

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 1**

- **The utility's internal financial reports for the following periods:**
  - a. **For the first and last month of the test year;**
  - b. **For the entire test year; and**
  - c. **For the 12 months or 5 quarters prior to the test year**

**Attached.**

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 1 month ended 30th April '07

	<u>April-07</u>	<u>April-06</u>
<u>Operating Revenues:</u>		
Residential	208,758	165,766
Commercial	85,437	67,959
Industrial	2,729	1,226
Public Authorities	3,965	4,087
Public Fire	53,453	42,600
Private Fire	23,019	14,610
Other	8,309	5,410
Total Revenues	<u>385,669</u>	<u>301,659</u>
<u>Operating Expenses:</u>		
Source of Supply	2,715	1,052
Pumping	23,486	17,839
Water Treatment	12,152	8,177
Transmission and Distribution	32,130	39,716
Customer Accounting	15,631	14,861
Information Technology	(1,082)	4,209
Administrative and General	101,617	74,100
	<u>186,650</u>	<u>159,955</u>
Depreciation	69,557	62,224
Taxes Other than Income Taxes	32,774	26,769
	<u>102,331</u>	<u>88,993</u>
Total Operating Expenses	<u>288,981</u>	<u>248,948</u>
	(96,688)	(52,711)
Other Income and Expense	(538)	(1,336)
AFUDC	-	(705)
Income before Interest and Taxes	<u>(97,226)</u>	<u>(54,751)</u>
Interest Expense, Outside	50,519	34,309
Interest Expense, Inside	6,296	19,755
Income before Income Taxes	<u>(40,411)</u>	<u>(688)</u>
State Income Tax - Current	(3,000)	-
Federal Income Tax - Current	(4,000)	-
State Income Tax - Deferred	4,000	-
Federal Income Tax - Deferred	18,000	-
Net Income,	<u>(25,411)</u>	<u>(688)</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 12 months ended 30th March '08

	<u>March-08</u>	<u>March-07</u>
<b><u>Operating Revenues:</u></b>		
Residential	3,075,044	2,436,020
Commercial	1,025,072	996,835
Industrial	19,163	10,863
Public Authorities	82,159	74,682
Public Fire	636,333	542,453
Private Fire	234,986	188,919
Other	71,117	78,209
<b>Total Revenues</b>	<b>5,143,874</b>	<b>4,327,981</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	42,460	41,592
Pumping	309,609	256,599
Water Treatment	107,030	117,351
Transmission and Distribution	445,901	388,827
Customer Accounting	174,464	163,285
Information Technology	100,143	65,489
Administrative and General	1,192,991	1,004,172
	<b>2,372,599</b>	<b>2,037,314</b>
Depreciation	823,706	774,201
Taxes Other than Income Taxes	368,901	356,954
	<b>1,192,607</b>	<b>1,131,155</b>
<b>Total Operating Expenses</b>	<b>3,565,207</b>	<b>3,168,469</b>
	<b>(1,578,667)</b>	<b>(1,159,513)</b>
Other Income and Expense	(69,486)	(60,275)
AFUDC	-	(42,309)
<b>Income before Interest and Taxes</b>	<b>(1,648,153)</b>	<b>(1,262,096)</b>
Interest Expense, Outside	606,228	458,195
Interest Expense, Inside	101,282	139,836
	<b>(940,643)</b>	<b>(664,065)</b>
Income before Income Taxes	88,000	73,000
State Income Tax - Current	370,249	268,000
Federal Income Tax - Current	(7,440)	(17,440)
State Income Tax - Deferred	(11,122)	(57,092)
Federal Income Tax - Deferred	(500,956)	(397,597)
<b>Net Income</b>		

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 12 months ended 30th March '08

	<u>March-08</u>	<u>March-07</u>
<b><u>Operating Revenues:</u></b>		
Residential	3,075,044	2,436,020
Commercial	1,025,072	996,835
Industrial	19,163	10,863
Public Authorities	82,159	74,682
Public Fire	636,333	542,453
Private Fire	234,986	188,919
Other	71,117	78,209
<b>Total Revenues</b>	<b>5,143,874</b>	<b>4,327,981</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	42,460	41,592
Pumping	309,609	256,599
Water Treatment	107,030	117,351
Transmission and Distribution	445,901	388,827
Customer Accounting	174,464	163,285
Information Technology	100,143	65,489
Administrative and General	1,192,991	1,004,172
	<b>2,372,599</b>	<b>2,037,314</b>
Depreciation	823,706	774,201
Taxes Other than Income Taxes	368,901	356,954
	<b>1,192,607</b>	<b>1,131,155</b>
<b>Total Operating Expenses</b>	<b>3,565,207</b>	<b>3,168,469</b>
	<b>(1,578,667)</b>	<b>(1,159,513)</b>
Other Income and Expense	(69,486)	(60,275)
AFUDC	-	(42,309)
<b>Income before Interest and Taxes</b>	<b>(1,648,153)</b>	<b>(1,262,096)</b>
Interest Expense, Outside	606,228	458,195
Interest Expense, Inside	101,282	139,836
	<b>(940,643)</b>	<b>(664,065)</b>
Income before Income Taxes	(940,643)	(664,065)
State Income Tax - Current	88,000	73,000
Federal Income Tax - Current	370,249	268,000
State Income Tax - Deferred	(7,440)	(17,440)
Federal Income Tax - Deferred	(11,122)	(57,092)
<b>Net Income</b>	<b>(500,956)</b>	<b>(397,597)</b>

## AQUARION WATER COMPANY of NEW HAMPSHIRE

## STATEMENT OF INCOME

(In Hundreds of Dollars)

For 11 months ended 28th February '08

	<u>February '08</u>	<u>February-07</u>
<u>Operating Revenues:</u>		
Residential	2,862,525	2,191,297
Commercial	986,955	959,229
Industrial	18,159	9,415
Public Authorities	79,729	72,564
Public Fire	586,118	489,000
Private Fire	216,823	169,160
Other	68,714	71,180
Total Revenues	4,819,022	3,961,844
<u>Operating Expenses:</u>		
Source of Supply	39,598	38,095
Pumping	282,627	224,179
Water Treatment	99,747	110,409
Transmission and Distribution	399,984	348,057
Customer Accounting	160,684	145,639
Information Technology	79,456	56,007
Administrative and General	1,099,420	880,927
	2,161,518	1,803,314
Depreciation	757,408	703,759
Taxes Other than Income Taxes	339,901	323,881
	1,097,309	1,027,640
Total Operating Expenses	3,258,827	2,830,953
	(1,560,195)	(1,130,891)
Other Income and Expense	(66,029)	(50,160)
AFUDC	-	(42,309)
Income before Interest and Taxes	(1,626,224)	(1,223,360)
Interest Expense, Outside	555,709	407,676
Interest Expense, Inside	92,791	134,527
Income before Income Taxes	(977,724)	(681,156)
State Income Tax - Current	89,000	73,000
Federal Income Tax - Current	382,249	274,000
State Income Tax - Deferred	(7,440)	(17,440)
Federal Income Tax - Deferred	(10,122)	(57,092)
Net Income, U.S.	(524,037)	(408,688)

## AQUARION WATER COMPANY of NEW HAMPSHIRE

## STATEMENT OF INCOME

(In Hundreds of Dollars)

For 10 months ended 31st January '08

	<u>January-08</u>	<u>January-07</u>
<u>Operating Revenues:</u>		
Residential	2,692,599	2,029,366
Commercial	912,383	873,650
Industrial	16,529	7,406
Public Authorities	75,848	67,796
Public Fire	535,903	431,165
Private Fire	198,034	147,959
Other	63,736	64,399
Total Revenues	4,495,031	3,621,740
<u>Operating Expenses:</u>		
Source of Supply	35,425	31,278
Pumping	253,095	201,309
Water Treatment	90,496	103,553
Transmission and Distribution	335,378	315,896
Customer Accounting	144,036	126,387
Information Technology	57,319	47,241
Administrative and General	1,010,926	744,722
	1,926,677	1,570,387
Depreciation	684,991	634,202
Taxes Other than Income Taxes	310,563	289,950
	995,554	924,152
Total Operating Expenses	2,922,231	2,494,538
	(1,572,800)	(1,127,202)
Other Income and Expense	(63,225)	(45,500)
AFUDC	-	(42,309)
Income before Interest and Taxes	(1,636,025)	(1,215,011)
Interest Expense, Outside	505,190	357,157
Interest Expense, Inside	84,443	128,970
Income before Income Taxes	(1,046,393)	(728,883)
State Income Tax - Current	92,000	75,000
Federal Income Tax - Current	404,249	289,000
State Income Tax - Deferred	(6,440)	(17,440)
Federal Income Tax - Deferred	(7,122)	(55,092)
Net Income, U.S.	(563,706)	(437,415)

## AQUARION WATER COMPANY of NEW HAMPSHIRE

## STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '07

	<u>December '07</u>	<u>December '06</u>
<b><u>Operating Revenues:</u></b>		
Residential	2,516,507	1,839,141
Commercial	830,607	787,516
Industrial	14,944	6,086
Public Authorities	68,884	62,799
Public Fire	485,688	386,254
Private Fire	179,415	129,417
Other	58,080	57,202
<b>Total Revenues</b>	<b>4,154,124</b>	<b>3,268,414</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	32,109	28,809
Pumping	227,110	177,359
Water Treatment	85,036	97,784
Transmission and Distribution	309,155	285,683
Customer Accounting	132,022	114,199
Information Technology	37,308	41,032
Administrative and General	922,151	665,958
	<b>1,744,893</b>	<b>1,410,825</b>
Depreciation	612,574	564,645
Taxes Other than Income Taxes	280,683	257,352
	<b>893,257</b>	<b>821,997</b>
<b>Total Operating Expenses</b>	<b>2,638,150</b>	<b>2,232,821</b>
	<b>(1,515,974)</b>	<b>(1,035,593)</b>
Other Income and Expense	(60,020)	(48,202)
AFUDC	-	(42,309)
<b>Income before Interest and Taxes</b>	<b>(1,575,994)</b>	<b>(1,126,103)</b>
Interest Expense, Outside	454,671	306,638
Interest Expense, Inside	74,349	122,023
	<b>(1,046,975)</b>	<b>(697,442)</b>
Income before Income Taxes	(1,046,975)	(697,442)
State Income Tax - Current	92,000	74,000
Federal Income Tax - Current	404,249	279,000
State Income Tax - Deferred	(6,440)	(17,440)
Federal Income Tax - Deferred	(7,122)	(56,092)
<b>Net Income</b>	<b>(564,288)</b>	<b>(417,974)</b>

## AQUARION WATER COMPANY of NEW HAMPSHIRE

## STATEMENT OF INCOME

(In Hundreds of Dollars)

For 8 months ended 30th November '07

	<u>November '07</u>	<u>November '06</u>
<b><u>Operating Revenues:</u></b>		
Residential	2,258,623	1,648,717
Commercial	783,795	743,395
Industrial	14,145	5,656
Public Authorities	65,665	59,751
Public Fire	431,793	342,835
Private Fire	159,765	114,853
Other	53,334	52,560
<b>Total Revenues</b>	<b>3,767,120</b>	<b>2,967,768</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	28,151	22,415
Pumping	205,536	169,978
Water Treatment	82,740	90,519
Transmission and Distribution	278,943	251,282
Customer Accounting	120,647	95,284
Information Technology	32,721	34,738
Administrative and General	839,169	613,409
	<b>1,587,908</b>	<b>1,277,624</b>
Depreciation	556,456	500,228
Taxes Other than Income Taxes	244,458	214,792
	<b>800,914</b>	<b>715,020</b>
<b>Total Operating Expenses</b>	<b>2,388,822</b>	<b>1,992,644</b>
	<b>(1,378,298)</b>	<b>(975,124)</b>
Other Income and Expense	(42,628)	(44,722)
AFUDC	-	(3,671)
<b>Income before Interest and Taxes</b>	<b>(1,420,926)</b>	<b>(1,023,517)</b>
Interest Expense, Outside	404,152	256,010
Interest Expense, Inside	66,018	118,864
	<b>(950,757)</b>	<b>(648,644)</b>
Income before Income Taxes	(950,757)	(648,644)
State Income Tax - Current	43,000	43,000
Federal Income Tax - Current	324,000	160,000
State Income Tax - Deferred	4,000	13,000
Federal Income Tax - Deferred	18,000	48,000
<b>Net Income</b>	<b>(561,757)</b>	<b>(384,644)</b>



AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 7 months ended 31st October '07

	<u>October-07</u>	<u>October-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,989,834	1,420,912
Commercial	675,580	653,690
Industrial	12,819	4,889
Public Authorities	46,920	44,117
Public Fire	378,098	299,682
Private Fire	138,580	100,289
Other	48,520	48,145
 Total Revenues	 3,290,351	 2,571,724
 <b><u>Operating Expenses:</u></b>		
Source of Supply	25,656	18,614
Pumping	175,360	147,668
Water Treatment	75,583	80,993
Transmission and Distribution	245,575	217,451
Customer Accounting	106,848	81,126
Information Technology	27,332	29,709
Administrative and General	742,058	534,935
	1,398,414	1,110,496
 Depreciation	 486,899	 435,568
Taxes Other than Income Taxes	215,536	187,905
	702,436	623,473
 Total Operating Expenses	 2,100,850	 1,733,970
	(1,189,501)	(837,754)
Other Income and Expense	(33,010)	(43,137)
AFUDC	-	(3,418)
Income before Interest and Taxes	(1,222,511)	(884,309)
Interest Expense, Outside	353,633	205,248
Interest Expense, Inside	58,592	116,558
	(810,286)	(562,504)
Income before Income Taxes	(810,286)	(562,504)
State Income Tax - Current	36,000	37,000
Federal Income Tax - Current	273,000	139,000
State Income Tax - Deferred	4,000	11,000
Federal Income Tax - Deferred	18,000	41,000
 Net Income	 (479,286)	 (334,504)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6months ended 30th September '07

	<u>September-07</u>	<u>September-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,739,689	1,253,059
Commercial	552,862	540,715
Industrial	11,096	3,960
Public Authorities	39,030	38,385
Public Fire	324,403	256,798
Private Fire	118,904	85,725
Other	40,063	43,656
 Total Revenues	 <u>2,826,047</u>	 <u>2,222,298</u>
 <b><u>Operating Expenses:</u></b>		
Source of Supply	22,946	16,321
Pumping	148,610	129,933
Water Treatment	67,589	71,089
Transmission and Distribution	198,521	189,858
Customer Accounting	94,398	70,430
Information Technology	20,735	26,751
Administrative and General	647,396	455,760
	<u>1,200,196</u>	<u>960,142</u>
 Depreciation	 <u>417,342</u>	 <u>373,344</u>
Taxes Other than Income Taxes	185,825	157,657
	<u>603,167</u>	<u>531,001</u>
 Total Operating Expenses	 <u>1,803,363</u>	 <u>1,491,143</u>
	<u>(1,022,684)</u>	<u>(731,155)</u>
Other Income and Expense	(27,619)	(41,836)
AFUDC	-	(3,180)
Income before Interest and Taxes	<u>(1,050,302)</u>	<u>(776,171)</u>
Interest Expense, Outside	303,114	154,755
Interest Expense, Inside	50,028	113,472
	<u>(697,160)</u>	<u>(507,945)</u>
Income before Income Taxes	(697,160)	(507,945)
State Income Tax - Current	30,000	33,000
Federal Income Tax - Current	233,000	126,000
State Income Tax - Deferred	4,000	10,000
Federal Income Tax - Deferred	18,000	37,000
 Net Income	 <u>(412,160)</u>	 <u>(301,945)</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 5 months ended 31st August '07

	<u>August-07</u>	<u>August-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,372,380	930,518
Commercial	495,483	563,389
Industrial	17,165	3,338
Public Authorities	37,295	35,403
Public Fire	270,708	214,198
Private Fire	99,356	71,480
Other	49,917	36,979
 Total Revenues	 2,342,303	 1,855,305
<b><u>Operating Expenses:</u></b>		
Source of Supply	19,239	12,740
Pumping	117,567	96,236
Water Treatment	51,616	45,782
Transmission and Distribution	166,562	151,261
Customer Accounting	82,473	56,168
Information Technology	16,385	22,426
Administrative and General	539,610	366,994
	993,453	751,607
 Depreciation	 347,785	 311,120
Taxes Other than Income Taxes	155,991	126,667
	503,776	437,787
 Total Operating Expenses	 1,497,229	 1,189,394
 Income before Interest and Taxes	 (845,074)	 (665,912)
Other Income and Expense	(13,433)	(40,773)
AFUDC	-	(2,946)
 Income before Interest and Taxes	 (858,506)	 (709,631)
Interest Expense, Outside	252,595	104,267
Interest Expense, Inside	42,080	110,812
 Income before Income Taxes	 (563,831)	 (494,551)
State Income Tax - Current	23,000	32,000
Federal Income Tax - Current	184,000	122,000
State Income Tax - Deferred	4,000	10,000
Federal Income Tax - Deferred	18,000	36,000
 Net Income, U.S.	 (334,831)	 (294,551)

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 4 months ended 31st July '07

	<u>July-07</u>	<u>July-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,075,141	819,645
Commercial	375,211	365,286
Industrial	15,117	3,106
Public Authorities	32,529	20,512
Public Fire	218,213	171,428
Private Fire	79,461	57,235
Other	44,966	32,582
 Total Revenues	 1,840,637	 1,469,794
 <b><u>Operating Expenses:</u></b>		
Source of Supply	13,876	9,922
Pumping	94,789	73,087
Water Treatment	37,378	34,296
Transmission and Distribution	141,569	122,503
Customer Accounting	67,774	44,827
Information Technology	15,992	18,228
Administrative and General	430,190	286,665
	801,570	589,528
 Depreciation	 278,228	 248,896
Taxes Other than Income Taxes	124,747	96,108
	402,975	345,004
 Total Operating Expenses	 1,204,545	 934,531
	(636,092)	(535,262)
Other Income and Expense	(10,959)	(39,337)
AFUDC	-	(2,946)
 Income before Interest and Taxes	 (647,050)	 (577,545)
Interest Expense, Outside	202,076	77,714
Interest Expense, Inside	33,416	88,522
 Income before Income Taxes	 (411,558)	 (411,308)
State Income Tax - Current	16,000	27,000
Federal Income Tax - Current	132,000	102,000
State Income Tax - Deferred	4,000	8,000
Federal Income Tax - Deferred	18,000	30,000
 <b>Net Income, U.S.</b>	 (241,558)	 (244,308)

