2 of 2, Line 20, “Accounts Payable to Associated Companies (233).”

- a. Please provide details on the amount recorded for this account in 2007, \$990,353.
- b. What is the status of this account (i.e., current or in arrears)?
- c. What are the terms and conditions of payment on this account?

Answer: a) This account is for trade payable due to Lewis Builders and affiliates. See attachment for the details.

b) It is in arrears.

c) No interest or late fees are being paid on these bills at this time. HAWC has been paying this account down as cash is available.

LEWIS

Cut-off Date: 12/31/2007

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
4845	TI-SALES RF BOXES	01/31/2005	82,035.00			82,035.00
5222	August Legal	08/31/2005	3,679.58			3,679.58
5224	August accounting	08/31/2005	2,506.10			2,506.10
5343	Camelot Ct Meters Insta	08/31/2005	3,800.00			3,800.00
5344	Cornerstone Meters Inst	08/31/2005	7,200.00			7,200.00
5345	Replace Well Pump Motor	08/31/2005	1,539.84			1,539.84
5366	Legal & Misc. Fees	09/30/2005	3,163.73			3,163.73
5368	Accounting Fees	09/30/2005	2,858.24			2,858.24
5378	Cricket/Maplevalle Meter	09/30/2005	30,909.00			30,909.00
5383	O. Poirier Sept 05	09/30/2005	1,552.98			1,552.98
5384	O. Poirier Sept 05	09/30/2005	1,552.98			1,552.98
5397	Water Leak - Emerson V1	10/07/2005	1,261.87			1,261.87
5426	Oct Accounting Fees	10/31/2005	1,528.15			1,528.15
5434	Oct. Legal Fees	10/31/2005	2,843.90			2,843.90
5488	Smith Mtn Tank	12/08/2005	98,685.29			98,685.29
5489	100 RF Boxes	11/30/2005	9,700.00			9,700.00
5496	Accting Fees	11/30/2005	2,762.89			2,762.89
5497	Acct/Legal Fees	11/30/2005	1,086.53			1,086.53
5498	Legal Fees	11/30/2005	2,275.36			2,275.36
5503	Engineering - O. Poirie	11/30/2005	3,194.73			3,194.73
5504	Engineering - O. Poirie	11/30/2005	3,194.73			3,194.73
5526	Engineering Fees	12/31/2005	3,498.99			3,498.99
5527	Engineering Fees	12/31/2005	3,727.19			3,727.19
5532	Water Main Repair	12/28/2005	1,340.47			1,340.47
5533	Water Main Repair	12/28/2005	993.42			993.42
5534	Repair Gate Valve cover	12/28/2005	122.85			122.85
5535	Well house grounds	12/28/2005	788.64			788.64
5537	Engineering Fees	12/30/2005	2,465.80			2,465.80
5542	Accounting Fees	12/30/2005	1,685.69			1,685.69
5543	Accounting Fees	12/30/2005	1,034.96			1,034.96
5544	Accounting fees	12/30/2005	1,832.32			1,832.32
5560	Chemicals	12/31/2005	597.30			597.30
5563	Chemicals	12/31/2005	776.89			776.89
5572	Chemicals	12/31/2005	572.43			572.43
5574	Chemicals	12/31/2005	1,345.12			1,345.12
5576	Chemicals	12/31/2005	707.17			707.17
5876	O. Poirier May 05	05/31/2005	1,176.50			1,176.50
5877	O. Poirier May 05	05/31/2005	1,176.50			1,176.50
5878	O. Poirier June 05	06/30/2005	1,534.16			1,534.16
5879	O. Poirier June 05	06/30/2005	1,538.86			1,538.86
5882	Bartlett Brook - replac	06/30/2005	1,724.94			1,724.94
5920	8 new meters Partridge-	06/30/2005	2,011.59			2,011.59
5921	6 new meters Cornerston	06/30/2005	1,749.70			1,749.70
5923	Engineering	07/15/2005	2,183.96			2,183.96
5927	Engineering	07/29/2005	1,185.81			1,185.81
5928	Engineering	07/29/2005	1,094.85			1,094.85
5957	engineering fees	05/21/2007	883.31			883.31
6016	ENGINEERING	01/31/2006	3,130.46			3,130.46
6017	ENGINEERING	02/01/2006	1,123.30			1,123.30
6018	Eastwood Place - 23 met	12/31/2005	7,475.00			7,475.00
6023	ACCOUNTING	01/31/2006	1,490.14			1,490.14
6025	LEGAL FEES	01/31/2006	1,924.23			1,924.23
6034	RF METERS	01/01/2006	9,115.00			9,115.00
6061	ENGINEERING	02/20/2006	695.77			695.77
6065	O. POIRER WORK	01/31/2006	818.72			818.72
6066	O. POIRER WORK	01/31/2006	818.72			818.72
6067	ACCOUNTING FEES	02/28/2006	4,628.15			4,628.15
6068	ACCOUNTING FEES	02/28/2006	798.46			798.46
6072	LEGAL & MISC FEES	02/28/2006	1,919.11			1,919.11
6080	ENGINEERING FEES	02/28/2006	519.27			519.27
6087	SET & PULL PUMP FOR TES	02/28/2006	1,561.81			1,561.81
6115	WATER LEAK REPAIR	03/15/2006	543.41			543.41
6121	WELL HOUSE ROOF -OAKHIL	03/15/2006	542.30			542.30
6150	ENGINEERING FEES	03/28/2006	1,906.30			1,906.30
6152	accounting fees	03/31/2006	2,241.21			2,241.21
6153	legal.misc fees	03/31/2006	1,903.83			1,903.83
6160	water leak-Providence H	03/31/2006	597.34			597.34
6172	Engineering 12/8/05-04/	04/28/2006	3,572.35			3,572.35

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Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
6174	Materials to pipe Arsen	04/28/2006	880.44			880.44
6175	Materials for Arsenic-C	04/28/2006	1,093.25			1,093.25
6176	Materials to pipe Arsen	04/28/2006	1,073.83			1,073.83
6207	Engineering Fees	04/28/2006	1,593.87			1,593.87
6220	Removed & Replaced Pump	04/28/2006	701.08			701.08
6223	Removed & Replaced Pump	04/28/2006	825.27			825.27
6230	Legal & Misc. Fees	04/28/2006	862.01			862.01
6233	Accounting Fees	04/28/2006	3,277.59			3,277.59
6239	Engineering Fees	04/28/2006	1,216.51			1,216.51
6241	Replaced Pump	04/28/2006	2,490.99			2,490.99
6267	Water Leak	05/22/2006	637.88			637.88
6269	Changed PressValve-Squi	05/22/2006	1,013.95			1,013.95
6273	Set Pump Back in Well	05/22/2006	884.75			884.75
6275	Smith MTN Tank	05/31/2006	3,054.82			3,054.82
6282	Lanza\Frey	05/31/2006	748.91			748.91
6306	May accounting	05/31/2006	773.87			773.87
6339	DES Hydrology	06/30/2006	2,106.08			2,106.08
6343	Lanza\Manning	06/30/2006	1,472.19			1,472.19
6354	June accounting	06/30/2006	1,302.34			1,302.34
6357	June legal	06/30/2006	1,216.67			1,216.67
6358	DES Hydrology	06/30/2006	1,060.96			1,060.96
6383		07/25/2006	536.64			536.64
6394		07/25/2006	517.82			517.82
6401		07/31/2006	788.20			788.20
6402		07/31/2006	1,565.60			1,565.60
6403		07/31/2006	727.33			727.33
6404		07/31/2006	617.60			617.60
6405		07/31/2006	675.62			675.62
6451		08/31/2006	2,293.68			2,293.68
6458		08/31/2006	792.14			792.14
6460		08/31/2006	609.35			609.35
6461		08/31/2006	1,323.07			1,323.07
6462		08/31/2006	1,465.29			1,465.29
6464		07/31/2006	1,952.71			1,952.71
6472		08/31/2006	1,699.16			1,699.16
6490		08/31/2006	508.82			508.82
6491		08/31/2006	727.84			727.84
6494	ENGINEERING FEES	09/22/2006	1,068.51			1,068.51
6503	LEGAL FEES	09/30/2006	2,050.11			2,050.11
6507	ACCOUNTING FEES	09/30/2006	2,088.28			2,088.28
6508	ACCOUNTING FEES	09/30/2006	710.75			710.75
6511	ENGINEERING FEES	09/30/2006	1,083.67			1,083.67
6525	MATERIALS FOR HYDROLOGY	09/30/2006	1,124.92			1,124.92
6546	PUTNAM PL PUMPHOUSE	10/16/2006	1,602.29			1,602.29
6555	LEGAL FEES	10/31/2006	500.53			500.53
6556	LEGAL FEES	10/31/2006	673.87			673.87
6562	ACCOUNTING FEES	10/31/2006	1,232.48			1,232.48
6579	ENGINEERING FEES	10/31/2006	1,270.93			1,270.93
6580	ENGINEERING FEES	10/31/2006	859.97			859.97
6583	ENGINEERING FEES	11/10/2006	1,035.50			1,035.50
6584	ENGINEERING FEES	11/10/2006	568.08			568.08
6599	GOWANS	10/31/2006	589.96			589.96
6610	47 PROVIDENCE HILL-LEAK	11/30/2006	592.14			592.14
6611	59 WALKER RED-LEAK	11/30/2006	798.15			798.15
6615	LEGAL-LEVINE/TOOTHAKER	11/30/2006	550.80			550.80
6616	ACCT-SULLIVAN/LOCKARD	11/30/2006	842.03			842.03
6617	ACCT-SULLIVAN/LOCKARD	11/30/2006	1,160.58			1,160.58
6650	ENG-FREY/MANNING ACCT-S	12/15/2006	736.24			736.24
6670	DES Hydrology	12/31/2006	3,038.50			3,038.50
6671	December engineering	12/31/2006	1,209.94			1,209.94
6675	Work on new billing sof	12/31/2006	648.44			648.44
6676	repair water service -	12/31/2006	3,969.16			3,969.16
6677	DES Hydrology	12/31/2006	817.89			817.89
6679	December legal	12/31/2006	1,013.63			1,013.63
6680	repair water service-Em	12/31/2006	884.80			884.80
6682	December acctg	12/31/2006	871.72			871.72
6685	Work on new billing sof	12/31/2006	1,414.70			1,414.70
6700	Stucco well house	12/31/2006	675.08			675.08

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Lewis Builders Development Inc						
6701	Repair service line-Ham	12/31/2006	510.41			510.41
6711	Engineering\acctg	01/16/2007	1,011.22			1,011.22
6712	engineering	01/19/2007	786.19			786.19
6713	engineering	01/19/2007	760.34			760.34
6724	acctg	01/31/2007	913.77			913.77
6726	legal	01/31/2007	527.95			527.95
6728	Hydrology	01/31/2007	878.59			878.59
6757	new detention pond 1452	01/31/2007	2,331.60			2,331.60
6775	engineering	02/28/2007	4,072.21			4,072.21
6776	Hydrology	02/28/2007	2,218.09			2,218.09
6777	accounting	02/28/2007	2,864.32			2,864.32
6779	legal	02/28/2007	1,998.08			1,998.08
6780	hydrology	02/28/2007	1,390.54			1,390.54
6799	repair water service le	02/28/2007	583.17			583.17
6805	snowplowing	02/28/2007	560.00			560.00
6816	hydrology	03/15/2007	1,906.36			1,906.36
6819	engineering	03/15/2007	2,105.96			2,105.96
6829	built roads for new wel	03/23/2007	1,312.82			1,312.82
6840	hydrology	03/30/2007	743.68			743.68
6841	new road for new well -	03/30/2007	7,351.63			7,351.63
6842	accounting	03/30/2007	1,753.50			1,753.50
6843	new website	03/30/2007	1,009.50			1,009.50
6844	fire protection	03/30/2007	855.59			855.59
6845	legal	03/30/2007	2,037.96			2,037.96
6848	1st quarter '07 postage	03/30/2007	1,262.20			1,262.20
6869	engineering	03/30/2007	1,384.55			1,384.55
6875	hydrology	03/30/2007	1,253.50			1,253.50
6883	engineering	04/25/2007	1,231.85			1,231.85
6884	maint on wells	04/25/2007	831.91			831.91
6890	repaired road - 1446	04/25/2007	854.85			854.85
6891	clean up woods at 1714	04/25/2007	2,170.16			2,170.16
6895	Accounting Fees	04/30/2007	1,685.46			1,685.46
6896	Software training	04/30/2007	1,709.07			1,709.07
6901	legal services for Apri	04/30/2007	1,517.51			1,517.51
6909	Engineering Fees	04/30/2007	839.86			839.86
6911	engineeing fees	04/30/2007	608.43			608.43
6913	software training	04/30/2007	619.35			619.35
6916	legal/accounting fees	04/30/2007	790.76			790.76
6921	engineering fees	04/30/2007	806.04			806.04
6923	engineering fees	04/30/2007	2,089.78			2,089.78
6930	dug detention pond	04/30/2007	2,401.81			2,401.81
6931	dug detention pond	04/30/2007	1,161.10			1,161.10
6932	dug detention pond	04/30/2007	1,631.29			1,631.29
6952	engineeing fees	04/30/2007	1,242.75			1,242.75
6953	Engineering fees	05/21/2007	1,321.75			1,321.75
6954	engineering fees	05/21/2007	929.93			929.93
6958	engineering fees	05/21/2007	1,427.63			1,427.63
6968	cleaned brush/well road	05/25/2007	1,312.50			1,312.50
6969	pulled 2 pumps	05/25/2007	528.42			528.42
6970	pulled pump	05/25/2007	526.71			526.71
6971	pulled pump	05/25/2007	520.13			520.13
6984	May acctg	05/31/2007	2,090.00			2,090.00
6985	May misc legal	05/31/2007	2,719.39			2,719.39
6987	Hydrology	05/31/2007	576.50			576.50
7022	Misc eng, ccr's, etc	06/22/2007	2,976.87			2,976.87
7024	Hamp\Atk connection	06/22/2007	1,948.04			1,948.04
7035	June acctg	06/30/2007	1,383.72			1,383.72
7038	June legal	06/30/2007	3,911.54			3,911.54
7044	DIRT CREW	07/06/2007	850.00			850.00
7059	Replaced pump at Bryant	06/30/2007	1,328.17			1,328.17
7062	Grade Rd - Settlers Rid	06/30/2007	630.00			630.00
7063	Burks 50GS-1.5 Centr. P	06/30/2007	2,367.50			2,367.50
7065	Fix leak at main on Wal	07/06/2007	581.18			581.18
7092	2ND QRT 07 POSTAGE	07/31/2007	1,843.26			1,843.26
7093	JULY 07 POSTAGE	07/31/2007	646.56			646.56
7117	DIRT CREW	07/31/2007	732.67			732.67
7121	DIRT CREW	07/31/2007	584.79			584.79
7127	JULY '07 ACCOUNTING FEE	07/31/2007	2,368.45			2,368.45

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Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
7128	JULY '07 LEGAL FEES	07/31/2007	3,076.92			3,076.92
7143	AUGUST '07 ACCOUNTING F	08/31/2007	2,392.85			2,392.85
7156	AUGUST '07 LEGAL / MISC	08/31/2007	5,105.21			5,105.21
7157	ACCOUNTING & LEGAL FEES	08/31/2007	514.09			514.09
7158	ACCOUNTING & LEGAL FEES	08/31/2007	766.45			766.45
7175	ENGINEERING FEES	07/31/2007	1,697.04			1,697.04
7176	ENGINEERING FEES AUG. 0	08/31/2007	1,267.78			1,267.78
7179	ENGINEERING FEES JUNE &	07/31/2007	1,994.55			1,994.55
7180	ENGINEERING FEES AUG. 0	08/31/2007	698.21			698.21
7189	Engineering Fees Jun &	07/31/2007	1,198.79			1,198.79
7190	Engineering Fees Aug. '	08/31/2007	2,090.34			2,090.34
7203	Legal/Misc. Fees July '	08/31/2007	528.80			528.80
7219	SEPT. '07 ACCOUNTING FE	09/28/2007	3,799.05			3,799.05
7224	SEPT. '07 LEGAL / MISC.	09/28/2007	3,443.50			3,443.50
7229	Water Ban Mailing	09/28/2007	1,595.41			1,595.41
7233	Engineering Fees Sept.	09/28/2007	1,102.25			1,102.25
7236	Engineering Fees Sept.	09/28/2007	826.37			826.37
7237	Engineering Fees Sept.	09/28/2007	929.52			929.52
7247	September '07 Postage	09/28/2007	1,499.13			1,499.13
7260	TI - Sales Invoice	09/28/2007	765.00			765.00
7261	TI - Sales Invoice	09/28/2007	1,223.33			1,223.33
7264	9/26/07Pulled Pump-Adde	09/28/2007	490.92			490.92
7284	Repair curb box	10/30/2007	367.70			367.70
7285	Repair water leak	10/30/2007	896.69			896.69
7286	Repair water leak	10/30/2007	802.00			802.00
7287	Repair water leak	10/30/2007	14.58			14.58
7289	Meet w\PUC - Atk Ordina	10/31/2007	200.37			200.37
7290	October Acctg.	10/31/2007	1,042.27			1,042.27
7291	Black Rocks	10/31/2007	445.87			445.87
7293	Atkinson ordinance	10/31/2007	585.21			585.21
7294	October legal	10/31/2007	3,331.20			3,331.20
7296	Oct engineering	10/31/2007	124.04			124.04
7297	Hydrology - Eng.	10/31/2007	2,570.95			2,570.95
7298	engineering	10/31/2007	720.45			720.45
7299	scada	10/31/2007	36.23			36.23
7300	engineering	10/31/2007	303.80			303.80
7301	October postage	11/01/2007	521.10			521.10
7308	Oct 401 k	10/31/2007	1,300.16			1,300.16
7339	Hydrology	11/01/2007	10.50			10.50
7340	Squire Ridge Rd repair	11/01/2007	203.24			203.24
7347	Emerson Trailer Park	11/01/2007	659.22			659.22
7351	Nov acctg	11/30/2007	1,768.89			1,768.89
7353	Nov postage	11/30/2007	559.56			559.56
7356	Nov misc legal	11/30/2007	3,011.22			3,011.22
7357	Hydrology	11/30/2007	157.91			157.91
7358	Black Rocks	11/30/2007	269.38			269.38
7359	2008 Financing	11/30/2007	185.78			185.78
7360	Sargent Woods	11/30/2007	37.16			37.16
7361	Coopers Grove	11/30/2007	55.73			55.73
7364	Nov engineering	11/30/2007	1,185.95			1,185.95
7365	Hydrology	11/30/2007	4,590.35			4,590.35
7366	Nov. engineering	11/30/2007	199.27			199.27
7367	Nov. engineering	11/30/2007	975.44			975.44
7368	Scada work	11/30/2007	105.92			105.92
7369	Black Rocks	11/30/2007	54.35			54.35
7370	snow plowing	11/01/2007	560.00			560.00
7371	Kevinn Hatch- Jameson	11/01/2007	833.33			833.33
7372	Hatch	11/01/2007	416.67			416.67
7373	June engineering	11/01/2007	89.19			89.19
7374	Nov 401 K	11/30/2007	1,599.08			1,599.08
7376	Squire Ridge repair	11/30/2007	812.26			812.26
7399	390 Squire Ridge Rd	11/30/2007	851.42			851.42
7409	20 Stanley Brook	11/30/2007	670.35			670.35
7410	Pope Rd Hydrant	12/14/2007	242.30			242.30
7419	Dec misc acctg	12/31/2007	1,037.48			1,037.48
7422	Dec misc legal	12/31/2007	1,769.76			1,769.76
7423	Black Rocks	12/31/2007	889.29			889.29
7424	2008 Financing	12/31/2007	204.36			204.36

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Lewis Builders Development Inc						
7425	Sargent Woods	12/31/2007	443.50			443.50
7426	Coopers Grove	12/31/2007	513.50			513.50
7427	legal	12/31/2007	27.87			27.87
7430	Dec engineering	12/31/2007	773.46			773.46
7431	Hydrology	12/31/2007	3,531.10			3,531.10
7432	Black Rocks	12/31/2007	18.12			18.12
7433	Coopers Grove	12/31/2007	36.23			36.23
7434	Dec engineering	12/31/2007	36.23			36.23
7435	Dec engineering	12/31/2007	305.19			305.19
7436	Dec postage	12/31/2007	455.46			455.46
7441	snow plowing	12/31/2007	480.00			480.00
7444	New pump Dearborn	12/31/2007	2,284.67			2,284.67
7447	Snow plowing	12/31/2007	1,215.29			1,215.29
7123	RCRD	07/31/2007	61.00			61.00
7458 123107 401	Dec 401 K	12/31/2007	1,297.52			1,297.52
MGMT FEE00002	Monthly Management Fee	08/01/2004	8,333.33			8,333.33
MGMT FEE00003	Monthly Management Fee	09/01/2004	8,333.33			8,333.33
MGMT FEE00004	Monthly Management Fee	10/01/2004	8,333.33			8,333.33
MGMT FEE00005	Monthly Management Fee	11/01/2004	8,333.33			8,333.33
MGMT FEE00006	Monthly Management Fee	12/01/2004	8,333.33			8,333.33
MGMT FEE00007	Monthly Management Fee	01/01/2005	8,333.33			8,333.33
MGMT FEE00008	Monthly Management Fee	02/01/2005	8,333.33			8,333.33
MGMT FEE00009	Monthly Management Fee	03/01/2005	8,333.33			8,333.33
MGMT FEE00010	Monthly Management Fee	04/01/2005	8,333.33			8,333.33
MGMT FEE00011	Monthly Management Fee	05/01/2005	8,333.33			8,333.33
MGMT FEE00012	Monthly Management Fee	06/01/2005	8,333.33			8,333.33
MGMT FEE00013	Monthly Management Fee	07/01/2005	8,333.33			8,333.33
MGMT FEE00014	Monthly Management Fee	08/01/2005	8,333.33			8,333.33
MGMT FEE00015	Monthly Management Fee	09/01/2005	8,333.33			8,333.33
MGMT FEE00016	Monthly Management Fee	10/01/2005	8,333.33			8,333.33
MGMT FEE00017	Monthly Management Fee	11/01/2005	8,333.33			8,333.33
MGMT FEE00018	Monthly Management Fee	12/01/2005	8,333.33			8,333.33
MGMT FEE00019	Monthly Management Fee	01/01/2006	8,333.33			8,333.33
MGMT FEE00020	Monthly Management Fee	02/01/2006	8,333.33			8,333.33
MGMT FEE00021	Monthly Management Fee	03/01/2006	8,333.33			8,333.33
MGMT FEE00022	Monthly Management Fee	04/01/2006	8,333.33			8,333.33
MGMT FEE00023	Monthly Management Fee	05/01/2006	8,333.33			8,333.33
MGMT FEE00024	Monthly Management Fee	06/01/2006	8,333.33			8,333.33
MGMT FEE00025	Monthly Management Fee	07/01/2006	8,333.33			8,333.33
MGMT FEE00026	Monthly Management Fee	08/01/2006	8,333.33			8,333.33
MGMT FEE00027	Monthly Management Fee	09/01/2006	8,333.33			8,333.33
MGMT FEE00028	Monthly Management Fee	10/01/2006	8,333.33			8,333.33
MGMT FEE00029	Monthly Management Fee	11/01/2006	8,333.33			8,333.33
MGMT FEE00030	Monthly Management Fee	12/01/2006	8,333.33			8,333.33
MGMT FEE00031	Monthly Management Fee	01/01/2007	8,333.33			8,333.33
MGMT FEE00032	Monthly Management Fee	02/01/2007	8,333.33			8,333.33
MGMT FEE00033	Monthly Management Fee	03/01/2007	8,333.33			8,333.33
MGMT FEE00034	Monthly Management Fee	04/01/2007	8,333.33			8,333.33
MGMT FEE00035	Monthly Management Fee	05/01/2007	8,333.33			8,333.33
MGMT FEE00036	Monthly Management Fee	06/01/2007	8,333.33			8,333.33
MGMT FEE00037	Monthly Management Fee	07/01/2007	8,333.33			8,333.33
MGMT FEE00038	Monthly Management Fee	08/01/2007	9,166.67			9,166.67
MGMT FEE00039	Monthly Management Fee	09/01/2007	9,166.67			9,166.67
RENT00002	Monthly Office Rent	08/01/2004	1,408.33			1,408.33
RENT00003	Monthly Office Rent	09/01/2004	1,408.33			1,408.33
RENT00004	Monthly Office Rent	10/01/2004	1,408.33			1,408.33
RENT00005	Monthly Office Rent	11/01/2004	1,408.33			1,408.33
RENT00006	Monthly Office Rent	12/01/2004	1,408.33			1,408.33
RENT00007	Monthly Office Rent	01/01/2005	1,408.33			1,408.33
RENT00008	Monthly Office Rent	02/01/2005	1,408.33			1,408.33
RENT00009	Monthly Office Rent	03/01/2005	1,408.33			1,408.33
RENT00010	Monthly Office Rent	04/01/2005	1,408.33			1,408.33
RENT00011	Monthly Office Rent	05/01/2005	1,408.33			1,408.33
RENT00012	Monthly Office Rent	06/01/2005	1,408.33			1,408.33
RENT00013	Monthly Office Rent	07/01/2005	1,408.33			1,408.33
RENT00014	Monthly Office Rent	08/01/2005	1,408.33			1,408.33
RENT00015	Monthly Office Rent	09/01/2005	1,408.33			1,408.33
RENT00016	Monthly Office Rent	10/01/2005	1,408.33			1,408.33