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 3 months ended 30th June '07

	<u>June-07</u>	<u>June-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	854,329	681,603
Commercial	264,051	211,766
Industrial	6,094	3,074
Public Authorities	19,191	21,618
Public Fire	164,518	128,657
Private Fire	59,642	85,725
Other	36,351	29,150
<b>Total Revenues</b>	<b>1,404,175</b>	<b>1,161,593</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	9,619	6,147
Pumping	74,028	52,040
Water Treatment	25,873	23,185
Transmission and Distribution	105,501	102,833
Customer Accounting	47,582	34,753
Information Technology	10,321	11,438
Administrative and General	313,354	198,690
	<b>586,279</b>	<b>429,086</b>
Depreciation	208,671	186,672
Taxes Other than Income Taxes	92,555	83,090
	<b>301,226</b>	<b>269,762</b>
<b>Total Operating Expenses</b>	<b>887,505</b>	<b>698,848</b>
	<b>(516,670)</b>	<b>(462,745)</b>
Other Income and Expense	(8,078)	(36,999)
AFUDC	-	(2,168)
<b>Income before Interest and Taxes</b>	<b>(524,748)</b>	<b>(501,911)</b>
Interest Expense, Outside	151,557	58,286
Interest Expense, Inside	23,001	64,930
	<b>(350,190)</b>	<b>(378,696)</b>
Income before Income Taxes	(350,190)	(378,696)
State Income Tax - Current	13,000	25,000
Federal Income Tax - Current	108,000	93,000
State Income Tax - Deferred	4,000	7,000
Federal Income Tax - Deferred	18,000	28,000
<b>Net Income, U.S.</b>	<b>(207,190)</b>	<b>(225,696)</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 2 months ended 31st May '07

	<u>May-07</u>	<u>May-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	576,039	469,657
Commercial	221,273	154,694
Industrial	4,982	2,257
Public Authorities	13,366	17,882
Public Fire	106,906	85,885
Private Fire	40,619	28,331
Other	15,394	26,341
Total Revenues	978,578	785,047
<b><u>Operating Expenses:</u></b>		
Source of Supply	5,894	3,753
Pumping	48,462	36,269
Water Treatment	19,201	16,071
Transmission and Distribution	76,967	66,594
Customer Accounting	29,370	13,347
Information Technology	6,430	8,940
Administrative and General	207,450	157,593
	393,774	302,565
Depreciation	139,114	124,448
Taxes Other than Income Taxes	65,950	54,569
	205,064	179,017
Total Operating Expenses	598,838	481,583
	(379,740)	(303,465)
Other Income and Expense	644	(30,679)
AFUDC	-	(1,422)
Income before Interest and Taxes	(379,097)	(335,566)
Interest Expense, Outside	101,038	38,857
Interest Expense, Inside	14,304	42,232
Income before Income Taxes	(263,754)	(254,476)
State Income Tax - Current	8,000	17,000
Federal Income Tax - Current	76,000	63,000
State Income Tax - Deferred	4,000	5,000
Federal Income Tax - Deferred	18,000	19,000
<b>Net Income, U.S.</b>	(157,754)	(150,476)

## AQUARION WATER COMPANY of NEW HAMPSHIRE

## STATEMENT OF INCOME

(In Hundreds of Dollars)

For 1 month ended 30th April '07

	<u>April-07</u>	<u>April-06</u>
<u>Operating Revenues:</u>		
Residential	208,758	165,766
Commercial	85,437	67,959
Industrial	2,729	1,226
Public Authorities	3,965	4,087
Public Fire	53,453	42,600
Private Fire	23,019	14,610
Other	8,309	5,410
Total Revenues	385,669	301,659
<u>Operating Expenses:</u>		
Source of Supply	2,715	1,052
Pumping	23,486	17,839
Water Treatment	12,152	8,177
Transmission and Distribution	32,130	39,716
Customer Accounting	15,631	14,861
Information Technology	(1,082)	4,209
Administrative and General	101,617	74,100
	186,650	159,955
Depreciation	69,557	62,224
Taxes Other than Income Taxes	32,774	26,769
	102,331	88,993
Total Operating Expenses	288,981	248,948
	(96,688)	(52,711)
Other Income and Expense	(538)	(1,336)
AFUDC	-	(705)
Income before Interest and Taxes	(97,226)	(54,751)
Interest Expense, Outside	50,519	34,309
Interest Expense, Inside	6,296	19,755
Income before Income Taxes	(40,411)	(688)
State Income Tax - Current	(3,000)	-
Federal Income Tax - Current	(4,000)	-
State Income Tax - Deferred	4,000	-
Federal Income Tax - Deferred	18,000	-
Net Income,	(25,411)	(688)

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	April 30			April 30	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 30,633	\$ 29,565	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(7,794)	(7,116)	Common stock	2,187	2,187
Net utility plant	22,839	22,449	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	1,963	1,868
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,191	8,096
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	268	183	To associated companies	1,500	1,100
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(40)	(42)	Total	1,500	1,100
Dividends receivable			<u>CURRENT AND ACCRUED LIABILITIES</u>		
Receivables from associated companies	48	27	Accounts payable and accrued liab	1,375	902
Accrued revenues	501	388	Current maturities of long-term debt		
Materials and supplies, at cost	161	117	Dividends payable	1	1
Prepayments	154	14	Payables to associates		
Total current assets	1,092	687	Accrued bond interest	188	188
<u>NOTES RECEIVABLE</u>			Accrued federal income taxes		
From associated companies			Accrued state income taxes	-	-
Other			Other accrued taxes		
Total	-	-	Total current liabilities	1,564	1,091
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,909	2,814
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	11	382
Total	-	-	Other deferred credits		
<u>DEFERRED DEBITS</u>			Total deferred credits	2,920	3,196
Unamortized debt discount and expense	214	223	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,417	2,078
Unfunded deferred taxes	568	575			
Prepaid taxes					
Other deferred debits	779	527			
Total deferred debits	1,561	1,325			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	25,492	24,461	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	25,492	24,461



# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	March 31,			March 31,	
	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,799	\$ 30,521	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,423)	(7,725)	Common stock	2,187	2,187
Net utility plant	24,376	22,796	Paid in capital	3,558	3,558
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,031	1,938
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,259	8,166
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	12	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	319	383			
Miscellaneous receivables	38	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(55)	(39)	To associated companies	2,600	1,300
Dividends receivable			Other		
Receivables from associated companies	-	51	Total	2,600	1,300
Accrued revenues	357	352			
Materials and supplies, at cost	100	158	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	161	177	Accounts payable and accrued liab	1,451	1,458
Total current assets	920	1,094	Current maturities of long-term debt		
			Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates	-	-
From associated companies			Accrued bond interest	138	321
Other			Accrued federal income taxes		-
Total	-	-	Accrued state income taxes	-	-
			Other accrued taxes		-
<u>OTHER INVESTMENTS</u>			Total current liabilities	1,590	1,780
Investments in subsidiaries					
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,854	2,887
Miscellaneous			Unfunded deferred taxes		
Total	-	-	Deferred gain on land sale		
			Customers' advances for construction	2	11
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	206	215	Total deferred credits	2,856	2,898
Unfunded deferred taxes	554	569			
Prepaid taxes			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,393	2,420
Other deferred debits	542	790			
Total deferred debits	1,302	1,574			
			<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,598	\$ 25,464
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,598	\$ 25,464			

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	April 30 <u>2007</u>	2006		April 30 <u>2007</u>	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 30,633	\$ 29,565	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(7,794)	(7,116)	Common stock	2,187	2,187
Net utility plant	22,839	22,449	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	1,963	1,868
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,191	8,096
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	268	183	To associated companies	1,500	1,100
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(40)	(42)	Total	1,500	1,100
Dividends receivable			<u>CURRENT AND ACCRUED LIABILITIES</u>		
Receivables from associated companies	48	27	Accounts payable and accrued liab	1,375	902
Accrued revenues	501	388	Current maturities of long-term debt		
Materials and supplies, at cost	161	117	Dividends payable	1	1
Prepayments	154	14	Payables to associates		
Total current assets	1,092	687	Accrued bond interest	188	188
<u>NOTES RECEIVABLE</u>			Accrued federal income taxes		
From associated companies			Accrued state income taxes	-	-
Other			Other accrued taxes		
Total	-	-	Total current liabilities	1,564	1,091
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,909	2,814
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	11	382
Total	-	-	Other deferred credits		
<u>DEFERRED DEBITS</u>			Total deferred credits	2,920	3,196
Unamortized debt discount and expense	214	223	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,417	2,078
Unfunded deferred taxes	568	575			
Prepaid taxes					
Other deferred debits	779	527			
Total deferred debits	1,561	1,325			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>25,492</b>	<b>24,461</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>25,492</b>	<b>24,461</b>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**  
**BALANCE SHEETS**  
(In thousands of dollars)

	May 31			May 31	
	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 30,861	\$ 29,702	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(7,864)	(7,181)	Common stock	2,187	2,187
Net utility plant	<u>22,997</u>	<u>22,521</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,096	2,002
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,324</u>	<u>8,230</u>
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Cash	-	-			
Accounts receivable	204	181	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	-	-	To associated companies	1,500	1,300
Reserve for uncollectibles	(40)	(42)	Other		
Dividends receivable			Total	<u>1,500</u>	<u>1,300</u>
Receivables from associated companies	-	-			
Accrued revenues	778	656	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Materials and supplies, at cost	166	126	Accounts payable and accrued liab	1,467	795
Prepayments	114	(28)	Current maturities of long-term debt		
Total current assets	<u>1,222</u>	<u>893</u>	Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	238	238
Other			Accrued federal income taxes		
Total	<u>-</u>	<u>-</u>	Accrued state income taxes	5	-
<u>OTHER INVESTMENTS</u>			Other accrued taxes		
Investments in subsidiaries			Total current liabilities	<u>1,711</u>	<u>1,034</u>
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,909	2,824
Miscellaneous			Unfunded deferred taxes		
Total	<u>-</u>	<u>-</u>	Deferred gain on land sale		
<u>DEFERRED DEBITS</u>			Customers' advances for construction	11	382
Unamortized debt discount and expense	214	222	Other deferred credits		
Unfunded deferred taxes	568	575	Total deferred credits	<u>2,920</u>	<u>3,206</u>
Prepaid taxes					
Other deferred debits	768	533	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,414</u>	<u>2,074</u>
Total deferred debits	<u>1,550</u>	<u>1,330</u>			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><b>\$ 25,769</b></u>	<u><b>\$ 24,744</b></u>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<u><b>\$ 25,769</b></u>	<u><b>\$ 24,744</b></u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**  
**BALANCE SHEETS**  
(In thousands of dollars)

	June 30			June 30	
	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 30,954	\$ 29,974	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(7,933)	(7,247)	Common stock	2,187	2,187
Net utility plant	<u>23,021</u>	<u>22,727</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,038	1,885
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
<u>CURRENT AND ACCRUED ASSETS</u>			Total stockholders' equity	<u>8,266</u>	<u>8,113</u>
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Accounts receivable	542	686	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	-	-	To associated companies	2,100	1,700
Reserve for uncollectibles	(37)	(43)	Other		
Dividends receivable			Total	<u>2,100</u>	<u>1,700</u>
Receivables from associated companies	39	44	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Accrued revenues	463	437	Accounts payable and accrued liab	1,257	1,172
Materials and supplies, at cost	242	130	Current maturities of long-term debt		
Prepayments	229	31	Dividends payable	1	1
Total current assets	<u>1,478</u>	<u>1,285</u>	Payables to associates		
<u>NOTES RECEIVABLE</u>			Accrued bond interest	172	172
From associated companies			Accrued federal income taxes		
Other			Accrued state income taxes	10	-
Total	<u>-</u>	<u>-</u>	Other accrued taxes		
<u>OTHER INVESTMENTS</u>			Total current liabilities	<u>1,440</u>	<u>1,345</u>
Investments in subsidiaries			<u>DEFERRED CREDITS</u>		
Investments in joint ventures			Deferred taxes	2,909	2,827
Goodwill			Unfunded deferred taxes		
Miscellaneous			Deferred gain on land sale		
Total	<u>-</u>	<u>-</u>	Customers' advances for construction	11	382
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	213	222	Total deferred credits	<u>2,920</u>	<u>3,209</u>
Unfunded deferred taxes	568	575	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,411</u>	<u>2,071</u>
Prepaid taxes					
Other deferred debits	757	529			
Total deferred debits	<u>1,538</u>	<u>1,326</u>			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,037</b>	<b>\$ 25,338</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,037</b>	<b>\$ 25,338</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	July 31			July 31	
	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 31,043	\$ 30,056	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,003)	(7,312)	Common stock	2,187	2,187
Net utility plant	<u>23,040</u>	<u>22,744</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,072	1,934
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,300</u>	<u>8,162</u>
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	325	293	To associated companies	1,800	1,500
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(37)	(44)	Total	<u>1,800</u>	<u>1,500</u>
Dividends receivable			<u>CURRENT AND ACCRUED LIABILITIES</u>		
Receivables from associated companies	-	49	Accounts payable and accrued liab	1,569	1,070
Accrued revenues	846	558	Current maturities of long-term debt		
Materials and supplies, at cost	220	166	Dividends payable	1	1
Prepayments	215	37	Payables to associates		
Total current assets	<u>1,569</u>	<u>1,059</u>	Accrued bond interest	222	222
<u>NOTES RECEIVABLE</u>			Accrued federal income taxes		
From associated companies			Accrued state income taxes	14	-
Other			Other accrued taxes		
Total	<u>-</u>	<u>-</u>	Total current liabilities	<u>1,806</u>	<u>1,293</u>
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,909	2,832
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	11	346
Total	<u>-</u>	<u>-</u>	Other deferred credits		
<u>DEFERRED DEBITS</u>			Total deferred credits	<u>2,920</u>	<u>3,178</u>
Unamortized debt discount and expense	212	221	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,408</u>	<u>2,097</u>
Unfunded deferred taxes	568	575			
Prepaid taxes	-	-			
Other deferred debits	745	531			
Total deferred debits	<u>1,525</u>	<u>1,327</u>			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><b>\$ 26,134</b></u>	<u><b>\$ 25,130</b></u>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<u><b>\$ 26,134</b></u>	<u><b>\$ 25,130</b></u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**  
**BALANCE SHEETS**  
(In thousands of dollars)

	August 31,			August 31,	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 31,185	\$ 30,136	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,073)	(7,378)	Common stock	2,187	2,187
Net utility plant	23,112	22,758	Paid in capital	3,558	3,558
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,166	2,000
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,394	8,228
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	555	265			
Miscellaneous receivables	-	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(37)	(44)	To associated companies	1,800	1,700
Dividends receivable			Other		
Receivables from associated companies	-	31	Total	1,800	1,700
Accrued revenues	567	613			
Materials and supplies, at cost	236	153	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	185	3	Accounts payable and accrued liab	1,604	909
Total current assets	1,506	1,021	Current maturities of long-term debt		
<u>NOTES RECEIVABLE</u>			Dividends payable	1	1
From associated companies			Payables to associates		
Other			Accrued bond interest	88	88
Total	-	-	Accrued federal income taxes		
<u>OTHER INVESTMENTS</u>			Accrued state income taxes	20	-
Investments in subsidiaries			Other accrued taxes		
Investments in joint ventures			Total current liabilities	1,713	998
Goodwill					
Miscellaneous			<u>DEFERRED CREDITS</u>		
Total	-	-	Deferred taxes	2,909	2,837
<u>DEFERRED DEBITS</u>			Unfunded deferred taxes		
Unamortized debt discount and expense	212	220	Deferred gain on land sale		
Unfunded deferred taxes	568	575	Customers' advances for construction	11	346
Prepaid taxes			Other deferred credits		
Other deferred debits	734	530	Total deferred credits	2,920	3,183
Total deferred debits	1,514	1,325			
			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,405	2,095
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,132</b>	<b>\$ 25,104</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,132</b>	<b>\$ 25,104</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	September 30			September 30	
	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 31,537	\$ 30,200	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	<u>(8,142)</u>	<u>(7,443)</u>	Common stock	2,187	2,187
Net utility plant	<u>23,395</u>	<u>22,757</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	<u>(97)</u>	<u>(97)</u>	Retained earnings	2,243	2,034
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,471</u>	<u>8,262</u>
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	630	484	To associated companies	1,700	1,700
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(37)	(45)	Total	<u>1,700</u>	<u>1,700</u>
Dividends receivable					
Receivables from associated companies	-	-	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Accrued revenues	431	443	Accounts payable and accrued liab	1,803	840
Materials and supplies, at cost	241	176	Current maturities of long-term debt		
Prepayments	<u>187</u>	<u>(8)</u>	Dividends payable	1	1
Total current assets	<u>1,452</u>	<u>1,050</u>	Payables to associates		
<u>NOTES RECEIVABLE</u>			Accrued bond interest	138	138
From associated companies			Accrued federal income taxes		
Other			Accrued state income taxes	14	2
Total	<u>-</u>	<u>-</u>	Other accrued taxes		
<u>OTHER INVESTMENTS</u>			Total current liabilities	<u>1,956</u>	<u>981</u>
Investments in subsidiaries			<u>DEFERRED CREDITS</u>		
Investments in joint ventures			Deferred taxes	2,909	2,840
Goodwill			Unfunded deferred taxes		
Miscellaneous			Deferred gain on land sale		
Total	<u>-</u>	<u>-</u>	Customers' advances for construction	11	346
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	211	219	Total deferred credits	<u>2,920</u>	<u>3,186</u>
Unfunded deferred taxes	568	575	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,402</u>	<u>2,092</u>
Prepaid taxes					
Other deferred debits	<u>723</u>	<u>520</u>			
Total deferred debits	<u>1,502</u>	<u>1,314</u>			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><b>\$ 26,349</b></u>	<u><b>\$ 25,121</b></u>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<u><b>\$ 26,349</b></u>	<u><b>\$ 25,121</b></u>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	October 31,			October 31,	
	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,036	\$ 30,243	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,212)	(7,509)	Common stock	2,187	2,187
Net utility plant	<u>23,824</u>	<u>22,734</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,203	1,991
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,431</u>	<u>8,219</u>
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Cash	-	-			
Accounts receivable	390	296	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	-	-	To associated companies	1,600	1,500
Reserve for uncollectibles	(38)	(45)	Other		
Dividends receivable			Total	<u>1,600</u>	<u>1,500</u>
Receivables from associated companies	8	-			
Accrued revenues	439	449	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Materials and supplies, at cost	163	176	Accounts payable and accrued liab	1,980	794
Prepayments	158	(24)	Current maturities of long-term debt		
Total current assets	<u>1,120</u>	<u>852</u>	Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	188	188
Other			Accrued federal income taxes		
Total	<u>-</u>	<u>-</u>	Accrued state income taxes	20	8
<u>OTHER INVESTMENTS</u>			Other accrued taxes		
Investments in subsidiaries			Total current liabilities	<u>2,189</u>	<u>991</u>
Investments in joint ventures					
Goodwill			<u>DEFERRED CREDITS</u>		
Miscellaneous			Deferred taxes	2,909	2,843
Total	<u>-</u>	<u>-</u>	Unfunded deferred taxes		
<u>DEFERRED DEBITS</u>			Deferred gain on land sale		
Unamortized debt discount and expense	210	219	Customers' advances for construction	11	346
Unfunded deferred taxes	568	575	Other deferred credits		
Prepaid taxes			Total deferred credits	<u>2,920</u>	<u>3,189</u>
Other deferred debits	717	509			
Total deferred debits	<u>1,495</u>	<u>1,303</u>	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,399</u>	<u>2,090</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,439</b>	<b>\$ 24,889</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,439</b>	<b>\$ 24,889</b>



# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	November 30,			November 30,	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,485	\$ 30,300	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,281)	(7,564)	Common stock	2,187	2,187
Net utility plant	24,204	22,736	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,285	2,015
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,513	8,243
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	394	338			
Miscellaneous receivables	-	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(36)	(45)	To associated companies	1,500	1,500
Dividends receivable			Other		
Receivables from associated companies	-	21	Total	1,500	1,500
Accrued revenues	448	429			
Materials and supplies, at cost	138	166	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	171	89	Accounts payable and accrued liab	2,312	853
Total current assets	1,115	998	Current maturities of long-term debt		
			Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	238	238
Other			Accrued federal income taxes		-
Total	-	-	Accrued state income taxes	27	11
			Other accrued taxes		-
<u>OTHER INVESTMENTS</u>			Total current liabilities	2,578	1,103
Investments in subsidiaries					
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,909	2,846
Miscellaneous			Unfunded deferred taxes		
Total	-	-	Deferred gain on land sale		
			Customers' advances for construction	2	346
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	209	218	Total deferred credits	2,911	3,192
Unfunded deferred taxes	568	575			
Prepaid taxes		-	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,405	2,087
Other deferred debits	711	498			
Total deferred debits	1,488	1,291			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,807</b>	<b>\$ 25,025</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,807</b>	<b>\$ 25,025</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	December 31,			December 31,	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,598	\$ 30,243	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,253)	(7,515)	Common stock	2,187	2,187
Net utility plant	24,346	22,728	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,288	1,958
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,516	8,186
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	427	796			
Miscellaneous receivables	38	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(53)	(45)	To associated companies	1,900	1,700
Dividends receivable			Other		
Receivables from associated companies	-	56	Total	1,900	1,700
Accrued revenues	371	352			
Materials and supplies, at cost	109	168	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	204	251	Accounts payable and accrued liab	1,955	1,628
Total current assets	1,095	1,578	Current maturities of long-term debt		
			Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	172	172
Other			Accrued federal income taxes		-
Total	-	-	Accrued state income taxes	54	-
			Other accrued taxes		-
<u>OTHER INVESTMENTS</u>			Total current liabilities	2,183	1,801
Investments in subsidiaries					
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,859	2,888
Miscellaneous			Unfunded deferred taxes		
Total	-	-	Deferred gain on land sale		
			Customers' advances for construction	2	11
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	209	217	Total deferred credits	2,861	2,899
Unfunded deferred taxes	554	767			
Prepaid taxes	-	-	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,402	2,429
Other deferred debits	559	625			
Total deferred debits	1,322	1,609			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,762</b>	<b>\$ 25,915</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,762</b>	<b>\$ 25,915</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	January 31,			January 31,	
	2008	2007		2008	2007
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$32,649	\$ 30,303	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,329)	(7,585)	Common stock	2,187	2,187
Net utility plant	24,320	22,718	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,093	1,978
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
<u>CURRENT AND ACCRUED ASSETS</u>			Total stockholders' equity	8,321	8,206
Cash	-	-			
Accounts receivable	345	252	<u>LONG-TERM DEBT - BONDS</u>	8900	8,900
Miscellaneous receivables	37	-			
Reserve for uncollectibles	(53)	(46)	<u>NOTES PAYABLE</u>		
Dividends receivable	-	-	To associated companies	2200	1,100
Receivables from associated companies	-	-	Other		
Accrued revenues	371	414	Total	2200	1,100
Materials and supplies, at cost	97	168			
Prepayments	184	216	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Total current assets	981	1,004	Accounts payable and accrued liab	1,657	1,558
<u>NOTES RECEIVABLE</u>			Current maturities of long-term debt		
From associated companies			Dividends payable	1	1
Other			Payables to associates		
Total	-	-	Accrued bond interest	222	222
<u>OTHER INVESTMENTS</u>			Accrued federal income taxes		-
Investments in subsidiaries			Accrued state income taxes	54	-
Investments in joint ventures			Other accrued taxes		-
Goodwill			Total current liabilities	1,934	1,781
Miscellaneous					
Total	-	-	<u>DEFERRED CREDITS</u>		
<u>DEFERRED DEBITS</u>			Deferred taxes	2,860	2,889
Unamortized debt discount and expense	207	217	Unfunded deferred taxes		
Unfunded deferred taxes	554	568	Deferred gain on land sale		
Prepaid taxes			Customers' advances for construction	2	11
Other deferred debits	554	812	Other deferred credits		
Total deferred debits	1,315	1,597	Total deferred credits	2,862	2,900
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,616	\$ 25,319	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,399	2,432
			<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,616	\$ 25,319

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	February 28,			February 28,	
	2008	2007		2008	2007
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,740	\$ 30,341	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,402)	(7,654)	Common stock	2,187	2,187
Net utility plant	\$ 24,338	22,687	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,054	1,949
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
<u>CURRENT AND ACCRUED ASSETS</u>			Total stockholders' equity	8,282	8,177
Cash	-	-			
Accounts receivable	276	264	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Miscellaneous receivables	38	-			
Reserve for uncollectibles	(52)	(47)	<u>NOTES PAYABLE</u>		
Dividends receivable	-	-	To associated companies	2,400	1,200
Receivables from associated companies	-	-	Other		
Accrued revenues	406	487	Total	2,400	1,200
Materials and supplies, at cost	102	166			
Prepayments	162	189	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Total current assets	932	1,059	Accounts payable and accrued liab	1,603	1,455
<u>NOTES RECEIVABLE</u>			Current maturities of long-term debt		
From associated companies			Dividends payable	1	1
Other			Payables to associates		
Total	0	-	Accrued bond interest	88	271
			Accrued federal income taxes		-
<u>OTHER INVESTMENTS</u>			Accrued state income taxes	51	-
Investments in subsidiaries			Other accrued taxes		-
Investments in joint ventures			Total current liabilities	1,743	1,727
Goodwill					
Miscellaneous			<u>DEFERRED CREDITS</u>		
Total	0	-	Deferred taxes	2,855	2,887
<u>DEFERRED DEBITS</u>			Unfunded deferred taxes		
Unamortized debt discount and expense	206	216	Deferred gain on land sale		
Unfunded deferred taxes	554	568	Customers' advances for construction	2	11
Prepaid taxes			Other deferred credits		
Other deferred debits	548	801	Total deferred credits	2,857	2,898
Total deferred debits	1,308	1,585			
			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,396	2,429
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,578</b>	<b>\$ 25,331</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,578</b>	<b>\$ 25,331</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	March 31,			March 31,	
	2008	2007		2008	2007
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,799	\$ 30,521	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,423)	(7,725)	Common stock	2,187	2,187
Net utility plant	24,376	22,796	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,031	1,938
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,259	8,166
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	12			
Accounts receivable	319	383	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	38	-	To associated companies	2,600	1,300
Reserve for uncollectibles	(55)	(39)	Other		
Dividends receivable			Total	2,600	1,300
Receivables from associated companies	-	51			
Accrued revenues	357	352	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Materials and supplies, at cost	100	158	Accounts payable and accrued liab	1,451	1,458
Prepayments	161	177	Current maturities of long-term debt		
Total current assets	920	1,094	Dividends payable	1	1
			Payables to associates	-	-
<u>NOTES RECEIVABLE</u>			Accrued bond interest	138	321
From associated companies			Accrued federal income taxes		-
Other			Accrued state income taxes	-	-
Total	-	-	Other accrued taxes		-
			Total current liabilities	1,590	1,780
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,854	2,887
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	2	11
Total	-	-	Other deferred credits		
			Total deferred credits	2,856	2,898
<u>DEFERRED DEBITS</u>			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,393	2,420
Unamortized debt discount and expense	206	215			
Unfunded deferred taxes	554	569			
Prepaid taxes					
Other deferred debits	542	790			
Total deferred debits	1,302	1,574			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,598	\$ 25,464	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,598	\$ 25,464

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 2**

- Annual reports to stockholders and statistical supplements, if any, for the most recent 5 years.

**Not Applicable.**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 3**

- **Federal income tax reconciliation for the test year.**

**Attached.**

AWC of New Hampshire  
Federal Income Tax Reconciliation

12 Months Ended  
03/31/08

Current Provision

	<b>Net Income</b>	<u>\$ 500,957</u>
<b>Add:</b>	Amortization:	
	Tank Painting	<u>\$ 55,171</u>
	Other	46,081
	Business Meals	2,332
	Accrued Bonus	5,414
	Post Retirement Benefits	82,649
	Insurance	11,580
	Pension	206,109
	Federal Income Tax Expense	359,127
	State Income Tax Expense	80,560
<b>Less:</b>	Bad Debts	(13,411)
	Current State Income Taxes	(98,965)
	Tax over Book Depreciation	(172,274)
	Subtotal	<u>\$ 564,373</u>
	Taxable Income	<u>\$ 1,065,330</u>
	Tax at 35%	<u>372,866</u>
	Current Provision	\$ 372,866
	Deferred FIT	(71,020)
	American Water - Regulatory Asset	9,878
	Adjustment Related to 2006 Return	49,249
	Tie to Books	(1,846)
	FIT Expense Per Books	<u>\$ 359,127</u>



**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 4**

- A detailed computation of New Hampshire and federal income tax factors on the increment of revenue needed to produce a given increment of net operating income.

**Attached.**

AQUARION WATER COMPANY of NEW HAMPSHIRE

COMPUTATION OF GROSS REVENUE CONVERSION FACTOR

After Tax Income	100.00
Federal Income Tax ( 35.00%)	<u>53.85</u>
Taxable Income for Federal Income Tax	153.85
State Income Tax ( 8.50%)	<u>14.29</u>
Gross Revenue Conversion Factor	<u><u>168.12</u></u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 5**

- **A detailed list of charitable contributions charged in the test year showing donee and the amount according to the following guidelines:**
  - a. **If the utility's annual gross revenue are less than \$100,000, all contributions shall be reported;**
  - b. **If the utility's annual gross revenue's are \$100,000 or are between \$100,000 and \$10,000,000, all contributions of \$1,000 and more shall be reported;**
  - c. **If the utility's annual gross revenue's are \$10,000,000 or are between \$10,000,000 and \$100,000,000, all contributions of \$2,500 and more shall be reported;**
  - d. **If the utility's annual gross revenue's are \$100,000,000 or are in excess of \$100,000,000, all contributions of \$5,000 and more shall be reported; and**
  - e. **For utilities in categories b., c. and d. above, the reporting thresholds for a particular charity shall be on a cumulative basis, indicating the number of items comprising the total amount of contribution.**

**Attached.**

AWC of New Hampshire

List of Charitable Contributions made during the test year 04/01/07 to 3/31/08

<u>Description</u>	<u>Amount</u>
Hampton Beach Village District	\$2,000.00
	<u>\$2,000.00</u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 6**

- List of advertising charged in the test year above the line showing expenditures by media and by subject matter
  - a. If the utility's annual gross revenue are less than \$100,000, all expenditures shall be reported;
  - b. If the utility's annual gross revenue's are \$100,000 or are between \$100,000 and \$10,000,000, all expenditures of \$1,000 and more shall be reported;
  - c. If the utility's annual gross revenue's are \$10,000,000 or are between \$10,000,000 and \$100,000,000, all expenditures of \$2,500 and more shall be reported;
  - d. If the utility's annual gross revenue's are \$100,000,000 or are in excess of \$100,000,000, all expenditures of \$5,000 and more shall be reported.

**Attached.**

AWC Of New Hampshire

Advertising Expenses by Media and Subject matter for the test year 04/01/07 - 03/31/08

<u>Description</u>	<u>Amount</u>
North Hampton Pal                      Sponsor of North Hampton Back to School Picnic	2,100.00
	<u>2,100.00</u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 7**

- The Utility's most recent cost of service study.

**Attached.**

**(The cost of service study was performed in August of 2005 by Guastella & Associates and was included in the last rate case Docket DW 05-119)**

AQUARION WATER COMPANY OF NEW HAMPSHIRE

COST OF SERVICE STUDY

August 2005



AQUARION WATER COMPANY OF NEW HAMPSHIRE

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AQUARION WATER COMPANY OF NEW HAMPSHIRE

FUNCTIONAL ALLOCATION TO CUSTOMER CLASSES

Function	Total	Residential	Commercial	Industrial	Public Authority	Seasonal	Fire Service	
							Capacity	Hydrants
Base	\$ 1,428,834	\$ 897,493	\$ 398,273	\$ 7,759	\$ 15,531	\$ 95,489	\$ 14,288	
Extra Capacity:								
Maximum Day	571,949	309,179	109,763	1,070	2,139	52,636	97,163	
Peak Hour	1,174,264	365,032	161,990	1,574	3,159	48,626	593,884	
Customer:								
Meters / Services	1,261,276	782,924	87,608	353	7,366	128,247	254,778	
Billing & Accounting	438,086	339,039	38,600	289	3,237	40,562	16,358	
Hydrants	98,167							98,167
Total	\$ 4,972,577	\$ 2,693,667	\$ 796,234	\$ 11,045	\$ 31,432	\$ 365,560	\$ 976,471	\$ 98,167

AQUARION WATER COMPANY OF NEW HAMPSHIRE

ALLOCATION OF PRO FORMA REVENUE REQUIREMENT TO FUNCTIONAL CLASSIFICATIONS

Description	Total Amount	Code	Base	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
UTILITY OPERATING INCOME	\$ 1,428,575	31	\$ 502,266	\$ 203,956	\$ 417,053	\$ 271,574	\$ 3,143	\$ 30,583
OPERATION & MAINTENANCE	2,011,500	64	449,784	188,507	255,929	652,590	436,490	28,201
DEPRECIATION	757,713	73	218,533	79,540	255,634	182,600	-	21,406
PROPERTY TAXES	315,441	41	104,321	35,947	108,152	59,803	-	7,217
PAYROLL TAXES	51,379	62	7,720	5,621	5,822	21,072	10,048	1,095
FEDERAL INCOME TAX	355,328	31	124,928	50,730	103,733	67,548	782	7,607
STATE INCOME TAX	94,125	31	33,093	13,438	27,478	17,893	207	2,015
DEFERRED FEDERAL INCOME TAX	80,430	73	23,197	8,443	27,135	19,383	-	2,272
DEFERRED STATE INCOME TAX	20,920	73	6,034	2,196	7,058	5,041	-	591
TOTAL OPERATING REVENUE	\$ 5,115,411	21	\$ 1,469,876	\$ 588,378	\$ 1,207,994	\$ 1,297,505	\$ 450,670	\$ 100,987
LESS MISC. REVENUES	(142,834)	21	(41,042)	(16,429)	(33,730)	(36,229)	(12,584)	(2,820)
REVENUE FROM SALES	\$ 4,972,577	21	\$ 1,428,834	\$ 571,949	\$ 1,174,264	\$ 1,261,276	\$ 438,086	\$ 98,167
PERCENTS	100.00%	21	28.73%	11.50%	23.61%	25.36%	8.81%	1.97%

AQUARION WATER COMPANY OF NEW HAMPSHIRE

ALLOCATION OF RATE BASE ELEMENTS TO FUNCTIONAL CLASSIFICATIONS

Description	Total Amount	Code	Base 1	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour 1	Meters and Services	Billing and Accounting	
UTILITY PLANT	\$ 26,942,278	41	\$ 8,910,259	\$ 3,070,316	\$ 9,237,433	\$ 5,107,865	\$ -	\$ 616,405
ACCUMULATED DEPRECIATION	(6,350,845)	51	(1,697,547)	(551,873)	(2,308,272)	(1,580,079)	-	(213,074)
ADVANCES FOR CONSTRUCTION	(826,372)	32	(317,823)	-	(508,549)	-	-	-
CONTRIBUTIONS IN AID OF CONSTRUCTION	(1,747,790)	33	(672,200)	-	(1,075,590)	-	-	-
DEFERRED TAXES	(2,021,873)	73	(583,132)	(212,244)	(682,131)	(487,248)	-	(57,119)
DEFERRED ITC	(121,510)	41	(40,185)	(13,847)	(41,661)	(23,037)	-	(2,780)
MATERIAL & SUPPLIES	115,197	3	44,305	-	70,892	-	-	-
CASH WORKING CAPITAL	164,336	64	36,746	15,401	20,909	53,315	35,660	2,304
PREPAYMENTS - Property tax	53,726	41	17,768	6,123	18,421	10,186	-	1,229
PREPAYMENTS - State Tax	76,953	31	27,056	10,987	22,465	14,629	169	1,647
DEFERRED EXPENSES	542,461	31	190,721	77,446	158,364	103,123	1,194	11,613
TOTALS	\$ 16,826,559	31	\$ 5,915,968	\$ 2,402,308	\$ 4,912,280	\$ 3,198,755	\$ 37,023	\$ 360,225
PERCENTS	100.00%	31	35.16%	14.28%	29.19%	19.01%	0.22%	2.14%