Cut-off Date: 12/31/2007

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
RENT00017	Monthly Office Rent	11/01/2005	1,408.33			1,408.33
RENT00018	Monthly Office Rent	12/01/2005	1,408.33			1,408.33
RENT00019	Monthly Office Rent	01/01/2006	1,408.33			1,408.33
RENT00020	Monthly Office Rent	02/01/2006	1,408.33			1,408.33
RENT00021	Monthly Office Rent	03/01/2006	1,408.33			1,408.33
RENT00022	Monthly Office Rent	04/01/2006	1,408.33			1,408.33
RENT00023	Monthly Office Rent	05/01/2006	1,408.33			1,408.33
RENT00024	Monthly Office Rent	06/01/2006	1,408.33			1,408.33
RENT00025	Monthly Office Rent	07/01/2006	1,408.33			1,408.33
RENT00026	Monthly Office Rent	08/01/2006	1,408.33			1,408.33
RENT00027	Monthly Office Rent	09/01/2006	1,408.33			1,408.33
RENT00028	Monthly Office Rent	10/01/2006	1,408.33			1,408.33
RENT00029	Monthly Office Rent	11/01/2006	1,408.33			1,408.33
RENT00030	Monthly Office Rent	12/01/2006	1,408.33			1,408.33
RENT00031	Monthly Office Rent	01/01/2007	1,408.33			1,408.33
RENT00032	Monthly Office Rent	02/01/2007	1,408.33			1,408.33
RENT00033	Monthly Office Rent	03/01/2007	1,408.33			1,408.33
RENT00034	Monthly Office Rent	04/01/2007	1,408.33			1,408.33
RENT00035	Monthly Office Rent	05/01/2007	1,408.33			1,408.33
RENT00036	Monthly Office Rent	06/01/2007	1,408.33			1,408.33
RENT00037	Monthly Office Rent	07/01/2007	1,408.33			1,408.33
RENT00038	Monthly Office Rent	08/01/2007	1,408.33			1,408.33
Vendor Totals			990,052.46*	.00*	.00*	990,052.46*
Lewis Equipment Company						
6257		10/29/2007	129.56			129.56
6259		11/01/2007	78.36			78.36
6286		10/31/2007	16.10			16.10
6290	2007 Ford f150 repair	11/14/2007	77.05			77.05
Vendor Totals			301.07*	.00*	.00*	301.07*
Report Totals			990,353.53*	.00*	.00*	990,353.53*

Internal Controls

Accounts Payable

General ledger account 231, Accounts Payable, reflects a year end balance of \$51,947, all of which is current. The total agrees with the Payable detailed listing, as well as with the PUC annual report and filing. Audit requested documentation for one payable of \$26,772, or 52%, of entire balance. The invoice, from Emery & Garrett Groundwater, Inc., was for work performed June through November 2007 for Project I- Phase I, Phase II (partial), and Phase III (partial). Phase I refers to the development of a conceptual bedrock aquifer model; phase II refers to geophysical investigations of the bedrock aquifers and an assessment of the subsurface fracture fabric at Settler's Place, Fieldstone, and Midpoint; phase III refers to the collection of groundwater level data, conducting short term step pumping tests on proposed new production wells, collection and analysis of well data, among other assessment efforts. The debit posting of the invoice was offset to Construction Work in Progress, account 1-00-105.00.

General ledger account 233, Accounts Payable to Associated Companies, reflects a year end balance of \$990,354, all owed to affiliates Lewis Builders Development, Inc., (\$990,052) and Lewis Equipment Company (\$301). 100% of the amount owed to the Lewis Equipment Company was for services incurred in the last quarter of 2007 and is thus current.

Audit reviewed the aged payable listing for funds owed to Lewis Builders Development, Inc. and noted the following:

\$ 48,708 dates to activity in 2004 and represents 5% of the total outstanding balance
\$427,477 dates to activity in 2005 and represents 43% of the total outstanding balance
\$238,032 dates to activity in 2006 and represents 24% of the total outstanding balance

To summarize, 72% of the entire amount owed to Lewis Builders Development is over one year past due. As outlined in the Plant section of this report, total net plant at year end 2007 was \$8,326,353. The total outstanding debt older than one year, \$990,052 represents 11.9% of net plant in service. **Audit Issue #1**

Accounts Receivable

Audit verified the receivable "Open Balance Report" at year end to the general ledger account 1-00-141.00 without exception. \$78,435 also agrees with the PUC annual report. In response to Staff Data Request 2-8, the detailed listing of aged receivables was provided, which reflects the breakdown of receivables as:

Current: 33%
31-60 days: 25%
61-90 days: 4%
91-120 days: 19%
Over 120 days: 19% or \$14,149

New Hampshire Public Utilities Commission, Docket No. DW 08-065
OCA Data Requests to HAWC
Set 2
January 14, 2009

ANSWER: Both notes should be at 7.50%.

15. Regarding the response to Staff 1-17(a). Please explain why the notes designated as GL Acct #232.04 and 232.07 have the same outstanding balance at 12/31/2007 as when originally issued on 11/16/2004 and 10/1/2004, respectively.

ANSWER: These 2 notes were for projects developed by 3rd parties. The water systems on these 2 projects were built by Lewis Builders. HAWC, Lewis Builders and the 3rd Party Developer entered into a 3-Party Agreement whereby Lewis Builders would contract to design and build the water system for the 3rd Party and then HAWC would agree to buy the water system from the 3rd Party. The agreement called for no payment to be due to the 3rd Party from HAWC until the 3rd Party paid Lewis Builders in full for constructing the water system. As of this date the 3rd Parties have not yet paid Lewis Builders in full for the water systems. Therefore, under the 3-Party Agreement HAWC owes no money yet to the 3rd parties.

16. Regarding the response to OCA 1-21(a). Please provide a similar attachment covering "trade payables" updated for the following time periods:
- January 1, 2006 through December 31, 2006
 - January 1, 2008 through December 31, 2008

ANSWER: a. See attached.
b. See attached.

17. Regarding the response to OCA 1-21. Please explain what the Company's plan is for dealing with this significant arrearage. What is the current balance of these "Accounts Payable to Associated Companies?"

ANSWER: As of 12/31/08 the balance is \$1,091,919 (see attachment to 16 b). Up until 2008 the Company had been paying this balance down. From 12/31/06 to 12/31/07 the balance was paid down by \$112,293.42. During 2008 the Company's expenses increased drastically with no way to increase revenues. Therefore we could not pay down the past due balance owed. The Company plans to pay down the balance over time as cash flow permits.

Cut-off Date: 12/31/2008

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
6921	engineering fees	04/30/2007	806.04			806.04
6923	engineering fees	04/30/2007	2,089.78			2,089.78
6930	dug detention pond	04/30/2007	2,401.81			2,401.81
6931	dug detention pond	04/30/2007	1,161.10			1,161.10
6932	dug detention pond	04/30/2007	1,631.29			1,631.29
6952	engineeing fees	04/30/2007	1,242.75			1,242.75
6953	Engineering fees	05/21/2007	1,321.75			1,321.75
6954	engineeing fees	05/21/2007	929.93			929.93
6958	engineeing fees	05/21/2007	1,427.63			1,427.63
6968	cleaned brush/well road	05/25/2007	1,312.50			1,312.50
6969	pulled 2 pumps	05/25/2007	528.42			528.42
6970	pulled pump	05/25/2007	526.71			526.71
6971	pulled pump	05/25/2007	520.13			520.13
6984	May acctg	05/31/2007	2,090.00			2,090.00
6985	May misc legal	05/31/2007	2,719.39			2,719.39
6987	Hydrology	05/31/2007	576.50			576.50
7022	Misc eng, ccr's, etc	06/22/2007	2,976.87			2,976.87
7024	Hamp\Atk connection	06/22/2007	1,948.04			1,948.04
7035	June acctg	06/30/2007	1,383.72			1,383.72
7038	June legal	06/30/2007	3,911.54			3,911.54
7044	DIRT CREW	07/06/2007	850.00			850.00
7059	Replaced pump at Bryant	06/30/2007	1,328.17			1,328.17
7062	Grade Rd - Settlers Rid	06/30/2007	630.00			630.00
7063	Burks 50GS-1.5 Centr. P	06/30/2007	2,367.50			2,367.50
7065	Fix leak at main on Wal	07/06/2007	581.18			581.18
7092	2ND QRT 07 POSTAGE	07/31/2007	1,843.26			1,843.26
7093	JULY 07 POSTAGE	07/31/2007	646.56			646.56
7117	DIRT CREW	07/31/2007	732.67			732.67
7121	DIRT CREW	07/31/2007	584.79			584.79
7127	JULY '07 ACCOUNTING FEE	07/31/2007	2,368.45			2,368.45
7128	JULY '07 LEGAL FEES	07/31/2007	3,076.92			3,076.92
7143	AUGUST '07 ACCOUNTING F	08/31/2007	2,392.85			2,392.85
7156	AUGUST '07 LEGAL / MISC	08/31/2007	5,105.21			5,105.21
7157	ACCOUNTING & LEGAL FEES	08/31/2007	514.09			514.09
7158	ACCOUNTING & LEGAL FEES	08/31/2007	766.45			766.45
7175	ENGINEERING FEES	07/31/2007	1,697.04			1,697.04
7176	ENGINEERING FEES AUG. 0	08/31/2007	1,267.78			1,267.78
7179	ENGINEERING FEES JUNE &	07/31/2007	1,994.55			1,994.55
7180	ENGINEERING FEES AUG. 0	08/31/2007	698.21			698.21
7189	Engineering Fees Jun &	07/31/2007	1,198.79			1,198.79
7190	Engineering Fees Aug. '	08/31/2007	2,090.34			2,090.34
7203	Legal/Misc. Fees July '	08/31/2007	528.80			528.80
7219	SEPT. '07 ACCOUNTING FE	09/28/2007	3,799.05			3,799.05
7224	SEPT. '07 LEGAL / MISC.	09/28/2007	3,443.50			3,443.50
7229	Water Ban Mailing	09/28/2007	1,595.41			1,595.41
7233	Engineering Fees Sept.	09/28/2007	1,102.25			1,102.25
7236	Engineering Fees Sept.	09/28/2007	826.37			826.37
7237	Engineering Fees Sept.	09/28/2007	929.52			929.52
7247	September '07 Postage	09/28/2007	1,499.13			1,499.13
7260	TI - Sales Invoice	09/28/2007	765.00			765.00
7261	TI - Sales Invoice	09/28/2007	1,223.33			1,223.33
7264	9/26/07Pulled Pump-Adde	09/28/2007	490.92			490.92
7284	Repair curb box	10/30/2007	367.70			367.70
7285	Repair water leak	10/30/2007	896.69			896.69
7286	Repair water leak	10/30/2007	802.00			802.00
7287	Repair water leak	10/30/2007	14.58			14.58
7289	Meet w/PUC - Atk Ordina	10/31/2007	200.37			200.37
7290	October Acctg.	10/31/2007	1,042.27			1,042.27
7291	Black Rocks	10/31/2007	445.87			445.87
7293	Atkinson ordinance	10/31/2007	585.21			585.21
7294	October legal	10/31/2007	3,331.20			3,331.20
7296	Oct engineering	10/31/2007	124.04			124.04
7297	Hydrology - Eng.	10/31/2007	2,570.95			2,570.95
7298	engineering	10/31/2007	720.45			720.45
7299	scada	10/31/2007	36.23			36.23
7300	engineering	10/31/2007	303.80			303.80
7301	October postage	11/01/2007	521.10			521.10
7308	Oct 401 k	10/31/2007	1,300.16			1,300.16

Cut-off Date: 12/31/2008

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
7339	Hydrology	11/01/2007	10.50			10.50
7340	Squire Ridge Rd repair	11/01/2007	203.24			203.24
7347	Emerson Trailer Park	11/01/2007	659.22			659.22
7351	Nov acctg	11/30/2007	1,768.89			1,768.89
7353	Nov postage	11/30/2007	559.56			559.56
7356	Nov misc legal	11/30/2007	3,011.22			3,011.22
7357	Hydrology	11/30/2007	157.91			157.91
7358	Black Rocks	11/30/2007	269.38			269.38
7359	2008 Financing	11/30/2007	185.78			185.78
7360	Sargent Woods	11/30/2007	37.16			37.16
7361	Coopers Grove	11/30/2007	55.73			55.73
7364	Nov engineering	11/30/2007	1,185.95			1,185.95
7365	Hydrology	11/30/2007	4,590.35			4,590.35
7366	Nov. engineering	11/30/2007	199.27			199.27
7367	Nov. engineering	11/30/2007	975.44			975.44
7368	Scada work	11/30/2007	105.92			105.92
7369	Black Rocks	11/30/2007	54.35			54.35
7370	snow plowing	11/01/2007	560.00			560.00
7371	Kevinn Hatch- Jameson	11/01/2007	833.33			833.33
7372	Hatch	11/01/2007	416.67			416.67
7373	June engineering	11/01/2007	89.19			89.19
7374	Nov 401 K	11/30/2007	1,599.08			1,599.08
7376	Squire Ridge repair	11/30/2007	812.26			812.26
7399	390 Squire Ridge Rd	11/30/2007	851.42			851.42
7409	20 Stanley Brook	11/30/2007	670.35			670.35
7410	Pope Rd Hydrant	12/14/2007	242.30			242.30
7419	Dec misc acctg	12/31/2007	1,037.48			1,037.48
7422	Dec misc legal	12/31/2007	1,769.76			1,769.76
7423	Black Rocks	12/31/2007	889.29			889.29
7424	2008 Financing	12/31/2007	204.36			204.36
7425	Sargent Woods	12/31/2007	443.50			443.50
7426	Coopers Grove	12/31/2007	513.50			513.50
7427	legal	12/31/2007	27.87			27.87
7430	Dec engineering	12/31/2007	773.46			773.46
7431	Hydrology	12/31/2007	3,531.10			3,531.10
7432	Black Rocks	12/31/2007	18.12			18.12
7433	Coopers Grove	12/31/2007	36.23			36.23
7434	Dec engineering	12/31/2007	36.23			36.23
7435	Dec engineering	12/31/2007	305.19			305.19
7436	Dec postage	12/31/2007	455.46			455.46
7441	snow plowing	12/31/2007	480.00			480.00
7444	New pump Dearborn	12/31/2007	2,284.67			2,284.67
7447	Snow plowing	12/31/2007	1,215.29			1,215.29
7476		01/02/2008	756.70			756.70
7483		01/31/2008	1,777.34			1,777.34
7484		01/31/2008	1,901.30			1,901.30
7485	snow plowing	01/31/2008	1,347.50			1,347.50
7488	DES Hydrology	01/31/2008	2,465.08			2,465.08
7490	Coopers Grove	01/31/2008	110.08			110.08
7491		01/31/2008	434.76			434.76
7492		01/31/2008	72.46			72.46
7493		01/31/2008	877.89			877.89
7494	postage	01/31/2008	1,247.09			1,247.09
7495	Sargent Woods	01/31/2008	182.08			182.08
7499	401 k	01/31/2008	1,266.86			1,266.86
7532		02/01/2008	57.96			57.96
7536	LMI feed pump	02/22/2008	863.10			863.10
7538	CC Drive Well	02/22/2008	2,255.78			2,255.78
7540	y\ve work and p\ir	02/29/2008	3,346.63			3,346.63
7542		02/29/2008	527.73			527.73
7543	Sargent Woods	02/29/2008	21.21			21.21
7544		02/29/2008	63.63			63.63
7545	ccr's	02/29/2008	296.94			296.94
7547	DES Hydrology	02/29/2008	1,463.49			1,463.49
7549	Black Rocks	02/29/2008	42.42			42.42
7550		02/29/2008	53.73			53.73
7552		02/29/2008	763.56			763.56
7553	scada	02/29/2008	855.47			855.47

Cut-off Date: 12/31/2008

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
7555		02/29/2008	692.38			692.38
7556		02/29/2008	1,811.04			1,811.04
7557	DES Hydrology	02/29/2008	65.98			65.98
7558	Black Rocks	02/29/2008	131.95			131.95
7559	Financing 07-9811	02/29/2008	697.45			697.45
7560	Sargent Woods	02/29/2008	265.69			265.69
7561	Coopers Grove	02/29/2008	282.81			282.81
7562	Iron Gate	02/29/2008	292.18			292.18
7563	postage	02/29/2008	984.34			984.34
7588	snow plowing	02/29/2008	985.00			985.00
7592		02/29/2008	53.73			53.73
7594	plumbing	02/29/2008	551.35			551.35
7595	misc plumbing work	02/29/2008	1,507.02			1,507.02
7596	misc plumbing work	02/29/2008	441.08			441.08
7604	3 hoyt circle	03/21/2008	562.00			562.00
7605	Waterford - filter valv	03/21/2008	1,061.93			1,061.93
7607	FIXED GATE VALVE	03/25/2008	243.12			243.12
7610	MARCH '08 POSTAGE	03/31/2008	550.66			550.66
7611	y\ae work & p\ar	03/31/2008	809.20			809.20
7612		03/31/2008	226.17			226.17
7613		03/31/2008	106.05			106.05
7614	DES Hydrology	03/31/2008	742.35			742.35
7615	ccr's	03/31/2008	466.62			466.62
7616	scada	03/31/2008	583.98			583.98
7619		03/31/2008	2,141.27			2,141.27
7620		03/31/2008	56.55			56.55
7621	Black Rocks	03/31/2008	137.14			137.14
7622	07-9811 Financing	03/31/2008	96.04			96.04
7623	Coopers Grove	03/31/2008	131.12			131.12
7624	Rate Case	03/31/2008	527.80			527.80
7629		04/03/2008	291.00			291.00
7630		04/03/2008	355.78			355.78
7631		04/03/2008	752.42			752.42
7640		03/01/2008	1,601.42			1,601.42
7641		03/31/2008	1,299.13			1,299.13
7653	snow plowing	03/31/2008	595.00			595.00
7654	misc plumbing	03/31/2008	1,023.06			1,023.06
7672	Bricketts Mill	04/25/2008	14.52			14.52
7674	April 08 deferral & mat	04/30/2008	1,293.96			1,293.96
7675	Walnut Ridge	04/30/2008	21.21			21.21
7676	Engineering Fees	04/30/2008	190.89			190.89
7677	Mgmt/Acctg/Legal	04/30/2008	487.83			487.83
7678	Rate Case	04/30/2008	21.21			21.21
7679	DES Hydrology	04/30/2008	657.51			657.51
7680	Financing Petition	04/30/2008	169.68			169.68
7681	CCR's	04/30/2008	509.04			509.04
7682	Sargent Woods	04/30/2008	63.63			63.63
7683	Scada System	04/30/2008	21.21			21.21
7685	Rate Case	04/30/2008	75.39			75.39
7686	Mgmt/Acctg	04/30/2008	1,850.31			1,850.31
7687	Atk/Hamp	04/30/2008	603.12			603.12
7688	Customer Records	04/30/2008	150.78			150.78
7691	Black Rocks	04/30/2008	150.80			150.80
7692	Iron Gate PUC	04/30/2008	28.28			28.28
7693	Cooper Grove	04/30/2008	53.15			53.15
7694	Financing Petition	04/30/2008	226.20			226.20
7695	Atk/Hamp Inter	04/30/2008	320.45			320.45
7696	Sargent Woods	04/30/2008	150.80			150.80
7697	Mgmt/Acctg/Legal	04/30/2008	2,208.20			2,208.20
7699	Walnut Ridge	04/29/2008	373.35			373.35
7734	Midpoint fix grass	04/30/2008	138.76			138.76
7735	Fix gravel Cogswell	04/30/2008	245.34			245.34
7741	Mulch - Midpoint Island	05/09/2008	496.49			496.49
7742	Mulch - Settlers Ridge	05/09/2008	211.03			211.03
7743	Fix Curb Box - Emerson	05/09/2008	446.35			446.35
7749	Fix Curb Box - Emerson	05/16/2008	14.52			14.52
7750	Water Leak - Village Gr	05/16/2008	767.73			767.73
7758		05/31/2008	1,128.89			1,128.89