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

## ALLOCATION OF UTILITY PLANT TO FUNCTIONAL CLASSIFICATIONS

Account No.	Description	Total Amount	Code	Base	Extra - Capacity		Customer	
					Maximum Day	Peak Hour	Meters and Services	Hydrants
	SOURCE OF SUPPLY							
303	Land and land rights	\$ 460,591	2	\$ 266,221	\$ 194,369	\$ -	\$ -	\$ -
304	Structures & Improvements	1,361,639	2	787,027	574,612	-	-	-
307	Wells & Springs	2,819,135	2	1,629,480	1,189,675	-	-	-
309	Supply Mains	182,935	2	105,736	77,198	-	-	-
311	Other Water Source Plant	872,707	2	504,425	368,282	-	-	-
	PUMPING PLANT							
303	Pumping land and land rights	709	4	273	199	237	-	-
310	Pumping Equipment	903,687	4	347,572	253,728	302,388	-	-
	WATER TREATMENT							
304	Structures & Improvements	136,401	2	78,840	57,561	-	-	-
320	Water Treatment Equipment - New	280,567	2	162,168	118,399	-	-	-
	TRANSMISSION & DISTRIBUTION							
330	Distribution Reservoirs & Standpipes	1,274,959	5	-	-	1,274,959	-	-
331	Transmission & Distribution Mains	11,291,733	3	4,342,801	-	6,948,933	-	-
333	Services	3,837,506	6	-	-	-	3,837,506	-
334	Meters	877,256	6	-	-	-	877,256	-
335	Hydrants	568,966	8	-	-	-	-	568,966
	GENERAL							
301	Organization	17,700	41	5,854	2,017	6,069	3,356	405
339	Misc Intangible plant	20,727	41	6,855	2,362	7,106	3,929	474
304	Structures & Improvements	473,697	41	156,660	53,982	162,412	89,806	10,838
340	Office Furniture & Equipment	645,435	41	213,456	73,553	221,294	122,365	14,767
341	Transportation Equipment, Cars	267,408	41	88,436	30,474	91,684	50,597	6,118
342	Stores Equipment	2,437	41	806	278	836	462	56
343	Tools, Shop & Garage Equipment	141,908	41	46,931	16,172	48,655	26,904	3,247
344	Laboratory Equipment	28,066	41	9,282	3,198	9,623	5,321	642
345	Power Operated Equipment	156,190	41	51,655	17,799	53,551	29,511	3,573
346	Communications Equipment	287,006	41	94,918	32,707	98,403	54,412	6,566
347	Miscellaneous Equipment	32,912	41	10,884	3,751	11,284	6,240	753
	TOTALS	\$ 26,942,278	41	\$ 8,910,259	\$ 3,070,316	\$ 9,237,433	\$ 5,107,865	\$ 616,405
	PERCENTS	100%	41	33.07%	11.40%	34.29%	18.96%	2.29%

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

## ALLOCATION OF ACCUMULATED DEPRECIATION TO FUNCTIONAL CLASSIFICATIONS

Account No.	Description	Total Amount	Code	Base	Extra - Capacity		Customer Meters and Services	Hydrants
					Maximum Day	Peak Hour		
	SOURCE OF SUPPLY							
304	Structures & Improvements	\$ 300,308	2	\$ 173,578	\$ 126,730	\$ -	\$ -	\$ -
307	Wells & Springs	355,039	2	205,213	149,827	-	-	-
309	Supply Mains	48,330	2	27,934	20,395	-	-	-
311	Other Water Source Plant	16,492	2	9,532	6,959	-	-	-
	PUMPING PLANT							
310	Pumping Equipment	425,945	4	163,825	119,592	142,528	-	-
	WATER TREATMENT							
304	Structures & Improvements	19,427	2	11,229	8,198	-	-	-
320	Water Treatment Equipment - New	135,723	2	78,448	57,275	-	-	-
	TRANSMISSION & DISTRIBUTION							
330	Distribution Reservoirs & Standpipes	567,675	5	-	-	567,675	-	-
331	Transmission & Distribution Mains	2,169,316	3	834,319	-	1,334,997	-	-
333	Services	1,115,475	6	-	-	-	1,115,475	-
334	Meters	284,523	6	-	-	-	284,523	-
335	Hydrants	188,790	8	-	-	-	-	188,790
	GENERAL							
304	Structures & Improvements	65,015	51	17,378	5,650	23,630	16,176	2,181
340	Office Furniture & Equipment	241,684	51	64,601	21,002	87,842	60,131	8,109
341	Transportation Equipment, Cars	68,395	51	18,282	5,943	24,859	17,017	2,295
342	Stores Equipment	1,364	51	365	119	496	339	46
343	Tools, Shop & Garage Equipment	50,018	51	13,369	4,346	18,179	12,444	1,678
344	Laboratory Equipment	14,793	51	3,954	1,285	5,377	3,680	496
345	Power Operated Equipment	18,186	51	4,861	1,580	6,610	4,525	610
346	Communications Equipment	238,852	51	63,844	20,756	86,813	59,426	8,014
347	Miscellaneous Equipment	25,495	51	6,815	2,215	9,266	6,343	855
	TOTAL	\$ 6,350,845	51	\$ 1,697,547	\$ 551,873	\$ 2,308,272	\$ 1,580,079	\$ 213,074
	PERCENTS	100.00%	51	26.73%	8.69%	36.35%	24.88%	3.36%

AQUARION WATER COMPANY OF NEW HAMPSHIRE

ALLOCATION OF PRO FORMA OPERATION AND MAINTENANCE EXPENSES TO FUNCTIONAL CLASSIFICATIONS

Account No.	Description	Total Amount	Code	Base	Extra - Capacity		Customer		Hydrants
					Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
	SOURCE OF SUPPLY								
601	Operation Labor & Expenses - Labor	\$ 8,243	2	\$ 4,764	\$ 3,478	\$ -	\$ -	\$ -	\$ -
603	Miscellaneous Expenses	8,978	2	5,189	3,789	-	-	-	-
604	Rent Expense	16,008	2	9,253	6,755	-	-	-	-
614	Maintenance of Wells & Springs - Labor	916	2	529	386	-	-	-	-
614	Maint. of Wells & Springs	538	2	311	227	-	-	-	-
	PUMPING PLANT								
623	Purchased Fuel	165,731	1	165,731	-	-	-	-	-
624	Pumping Labor	47,644	4	18,325	13,377	15,943	-	-	-
624	Pumping Labor & Expenses - Vehicle Use	10,257	4	3,945	2,880	3,432	-	-	-
626	Miscellaneous	2,066	4	785	580	691	-	-	-
630	Pumping Maintenance Supervision - Labor	956	4	398	288	320	-	-	-
631	Maintenance of Structures - Labor	5,878	4	2,261	1,650	1,967	-	-	-
631	Maintenance of Structures - Materials	2,013	4	774	565	674	-	-	-
632	Maintenance of Power Prod. Equip. - Labor	3,354	4	1,290	942	1,122	-	-	-
633	Maintenance of Pumping Equipment - Labor	4,436	4	1,706	1,245	1,484	-	-	-
633	Maint. of Pumping Equipment	12,605	4	4,848	3,539	4,218	-	-	-
	WATER TREATMENT								
640	Supervision & Engineering - Labor	12,389	2	7,161	5,228	-	-	-	-
641	Chemicals	24,464	1	24,464	-	-	-	-	-
642	Treatment Labor & Expenses - Labor	24,743	2	14,302	10,442	-	-	-	-
642	Treatment Labor & Expenses	29,691	2	17,161	12,530	-	-	-	-
643	Miscellaneous Treatment Expenses - Labor	32	2	18	13	-	-	-	-
643	Miscellaneous Expense	388	2	224	164	-	-	-	-
644	Miscellaneous Treatment Expenses	3,832	2	2,215	1,617	-	-	-	-
650	Treatment Maint. Supervision - Labor	905	2	523	382	-	-	-	-
651	Maintenance of Structures - Materials	280	2	162	118	-	-	-	-
652	Maint. of Treatment Equip. - Labor	5,618	2	3,247	2,371	-	-	-	-
652	Maint. of Treatment Equip. - Materials	12,008	2	6,940	5,067	-	-	-	-
	TRANSMISSION & DISTRIBUTION								
660	Supervision & Engineering	178	61	0	-	44	129	-	5
662	Operation Labor T & D Lines	1,057	3	407	-	651	-	-	-
662	Operation Expense - T & D Lines	178	3	68	-	109	-	-	-
663	Meter Expenses - Labor	31,806	6	-	-	-	31,806	-	-
663	Meter Expenses	(451)	6	-	-	-	(451)	-	-
664	Services - Labor	23,436	6	-	-	-	23,436	-	-
664	Services - Other	5,440	6	-	-	-	5,440	-	-
665	Miscellaneous T&D Expenses - Labor	78,454	61	158	-	19,443	56,890	-	2,163
665	Miscellaneous T&D Expenses	41,080	61	83	-	10,176	29,670	-	1,132
666	Rent Expense	1,005	61	2	-	249	726	-	28
670	T&D Maintenance Supervision - Labor	(905)	61	(2)	-	(224)	(654)	-	(25)
671	Maintenance of Structures - Labor	708	5	-	-	708	-	-	-
671	Maintenance of Structures - Other	1,935	5	-	-	1,935	-	-	-
672	Tank Painting Amortization	55,171	5	-	-	55,171	-	-	-
673	Valve and Blowoff Repairs - Labor	21,396	6	-	-	-	21,396	-	-
673	Maintenance of T&D Mains	22,832	6	-	-	-	22,832	-	-
675	Maintenance of Services - Labor	26,086	6	-	-	-	26,086	-	-
675	Maintenance of Services	31,826	6	-	-	-	31,826	-	-
676	Maintenance of Meters - Labor	1,175	6	-	-	-	1,175	-	-
676	Maintenance of Meters	7,436	6	-	-	-	7,436	-	-
677	Maintenance of Hydrants - Labor	6,174	8	-	-	-	-	-	6,174
677	Maintenance of Hydrants	343	8	-	-	-	-	-	343

AQUARION WATER COMPANY OF NEW HAMPSHIRE

ALLOCATION OF PRO FORMA OPERATION AND MAINTENANCE EXPENSES TO FUNCTIONAL CLASSIFICATIONS

Account No.	Description	Total Amount	Code	Base	Extra - Capacity		Customer		Hydrants
					Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
	<b>CUSTOMER ACCOUNTS</b>								
901	Customer Accounts Supervision - Labor	\$ 52,462	7	\$ -	\$ -	\$ -	\$ -	\$ 52,462	\$ -
902	Meter Reading Labor	18,756	7	-	-	-	-	18,756	-
902	Meter Reading Expense	22,400	7	-	-	-	-	22,400	-
903	Customer Records Labor	5,049	7	-	-	-	-	5,049	-
903	Customer Records Expense	30,009	7	-	-	-	-	30,009	-
904	Bad Debt Expense	4,029	7	-	-	-	-	4,029	-
905	Allocated Customer Accounts Expenses	67,901	7	-	-	-	-	67,901	-
	<b>ADMINISTRATION AND GENERAL</b>								
906	Information Technology	61,168	63	8,496	6,161	9,376	20,429	15,925	780
920	Administrative and General Salaries	248,476	62	37,335	27,184	28,158	101,907	48,596	5,297
921	A&G Expenses - Transportation	68,270	63	9,483	6,877	10,465	22,801	17,774	870
923	Outside Services	236,533	63	32,855	23,826	36,257	78,999	61,582	3,015
924	Property Insurance	1,780	63	247	179	273	594	493	23
925	Insurance	37,830	62	5,684	4,139	4,287	15,515	7,398	808
926	Benefits	295,520	62	44,404	32,331	33,489	121,201	57,796	6,300
928	Regulatory Comm Expense	24,440	63	3,395	2,462	3,746	8,163	6,363	312
930	Miscellaneous	27,649	63	3,840	2,785	4,238	9,234	7,198	352
931	Rent Expense	48,698	63	6,764	4,905	7,465	16,264	12,679	621
932	Maintenance of Miscellaneous Equipment	419	63	58	42	64	140	109	5
	<b>TOTAL</b>	<b>\$ 2,011,500</b>	<b>64</b>	<b>\$ 449,784</b>	<b>\$ 188,507</b>	<b>\$ 255,929</b>	<b>\$ 652,590</b>	<b>\$ 436,490</b>	<b>\$ 28,201</b>
	<b>PERCENTS</b>	<b>100.00%</b>	<b>64</b>	<b>22.36%</b>	<b>9.37%</b>	<b>12.72%</b>	<b>32.44%</b>	<b>21.70%</b>	<b>1.40%</b>



JFG Exhibit \_\_\_\_

Schedule 7

J.F. GUASTELLA

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

## ALLOCATION OF DEPRECIATION EXPENSE TO FUNCTIONAL CLASSIFICATIONS

Account No.	Description	Total Amount	Code	Base	Extra - Capacity		Customer	Hydrants
					Maximum Day	Peak Hour	Meters and Services	
	SOURCE OF SUPPLY							
304	Structures & Improvements	\$ 1,542	2	\$ 891	\$ 651	\$ -	\$ -	\$ -
307	Wells & Springs	46,254	2	26,735	19,519	-	-	-
309	Supply Mains	3,778	2	2,184	1,594	-	-	-
311	Other Water Source Plant	11,645	2	6,731	4,914	-	-	-
	PUMPING PLANT							
310	Pumping Equipment	84,421	4	32,469	23,703	28,248	-	-
	WATER TREATMENT							
304	Structures & Improvements	3,369	2	1,947	1,422	-	-	-
320	Water Treatment Equipment - New	20,372	2	11,775	8,597	-	-	-
	TRANSMISSION & DISTRIBUTION							
330	Distribution Reservoirs & Standpipes	41,384	5	-	-	41,384	-	-
331	Transmission & Distribution Mains	208,671	3	80,255	-	128,416	-	-
333	Services	104,192	6	-	-	-	104,192	-
334	Meters	46,566	6	-	-	-	46,566	-
335	Hydrants	17,563	8	-	-	-	-	17,563
	GENERAL							
304	Structures & Improvements	12,749	41	4,216	1,453	4,371	2,417	292
340	Office Furniture & Equipment	77,787	41	25,725	8,865	26,670	14,747	1,780
341	Transportation Equipment, Cars	26,755	41	8,848	3,049	9,173	5,072	612
342	Stores Equipment	104	41	34	12	36	20	2
343	Tools, Shop & Garage Equipment	6,073	41	2,008	692	2,082	1,151	139
344	Laboratory Equipment	2,172	41	718	247	745	412	50
345	Power Operated Equipment	7,566	41	2,502	862	2,594	1,434	173
346	Communications Equipment	32,642	41	10,795	3,720	11,192	6,189	747
347	Miscellaneous Equipment	2,110	41	698	240	723	400	48
	TOTAL	\$ 757,713	73	\$ 218,533	\$ 79,540	\$ 255,634	\$ 182,600	\$ 21,406
	PERCENTS	100.00%	73	28.84%	10.50%	33.74%	24.10%	2.83%

AQUARION WATER COMPANY OF NEW HAMPSHIRE

SUMMARY OF ALLOCATION FACTORS

Description	Code	Base	Extra - Capacity		Customer		Hydrants
			Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
BASE	1	1.000000					
BASE / MAXIMUM DAY	2	0.578000	0.422000				
BASE / PEAK HOUR	3	0.384600		0.615400			
BASE / MAXIMUM DAY / PEAK HOUR	4	0.384615	0.280769	0.334615			
PEAK HOUR	5			1.000000			
CUSTOMER - METERS & SERVICES	6				1.000000		
CUSTOMER - BILLING & ACCOUNTING	7					1.000000	
HYDRANTS	8						1.000000
TOTAL OPERATING REVENUE	21	0.287343	0.115021	0.236148	0.253646	0.088100	0.019742
RATE BASE	31	0.351585	0.142769	0.291936	0.190102	0.002200	0.021408
ADVANCES	32	0.384600	0.000000	0.615400	0.000000	0.000000	0.000000
CIAC	33	0.384600	0.000000	0.615400	0.000000	0.000000	0.000000
UTILITY PLANT IN SERVICE	41	0.330717	0.113959	0.342860	0.189586	0.000000	0.022879
ACCUMULATED DEPRECIATION	51	0.267295	0.086898	0.363459	0.248798	0.000000	0.033551
OTHER T&D	61	0.002010	0.000000	0.247822	0.722592	0.000000	0.027576
LABOR	62	0.150256	0.109404	0.113323	0.410127	0.195574	0.021317
O&M - EXCL POWER, CHEM & PURCH WATER	63	0.138902	0.100730	0.153286	0.333985	0.260351	0.012746
TOTAL OPERATING EXPENSE	64	0.223606	0.093715	0.127233	0.324430	0.216997	0.014020
DEPRECIATION EXPENSE	73	0.288412	0.104974	0.337376	0.240988	0.000000	0.028250

AQUARION WATER COMPANY OF NEW HAMPSHIRE  
EXPLANATION OF FUNCTIONAL ALLOCATION FACTORS

- 1 Applicable to items considered to be related to "Base" or average day system demands, and allocable to all customers. Allocated 100% to base.
- 2 Applicable to items considered to be related to meeting the maximum day system demands. The calculation of the factors is as follows:

	Ratio	%
Maximum Day Demand	1.73	100.00%
Average Day Demand	1.00	57.80%
Extra Capacity / Maximum Day:	0.73	42.20%

- 3 Applicable to mains, considered to be related to meeting the peak hour system demands. The calculation of the factors is as follows:

	Ratio	%
Peak Hour Demand	2.60	100.00%
Average Day Demand	1.00	38.46%
Extra Capacity/Peak Hour	1.60	61.54%

- 4 Applicable to pumping plant, considered to be related to meeting the max day and peak hour system demands. The calculation of the factors is as follows:

	Ratio	%
Peak Hour Demand	2.60	100.00%
Max Day Demand	1.73	
Excess Peak Hour over Max Day	0.87	33.46%
Extra Capacity / Maximum Day:	0.73	28.08%
Average Day Demand	1.00	38.46%

- 5 Applicable to items considered to be related entirely to meeting peak hour system demands. Allocated 100% to Extra-Capacity/Peak Hour.
- 6 Applicable to items considered to be related entirely to meters and services. Allocation 100% to "Meters and Services".
- 7 Applicable to items considered to be entirely related to customer billing and accounting. Allocated 100% to "Billing and Accounts".
- 8 Applicable to items considered to be related entirely to Company owned fire hydrants. Allocated 100% to "Hydrants".
- 21 Applicable to the other taxes including Regulatory Fees. Factors are based on the overall weighted allocation of revenue requirement.
- 31 Applicable to items considered to be related to the Rate Base. Factors are based on the overall weighted allocation of all elements of the rate base.