Cut-off Date: 12/31/2008

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
7759		05/31/2008	150.78			150.78
7760	Rate Case	05/31/2008	603.12			603.12
7761		05/31/2008	675.38			675.38
7762	Hydrology	05/31/2008	735.15			735.15
7763	Black Rocks	05/31/2008	13.72			13.72
7764	Sargent Woods	05/31/2008	452.40			452.40
7765	Coopers Grove	05/31/2008	18.85			18.85
7766		05/31/2008	1,733.67			1,733.67
7767	Rate Case	05/31/2008	27.44			27.44
7768	Interconnection	05/31/2008	986.23			986.23
7769		05/31/2008	650.43			650.43
7770	Dearborn Ridge	05/31/2008	21.21			21.21
7771		05/31/2008	466.62			466.62
7772		05/31/2008	882.33			882.33
7773	Hydrology	05/31/2008	2,658.30			2,658.30
7774	website	05/31/2008	21.21			21.21
7775	scada	05/31/2008	84.84			84.84
7776	Sargent Woods	05/31/2008	63.63			63.63
7777	ccr's	05/31/2008	360.57			360.57
7778	Rate case	05/31/2008	63.63			63.63
7779	Interconnection	05/31/2008	127.26			127.26
7786	May postage	05/31/2008	615.88			615.88
7806	Midpoint Island Pump Ho	05/31/2008	590.57			590.57
7807	Settlers Ridge Pump Hou	05/31/2008	305.11			305.11
7808	Midpoint Pump House	05/31/2008	110.27			110.27
7809	Village Green Pump Hous	05/31/2008	784.77			784.77
7810	Bricketts Mill Pump Hou	05/31/2008	330.81			330.81
7812	401K deferral match	05/31/2008	1,351.41			1,351.41
7817	pulled pump	06/12/2008	470.46			470.46
7820	Sawyer/Medit PR Station	06/12/2008	11,298.74			11,298.74
7829	Acct. Fees	06/30/2008	643.16			643.16
7830	Acct. Fees	06/30/2008	263.87			263.87
7831	Acct. Fees	06/30/2008	150.78			150.78
7832	Acct. Fees	06/30/2008	301.56			301.56
7833	Account/ Fees	06/30/2008	75.39			75.39
7835	Legal Fees	06/30/2008	980.32			980.32
7836	Legal Fees	06/30/2008	34.30			34.30
7837	Legal Fees	06/30/2008	895.38			895.38
7838	Legal Fees	06/30/2008	1,131.00			1,131.00
7839	Customer Records	06/30/2008	1,022.14			1,022.14
7840	Legal Fees	06/30/2008	487.66			487.66
7841	Legal Fees	06/30/2008	763.43			763.43
7843	Engineering Fees	06/30/2008	169.68			169.68
7844	Engineering Fees	06/30/2008	63.63			63.63
7845	Engineering Fees	06/30/2008	63.63			63.63
7846	Engineering Fees	06/30/2008	657.51			657.51
7847	Engineering Fees	06/30/2008	148.47			148.47
7848	Cornerstone Sandown	06/30/2008	21.21			21.21
7849	Mgmt/Acctg/Legal	06/30/2008	127.26			127.26
7850	DES Hydrology	06/30/2008	1,317.84			1,317.84
7851	Scada System	06/30/2008	63.63			63.63
7852	Sargent Woods Petition	06/30/2008	255.93			255.93
7853	2007 CCR's	06/30/2008	615.09			615.09
7854	Iron Gate PUC	06/30/2008	21.21			21.21
7855	Customer Records	06/30/2008	127.26			127.26
7856	Atk/Hamp Inter conn	06/30/2008	21.21			21.21
7857	Water Leak Apts.	06/30/2008	270.58			270.58
7858	postage	06/30/2008	664.83			664.83
7876	401K deferral match	06/30/2008	1,027.97			1,027.97
7878	Colby Pond	06/30/2008	992.42			992.42
7879	Pit Hatch	06/30/2008	441.08			441.08
7880	Midpoint Pump House	06/30/2008	490.08			490.08
7883	Emerson Park repair	07/01/2008	95.34			95.34
7884		07/01/2008	127.42			127.42
7891	pumps	07/21/2008	2,056.33			2,056.33
7892	Raise shut offs	07/21/2008	253.44			253.44
7894	fix sink hole	07/22/2008	223.46			223.46
7897	Curb box repair	07/22/2008	221.13			221.13

Cut-off Date: 12/31/2008

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
7898	legal fees	07/31/2008	1,764.27			1,764.27
7899	legal fees	07/31/2008	47.13			47.13
7901	legal fees	07/31/2008	197.93			197.93
7902	legal fees	07/31/2008	86.56			86.56
7903	legal fees	07/31/2008	967.26			967.26
7904	legal fees	07/31/2008	566.52			566.52
7905	legal fees	07/31/2008	820.87			820.87
7906	accounting fees	07/31/2008	567.77			567.77
7907	accounting fees	07/31/2008	75.39			75.39
7908	accounting fees	07/31/2008	150.78			150.78
7909	engineering fees	07/31/2008	755.07			755.07
7910	engineering fees	07/31/2008	615.09			615.09
7911	engineering fees	07/31/2008	233.31			233.31
7912	engineering fees	07/31/2008	593.88			593.88
7913	engineering fees	07/31/2008	1,206.14			1,206.14
7914	engineering fees	07/31/2008	424.20			424.20
7915	engineering fees	07/31/2008	63.63			63.63
7916	pump hook up	07/28/2008	79.01			79.01
7922	postage	07/31/2008	541.53			541.53
7935	sampling station	07/31/2008	2,781.70			2,781.70
7938	401K DEFERRAL MATCH	07/31/2008	1,106.85			1,106.85
7943	sampling station	08/08/2008	43.12			43.12
7950	sampling station	08/22/2008	1,805.48			1,805.48
7951	sampling station	08/22/2008	1,903.89			1,903.89
7952	sampling station	08/22/2008	2,297.99			2,297.99
7953	sampling station	08/22/2008	116.16			116.16
7954	accounting fees	08/31/2008	243.54			243.54
7956	legal fees	08/31/2008	75.39			75.39
7957	legal fees	08/31/2008	3,755.15			3,755.15
7960	legal fees	08/31/2008	1,385.78			1,385.78
7961	legal fees	08/31/2008	207.35			207.35
7962	Sargent Woods legal	08/31/2008	28.28			28.28
7963	legal fees	08/31/2008	75.40			75.40
7964	legal fees	08/31/2008	941.82			941.82
7965	legal fees	08/31/2008	46.29			46.29
7966	legal fees	08/31/2008	1,697.22			1,697.22
7967	engineering fees	08/31/2008	42.42			42.42
7968	engineering fees	08/22/2008	275.73			275.73
7969	engineering fees	08/22/2008	699.93			699.93
7970	engineering fees	08/22/2008	51.42			51.42
7971	engineering fees	08/22/2008	954.45			954.45
7972	engineering fees	08/22/2008	2,704.98			2,704.98
7973	engineering fees	08/22/2008	678.72			678.72
7974	engineering fees	08/22/2008	784.77			784.77
7975	postage	07/28/2008	1,964.39			1,964.39
7995	water box	08/31/2008	510.10			510.10
7996	Kevin Hatch	08/31/2008	600.00			600.00
7997	snow removal	08/31/2008	250.00			250.00
7998	supervision	08/31/2008	18,066.70			18,066.70
8004	401K	08/31/2008	1,759.45			1,759.45
8012	INSTALL NEW SERVICE LIN	09/25/2008	1,038.94			1,038.94
8013	DIRT CREW	09/26/2008	306.22			306.22
8014	Pick up parts	09/30/2008	66.15			66.15
8015	Mgmt/Legal/Acctg	09/30/2008	1,779.43			1,779.43
8016	Mgmt/Legal/Acctg	09/30/2008	4,468.23			4,468.23
8017	Mgmt/Legal/Acctg	09/30/2008	103.68			103.68
8018	Mgmt/Legal/Acctg	09/30/2008	733.95			733.95
8019	Mgmt/Legal/Acctg	09/30/2008	2,769.89			2,769.89
8020	Mgmt/Legal/Acctg	09/30/2008	3,170.27			3,170.27
8023	Mgmt/Legal/Acctg	09/30/2008	169.64			169.64
8025	Postage	09/30/2008	657.18			657.18
8029	Sampling Taps	09/30/2008	1,051.22			1,051.22
8049	401K deferral match	09/30/2008	1,170.68			1,170.68
8052	Pulled Pump	10/14/2008	1,605.46			1,605.46
8053	Pulled Pump	10/14/2008	1,369.98			1,369.98
8057	wire pump	10/17/2008	231.21			231.21
8058	changed pump	10/17/2008	2,868.62			2,868.62
8070	Engineering Fees	10/31/2008	42.42			42.42

Cut-off Date: 12/31/2008

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
8071	Engineering Fees	10/31/2008	445.41			445.41
8072	Mgmt/Acctg/Legal	10/31/2008	4,133.43			4,133.43
8073	Engineering Fees	10/31/2008	4,489.44			4,489.44
8074	Scada System	10/31/2008	42.42			42.42
8075	Financing Petition	10/31/2008	1,505.91			1,505.91
8076	Mngmt/Legal/Acctg	10/31/2008	1,070.09			1,070.09
8077	Mngmt/Legal/Acctg	10/31/2008	3,189.88			3,189.88
8078	Mngmt/Legal/Acctg	10/31/2008	7,057.98			7,057.98
8079	Postage	10/31/2008	676.40			676.40
8083	401K	10/31/2008	977.38			977.38
8087	Repair Service Line	11/06/2008	772.36			772.36
8088	Replaced Curb Stop	11/06/2008	361.79			361.79
8115	DES Hydrology	11/20/2008	530.25			530.25
8116	Sampling Taps	11/21/2008	8,571.81			8,571.81
8117	Medit. Flush Repair	11/21/2008	747.58			747.58
8120	Engineering	11/30/2008	106.05			106.05
8121	Engineering	11/30/2008	144.23			144.23
8122	HAWC - Mgt	11/30/2008	4,011.77			4,011.77
8123	Engineering Fees	11/30/2008	3,706.08			3,706.08
8124	Scada	11/30/2008	84.84			84.84
8125	Financing Petition	11/30/2008	254.52			254.52
8126	Legal Fees	11/30/2008	37.70			37.70
8127	Legal Fees	11/30/2008	603.68			603.68
8128	Mgmt. Legal Fees	11/30/2008	1,179.09			1,179.09
8129	Mgmt. Legal Fees	11/30/2008	5,209.90			5,209.90
8132	HAWC Postage	11/30/2008	642.54			642.54
8134	Sampling Taps	11/30/2008	63.71			63.71
8135	DES	11/30/2008	52.19			52.19
8136	401K	11/30/2008	845.69			845.69
8140	Shut Off Repairs	12/05/2008	377.37			377.37
8141	Replace Repair	12/05/2008	837.44			837.44
8142	Repair	11/30/2008	876.91			876.91
8156	Pump house	11/30/2008	186.21			186.21
8170	Rainbow Ridge	12/12/2008	640.04			640.04
8171	Wheelwright	12/12/2008	151.44			151.44
8172	Tanglewood	12/12/2008	322.50			322.50
8173	Rainbow Ridge	12/12/2008	633.45			633.45
8175	Rainbow Ridge	12/19/2008	887.06			887.06
8176	Legal Fees	12/31/2008	272.49			272.49
8177	Mgmt Acctg Legal Fees	12/31/2008	4,316.45			4,316.45
8178	Engineering Fees	12/31/2008	1,848.09			1,848.09
8179	Engineering Fees	12/31/2008	169.68			169.68
8180	Engineering Fees	12/31/2008	42.42			42.42
8181	Accounting Fees	12/31/2008	878.08			878.08
8182	Accounting Fees	12/31/2008	763.39			763.39
8183	Engineering	12/31/2008	212.10			212.10
8184	Engineering	12/31/2008	404.40			404.40
8185	Engineering	12/31/2008	21.21			21.21
8186	401K	12/31/2008	1,043.34			1,043.34
MGMT FEE00006	Monthly Management Fee	12/01/2004	8,333.33			8,333.33
MGMT FEE00007	Monthly Management Fee	01/01/2005	8,333.33			8,333.33
MGMT FEE00008	Monthly Management Fee	02/01/2005	8,333.33			8,333.33
MGMT FEE00009	Monthly Management Fee	03/01/2005	8,333.33			8,333.33
MGMT FEE00010	Monthly Management Fee	04/01/2005	8,333.33			8,333.33
MGMT FEE00011	Monthly Management Fee	05/01/2005	8,333.33			8,333.33
MGMT FEE00012	Monthly Management Fee	06/01/2005	8,333.33			8,333.33
MGMT FEE00013	Monthly Management Fee	07/01/2005	8,333.33			8,333.33
MGMT FEE00014	Monthly Management Fee	08/01/2005	8,333.33			8,333.33
MGMT FEE00015	Monthly Management Fee	09/01/2005	8,333.33			8,333.33
MGMT FEE00016	Monthly Management Fee	10/01/2005	8,333.33			8,333.33
MGMT FEE00017	Monthly Management Fee	11/01/2005	8,333.33			8,333.33
MGMT FEE00018	Monthly Management Fee	12/01/2005	8,333.33			8,333.33
MGMT FEE00019	Monthly Management Fee	01/01/2006	8,333.33			8,333.33
MGMT FEE00020	Monthly Management Fee	02/01/2006	8,333.33			8,333.33
MGMT FEE00021	Monthly Management Fee	03/01/2006	8,333.33			8,333.33
MGMT FEE00022	Monthly Management Fee	04/01/2006	8,333.33			8,333.33
MGMT FEE00023	Monthly Management Fee	05/01/2006	8,333.33			8,333.33
MGMT FEE00024	Monthly Management Fee	06/01/2006	8,333.33			8,333.33

Cut-off Date: 12/31/2008

Invoice	Description	Invoice Date	Gross Amount	Discount Offered	Amount Paid	Balance
Lewis Builders Development Inc						
MGMT FEE00025	Monthly Management Fee	07/01/2006	8,333.33			8,333.33
MGMT FEE00026	Monthly Management Fee	08/01/2006	8,333.33			8,333.33
MGMT FEE00027	Monthly Management Fee	09/01/2006	8,333.33			8,333.33
MGMT FEE00028	Monthly Management Fee	10/01/2006	8,333.33			8,333.33
MGMT FEE00029	Monthly Management Fee	11/01/2006	8,333.33			8,333.33
MGMT FEE00030	Monthly Management Fee	12/01/2006	8,333.33			8,333.33
MGMT FEE00031	Monthly Management Fee	01/01/2007	8,333.33			8,333.33
MGMT FEE00032	Monthly Management Fee	02/01/2007	8,333.33			8,333.33
MGMT FEE00033	Monthly Management Fee	03/01/2007	8,333.33			8,333.33
MGMT FEE00034	Monthly Management Fee	04/01/2007	8,333.33			8,333.33
MGMT FEE00035	Monthly Management Fee	05/01/2007	8,333.33			8,333.33
MGMT FEE00036	Monthly Management Fee	06/01/2007	8,333.33			8,333.33
MGMT FEE00037	Monthly Management Fee	07/01/2007	8,333.33			8,333.33
MGMT FEE00038	Monthly Management Fee	08/01/2007	9,166.67			9,166.67
MGMT FEE00039	Monthly Management Fee	09/01/2007	9,166.67			9,166.67
RENT00034	Monthly Office Rent	04/01/2007	1,408.33			1,408.33
RENT00035	Monthly Office Rent	05/01/2007	1,408.33			1,408.33
RENT00036	Monthly Office Rent	06/01/2007	1,408.33			1,408.33
RENT00037	Monthly Office Rent	07/01/2007	1,408.33			1,408.33
RENT00038	Monthly Office Rent	08/01/2007	1,408.33			1,408.33
Vendor Totals			1,090,939.43*	.00*	.00*	1090,939.43*
Lewis Equipment Company						
6864	OV02	11/26/2008	83.22			83.22
6878	F150	12/08/2008	452.70			452.70
6902	OV02	12/24/2008	444.03			444.03
Vendor Totals			979.95*	.00*	.00*	979.95*
Report Totals			1,091,919.38*	.00*	.00*	1091,919.38*

Audit Issue #1

Past Due Accounts Payable to Associated Companies

Background

General ledger account 233, Accounts Payable to Associated Companies, reflects a year end balance of \$990,354, all owed to affiliates Lewis Builders Development, Inc., (\$990,052) and Lewis Equipment Company (\$301). 100% of the amount owed to the Lewis Equipment Company was for services incurred in the last quarter of 2007 and is thus current.

Exception

Audit reviewed the aged payable listing for funds owed to Lewis Builders Development, Inc. and noted the following:

\$ 48,708 dates to activity in 2004 and represents 5% of the total outstanding balance
\$427,477 dates to activity in 2005 and represents 43% of the total outstanding balance
\$238,032 dates to activity in 2006 and represents 24% of the total outstanding balance

Thus, 72% of the entire amount owed to Lewis Builders Development was over one year past due. The total outstanding debt older than one year, \$990,052 represented 11.9% of net plant in service.

Puc Rule 608.05 requires that all short term debt in excess of 10% of the net asset value be approved by the Commission. Further, statute RSA 369 requires that all long term debt be approved by the Commission.

Recommendation

Specific authority for the outstanding payable must be requested of the Commission, with such approval or denial documented by the Commission.

Company Response

The Company incurs costs for services provided by Lewis Builders Development ("LBD") on a regular basis. LBD bills the Company monthly for certain services and periodically for other services, i.e., maintenance. The Company pays LBD as cash is available. Over time, the A/P to Associated Company has increased to the point that some of the payables are over one year past due. In 2007 the A/P to Associated Company decreased from \$1,102,648 to \$990,353. In 2008 the A/P to Associated Company increased from \$990,353 to \$1,103,394. In 2008 the Company was unable to pay down the A/P to Associated Company because of expenditures incurred with the hydrology study. In 2009, with the conclusion of the hydrology study and the anticipated rate increase, the Company anticipates that the A/P to Associated Company will decrease.

The Company views the A/P to Associated Company as payables rather than short term debt, i.e., note payable with terms and conditions. There is no interest being charged on the balance and there is no specific timetable to pay back the balance. It is not the intent of the Company to allow the A/P to Associated Company to become short term debt.

Audit Comment

Audit understands that the total accounts payable balance, regardless of age, has no interest expense associated with it. The Puc rule requiring authorization for short term debt in excess of 10% of net asset value is reiterated, as well as the long term nature of the payable on the books.

Hampstead Area Water Company

Schedule 2
Page 2 of 2

Balance Sheet - Equity Capital and Liabilities

Line No.	Account Title (Number) (a)	Actual 2007 Year End Balance (b)	Actual 2006 Year End Balance (c)	Actual 2005 Year End Balance (d)
EQUITY CAPITAL				
1	Common Stock Issued (201)	\$ 16,767	\$ 16,767	\$ 16,767
2	Preferred Stock Issued (204)			
3	Capital Stock Subscribed (202,205)			
4	Stock Liability for Conversion (203, 206)			
5	Premium on Capital Stock (207)			
6	Installments Received On Capital Stock (208)			
7	Other Paid-In Capital (209,211)	1,113,401	1,078,401	1,078,401
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(1,413,934)	(1,427,000)	(1,400,911)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ (283,766)	\$ (331,832)	\$ (305,743)
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	3,205,855	2,984,186	1,552,370
17	Total Long-Term Debt	\$ 3,205,855	\$ 2,984,186	\$ 1,552,370
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	51,947	88,427	15,208
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)	990,353	1,102,647	1,033,358
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)			
23	Accrued Taxes (236)	(486)	543	842
24	Accrued Interest (237)	65,694	90,699	90,699
25	Accrued Dividends (238)			
26	Matured Long-Term Debt (239)			
27	Matured Interest (240)			
28	Misc. Current and Accrued Liabilities (241)	(423)	216	13,763
29	Total Current and Accrued Liabilities	\$ 1,107,085	\$ 1,282,532	\$ 1,153,870
DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)			
33	Accumulated Deferred Investment Tax Credits (255)			
34	Accumulated Deferred Income Taxes:			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)			
37	Other (283)			
38	Total Deferred Credits	\$ -	\$ -	\$ -
OPERATING RESERVES				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)		1,205	1,443
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves	\$ -	\$ 1,205	\$ 1,443
CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	6,337,208	6,337,208	5,924,525
45	Accumulated Amortization of C.I.A.C. (272)	1,658,603	1,489,999	1,330,359
46	Total Net C.I.A.C.	\$ 4,678,605	\$ 4,847,209	\$ 4,594,166
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 8,707,779	\$ 8,783,300	\$ 6,996,106

allow the Company to recover its costs and to earn a fair and reasonable return on its investment. The Company has determined that if the proposed revenue is approved, the average annual amount for a residential customer will increase from \$424.92 to \$483.42, an increase of \$58.50 or 13.77%.

9. That during the twelve months ending December 31, 2007, the Company operating revenues amounted to \$1,268,877, an increase of \$192,100 or 18%. The increase in operating revenue in 2007 compared to 2006 was due to increased consumption and increased number of customers. The Company had 2,858 customers at December 31, 2007. The Company's operating expenses consist of operation and maintenance expenses, depreciation and amortization expenses, and taxes. Total 2007 operating expenses amounted to \$1,101,627, an increase of \$127,090 or 13%. Operation and maintenance expenses increased \$85,791. The Company's net operating income amounted to \$167,250. The Company reviewed a number of expense accounts in its preparation of the rate filing. In its review, the Company determined that certain expenses needed to be adjusted in order to reflect what would be considered normal and reoccurring. (See Pre-Filed Testimony of Stephen P. St. Cyr and attached Exhibits)
10. That the Company's overall rates of return are 4.81% and 6.28% for 2007 actual and 2007 proformed, respectively. The Company's overall capital structure is more weighted to debt than it would prefer. However, with the recent amounts of additional paid in capital, the recent rate increases, and the proposed rate increase, earnings should continue to improve, adding to retained earnings while increasing the equity portion of the capital structure. The Company is proposing that the weighted average rate of return be 6.28%. (See Pre-Filed Testimony of Stephen P. St. Cyr and attached Exhibits)

1 labor burden (payroll taxes, etc.) correctly to time charged to various plant
2 accounts. The purpose of the proforma adjustment is to eliminate the negative
3 balance and to restore a reasonable amount of miscellaneous expense.

4 Salaries and Wages

5 In 2007 the Company incurred \$197,235 in salaries and wages. During 2007 the
6 Company made minor adjustments to salaries and wages. The net effect of the
7 minor adjustments results in a 1.6% increase in salaries and wages. As such, the
8 Company made a proforma adjustment of \$3,156, 1.6% of the \$197,235 in
9 salaries and wages. The adjustment does not take into consideration any salaries
10 and wage increases for 2008.

11 Vehicle Expenses

12 In 2007 the Company incurred \$20,253 in vehicle expenses. Of the \$20,253,
13 \$13,568 was for gasoline for the three vehicles. During the twelve months July
14 2007 – June 2008 the Company used 4,495 gallons of gas. With the recent, rapid
15 increase in the price per gallon of gasoline, and the expectation that the price per
16 gallon will remain high or go even higher, the Company anticipates that the same
17 gallons used of gasoline will cost the Company \$17,980, at \$4 per gallon in 2008.

18 Depreciation Expense

19 In 2007, the Company incurred \$332,650 in depreciation expense. As stated
20 earlier, in 2008, the Company filed a request for PUC approval to finance certain
21 capital expenditures (the 2008 Lewis financing). The proforma adjustment to
22 depreciation expense reflects the annual depreciation associated with the 2008
23 additions.

New Hampshire Public Utilities Commission, Docket No. DW 08-065
Definitions and Instructions
OCA Data Requests to HAWC
Set 3
February 25, 2009

HAMPSTEAD AREA WATER COMPANY, INC.
DW 08-065
ANSWERS TO OCA DATA REQUESTS - SET 3
PERMANENT RATES

Date request received: 02-25-09

Date of Response: 03-11-09

OCA 3-10

Witness: John Sullivan

10. Regarding response to Staff 1-20 and OCA 2-6. Please state whether the agreements between HAWC and the towns of Hampstead and Atkinson have been approved by the PUC as special contracts. Please provide the docket number and order number corresponding to any such approval.

RESPONSE: Approved in DW 06-155, order # 24,747.

New Hampshire Public Utilities Commission, Docket No. DW 08-065
OCA Data Requests to HAWC
Set 2
January 14, 2009

Donald Gowans Cert #: 2794- Water Works Operator, Distribution Grade I & Water Works Operator, Treatment Grade I.

Richard Bibeau Cert #: 2601- Water Works Operator, Distribution Grade II & Water Works Operator, Treatment Grade I

6. Regarding the response to Staff 1-20. Please provide copies of the agreements referred to with the towns of Atkinson and Hampton regarding the provision of, and rates for, fire protection services.

ANSWER: See attached. The Town of Hampstead has been sent the renewal contract effective 1/1/09 (also attached). The Town has not yet signed and returned the agreement. The Atkinson agreement is currently billed at \$2,000 per year plus \$200 per hydrant.

7. The Company's response to Staff 1-10(a) refers to a "labor burden allocation problem alluded to by the Company." Please describe in detail the nature of this allocation problem.

ANSWER: The accounting software we use does not allocate burden (payroll taxes, fringes, etc) to plant assets accurately. The software was designed to allocate these costs only to expense accounts. The Company must make manual entries to allocate the burden properly.