AQUARION WATER COMPANY OF NEW HAMPSHIRE  
EXPLANATION OF FUNCTIONAL ALLOCATION FACTORS

32 Applicable to total Advances.

Description	Total Amount	Code	Base	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
ADVANCES Mains	\$ 826,372	3	\$ 317,823	\$ -	\$ 508,549	\$ -	\$ -	\$ -
TOTAL PERCENT	\$ 826,372 100.00%	32	\$ 317,823 38.46%	\$ - 0.00%	\$ 508,549 61.54%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%

33 Applicable to total CIAC.

Description	Total Amount	Code	Base	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
CIAC Mains	1,747,790	3	672,200	-	1,075,590	-	-	-
TOTAL PERCENT	\$ 1,747,790 100.00%	33	\$ 672,200 38.46%	\$ - 0.00%	\$ 1,075,590 61.54%	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%

AQUARION WATER COMPANY OF NEW HAMPSHIRE

EXPLANATION OF FUNCTIONAL ALLOCATION FACTORS

- 41 Applicable to utility plant considered to be of an overhead nature, and related expenses. Factors are based on the overall weighted allocation of all items of utility plant, also applicable to property taxes, ITC and insurance.
- 51 Resulting overall weighted factors for accumulated depreciation.
- 61 Applicable to Other Transmission and Distribution Expense. Factors are based on the overall weighted allocation of Storage, Mains, Meters, Services and Hydrants expense.

Description	Total Amount	Code	Base	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
T&D - Storage, Mains, Meters Services & Hydrants								
TOTAL	\$ 236,346.95	71	\$ 475.02	\$ -	\$ 58,572.00	\$ 170,782.41	\$ -	\$ 6,517.54
PERCENT	100.00%		0.20%	0.00%	24.78%	72.26%	0.00%	2.76%

- 62 Applicable to employee benefit and labor administration and general expenses, considered to be of an overhead nature. Factors are based on the overall weighted allocation of all other labor expenses.

Description	Total Amount	Code	Base 1	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour 1	Meters & Services	Billing and Accounting	
TOTAL	\$ 389,968	62	\$ 58,595	\$ 42,664	\$ 44,192	\$ 159,936	\$ 76,268	\$ 8,313
PERCENT	100.00%		15.03%	10.94%	11.33%	41.01%	19.56%	2.13%

AQUARION WATER COMPANY OF NEW HAMPSHIRE  
EXPLANATION OF FUNCTIONAL ALLOCATION FACTORS

- 63 Applicable to operation and maintenance expenses considered to be of an overhead nature. Factors are based on the overall weighted allocation of all other operation and maintenance expenses except power, chemicals and purchased water.

Description	Total Amount	Code	Base 1	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour 1	Meters & Services	Billing and Accounting	
TOTAL	\$ 770,522	63	\$ 107,027	\$ 77,615	\$ 118,110	\$ 257,343	\$ 200,606	\$ 9,821
PERCENT	100.00%		13.89%	10.07%	15.33%	33.40%	26.04%	1.27%

- 64 Resulting overall weighted allocation of all operation and maintenance expenses. Applicable to cash working capital.

- 82 Applicable to the depreciation expense of CIAC. Factors are based on the overall weighted allocation of depreciation expense on CIAC, by type of plant.

Description	Total Amount	Code	Base	Extra - Capacity		Customer		Hydrants
				Maximum Day	Peak Hour	Meters and Services	Billing and Accounting	
CIAC - Dep. Expense								
Land	\$ -	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wells	4,612	2	2,666	1,946	-	-	-	-
Pump Stations	5,106	4	1,964	1,434	1,709	-	-	-
Storage	4,911	5	-	-	4,911	-	-	-
Mains	217,845	3	83,783	-	134,062	-	-	-
Services	108,292	6	-	-	-	108,292	-	-
Hydrants	17,845	8	-	-	-	-	-	17,845
TOTAL	\$ 358,611	82	\$ 88,413	\$ 3,380	\$ 140,681	\$ 108,292	\$ -	\$ 17,845
PERCENT	100.00%		24.65%	0.94%	39.23%	30.20%	0.00%	4.98%

- 83 Resulting overall allocation of Depreciation Expense. Applicable to deferred income taxes.

AQUARION WATER COMPANY OF NEW HAMPSHIRE

SUMMARY OF SYSTEM WATER DEMANDS

Description	Factor	Quantity	Unit
Average Day	1.00	2.32	MGD
Maximum Day	1.73	4.02	MGD
Peak Hour	2.60	6.03	MGD
Fire Demand		3,500	GPM
Maximum Day Fire Use		0.630	MG
Max Day Plus Fire Demand		9.06	MGD

AQUARION WATER COMPANY OF NEW HAMPSHIRE

CUSTOMER CLASS ALLOCATION FACTORS

Customer Class	Base Average Consumption			Maximum Day				Peak Hour				Customer			
	Annual (TG)	MGD	%	Ratio	MGD	Extra MGD	%	Ratio	MGD	Extra MGD	%	Meters and Services		Billing and Accounting	
												Number of ERC's	%	Number of Bills	%
METERED SERVICE:															
Residential	422,030	1.156	62.813	2.25	2.601	1.445	54.057	3.00	3.468	2.3120	31.086	6,845.8	62.074	27,132	77.391
Commercial	187,345	0.513	27.874	2.00	1.026	0.513	19.191	3.00	1.539	1.0260	13.795	766.0	6.946	3,089	8.811
Industrial	3,541	0.010	0.543	1.50	0.015	0.005	0.187	2.00	0.020	0.0100	0.134	3.1	0.028	23	0.066
Public Authority	7,371	0.020	1.087	1.50	0.030	0.010	0.374	2.00	0.040	0.0200	0.269	64.4	0.584	259	0.739
Seasonal	45,034	0.123	6.683	3.00	0.369	0.246	9.203	3.50	0.431	0.3080	4.141	1,121.4	10.168	3,246	9.259
		0.000	0.000		0.000	0.000	0.000		0.000	-	0.000		0.000		0.000
Subtotal	665,322	1.822	99.000		4.041	2.219	83.012		5.498	3.6760	49.425	8,800.7	79.800	33,749	96.266
FIRE SERVICE		0.018	1.000		0.473	0.454	16.988		3.780	3.7616	50.575	2,227.8	20.200	1,309.00	3.734
Total		1.840	100.000		4.514	2.673	100.000		9.278	7.4376	100.000	11,028.5	100.000	35,058	100.000



AQUARION WATER COMPANY OF NEW HAMPSHIRE

CALCULATION OF DESIGNED CUSTOMER CHARGE AND USAGE RATE

Customer Charge Cost Component	ERC's	Allocated Cost	Cost Per ERC
Meters & Services		\$ 870,532	
Billing & Accounting		377,639	
Total	9,827.6	\$ 1,248,171	\$ 127.01

Customer Charge Design:	Size	Ratio	ERC/Quarter	ERC/Month
	5/8" or 1/2"	1.0	\$ 31.75	\$ 10.58
	3/4"	1.5	47.61	15.87
	1"	2.5	79.36	26.45
	1-1/2"	5.0	158.73	52.91
	2"	8.0	253.99	84.66
	3"	15.0	476.22	158.74
	4"	25.0	793.81	264.60
	6"	50.0	1,587.63	529.21
	8"	80.0	2,540.20	846.73
	10"	115.0	3,651.54	1,217.18

Usage Charge Design:

Description	Total	Residential	Commercial	Industrial	Public Authority	Seasonal
Revenue Requirement	\$ 3,897,938	\$ 2,693,667	\$ 796,234	\$ 11,045	\$ 31,432	\$ 365,560
Adjusted Revenue Requirement	\$ 4,143,516	\$ 2,693,667	\$ 949,706	\$ 15,141	\$ 48,982	\$ 436,021
Service Charge Revenue	\$ 1,287,244	\$ 893,247	\$ 179,478	\$ 899	\$ 17,964	\$ 195,656
Usage Revenue Required	\$ 2,856,273	\$ 1,800,421	\$ 770,227	\$ 14,242	\$ 31,018	\$ 240,365
Usage - CCF	899,084	570,311	253,170	4,785	9,961	60,857
<b>Usage Rate</b>		<b>\$ 3.1208</b>	<b>\$ 3.1208</b>	<b>\$ 3.1208</b>	<b>\$ 3.1208</b>	<b>\$ 3.9497</b>
Usage Rate Revenue	\$ 2,856,307	\$ 1,779,826	\$ 790,092	\$ 14,934	\$ 31,088	\$ 240,367
Total Revenue From Rates	\$ 4,143,550	\$ 2,673,073	\$ 969,570	\$ 15,834	\$ 49,052	\$ 436,022
Difference in Rev. Rates & Req.	\$ 34	\$ (20,594)	\$ 19,864	\$ 693	\$ 70	\$ 2
Percent	0.00%	-0.77%	2.05%	4.37%	0.14%	0.00%

AQUARION WATER COMPANY OF NEW HAMPSHIRE

ALLOCATION OF FIRE TO PUBLIC AND PRIVATE

**Capacity Allocation:**

Description	Units	Capacity Ratio	Weighted Unit	Allocated Cost	Unit Cost
Private Fire Hydrant	0	1.00	-	\$ -	
Private Fire Service					
3" or Less	54	0.30	16.2	17,392	322.07
4"	54	0.40	21.6	23,189	429.43
6"	103	1.00	103.0	110,578	1,073.57
8"	14	1.80	25.2	27,054	1,932.43
12"	3	4.00	12.0	12,883	4,294.28
12"					
Public Fire Hydrants	479	1.00	479.0	514,240	1,073.57
Total Capacity			657.0	\$ 705,335	

**Summary:**

Fire Allocation Description	Public	Private	Total
Capacity	\$ 514,240	\$ 191,095	\$ 705,335
Services		254,778	254,778
Billing		16,358	16,358
Hydrants	98,167		98,167
Total	\$ 612,407	\$ 462,231	\$ 1,074,638

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DESIGN OF FIRE RATES

Description	Annual		Services			Capacity		Annual Rate Per Hydrant	Total Unadjusted Rate	Total Total Rate
	Units	Rate	ERC's		Allocated	Rate				
			Ratio	Rate						
Public Hydrants	479					\$ 514,240	\$ 1,073.57	\$ 204.94	\$ 1,278.51	\$ 1,278.51
Private Fire Service:										
3" or Less	54	\$ 71.75	0.17	9.2	\$ 253.32	17,392	322.07		647.14	303.32
4"	54	71.75	0.40	21.6	596.04	23,189	429.43		1,097.22	514.28
6"	103	71.75	1.00	103.0	1,490.10	110,578	1,073.57		2,635.42	1,235.25
8"	14	71.75	1.80	25.2	2,682.19	27,054	1,932.43		4,686.37	2,196.55
0	0	71.75		-	-					
12"	3	71.75	4.00	12.0	5,960.42	12,883	4,294.28		10,326.45	4,840.12
Total	228			171.0						

AQUARION WATER COMPANY OF NEW HAMPSHIRE

RATE COMPARISON

Description		Present				Proposed				Percent Change
		Quarterly	Monthly	Annual	Usage	Quarterly	Monthly	Annual	Usage	
Service Charge	5/8" or 1/2"	\$ 28.89	\$ 9.63	\$ 144.45		\$ 31.75	\$ 10.58	\$ 158.75		10%
	3/4"	43.32	14.44	216.60		47.61	15.87	238.05		10%
	1"	72.21	24.07	361.05		79.36	26.45	396.80		10%
	1-1/2"	144.42	48.14	722.10		158.73	52.91	793.65		10%
	2"	231.09	77.03	1,155.45		253.99	84.66	1,269.95		10%
	3"	433.29	144.43	2,166.45		476.22	158.74	2,381.10		10%
	4"	674.76	224.92	3,373.80		793.81	264.60	3,969.05		18%
	6"	1,207.38	402.46	6,036.90		1,587.63	529.21	7,938.15		31%
	8"	2,216.10	738.70	11,080.50		2,540.20	846.73	12,701.00		15%
	10"	3,416.61	1,138.87	17,083.05		3,651.54	1,217.18	18,257.70		7%
Usage - \$/CCF - R,C,I & PA					\$ 2.4817				\$ 3.1208	26%
Usage - \$/CCF - Seasonal					\$ 2.4817				\$ 3.9497	59%

AQUARION WATER COMPANY OF NEW HAMPSHIRE

REVENUE COMPARISON

Description	Present	Proposed	Percent Increase
Metered Sales to General Customers			
Residential	\$ 2,228,123	\$ 2,673,073	19.97%
Commercial	\$ 791,596	\$ 969,569.90	22.48%
Industrial	\$ 12,694	\$ 15,833.89	24.73%
Other Public Authority	\$ 41,066	\$ 49,051.51	19.44%
Seasonal	\$ 329,058	\$ 436,022	32.51%
Total Metered Sales	\$ 3,402,538	\$ 4,143,550	21.78%
Private Fire	\$ 171,947	\$ 216,653	26.00%
Public Fire	\$ 513,344	\$ 612,406	19.30%
Total Water Revenue from Rates	\$ 4,087,829	\$ 4,972,610	21.64%

## Workpaper

Minimum Charge:

Residential			Commercial		Industrial		PA		Total	
Units	\$		Units	\$	Units	\$	Units	\$	Units	\$
3	-	\$ -	186	\$ 1,791.18	-	\$ -	-	\$ -	186	\$ 1,791
9	26,615	\$ 768,907.35	1,276	\$ 36,863.64	-	\$ -	68	\$ 1,964.52	27,959	\$ 807,736
4	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
2	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
7	-	\$ -	189	\$ 4,549.23	12	\$ 288.84	12	\$ 288.84	213	\$ 5,127
1	442	\$ 31,916.82	267	\$ 19,280.07	-	\$ -	15	\$ 1,083.15	724	\$ 52,280
4	-	\$ -	146	\$ 7,028.44	11	\$ 529.54	23	\$ 1,107.22	180	\$ 8,665
2	62	\$ 8,954.04	51	\$ 7,365.42	-	\$ -	4	\$ 577.68	117	\$ 16,897
3	-	\$ -	900	\$ 69,327.00	-	\$ -	132	\$ 10,167.96	1,032	\$ 79,495
9	13	\$ 3,004.17	74	\$ 17,100.66	-	\$ -	5	\$ 1,155.45	92	\$ 21,260
3	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
9	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
	27,132	\$ 812,782.38	3,089	\$ 163,305.64	23	\$ 818.38	259	\$ 16,344.82	30,503	\$ 993,251

Monthly Accounts:

2,482	-	\$	.	171,497	\$	425,604.10	4,776	\$	11,852.60	8,537	\$	21,186.27	184,810	\$	458,643
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> Per 100 CCF

2.482	576,299	\$ 1,430,201.23	88,878	\$ 220,568.53	-	\$ -	1,610	\$ 3,995.54	666,787	\$ 1,654,765
		\$ 1,430,201.23		\$ 646,172.64		\$ 11,852.60		\$ 25,181.81	-	\$ 2,113,408
		\$ 2,422,983.61		\$ 809,478.28		\$ 12,670.98		\$ 41,526.63	-	\$ 3,106,859

### Reconcile to Books

(5,988)	\$	(14,860.83)	(7,205)	\$	(17,881.79)	9	\$	23.49	(186)	\$	(460.40)	(13,370)	\$	(33,180)
	\$	-		\$	-		\$	-		\$	-		\$	-

## TG

570,311	\$ 2,228,122.77	253,170	\$ 791,596.49	4,785	\$ 12,694.47	9,961	\$ 41,066.23	838,227	\$ 3,073,480
422,030		187,345		3,541		7,371		620,288	

**Minimum Charge:**

100.00	0.00	100.0000	0.00	0.55175	1.00	1.00	1.7000	1.00	1.1000
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5/8"	144.45	950	\$	137,227.50	66	\$	9,533.70	\$	-	12	\$	1,733.40	1,028	\$	148,495
3/4"	216.60	1	\$	216.60	-	\$	-	\$	-	-	\$	-	1	\$	217
1"	361.05	7	\$	2,527.35	25	\$	9,387.30	\$	-	5	\$	1,805.25	38	\$	13,720
1 1/2"	722.10	1	\$	722.10	3	\$	2,166.30	\$	-	-	\$	-	4	\$	2,888
2"	1,155.45	1	\$	1,155.45	5	\$	5,777.25	\$	-	5	\$	5,777.25	11	\$	12,710
Subtotal		960			100				-	22			1,082		
Vol \$ Per 100 CCF	2.482	31,356	\$	77,816.19	22,476	\$	55,778.69	\$	-	7,025	\$	17,433.94	60,857	\$	151,029
Total Seasonal Residential			\$	219,665.19		\$	82,643.24		-		\$	26,749.84		\$	329,058
Bill Correction Adjustments				0			0		0			0			-
Total Revenue			\$	219,665.19		\$	82,643.24		-		\$	26,749.84		\$	329,058

TG		23,203		16,632				5,199		45,034	\$	-
By class including Seasonal	HCF/\$	601,667	\$ 2,447,787.96	275,646	\$	874,239.73	4,785	\$ 12,694.47	16,988	\$ 67,819.07		3,402,538
	TG	445,233		203,978			3,541		12,570		665,322	\$ -

	Present	Proposed
	\$ 993,251	\$ 1,091,588
	\$ 178,029	\$ 195,656
SCREv	\$ 1,171,281	\$ 1,287,244

[illegible]