8. Regarding the response to Staff 1-13(a).
- Please provide documentation substantiating the claim that the two wells are non-productive.
 - When was the determination made that the two wells were "non-productive?"
 - What does the term "non-productive" mean as used by the Company to describe these two wells?
 - Please provide copies of invoices from well drilling Company for work performed at Bryant Woods and Dearborn Ridge.
 - Please describe in full, and provide copies of invoices for work provided by LBDI and others at these two well sites and billed to the Company.

ANSWER:

- Please see Attached Well Construction records indicating minimal yield.
- The Bryant Woods replacement well was concluded to be unproductive in April of 2007. The Dearborn Ridge well was concluded to be unproductive in June of 2008.
- Non-Productive refers to a well that does not produce or yield sufficient water to help satisfy the requirements of the water system.
- See response to 8 e
- See attached.

CONTRACT

THIS AGREEMENT made this 21st day of November, 2006 between the Hampstead Area Water Company, Inc., (HAWC) a New Hampshire corporation with offices located at 54 Sawyer Road, Atkinson, NH 03811 and the Town of Hampstead, (Town) a municipal corporation with offices located at 11 Main Street, Hampstead, NH - 03841.

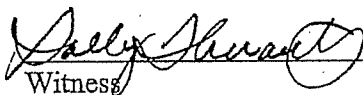
THE PARTIES agree as follows:

1. HAWC will provide a supply of water, to be used for fire emergency purposes only, up to a capacity of 100,000 gallons from hydrants that are to be installed on all lines that are 6" diameter or greater, if those lines can provide a capacity of 500 gallons per minute minimum at the hydrant location.
2. The Town will pay for the availability of the fire protection water supply at a rate of \$2,000 per year. This includes two (2) practice sessions per year by the Town's Fire Department, each practice session to be done at a mutually agreeable time during the year.
3. The installation of hydrants shall be at the Town's expense and the hydrants remain the property of HAWC. The cost of maintenance of the hydrants shall be calculated at the rate of \$160.00 per hydrant that is in service, per year. Maintenance shall include but not be limited to inspection of the hydrants, the function and operation of the valves and hookups, the maintenance of exterior of the hydrants, and replacement of the hydrants, if necessary. Nothing this agreement shall prevent the Town from requiring applicants before Town Boards to install at their expense hydrants and other fire protections services.
4. The contract shall be for a term of two (2) years commencing January 1, 2007 and ending December 31, 2008. At the end of the term, the rates charged herein may be subject to change, upon Agreement by the parties. All changes in rates must be approved by the Public Utilities Commission. This Agreement shall automatically renew unless one party receives written notice of termination Sixty (60) days prior to the end of the term


5. HAWC shall not provide a fire protection water supply on any existing lines that cannot meet, in HAWC'S determination, a minimum capacity of 500 gallons per minute at the hydrant location.
6. HAWC will not be required to pay the difference in pipe sizing for any future line extensions installed by HAWC during any new construction of a system that would otherwise require less than a 6" line for potable water supply if the Town wishes hydrants to be installed for a fire protection water supply.
7. The parties acknowledge that the Hampstead Core system does not have standby generation and HAWC will not be required to provide standby generation for fire protection.
8. The rates contained herein shall be effective as of January 1, 2007 and shall be paid annually by the Town upon invoice by HAWC.
9. This Agreement is subject to the approval of the Public Utilities Commission and all rates contained herein shall, if approved, become part of the tariff for the Hampstead Core System of HAWC and will be subject to the terms and conditions contained therein.

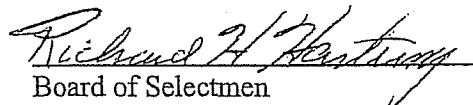
Town of Hampstead

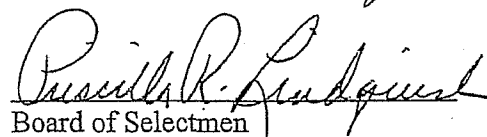

Witness

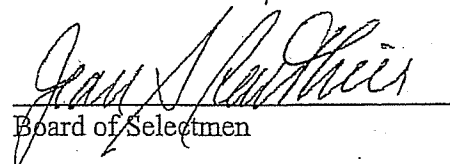

Witness

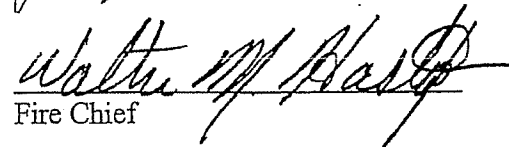

Witness


Witness


Board of Selectmen



Board of Selectmen


Board of Selectmen



Fire Chief

DW 08-065 HAWC Petition for Permanent Rates
Eckberg Testimony, Attachment 27

Hampstead Area Water Co., Inc.



Witness



Peter A. Lewis, President

F:\Legal\HAWC\DW-06-000 Hampstead Fire Protection District\Contract - Revised 10-05-06.Doc

NOT YET SIGNED BY TOWN

CONTRACT

THIS AGREEMENT made this ____ day of January, 2009 between the Hampstead Area Water Company, Inc., (HAWC) a New Hampshire corporation with offices located at 54 Sawyer Road, Atkinson, NH 03811 and the Town of Hampstead (Town), a municipal corporation with offices located at 11 Main Street, Hampstead, NH 03841.

THE PARTIES agree as follows:

1. HAWC will provide a supply of water, to be used for fire emergency purposes only, up to a capacity of 100,000 gallons from hydrants that are to be installed on all lines that are 6" diameter or greater, if those lines can provide a capacity of 500 gallons per minute minimum at the hydrant location.
2. The Town will pay for the availability of the fire protection water supply at a rate of \$2,000 per year. This includes two (2) practice sessions per year by the Town's Fire Department, each practice session to be done at a mutually agreeable time during the year.
3. The installation of hydrants shall be at the Town's expense and the hydrants remain the property of HAWC. The Town agrees to notify HAWC prior to installation of any hydrants to be installed by third parties. Any hydrants not installed by HAWC shall be inspected by HAWC prior to acceptance to assure installation is pursuant to HAWC specifications. The cost of maintenance of the hydrants shall be calculated at the rate of \$200.00 per hydrant that is in service, per year.
4. The contract shall be for a term of two (2) years commencing January 1, 2009 and ending December 31, 2010. At the end of the term, the rates charged herein may be subject to change, upon Agreement by the parties. All changes in rates must be approved by the Public Utilities Commission. This Agreement shall automatically renew unless one party receives written notice of termination Sixty (60) days prior to the end of the term.
5. HAWC shall not provide a fire protection water supply on any existing lines that cannot meet, in HAWC'S determination, a minimum capacity of 500 gallons per minute at the hydrant location.

6. HAWC will not be required to pay the difference in pipe sizing for any future line extensions installed by HAWC during any new construction of a system that would otherwise require less than a 6" line for potable water supply if the Town wishes hydrants to be installed for a fire protection water supply.
7. The parties acknowledge that the Hampstead Core system does not have standby generation and HAWC will not be required to provide standby generation for fire protection.
8. The rates contained herein shall be effective as of January 1, 2009 and shall be paid annually by the Town upon invoice by HAWC.
9. This Agreement is subject to the approval of the Public Utilities Commission and all rates contained herein shall, if approved, become part of the tariff for the Hampstead Core System of HAWC and will be subject to the terms and conditions contained therein.

Town of Hampstead

Witness

Board of Selectmen

Witness

Board of Selectmen

Witness

Board of Selectmen

Witness

Fire Chief

Hampstead Area Water Co., Inc.

Witness

Harold Morse, President

Walnut Ridge Water Company, Inc.

54 SAWYER AVENUE, ATKINSON, NH 03811 (603) 362-5333

April 20, 1994

Billed in October each year.

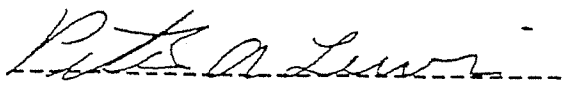
Gentlemen:

The Walnut Ridge Water Company will supply to the Town of Atkinson the necessary facilities to provide a fire district subject to the following conditions:

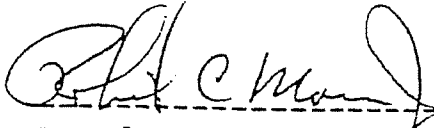
1. The cost to the town for the availability and maintenance to the fire district would be \$1,925 per year.
2. The cost to maintain each hydrant would be \$160.00 per year.
3. For each additional hydrant requested by the town, the cost of installation would be \$2500.00 per hydrant. Hydrant placement will be in a mutually agreeable location.
4. The Company can provide for fire protection on all of its existing lines that are 6" or greater. (This would include approximately four (4) miles of lines currently in place.)
5. On all future line extensions installed by the Company, The Town will have the option to pay the difference in line sizing in order to provide for fire protection.
6. The system does not have standby generation and will not be required to provide standby generation for fire protection.
7. The fees in sections 1 & 2 will become effective January 1, 1996.

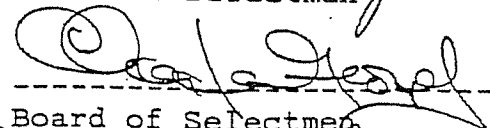
The annual maintenance fee, as referenced in section 1, would allow for the fire department to conduct two (2) practice sessions per year at a mutually convenient time for both the fire department and the water company. It is understood by all parties that it is the policy of the Public Utilities Commission that Fire Protection is a Municipal obligation for which the Water Company must charge the municipality for the cost as outlined above. All final rates will be authorized by the Commission and set forth in The Walnut Ridge Water Company Tariff.

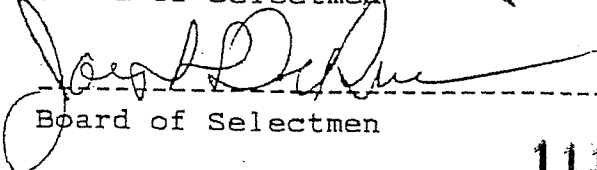
Dated April 25, 1994


Peter A. Lewis, Water Company


Fire Chief


Board of Selectmen


Board of Selectmen


Board of Selectmen

DW 08-065 HAWC Petition for Permanent Rates
TOWN OF ATKINSON Tackberg Testimony, Attachment 27
OFFICE OF THE SELECTMEN
21 ACADEMY AVE.
ATKINSON, NH 03811
TELEPHONE 603-362-5266

The Town of Atkinson is writing to acknowledge its receipt of the mutual agreement between the Town of Atkinson and Walnut Ridge Water Company dated April 20, 1994. We have reviewed the agreement as presented and understand and agree with its content.

We further recognize that the final rate will be authorized by the Public Utilities Commission and set forth in the Walnut Ridge Tariff. It is expected that these rates will not exceed those cited in Sections One and Two.

The Town is responsible to pay Walnut Ridge Water Company the fees as specified in Sections One and Two after January 1, 1996.

All parties agree to work together in a mutually cooperative manner.

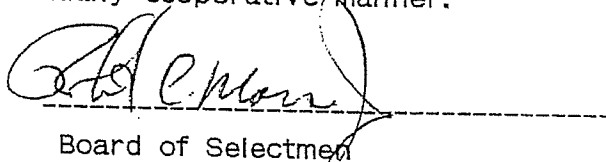
Dated April 25, 1994

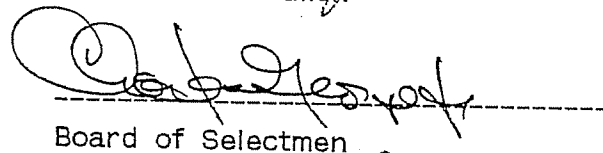


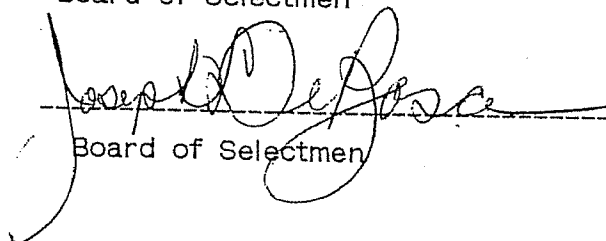
Peter A. Lewis, Water Company



Fire Chief


Board of Selectmen


Board of Selectmen


Board of Selectmen

HAMPSTEAD AREA WATER COMPANY, INC.
DW 08-065
ANSWERS TO STAFF DATA REQUESTS – SET 3
PERMANENT RATES

Date request received: 02-25-09

Date of Response: 03-11-09

Staff 3-1

Witness: John Sullivan

Regarding response to Staff DR 2-1:

- a) Please provide further information with regard to the “Emerson Trailer Extension”.
- b) Please provide a brief narrative with regard to the history and current status of the following proposed developments:
 - i) Four Seasons
 - ii) Irongate
 - iii) Steeple Chase
 - iv) Black Rocks
- c) Please indicate the amount of fire protection revenue collected by the Company by pertinent system and by calendar quarter during 2007 and 2008. Please provide the underlying proof of fire protection revenue earned by system and billing quarter, showing the number of hydrants billed and the appropriate rate.