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

Workpaper

## Proposed Bill Analysis

**Minimum Charge:**

5/8" Monthly	10.58	-	\$ -	186	\$ 1,967.88	-	\$ -	-	\$ -	186	\$ 1,968
5/8" Quarterly	31.75	26,615	\$ 845,026.25	1,276	\$ 40,513.00	-	\$ -	68	\$ 2,159.00	27,959	\$ 887,698
3/4" Monthly	15.87	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
3/4" Quarterly	47.61	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
1" Monthly	26.45	-	\$ -	189	\$ 4,999.05	12	\$ 317.40	12	\$ 317.40	213	\$ 5,634
1" Quarterly	79.36	442	\$ 35,077.12	267	\$ 21,189.12	-	\$ -	15	\$ 1,190.40	724	\$ 57,457
1 1/2" Mthly	52.91	-	\$ -	146	\$ 7,724.86	11	\$ 582.01	23	\$ 1,216.93	180	\$ 9,524
1 1/2" Qtrly	158.73	62	\$ 9,841.26	51	\$ 8,095.23	-	\$ -	4	\$ 634.92	117	\$ 18,571
2" Monthly	84.66	-	\$ -	900	\$ 76,194.00	-	\$ -	132	\$ 11,175.12	1,032	\$ 87,369
2" Quarterly	253.99	13	\$ 3,301.87	74	\$ 18,795.26	-	\$ -	5	\$ 1,269.95	92	\$ 23,367
2-2" Monthly	-	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
2-2" Quarterly	-	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
		27,132	\$ 893,246.50	3,089	\$ 179,478.40	23	\$ 899.41	259	\$ 17,963.72	30,503	\$ 1,091,588
<b><u>Volumetric Charges</u></b>											
<b><u>Monthly Accounts:</u></b>											
> Per 100 CCF	3.1208	-	\$ -	171,497	\$ 535,207.84	4,776	\$ 14,904.94	8,537	\$ 26,642.27	184,810	\$ 576,755
<b><u>Quarterly Accounts</u></b>											
> Per 100 CCF	3.1208	576,299	\$ 1,798,513.92	88,878	\$ 277,370.46	-	\$ -	1,610	\$ 5,024.49	666,787	\$ 2,080,909
Usage Rev			\$ 1,798,513.92		\$ 812,578.30		\$ 14,904.94		\$ 31,666.76	-	\$ 2,657,664
Subtotal Rev			\$ 2,891,760.42		\$ 992,056.70		\$ 15,804.35		\$ 49,630.48	-	\$ 3,749,252
FAL's and Credits	3.1208	(5,988)	\$ (18,687.87)	(7,205)	\$ (22,486.80)	9	\$ 29.54	(186)	\$ (578.97)	(13,370)	\$ (41,724)
Reconcile to Books										-	\$ -
Per Bill Analysis		570,311	\$ 2,673,072.55	253,170	\$ 969,569.90	4,785	\$ 15,833.89	9,961	\$ 49,051.51	838,227	\$ 3,707,528
TG		422,030		187,345		3,541		7,371		620,288	
Usage Before Adj		570,311		253,170		4,785		9,961		838,227	
Rev Related to Usage Adj			\$ (18,687.87)		\$ (22,486.80)		\$ 29.54		\$ (578.97)		\$ (41,724.09)
Other Adjustments			\$ -		\$ -		\$ -		\$ -		\$ -
Adjusted Usage Rate Rev			\$ 1,779,826.05		\$ 790,091.50		\$ 14,934.48		\$ 31,087.79		\$ 2,615,939.82
Adjusted Usage Rate Revenue			\$ 1,779,826.05		\$ 790,091.50		\$ 14,934.48		\$ 31,087.79		\$ 2,615,939.82

**Minimum Charge:**

5/8"	158.75	950	\$ 150,812.50	66	\$ 10,477.50	\$ -	12	\$ 1,905.00	1,028	\$ 163,195	
3/4"	238.05	1	\$ 238.05	-	\$ -	\$ -	-	\$ -	1	\$ 238	
1"	396.80	7	\$ 2,777.60	26	\$ 10,316.80	\$ -	5	\$ 1,984.00	38	\$ 15,078	
1 1/2"	793.65	1	\$ 793.65	3	\$ 2,380.95	\$ -	-	\$ -	4	\$ 3,175	
2"	1,269.95	1	\$ 1,269.95	5	\$ 6,349.75	\$ -	5	\$ 6,349.75	11	\$ 13,969	
Subtotal		960		100		-	22		1,082		
Vol \$ Per 100 CCF	3.950	31,356	\$ 123,846.79	22,476	\$ 88,773.46	\$ -	7,025	\$ 27,746.64	60,857	\$ 240,367	
Total Seasonal			\$ 279,738.54		\$ 118,298.46	\$ -		\$ 37,985.39		\$ 436,022	
Bill Correction Adjustments			0		0		0		-	\$ -	
Total Revenue			\$ 279,738.54		\$ 118,298.46	\$ -		\$ 37,985.39		\$ 436,022	
TG		23,203		16,632			5,199		45,034	\$ -	
By class including Seasonal	HCF/\$	601,667	\$ 2,952,811.09	275,646	\$ 1,087,868.36	4,785	\$ 15,833.89	16,986	\$ 87,036.90	899,084	\$ 4,143,550
TG		445,233		203,978		3,541		12,570		665,322	\$ -

# Bill Analysis - Public Fire Service

Aquarion Water Company of New Hampshire  
Case No:

Test Year: Twelve Months Ended 03/31/05  
Exhibit No. 4, Schedule 7  
Page 1 of 1

Line No.	Location	Number of Hydrants	Present		Proposed		Dollar Change	Total Revenue % Change
			Annual Rates	Revenue	Annual Rates	Revenue		
1								
2	Public Fire Service							
3								
4	Town of Hampton	266	1,071.70	285,072	1,278.51	340,084	55,011	19.30%
5								
6	Town of North Hampton	147	1,071.70	157,540	1,278.51	187,941	30,401	19.30%
7								
8	Rye Beach Precinct	25	1,071.70	26,793	1,278.51	31,963	5,170	19.30%
9								
10	Jenness Beach Precinct	41	1,071.70	43,940	1,278.51	52,419	8,479	19.30%
11								
12								
13	Total Public Fire	479		513,344		612,406	99,061.99	19.30%
14								
15								
16								
17								



# Bill Analysis - Private Fire Service

Aquarion Water Company of New Hampshire  
Case No:

Test Year: Twelve Months Ended 03/31/05  
Exhibit No. 4, Schedule 8  
Page 1 of 1

Line No.	Location	Number of Connections	Present		Proposed		Dollar Change	Total Revenue % Change
			Annual Rates	Revenue	Annual Rates	Revenue		
1								
2	Private Fire Service							
3								
4	3" Inch or less	54	242.33	13,086	303.32	16,379	3,293	25.17%
5								
6	4" Inch	54	430.81	23,264	514.28	27,771	4,507	19.38%
7								
8	6" Inch	103	969.32	99,840	1,235.25	127,231	27,391	27.43%
9								
10	8" Inch	14	1,723.24	24,125	2,196.55	30,752	6,626	27.47%
11								
12	10" Inch	-		-		-	-	0.00%
13								
14	12" Inch	3	3,877.32	11,632	4,840.12	14,520	2,888	24.83%
15								
16	Total Private Fire	228		171,947		216,653	44,706.37	26.00%
17								
18								

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 8**

- The Utility's most recent construction budget.

**Attached.**

Aquarion Water Company of New Hampshire  
2008 Construction Budget

<u>Department Name</u>	<u>PUC Account No.</u>	<u>Description</u>	<u>Estimated Cost</u>	<u>2008 Expenditures</u>
Capital and Planning	317	Water Supply Alternatives Analysis	\$ 35,000	\$ 35,000
Capital and Planning	342	Mill Road Water Storage Tank Construction	1,322,500	1,322,500
Capital and Planning	343	Mill Road Water Main Replacement	189,500	189,500
Capital and Planning	343	I-95 Water Main Replacement	14,900	14,900
<b>Capital and Planning Total</b>			<b>1,561,900</b>	<b>1,561,900</b>
Customer Service	346	30 -5/8" New Meters	1,725	1,725
Customer Service	346	10 - 1" New Meters	775	775
Customer Service	346	5 -2" New Meters	1,000	1,000
Customer Service	346	1800 - 5/8" Replacement Meters	103,500	103,500
Customer Service	346	50 - 1" Replacement Meters	3,800	3,800
Customer Service	346	14 -2" Replacement Meters	2,000	2,000
<b>Customer Service Total</b>			<b>112,800</b>	<b>112,800</b>
Supply Operations	394	General Plant	8,000	8,000
Supply Operations	343	SCADA Improvements	7,500	7,500
Supply Operations	343	Well #10 Water Main Replacement	5,000	5,000
Supply Operations	331	Feasibility Study Mill Rd. Treatment	7,000	7,000
Supply Operations	314	Well Capacity Evaluation	54,000	54,000
Supply Operations	317	Security Improvements	11,000	11,000
Supply Operations	317	Decommission Well #15 N. Hampton	2,600	2,600
Supply Operations	317	Source Protection Surveys/Water Audits	11,000	11,000
Supply Operations	317	Little River Stream Gauging Study	6,500	6,500
Supply Operations	317	Wetlands Monitoring N. Hampton	7,000	7,000
Supply Operations	various	Recurring Capital Projects Pumping/Treatment	37,500	37,500
Supply Operations	various	Recurring Source of Supply	35,000	35,000
<b>Supply Operations Total</b>			<b>192,100</b>	<b>192,100</b>
Utility Operations	345	1" New Services	7,000	7,000
Utility Operations	345	11/2" New Services	3,500	3,500
Utility Operations	345	2" New Services	2,000	2,000
Utility Operations	345	4" Fire Services	5,500	5,500
Utility Operations	345	6" Fire Services	3,500	3,500
Utility Operations	345	3/4" Replacement Services	6,000	6,000
Utility Operations	345	1" Replacement Services	2,500	2,500
Utility Operations	345	1 1/2" Replacement Services	1,500	1,500
Utility Operations	345	2" Replacement Services	3,000	3,000
Utility Operations	343	Recurring Capital Projects T&D	54,500	54,500
Utility Operations	346	Hydrant Replacements	3,600	3,600
Utility Operations	349	Valve Replacements	3,000	3,000
<b>Utility Operations Total</b>			<b>95,600</b>	<b>95,600</b>
<b>Grand Total</b>		<b>Total Capital Expenditures</b>	<b>\$ 1,962,400</b>	<b>\$ 1,962,400</b>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 9**

- The utility's chart of accounts, if different from the uniform system of accounts established by the commission as part of Puc 300, Puc 400, Puc 500, Puc 600, and Puc 700.

**Attached.**

**AWC of New Hampshire**  
**Chart of Accounts**

**AWC OF NH**  
**ACCOUNT**  
**NUMBER**

**NH PUC ACCOUNT**  
**NUMBER**

**Account Description**

**Main Sub**

**Main Sub**

**Utility Plant in Service**

101	301	Organization	101	301
101	303	Miscellaneous Intangible Plant	101	339
101	310	Source Land and Land Rights	101	303
101	311	Source Structures and Improvements	101	304
101	312	Collecting and Impounding Reservoirs	101	305
101	314	Wells and Springs	101	307
101	316	Supply Mains	101	309
101	317	Other Water Source Plant	101	339
101	320	Pumping Land and Land Rights	101	303
101	321	Pumping Structures and Improvements	101	304
101	325	Electric Pumping Equipment	101	311
101	326	Diesel Pumping Equipment	101	311
101	328	Other Pumping Equipment	101	311
101	331	Treatment Structures and Improvements	101	304
101	332	Treatment Equipment	101	320
101	340	T&D Land and Land Rights	101	303
101	341	T&D Structures and Improvements	101	304
101	342	Distribution Reservoirs and Standpipes	101	330
101	343	Transmission and Distribution Mains	101	331
101	345	Services	101	333
101	346	Meters	101	334
101	347	Meter Installations	101	334
101	348	Hydrants	101	335
101	349	Other T&D Plant	101	339
101	390	General Structures and Improvements	101	304
101	391	Office Furniture and Equipment	101	340
101	391H	Computer Equipment - Hardware	101	340
101	391S	Computer Equipment - Software	101	340
101	392	Transportation Equipment	101	341
101	393	Stores Equipment	101	342
101	394	Tools, Shop, and Garage Equipment	101	343
101	395	Laboratory Equipment	101	344
101	396	Power Operated Equipment	101	345
101	397	Communications Equipment	101	346
101	398	Miscellaneous Equipment	101	347
101	399	Other Tangible Property	101	

**Property Held for Future Use**

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
105	000	Land Held for Future Use	103	000
		<b><u>Construction Work in Progress</u></b>		
107	311	Source Structures and Improvements	105	000
107	312	Collecting and Impounding Reservoirs	105	000
107	314	Wells and Springs	105	000
107	316	Supply Mains	105	000
107	317	Other Water Source Plant	105	000
107	321	Pumping Structures and Improvements	105	000
107	325	Electric Pumping Equipment	105	000
107	326	Diesel Pumping Equipment	105	000
107	328	Other Pumping Equipment	105	000
107	331	Treatment Structures and Improvements	105	000
107	332	Treatment Equipment	105	000
107	341	T&D Structures and Improvements	105	000
107	342	Distribution Reservoirs and Standpipes	105	000
107	343	Transmission and Distribution Mains	105	000
107	345	Services	105	000
107	346	Meters	105	000
107	347	Meter Installations	105	000
107	348	Hydrants	105	000
107	349	Other T&D Plant	105	000
107	390	General Structures and Improvements	105	000
107	391H	Computer Equipment - Hardware	105	000
107	391S	Computer Equipment - Software	105	000
107	392	Transportation Equipment	105	000
107	393	Stores Equipment	105	000
107	394	Tools, Shop, and Garage Equipment	105	000
107	395	Laboratory Equipment	105	000
107	396	Power Operated Equipment	105	000
107	397	Communications Equipment	105	000
107	398	Miscellaneous Equipment	105	000
107	399	Other Tangible Property	105	000
		<b><u>Accum Prov for Deprec - Util</u></b>		
111	001	ACCUM DEPRECIATION - UTILITY PLANT	108.1	000
111	050	ACCUM DEPR (WIP CONTROL-PROCEEDS)	108.1	000
111	343	ACCUM DEPR (PIPE - COST OF REMOVAL)	108.1	000

**Non-Utility Property**

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
121	000	Non-Utility Property	121	000
		<b><u>Accum Prov for Deprec - N.U.</u></b>		
122	000	Accum Depreciation - Non-Utility Plant	122	000
122	001	Accum Depreciation - Non-Utility Plant	122	000
122	010	A/D N/U Retirements	122	000
		<b><u>Cash</u></b>		
131	000	Cash- Concentrator Account	131.2	000
131	001	Cash- A/P Account	131.2	000
131	002	Cash- Payroll	131.2	000
131	100	Cash Concentrator Clearing	131.2	000
131	101	Cash- A/P Account Clearing	131.2	000
131	102	Cash- Payroll Clearing	133	000
131	200	NSF – Concentrator Clearing	133	000
131	900	Cash Desk	133	000
131	999	Clarification Account	133	000
		<b><u>Working Funds (Petty Cash)</u></b>		
135	000	Petty Cash	134	000
		<b><u>Customer Accounts Receivable</u></b>		
142	000	Accounts Receivable - Customers	141	000
142	001	Jobbing Receivables	142	000
		<b><u>Other Accounts Receivable</u></b>		
143	001	Payroll Advances	142	000
143	008	Amounts Due from VEBA	142	000
		<b><u>Accum Prov for Uncollectibles</u></b>		
144	000	Reserve for Doubtful Accts - Water	143	000
144	001	Reserve for Doubtful Accts - Jobbing	143	000
		<b><u>Accts Rec from Associates</u></b>		
146	000	Intercompany Receivable (Pay)	145	000
146	100	Intercompany Receivable- Aquarion	145	000
146	210	Intercompany Receivable- AWC of CT	145	000
146	220	Intercompany Receivable- AWC MA	145	000
146	230	Intercompany Receivable- AWC NH	145	000

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
146	24	Intercompany Receivable - AWC NY	145	000
		<b><u>Materials &amp; Supplies</u></b>		
154	000	Supplies Inventory	151	000
154	001	Chemicals	153	000
154	002	Supplies Inventory	151	000
		<b><u>Prepayments</u></b>		
165	000	Miscellaneous Prepayments	162	000
165	001	Prepaid Pension Costs	162	000
165	002	Prepaid Property Taxes	163	000
165	003	Prepaid Insurance	162	000
165	004	Prepaid Maintenance Contracts	162	000
165	005	Prepaid DPUC Assessment	162	000
165	009	Prepaid D&O Assessment	162	000
165	011	Prepaid Bond Trustee Fees		
		<b><u>Accrued Utility Revenues</u></b>		
173	000	Accrued Utility Revenues	173	000
173	001	Accrued Miscellaneous Revenues	174	000
		<b><u>Unamort Debt Disc &amp; Expenses</u></b>		
181	000	Unamort Debt Disc & Exp - Other	181	000
181	241	Unamort Debt Disc - \$3M - NH		
181	242	Unamort Debt Disc - \$5.9M - NH		
181	341	Unamort Debt Amort - \$3.0M - NH		
181	342	Unamort Debt Amort - \$5.9M - NH		
		<b><u>Clearing Accounts</u></b>		
184	000	General Overhead	184	000
		<b><u>Miscellaneous Deferred Debits</u></b>		
186	015	Deferred Program Maintenance Costs	186.2	000
186	023	Deferred Additional Security Costs	186.2	000
186	032	Def Rate Case- AW Cost	186.1	000
186	036	Deferred Water Restriction Costs	186.2	000
186	042	FAS 158 Net (Gain) Loss	186	000
186	043	FAS 158 Prior Service Costs	186	000
186	044	FAS 158 Transition Obligation	186	000



**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
186	901	Unfund Deferred Asset - FAS 109	186	000
186	904	FAS 158 Tax Effect Asset	186	000
186	905	FAS 158 Reg Asset	186	000
186	950	Regulatory Asset - Recov Income Tax	186	000
186	951	Regulatory Asset - Other	186	000
186	952	Liab for Excess Def IT	186	000
186	953	Deficit Def Income Tax	186	000
186	954	Liab for Excess DIT - State	186	000
186	955	Liab for 3% ITC	186	000
186	956	Liab for 4% ITC	186	000
186	957	Liab for 10% ITC	186	000
 <b><u>Common Stock Issued</u></b>				
201	000	Common Stock	201	000
 <b><u>Preferred Stock Issued</u></b>				
204	000	Preferred Stock	204	000
 <b><u>Premium on Capital Stock</u></b>				
207	000	Paid In Capital	207	000
 <b><u>Miscellaneous Paid-in Capital</u></b>				
211	000	Contributed Capital	211	000
 <b><u>Unapprop Retained Earnings</u></b>				
216	000	Retained Earnings	217	000
 <b><u>Bonds</u></b>				
221	241	\$3.0M 7.71% Due 2023 - NH	221	000
221	242	\$5.9M 6.21% Due 2035- NH		
 <b><u>Accounts Payable</u></b>				
232	000	Accounts Payable	231	000
232	001	Accounts Pay- IR not Inv		
232	002	Accrued Accounts Payable		
232	003	Accrued Medical Claims	241	000
232	004	FASB 106 Deferred Ins Costs		
232	022	Accrued Rental Expense		
232	999	GRIR Migration		

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
		<b><u>Notes Payable to Associates</u></b>		
233	100	Notes Pay to Associates - AQU	234	000
		<b><u>Customer Deposits - Water</u></b>		
235	000	Customer Deposits Water	235	000
		<b><u>Taxes Accrued</u></b>		
236	002	State Income Taxes	236	000
		<b><u>Interest Accrued</u></b>		
237	241	Accrued Interest-\$3.0M 7.71% Due 2023 - NH	237	000
237	242	Accrued Interest- \$5.9M 6.21% Due 2035- NH		
		<b><u>Dividends Declared</u></b>		
238	002	Dividends Declared - Preferred Stock	238	000
		<b><u>Tax Collection Payable</u></b>		
241	001	Federal Withholding Taxes Payable	241	000
241	002	FICA Withholding Taxes Payable		
241	005	Payroll Taxes Clearing		
241	006	Union Dues - Clearing		
		<b><u>Misc Current &amp; Accrued Liabs</u></b>		
242	000	Miscellaneous Accrued Liabilities	241	000
242	001	Funded Pension Contribution		
242	002	Bonus Accrual		
242	003	Accrued General Liability Claims		
242	004	Accrued Workers Compensation		
242	005	Accrued Auto Claims		
242	006	Accrued Payroll		
242	007	Audit Fees		
242	008	Legal Fee		
242	009	United Way		
242	010	Employee Thrift/401(K) Plan		
242	014	401K Loan Payments		
242	015	Flex Spending- Healthcare		
242	016	Flex Spending- Dependent Care		
242	019	Unclaimed Property		

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
242	020	Accrued Trustee Fees		
242	021	Accrued Pension Admin Fees		
242	028	Environmental Reserve- Putnam		
		<b><u>Customer Advances for Constr</u></b>		
252	000	Customer Advances - Deposit	252	000
		<b><u>Other Deferred Credits</u></b>		
253	000	Other Deferred Credits	253	000
253	001	Deferred Comp- Directors Fees		
		<b><u>Pensions and Benefits Reserve</u></b>		
263	000	Serp- Other Officers	263	000
263	003	401(k) SERP		
		<b><u>Contribution in Aid of Constr</u></b>		
271	000	Expired Customer Advances	271	000
		<b><u>Amort Contrib in Aid of Const</u></b>		
272	000	Amort Contrib. in Aid of Construction	272	000
		<b><u>Accum Def Inc Tax - Deprec</u></b>		
282	001	Deferred Income Taxes - ACRS Deprec.	282	000
		<b><u>Accum Def Inc Tax - Other</u></b>		
283	004	Deferred Taxes - FAS 109	283	000
283	005	Deferred Taxes- Accelerated Deprec.		
283	009	Current Year Deferred Provision		
283	015	Deferred Taxes- "A" Reserves		
283	016	Deferred ITC		
		<b><u>Depreciation Expense</u></b>		
403	000	Depreciation Expense	403	000
		<b><u>Amort of Other Utility Plant</u></b>		
405	000	Amort of Other Utility Plant - CIAC	405	000
		<b><u>Taxes Other Than Income Taxes</u></b>		
408	001	Payroll Taxes	408.12	000

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
408	004	Property Taxes - Utility	408.11	000
408	011	PR-OH- PR Taxes		
408	500	PR-OH- PR Taxes		
		<b><u>Income Taxes</u></b>		
409	001	Federal Income Tax - Current	409.10	000
409	002	State Income Tax- Current	409.11	000
409	007	Federal Income Tax – Current Provision to Return		
		<b><u>Provision for Def Income Taxes</u></b>		
410	001	Federal Income Tax - Deferred	411.10	000
410	002	State Income Tax - Deferred	410.11	000
410	003	Federal Income Tax - Utility FAS 109		
410	004	State Income Tax - Utility FAS 109		
		<b><u>Revenues from Merch, Jobbing</u></b>		
415	000	Jobbing Revenue	415	000
415	001	Cross Connections - Testing	415	000
		<b><u>Expenses from Merch, Jobbing</u></b>		
416	201	Cross Connections - Testing	416	000
		<b><u>Revenues from Non-Utility Ops</u></b>		
421	000	Misc. Non-Op Income	426	000
		<b><u>Misc Income Deductions</u></b>		
426	001	Charitable Donations	426	000
		<b><u>Interest on Long-Term Debt</u></b>		
427	241	Interest on Long-Term Debt - \$3.0M 7.71 NH	427	000
427	242	Interest on Long-Term Debt - \$5.9M 6.21 NH		
		<b><u>Amort of Debt Discount &amp; Exp</u></b>		
428	000	Amortization of Debt Discount & Expense	428	000
		<b><u>Interest on Debt to Associates</u></b>		
430	000	Intercompany Interest Expense - Aquarion	427.1	000
		<b><u>Interest Charged to Construct</u></b>		

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
432	500	AFUDC Charged to WBS Element	420	000
		<b><u>Dividends Declared - Preferred</u></b>		
437	000	Dividends Declared - Preferred	437	000
		<b><u>Dividends Declared - Common</u></b>		
438	000	Dividends Declared - Common	438	000
		<b><u>Unmetered Sales-General</u></b>		
460	001	Unmetered Sales		
		<b><u>Metered Sales to General Cust</u></b>		
461	001	Residential	461.1	000
461	003	Commercial	461.2	000
461	005	Industrial	461.3	000
		<b><u>Private Fire Protection Serv</u></b>		
462	001	Private Fire	462.2	000
		<b><u>Public Fire Protection Serv</u></b>		
463	001	Public Fire Protection	462.1	000
		<b><u>Other Sales to Public Author</u></b>		
464	001	Public Authority	461.4	000
		<b><u>Misc Service Revenue</u></b>		
471	000	Misc Service Revenue	471	000
471	002	Late Payment Fees	471	000
		<b><u>Rents from Water Property</u></b>		
472	002	Antenna Rental Income	472	000
		<b><u>Operation Labor &amp; Expenses</u></b>		
601	001	Labor- Source of Supply Operations	601	000
		<b><u>Miscellaneous Expenses</u></b>		
603	000	Miscellaneous Expenses – Source of Supply Operations	603	000
603	004	Transportation- Source of Supply Operations	603	000
603	005	Telecommunications- Source of Supply Operations	603	000

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
603	205	Miscellaneous Building Services	603	000
603	206	Miscellaneous Expense- Security	603	000
		<b><u>Rents</u></b>		
604	000	Rent Expense- Source of Supply Operations	604	000
		<b><u>Maintenance of Structures</u></b>		
611	000	Maintenance of Structures- Source of Supply		
611	002	Maintenance of Structure Services- Source of Supply		
611	003	Maintenance of Structure Material- Source of Supply		
611	004	Transportation- Source of Supply- Maintenance of Structures		
611	201	Maintenance of Structures- Trees		
		<b><u>Maint of Wells &amp; Springs</u></b>		
614	003	Maintenance of Wells & Springs - Materials	614	000
		<b><u>Supervisory Labor</u></b>		
620	001	Supervisory Labor- Pumping Operations		
		<b><u>Fuel or Power Purch for Pumpng</u></b>		
623	201	Purchased Fuel - Electric	623	000
623	202	Purchased Fuel - Oil	623	000
623	203	Purchased Fuel - Gas	623	000
623	204	Purchased Fuel - Other	623	000
		<b><u>Pumping Labor &amp; Expenses</u></b>		
624	001	Labor- Pumping Operations	624	000
624	005	Telecommunications- Pumping Operations	624	000
		<b><u>Miscellaneous Expenses</u></b>		
626	000	Miscellaneous Expenses – Pumping Operations	626	000
626	003	Materials- Pumping Operations	626	000
626	004	Transportation- Pumping Operations	626	000
626	201	Miscellaneous Pumping Expense- SCADA	626	000
		<b><u>Maint of Structures &amp; Improve</u></b>		
631	001	Maintenance of Structures – Pumping- Labor	631	000
631	002	Maintenance of Structures- Pumping- Services	631	000
631	003	Maintenance of Structures – Pumping-Materials	631	000

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
		<b><u>Maint of Power Product Equip</u></b>		
632	001	Maintenance of Power Prod. Equip.- Labor	632	000
632	003	Maintenance of Power Prod. Equip.- Material	632	000
		<b><u>Maint of Pumping Equipment</u></b>		
633	000	Maintenance of Pumping Equipment	633	000
633	001	Maintenance of Pumping Equipment - Labor	633	000
633	002	Maint. of Pumping Equipment - Services	633	000
633	003	Maint. of Pumping Equipment - Materials	633	000
633	004	Maint. of Pumping Equipment – Transportation	633	000
		<b><u>Operation Superv &amp; Engineering</u></b>		
640	001	Supervision & Engineering - Labor	640	000
		<b><u>Chemicals</u></b>		
641	000	Chemicals	641	000
		<b><u>Operation Labor &amp; Expenses</u></b>		
642	001	Treatment Labor & Expenses - Labor	642	000
642	201	Lab Support - Supplies	642	000
642	202	Outside Services	642	000
642	203	Water Quality Sample Collections	642	000
		<b><u>Miscellaneous Expenses</u></b>		
643	000	Miscellaneous Treatment Expenses	643	000
643	002	Outside Services Treatment Exp.	643	000
643	003	Materials- Treatment Operations	643	000
643	004	Transportation- Treatment Operations	643	000
643	201	Miscellaneous Treatment Expense- SCADA	643	000
643	202	Miscellaneous Treatment Expense- Landscaping	643	000
		<b><u>Maint of Structures &amp; Improve</u></b>		
651	002	Maintenance of Structures - Materials	651	000
		<b><u>Maint of Water Treat Equipment</u></b>		
652	001	Maint. of Treatment Equip. - Labor	652	000
652	002	Maint. of Treatment Equip. - Services	652	000
652	003	Maint. of Treatment Equip. - Material	652	000

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
652	004	Maint. of Treatment Equip. - Transporation	652	000
		<b><u>Trans &amp; Distrib Lines Expenses</u></b>		
662	001	Transportation & Distribution - Labor	662	000
662	003	Transportation & Distribution - Materials	662	000
662	202	Flushing Expenses - T&D Mains	662	000
		<b><u>Meter Expenses</u></b>		
663	000	Miscellaneous Meter Expenses	663	000
663	001	Meter Expenses - Labor	663	000
663	003	Meter Expenses - Materials	663	000
		<b><u>Customer Installations Expense</u></b>		
664	001	Cust. Installations - Labor	664	000
664	201	Cust. Installations - Other	664	000
		<b><u>Miscellaneous Expenses</u></b>		
665	000	Miscellaneous T&D Expenses	665	000
665	001	Miscellaneous T&D Expenses - Labor	665	000
665	002	Miscellaneous T&D Expenses – Outside Services	665	000
665	003	Miscellaneous T&D Expenses - Materials	665	000
665	004	Miscellaneous T&D Exp. - Transportation	665	000
665	005	Telecommunications	665	000
665	201	Misc. T&D Expense	665	000
665	202	Misc. T&D Expense	665	000
665	204	Electricity	665	000
		<b><u>Rents</u></b>		
666	000	Rent Expense- T&D Operations	666	000
		<b><u>Maint of Structures &amp; Improve</u></b>		
671	000	Maintenance of Structures – T&D	671	000
		<b><u>Maint of Distrib Resv &amp; Stndp</u></b>		
672	000	Maintenance of Tanks	672	000
672	201	Tank Painting Amortization	672	000
		<b><u>Maint of Trans &amp; Distrib Mains</u></b>		
673	000	Maintenance of Mains	673	000



**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
673	001	Maintenance of Mains- Labor	673	000
673	002	Maintenance of Mains- Services	673	000
673	003	Maintenance of Mains- Materials	673	000
673	004	Maintenance of Mains- Transportation	673	000
		<b><u>Maint of Services</u></b>		
675	000	Maintenance of Services	675	000
675	001	Maintenance of Services - Labor	675	000
675	002	Maintenance of Services - Materials	675	000
675	003	Maintenance of Services - Materials	675	000
		<b><u>Maint of Meters</u></b>		
676	000	Maintenance of Meters	676	000
676	001	Maintenance of Meters - Labor	676	000
676	002	Maintenance of Meters - Services	676	000
676	003	Maintenance of Meters - Materials	676	000
		<b><u>Maint of Hydrants</u></b>		
677	000	Maintenance of Hydrants	677	000
677	001	Maintenance of Hydrants - Labor	677	000
677	002	Maintenance of Hydrants - Services	677	000
677	003	Maintenance of Hydrants - Materials	677	000
		<b><u>Meter Reading Expenses</u></b>		
902	000	Meter Reading Expense	902	000
902	001	Meter Reading Expense - Labor	902	000
902	002	Meter Reading Expense - Services	902	000
902	004	Meter Reading Expense - Transportation	902	000
		<b><u>Customer Records &amp; Coll. Exp</u></b>		
903	001	Records & Collections - Labor	903	000
903	003	Records & Collections - Materials	903	000
903	004	Records & Collections - Transportation	903	000
903	201	Records & Collections - Postage	903	000
903	202	Bill Printing Services	903	000
903	203	Goodwill Credit	903	000
903	204	Leak Concessions	903	000
903	205	Reimbursable Outside Collections	903	000
903	208	Reverse 911 Services	903	000

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
		<b><u>Bad Debit Expense</u></b>		
904	000	Bad Debit Expense	904	000
		<b><u>Misc Customer Accounts Expense</u></b>		
905	000	Miscellaneous Customer Accounts Expenses	905	000
905	111	Allocation Customer Service Expense	905	000
		<b><u>Information Technology</u></b>		
906	011	Allocated IT Expense	906	000
906	201	IT - Hardware Maint. & Service - Other	906	000
		<b><u>Admin &amp; General Salaries</u></b>		
920	000	Payroll Expense	920	000
920	003	Labor- Non-CT	920	000
920	004	G & A- Labor	920	000
920	102	Bonus Expense	920	000
920	103	LTIP Expense	920	000
		<b><u>Office Supplies &amp; Other Exp</u></b>		
921	000	Materials & Supplies	921	000
921	003	Office Supplies	921	000
921	004	Transportation- G&A	921	000
921	005	Office Expenses - Telcommunication Costs	921	000
921	201	G&A Business Meals and Entertainment	921	000
921	202	Auto Mileage Reimbursement	921	000
921	203	Individual Dues and Memberships	921	000
921	204	Subscriptions and Publications	921	000
921	205	Postage Expenses	921	000
921	206	Utilities Expense	921	000
921	207	Payroll Computer Expense	921	000
921	208	Building Services	921	000
921	500	Miscellaneous Inventory Adjustments	921	000
		<b><u>Outside Services Employed</u></b>		
923	000	Outside Services	923	000
923	011	Allocation from AWC CT	923	000
923	100	Corporate Alloc from Aquarion	923	000
923	201	Outside Services - Auditing	923	000

**AWC of New Hampshire**  
**Chart of Accounts**

<b><u>AWC OF NH</u></b> <b><u>ACCOUNT</u></b> <b><u>NUMBER</u></b>		<b><u>Account Description</u></b>	<b><u>NH PUC ACCOUNT</u></b> <b><u>NUMBER</u></b>	
<b>Main</b>	<b>Sub</b>		<b>Main</b>	<b>Sub</b>
923	202	Outside Services - Legal	923	000
923	203	Outside Services - Pension	923	000
923	204	Bank Fees - Fleet & Others	923	000
923	210	Trustees Fees - Long-Term Debt	923	000
		<b><u>Property Insurance</u></b>		
924	001	Property Insurance	924	000
		<b><u>Injuries &amp; Damages</u></b>		
925	001	Insurance Premiums	925	000
925	003	Safety and Accident Prevention		
925	004	D & O Liability		
925	005	General Liability Claims		
		<b><u>Employee Pensions &amp; Benefits</u></b>		
926	000	Miscellaneous Fringe Benefits	926	000
926	011	PR OH-Benefits	926	000
926	201	Benefits - Funded Pension Plan	926	000
926	202	Benefits - Thrift / 401(k) Plan	926	000
926	204	Benefits - FAS 106	926	000
926	206	Benefits - Indemnity Healthcare, CIGNA	926	000
926	207	Employee contributions - Medical Plan	926	000
926	209	Benefits - Auto Allowance	926	000
926	211	Workers Compensation Insurance	926	000
926	212	Benefits - Life Insurance	926	000
926	213	Benefits - Long-Term Disability	926	000
926	214	Seminars & Conferences - Non-Labor	926	000
926	215	Benefits - Tuition Reimbursement	926	000
926	216	Compliance Training Costs - Non-Labor	926	000
926	217	Non-Compliance Training - Non-Labor	926	000
926	218	Benefits - Service Awards	926	000
926	219	Company Meetings - Nonpayroll	926	000
926	220	WC Insurance Claims	926	000
926	221	Medicare Part D	926	000
926	500	PR OH- Benefits	926	000
		<b><u>Regulatory Commission Expenses</u></b>		
928	000	Regulatory Expenses - Other	928	000
928	001	Annual DPUC Assessment	928	000

**AWC of New Hampshire**  
**Chart of Accounts**

<u>AWC OF NH</u> <u>ACCOUNT</u> <u>NUMBER</u>		<u>Account Description</u>	<u>NH PUC ACCOUNT</u> <u>NUMBER</u>	
Main	Sub		Main	Sub
		<u>Miscellaneous General Expenses</u>		
930	000	Misc. G&A Expenses - Other	930	000
930	201	Company Dues and Memberships	930	000
930	202	Industry Conferences	930	000
930	203	Travel Expenses	930	000
930	205	Employee Recruiting	930	000
930	207	Customer Relations	930	000
930	211	Public Relations - Publications	930	000
930	212	Community Projects	930	000
930	218	Bank Rec-Expenses	930	000
		<u>Rents</u>		
931	000	Rent Expense	931	000
Tot		AWC of New Hampshire		

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 10**

- The utility's Securities and Exchange Commission 10K forms and 10Q forms, for the most recent 2 years.