RESPONSE:

a) The Emerson Trailer Extension is 15 additional lots that are adjacent to the existing Emerson trailer park. Currently one lot out of the 15 has been constructed.

b) i. Four Seasons is a 22 unit 55+ project in Hampstead. Four Seasons has installed the water mains for the project and is currently waiting on market conditions to improve before construction begins.

ii. Irongate is a 32 unit 55+ project in Hampstead. Irongate has two houses built and is expecting to sell them this spring. The water mains have been installed up to the first two houses.

iii. Steeple Chase is a 20 unit project in Hampstead. Steeplechase is completed and all units have been sold or are being rented.

iv. Black Rocks is a 112 unit 55+ project in Fremont. Black Rocks has the majority of the water mains installed and is waiting on market conditions to improve before construction continues.

c) See attached.

Staff 3-1C

Date of Billing	Town	Annual Maintenance Contract Amt	Number of Hydrants Billed	Cost Per Hydrant	Total Revenue Collected
10/9/2007	Hampstead	\$2,000.00	18	\$200.00	\$5,600.00
10/8/2007	Atkinson	\$2,000.00	55	\$200.00	\$13,000.00
10/13/2008	Hampstead	\$2,000.00	24	\$160.00	\$5,840.00
10/13/2008	Atkinson	\$2,000.00	56	\$200.00	\$13,200.00

c-vi) The Company recorded \$495 of interest expense during the test year on the Ford Motor Credit loan. The adjustment of (\$63) represents the reduction of the amount recorded to reflect the first year interest expense on the loan.

d) The “amortized financing cost – associated companies” in the amount of \$730 was derived by accumulating the debt expense associated with various associated companies’ financings and amortizing such debt expense over the various terms of the loans.

e) The “amortized financing cost – 3rd parties” in the amount of \$291 was derived by accumulating the debt expense associated with various 3rd parties’ financings and amortizing such debt expense over the various terms of the loans. The adjustment of \$400 represents the additional amount of annual amortization of debt expense on the various loans.

Staff 1-18

Is the Company aware of any non-recurring expense transactions which were recorded during the test year and are reflected in the current rate request? If yes, please explain.

Answer: No.

Staff 1-19

Does the Company’s current rate request reflect any expenditures, ie, fines, penalties, lobbying, etc., which are normally excluded for rate making purposes? If yes, please explain.

Answer: No.

Staff 1-20

On pages 9 and 10 of Mr. St. Cyr’s testimony on temporary rates, he states that the Company is not proposing to change its fire protection rates. Please state the rational as to why the Company has concluded that the costs to provide fire protection have not increased and therefore no increase should be applied to its fire protection rates.

Answer: The Company’s present fire protection rates were approved in 2007. The Company has agreements with the Towns of Atkinson and Hampstead based on the present fire protection rates. The Company has not renegotiated the fire protection rates with the Towns of Atkinson and Hampstead.

Staff 1-21

Regarding the Four Seasons and Irongate developments referenced in paragraph 5 of the petition, please indicate the following:

- a) Where each development is located;
- b) The number of customers anticipated in each;
- c) The anticipated timing of construction or buildout;

From: Steve St Cyr [stephenpstcyr@yahoo.com]

Sent: Monday, March 30, 2009 5:26 PM

To: Naylor, Mark; Thunberg, Marcia; Laflamme, Jayson; Lenihan, Jim; Brogan, Doug; Hollenberg, Rorie; Eckberg, Stephen R.; Hatfield, Meredith

Cc: John Sullivan; Bob Levine

Subject: Hampstead DW 08-065 Ice Storm, Meters, Additions and Refinancing

Attached is a summary of items introduced at the 3/18/09 technical session and the Company's position on such items. Please review. We look forward to discussing them further at the 4/1/09 technical session.

Steve

Hampstead Area Water Company
DW 08-065
3/18/09 Technical Session

At the March 18, 2009 the Company provided the parties with additional information for consideration and inclusion in the rate case. As a follow up to that additional information, the Company would like to summarize the information and provide its position with respect to it.

December 2008 Ice Storm

In December 2008 the Company's water systems were severely impacted by the ice storm. The Company lost external power to its systems beginning early morning, 12/11, and by 7 am, 12/12, external power was lost to all Company facilities. In order to restore power, the Company rented two large portable generators from Lewis Builders Development. The Company obtained an additional five generators from three separate contractors. The Company incurred \$22,877 for the rental of the generators and services provided by Lewis Builders Development. The Company proposes that the \$22,877 be deferred and amortized to expense over a two year period. As such, test year expenses would be increased by \$11,439.

Replacement of Meters

In 2008 the Company replaced 72 meters. Its actual, average costs amounted to \$490.77 per meter. As part of a Company wide plan to reduce water loss, increase the accuracy of the consumption data and replace all meters over the next 20 years, the Company plans to replace 150 meters per year. The Company proposes to replace 150 meters per year at an annual costs \$73,616 (150 meters x \$490.77). As such, test year expenses would be increased by \$73,616.

PUC approved 2008 Lewis financing and 2008 additions to Plant

In 2008 the Company sought and received PUC approval of certain, planned 2008 additions to plant (i.e., SCADA system upgrades, hydraulic system model/GIS water system mapping and two wells). During the year, the Company postponed the SCADA system upgrades, postponed indefinitely the hydraulic system model / GIS water system mapping and drilled the two new well (and subsequently determined that the two new well were unproductive.) With the postponement of two of the projects, the Company utilized the funds to replace/upgrade/improve other plant. See list of 2008 additions and disposal provide at technical session. Also, see attached Promissory Note for 2008 additions. In 2008 the additions and retirements to plant amounted \$94,232 and \$8,470, respectively. The depreciation on the 2008 additions amounted to \$2,386. The Company proposes to increase rate base and test year expenses for the 2008 additions. As such, test year rate base would increase \$84,569 (\$94,232 - \$8,470 - \$1,193) and test year expenses would increase \$2,386.

2009 Refinancing

Recently, the Company has had some discussions with TD Bank, N.A. ("bank") regarding refinancing a significant portion of its long term debt owed to Lewis Builders, Inc. and Lewis Builders Development Inc. At the technical session, the Company provided the parties with a "Term Sheet for Discussion Purposes Only." The significant terms and conditions are the refinancing of \$1,350,000, five year maturity, twenty year amortization period and 280 basis points above the 5 year Federal Home Loan Bank Classic Advance Rate (6.26% on 3/16/09). Subsequently, the Company has requested that the bank refinance \$1,450,000. See attached schedule of Intercompany Notes to be refinanced. The Company estimates that the annual cash savings are \$33,917. The Company proposes to replace the refinanced debt with the new TD Bank, N.A. debt in the Company's capital structure. As such, the test year capital structure would be adjusted and result in a lower rate of return (lower revenue requirement and lower rates).

The Company appreciates the parties consideration of the aforementioned items. We look forward to discussing these items further at the April 1, 2009 technical session. If you have any questions or comments, please call me at 207-282-5222 or John Sullivan at 603-362-5333.

Sincerely,

Stephen P. St. Cyr

Cc: John Sullivan

**2008 ADDITIONS
PROMISSORY NOTE**

Initial Interest Rate 5.50%
Principle Balance: \$94,232.09
Date: July 1, 2009
Term: Twenty (20) years

Hampstead Area Water Company, Inc. (HAWC) promises to pay to Lewis Builders Development, Inc., (LBDI), the sum of Ninety Four Thousand Two Hundred Thirty Two and 09/100th Dollars (\$94,232.09) ("Principal"), plus interest calculated initially from the date of this note at the rate of Five and 50/100th (5.50%) percent, and payable as follows:

In Two Hundred and Forty (240) monthly installments of \$648.21 commencing on July 1, 2009 and every month thereafter, to be paid on the 1st day of each month until the balance is paid in full. The interest rate shall be adjusted on July 1, 2012 and every three (3) years thereafter, to be calculated in the amount of Two and one-quarter (2-1/4%) plus the Prime Rate as published in the Wall Street Journal on the last business day of each calendar year.

Hampstead Area Water Company, Inc. may prepay this note at any time.

HAMPSTEAD AREA WATER
COMPANY, INC.

Witness:

By: _____
Harold Morse, Its President, duly
authorized.

ACKNOWLEDGED AND ACCEPTED
LEWIS BUILDERS DEVELOPMENT, INC.,

BY _____
Christine Lewis Morse, its President duly authorized

New Hampshire Public Utilities Commission, Docket No. DW 08-065
Definitions and Instructions
OCA Data Requests to HAWC
Set 3
February 25, 2009

HAMPSTEAD AREA WATER COMPANY, INC.
DW 08-065
ANSWERS TO OCA DATA REQUESTS - SET 3
PERMANENT RATES

Date request received: 02-25-09
OCA 3-5

Date of Response: 03-11-09
Witness: John Sullivan

5. The Company's response to Staff 2-15 (a) states that "The Hydraulic System model has been put on hold until the Atkinson and Hampstead interconnection moves forward. The GIS mapping has been put on hold indefinitely." Please confirm that neither of these projects are complete. The Company's response to Staff 2-12 (a) indicates that the Company seeks to include both of these items in rate base and proposes a 5 year depreciation period and the collection of \$16,800 in annual depreciation for these items. Please explain the basis for treating these projects in this way.

RESPONSE: Neither of these projects is complete. Initially, the Company anticipated that these projects would be complete in 2008. As such, it included the additions to plant and the related depreciation in the proforma rate base and proforma expenses. With the recent decision to put the Hydraulic System model and the GIS mapping on hold, the additions to plant and the related depreciation should be removed from the Company's proposed rate base and test year expenses.

concluded to be unproductive in April of 2007. The Dearborn Ridge well was concluded to be unproductive in June of 2008.

- b) See response to 2-12b.

Staff 2-14

Regarding response to Staff Data Request 1-14:

- a) Please provide copies of the Company's 2008 municipal property tax bills received subsequent to its response to Staff DR 1-14.
- b) Please provide a copy of the Company's 2008 State Utility Property Tax Return.
- c) Please provide copies of the Company's 2007 and 2008 detailed property assessment reports compiled by the New Hampshire Department of Revenue Administration.

ANSWER:

- a) See attached.
- b) See attached. The increase should be considered as an adjustment to this rate case. The Company is meeting with the NH DRA to review this bill and possibly file for an abatement.
- c) See attached.

Staff 2-15

Regarding the DW 08-033 financing:

- a) Please describe the current status of the SCADA system upgrades, the hydraulic system model and the GIS water system mapping.
- b) For any and all of the aforementioned projects that have been completed, please provide a detailed final cost analysis.
- c) To the extent any of the above projects have been deferred, please explain why.
- d) If executed, please provide copies of the promissory notes associated with: i) the SCADA system upgrades, ii) the hydraulic study and GIS model, and iii) the two Atkinson wells at Bryant Woods and Dearborn Ridge.

ANSWER:

- a) The SCADA upgrades were put out to bid and the Company has received two quotes. The company has not made a decision on how to move forward. The hydraulic system model has been put on hold until the Atkinson and Hampstead interconnection moves forward. The GIS mapping has been put on hold indefinitely.
- b) Not applicable.