**Not Applicable.**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 11**

- Detailed list of all membership fees, dues, donations for the test year charged above the line showing the trade, technical and professional associations and organizations and amount
  - a) If the utility's annual gross revenue are less than \$100,000, all membership fees, dues and donations shall be reported;
  - b) If the utility's annual gross revenue's are \$100,000 or are between \$100,000 and \$10,000,000, all membership fees, dues and donations of \$1,000 and more shall be reported;
  - c) If the utility's annual gross revenue's are \$10,000,000 or are between \$10,000,000 and \$100,000,000, all membership fees, dues and donations of \$2,500 and more shall be reported;
  - d) If the utility's annual gross revenue's are \$100,000,000 or are in excess of \$100,000,000, all membership fees, dues and donations of \$5,000 and more shall be reported.

**Attached.**

**AWC Of New Hampshire**

**Dues & Subscriptions for the test year 04/01/07 - 03/31/08**

<b><u>Description</u></b>	<b><u>Amount</u></b>
New Hampshire Water Works Association	1,096.60
National Association of Water Companies	4,873.00
National Association of Water Companies	5,171.00
American Water Works Association	1,615.00
	<b><u>12,755.60</u></b>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 12**

- **A list of any management audit and depreciation studies performed within the last 5 years, specifying whether same are in file with the commission.**

**Not Applicable.**



**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 13**

- Copies of any audits or studies referred to in (12) which the utility has not submitted to the commission.

**Not Applicable.**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 14**

- **List of officers and director of the utility and their compensation for last 2 years.**

**Attached.**

**A-4 LIST OF OFFICERS 2007**

Line No.	Title of Officer	Name	Residence	Compensation
1	Chairman of the Board & President	Charles V. Firlotte	1182 Prospect Dr. Stratford, CT 06615	\$0
2	Senior Vice President	Larry L. Bingaman	22 Prospect Street, Norwell, MA 02061	\$0
3	Vice President, Treasurer and Secretary	Donald J. Morrissey	16 Merlins Ln. Newtown, CT 06470	\$0
4	Vice President	Howard J. Dunn	215 Carrington Road, Bethany, CT 06524	\$0

**LIST OF DIRECTORS 2007**

Line No.	Name	Residence	Length of Term	Term Expires	No. of Meetings Attended	Annual Fees
5	Charles V. Firlotte	1182 Prospect Dr. Stratford, CT 06615	1 yr	07/08	2	\$0
6	Donald J. Morrissey	16 Merlins Ln. Newtown, CT 06470	1 yr	07/08	2	\$0
7	Howard J. Dunn	215 Carrington Road, Bethany, CT 06524	1 yr	07/08	2	\$0

**A-4 LIST OF OFFICERS 2006**

Line No.	Title of Officer	Name	Residence	Compensation
1	Chairman of the Board & President	Charles V. Firlotte	30 Amante Drive Easton, CT 06612	\$0
2	Senior Vice President	Larry L. Bingaman	22 Prospect Street, Norwell, MA 02061	\$0
3	Vice President, Treasurer and Secretary	Donald J. Morrissey	3 Spring Road Newtown, CT 06470	\$0
4	Vice President	Howard J. Dunn	215 Carrington Road, Bethany, CT 06524	\$0

**LIST OF DIRECTORS 2006**

Line No.	Name	Residence	Length of Term	Term Expires	No. of Meetings Attended	Annual Fees
5	Charles V. Firlotte	30 Amante Drive Easton, CT 06612	1 yr	07/22/07	4	\$0
6	Donald J. Morrissey	3 Spring Road Newtown, CT 06470	1 yr	07/22/07	4	\$0
7	Howard Dunn	215 Carrington Road, Bethany, CT 06524	1 yr	07/22/07	4	\$0

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 15**

- Lists of the amount of voting stock of the utility categorized as follows:
  - a) Owned by an officer or director individually;
  - b) Owned by the spouse or minor child of an officer or director; or
  - c) Controlled by the officer or director directly or indirectly.

**None.**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 16**

- **A list of all payments to individuals or corporations for contractual services in the test year with a description of the purpose of the contractual services, as follows:**
  - a) **If the utility's annual gross revenue are less than \$100,000, all payments shall be reported;**
  - b) **If the utility's annual gross revenue's are \$100,000 or are between \$100,000 and \$10,000,000, all payments of \$1,000 and more shall be reported;**
  - c) **If the utility's annual gross revenue's are \$10,000,000 or are between \$10,000,000 and \$100,000,000, all payments of \$2,500 and more shall be reported;**
  - d) **If the utility's annual gross revenue's are \$100,000,000 or are in excess of \$100,000,000, all payments of \$5,000 and more shall be reported**
  - e) **For utilities in categories b., c. and d. above, the reporting thresholds for a particular charity shall be on a cumulative basis, indicating the number of items comprising the total amount of expenditure.**

**Attached.**

## AWC of New Hampshire

### Vendor Payments in excess of \$10,000 made during the test year 04/01/07 - 03/31/08

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
AQUARION INC.	Quarterly dividend payments	408,000.00
FIRST COLONY LIFE INSURANCE	Annual interest payment on long term debt issue	231,300.00
GENWORTH LIFE INSURANCE	Annual interest payment on long term debt issue	366,390.00
TATA & HOWARD INC	Construction Cost	419,080.28
RH WHITE CONSTRUCTION COMPANY	Construction Cost	329,439.21
GEOSPHERE ENVIRONMENTAL	Construction Cost	327,908.80
SIMARD CONSTRUCTION	Construction Cost	251,004.38
ROBERT PIKE CONSTRUCTION INC	Construction Cost	230,384.31
FERGUSON WATERWORKS	Construction Cost	200,766.66
NEPTUNE TECHNOLOGY GROUP INC	Equipment Cost- Meters	153,961.18
STATE OF NEW HAMPSHIRE	Tax Payments	135,783.08
UNITIL EXETER & HAMPTON ELECTRIC CO	Electricity Payments	127,690.87
TOWN OF NORTH HAMPTON	Tax, Police Detail & Other Miscellaneous Payments	110,726.00
CPM CONSTRUCTORS	Construction Cost	95,320.11
TOWN OF HAMPTON	Tax, Police Detail & Other Miscellaneous Payments	79,843.54
PUBLIC SERVICE OF NEW HAMPSHIRE	Electricity Payments	74,309.24
WATERLINE INDUSTRIES	Construction Cost	64,807.01
TOWN OF NORTH HAMPTON	Tax, Police Detail & Other Miscellaneous Payments	56,202.90
ADVANCED EXCAVATING AND PAVING	Construction Cost	35,125.00
TOWN OF HAMPTON	Tax, Police Detail & Other Miscellaneous Payments	35,078.42
NEW HAMPSHIRE DEPT OF REVENUE ADIM	Utility Property Tax	34,742.64
TOWN OF STRATHAM	Tax, Police Detail & Other Miscellaneous Payments	30,360.00
TOWLE OFFICE PARK PROPERTIES LLC	Lease Expense	29,785.60
THE TRAVELERS INDEMNITY COMPANY	Insurance Cost	27,190.85
EJ PRESCOTT	Equipment Cost	18,647.01
FERGUSON WATERWORKS	Construction Cost	18,564.94
TOWN OF RYE	Tax, Police Detail & Other Miscellaneous Payments	16,828.54
WHITEWATER INC	Cross Connection Testing	15,429.00
EASTERN ANALYTICAL, INC.	Water Quality Sampling	15,095.00
BASIC CHEMICALS	Chemical cost	13,578.34
NEW HAMPSHIRE PUBLIC UTILITIES COMM	Public Utility Assessment	12,313.00
NEW HAMPSHIRE SOIL CONSULTANTS INC	Testing Services	10,055.80
NATIONAL ASSOCIATION OF WATER	Dues	10,044.00

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3,985,755.71

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 17**

- **For non-utility operations, the amount of assets and costs allocated thereto and justification for such allocations.**

**None.**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 18**

- **Balance sheets and income statements for the previous 3 years.**

**Attached.**



AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 12 months ended 30th March '08

	<u>March-08</u>	<u>March-07</u>
<b><u>Operating Revenues:</u></b>		
Residential	3,075,044	2,436,020
Commercial	1,025,072	996,835
Industrial	19,163	10,863
Public Authorities	82,159	74,682
Public Fire	636,333	542,453
Private Fire	234,986	188,919
Other	71,117	78,209
 Total Revenues	 <u>5,143,874</u>	 <u>4,327,981</u>
 <b><u>Operating Expenses:</u></b>		
Source of Supply	42,460	41,592
Pumping	309,609	256,599
Water Treatment	107,030	117,351
Transmission and Distribution	445,901	388,827
Customer Accounting	174,464	163,285
Information Technology	100,143	65,489
Administrative and General	1,192,991	1,004,172
	<u>2,372,599</u>	<u>2,037,314</u>
 Depreciation	 <u>823,706</u>	 <u>774,201</u>
Taxes Other than Income Taxes	368,901	356,954
	<u>1,192,607</u>	<u>1,131,155</u>
 Total Operating Expenses	 <u>3,565,207</u>	 <u>3,168,469</u>
	<u>(1,578,667)</u>	<u>(1,159,513)</u>
Other Income and Expense	(69,486)	(60,275)
AFUDC	-	(42,309)
Income before Interest and Taxes	<u>(1,648,153)</u>	<u>(1,262,096)</u>
Interest Expense, Outside	606,228	458,195
Interest Expense, Inside	101,282	139,836
	<u>(940,643)</u>	<u>(664,065)</u>
Income before Income Taxes	(940,643)	(664,065)
State Income Tax - Current	88,000	73,000
Federal Income Tax - Current	370,249	268,000
State Income Tax - Deferred	(7,440)	(17,440)
Federal Income Tax - Deferred	(11,122)	(57,092)
<b>Net Income</b>	<u>(500,956)</u>	<u>(397,597)</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 11 months ended 28th February '08

	<u>February '08</u>	<u>February-07</u>
<b><u>Operating Revenues:</u></b>		
Residential	2,862,525	2,191,297
Commercial	986,955	959,229
Industrial	18,159	9,415
Public Authorities	79,729	72,564
Public Fire	586,118	489,000
Private Fire	216,823	169,160
Other	68,714	71,180
<b>Total Revenues</b>	<b>4,819,022</b>	<b>3,961,844</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	39,598	38,095
Pumping	282,627	224,179
Water Treatment	99,747	110,409
Transmission and Distribution	399,984	348,057
Customer Accounting	160,684	145,639
Information Technology	79,456	56,007
Administrative and General	1,099,420	880,927
	<b>2,161,518</b>	<b>1,803,314</b>
Depreciation	757,408	703,759
Taxes Other than Income Taxes	339,901	323,881
	<b>1,097,309</b>	<b>1,027,640</b>
<b>Total Operating Expenses</b>	<b>3,258,827</b>	<b>2,830,953</b>
	<b>(1,560,195)</b>	<b>(1,130,891)</b>
Other Income and Expense	(66,029)	(50,160)
AFUDC	-	(42,309)
<b>Income before Interest and Taxes</b>	<b>(1,626,224)</b>	<b>(1,223,360)</b>
Interest Expense, Outside	555,709	407,676
Interest Expense, Inside	92,791	134,527
	<b>(977,724)</b>	<b>(681,156)</b>
Income before Income Taxes	(977,724)	(681,156)
State Income Tax - Current	89,000	73,000
Federal Income Tax - Current	382,249	274,000
State Income Tax - Deferred	(7,440)	(17,440)
Federal Income Tax - Deferred	(10,122)	(57,092)
<b>Net Income, U.S.</b>	<b>(524,037)</b>	<b>(408,688)</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 10 months ended 31st January '08

	<u>January-08</u>	<u>January-07</u>
<b><u>Operating Revenues:</u></b>		
Residential	2,692,599	2,029,366
Commercial	912,383	873,650
Industrial	16,529	7,406
Public Authorities	75,848	67,796
Public Fire	535,903	431,165
Private Fire	198,034	147,959
Other	63,736	64,399
<b>Total Revenues</b>	<b>4,495,031</b>	<b>3,621,740</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	35,425	31,278
Pumping	253,095	201,309
Water Treatment	90,496	103,553
Transmission and Distribution	335,378	315,896
Customer Accounting	144,036	126,387
Information Technology	57,319	47,241
Administrative and General	1,010,926	744,722
	<b>1,926,677</b>	<b>1,570,387</b>
Depreciation	684,991	634,202
Taxes Other than Income Taxes	310,563	289,950
	<b>995,554</b>	<b>924,152</b>
<b>Total Operating Expenses</b>	<b>2,922,231</b>	<b>2,494,538</b>
	<b>(1,572,800)</b>	<b>(1,127,202)</b>
Other Income and Expense	(63,225)	(45,500)
AFUDC	-	(42,309)
<b>Income before Interest and Taxes</b>	<b>(1,636,025)</b>	<b>(1,215,011)</b>
Interest Expense, Outside	505,190	357,157
Interest Expense, Inside	84,443	128,970
	<b>(1,046,393)</b>	<b>(728,883)</b>
Income before Income Taxes	(1,046,393)	(728,883)
State Income Tax - Current	92,000	75,000
Federal Income Tax - Current	404,249	289,000
State Income Tax - Deferred	(6,440)	(17,440)
Federal Income Tax - Deferred	(7,122)	(55,092)
<b>Net Income, U.S.</b>	<b>(563,706)</b>	<b>(437,415)</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '07

	<u>December '07</u>	<u>December '06</u>
<b><u>Operating Revenues:</u></b>		
Residential	2,516,507	1,839,141
Commercial	830,607	787,516
Industrial	14,944	6,086
Public Authorities	68,884	62,799
Public Fire	485,688	386,254
Private Fire	179,415	129,417
Other	58,080	57,202
 Total Revenues	 4,154,124	 3,268,414
 <b><u>Operating Expenses:</u></b>		
Source of Supply	32,109	28,809
Pumping	227,110	177,359
Water Treatment	85,036	97,784
Transmission and Distribution	309,155	285,683
Customer Accounting	132,022	114,199
Information Technology	37,308	41,032
Administrative and General	922,151	665,958
	1,744,893	1,410,825
 Depreciation	 612,574	 564,645
Taxes Other than Income Taxes	280,683	257,352
	893,257	821,997
 Total Operating Expenses	 2,638,150	 2,232,821
	(1,515,974)	(1,035,593)
Other Income and Expense	(60,020)	(48,202)
AFUDC	-	(42,309)
Income before Interest and Taxes	(1,575,994)	(1,126,103)
Interest Expense, Outside	454,671	306,638
Interest Expense, Inside	74,349	122,023
	(1,046,975)	(697,442)
Income before Income Taxes	(1,046,975)	(697,442)
State Income Tax - Current	92,000	74,000
Federal Income Tax - Current	404,249	279,000
State Income Tax - Deferred	(6,440)	(17,440)
Federal Income Tax - Deferred	(7,122)	(56,092)
 Net Income	 (564,288)	 (417,974)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 8 months ended 30th November '07

	<u>November '07</u>	<u>November '06</u>
<b><u>Operating Revenues:</u></b>		
Residential	2,258,623	1,648,717
Commercial	783,795	743,395
Industrial	14,145	5,656
Public Authorities	65,665	59,751
Public Fire	431,793	342,835
Private Fire	159,765	114,853
Other	53,334	52,560
 Total Revenues	 <u>3,767,120</u>	 <u>2,967,768</u>
 <b><u>Operating Expenses:</u></b>		
Source of Supply	28,151	22,415
Pumping	205,536	169,978
Water Treatment	82,740	90,519
Transmission and Distribution	278,943	251,282
Customer Accounting	120,647	95,284
Information Technology	32,721	34,738
Administrative and General	839,169	613,409
	<u>1,587,908</u>	<u>1,277,624</u>
 Depreciation	 <u>556,456</u>	 <u>500,228</u>
Taxes Other than Income Taxes	244,458	214,792
	<u>800,914</u>	<u>715,020</u>
 Total Operating Expenses	 <u>2,388,822</u>	 <u>1,992,644</u>
	<u>(1,378,298)</u>	<u>(975,124)</u>
Other Income and Expense	(42,628)	(44,722)
AFUDC	-	(3,671)
Income before Interest and Taxes	<u>(1,420,926)</u>	<u>(1,023,517)</u>
Interest Expense, Outside	404,152	256,010
Interest Expense, Inside	66,018	118,864
	<u>(950,757)</u>	<u>(648,644)</u>
Income before Income Taxes	(950,757)	(648,644)
State Income Tax - Current	43,000	43,000
Federal Income Tax - Current	324,000	160,000
State Income Tax - Deferred	4,000	13,000
Federal Income Tax - Deferred	18,000	48,000
 Net Income	 <u>(561,757)</u>	 <u>(384,644)</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 7 months ended 31st October '07

	<u>October-07</u>	<u>October-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,989,834	1,420,912
Commercial	675,580	653,690
Industrial	12,819	4,889
Public Authorities	46,920	44,117
Public Fire	378,098	299,682
Private Fire	138,580	100,289
Other	48,520	48,145
 Total Revenues	 <u>3,290,351</u>	 <u>2,571,724</u>
 <b><u>Operating Expenses:</u></b>		
Source of Supply	25,656	18,614
Pumping	175,360	147,668
Water Treatment	75,583	80,993
Transmission and Distribution	245,575	217,451
Customer Accounting	106,848	81,126
Information Technology	27,332	29,709
Administrative and General	742,058	534,935
	<u>1,398,414</u>	<u>1,110,496</u>
 Depreciation	 <u>486,899</u>	 <u>435,568</u>
Taxes Other than Income Taxes	215,536	187,905
	<u>702,436</u>	<u>623,473</u>
 Total Operating Expenses	 <u>2,100,850</u>	 <u>1,733,970</u>
	<u>(1,189,501)</u>	<u>(837,754)</u>
Other Income and Expense	(33,010)	(43,137)
AFUDC	-	(3,418)
Income before Interest and Taxes	<u>(1,222,511)</u>	<u>(884,309)</u>
Interest Expense, Outside	353,633	205,248
Interest Expense, Inside	58,592	116,558
	<u>(810,286)</u>	<u>(562,504)</u>
Income before Income Taxes	(810,286)	(562,504)
State Income Tax - Current	36,000	37,000
Federal Income Tax - Current	273,000	139,000
State Income Tax - Deferred	4,000	11,000
Federal Income Tax - Deferred	18,000	41,000
 Net Income	 <u>(479,286)</u>	 <u>(334,504)</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6months ended 30th September '07

	<u>September-07</u>	<u>September-06</u>
<u>Operating Revenues:</u>		
Residential	1,739,689	1,253,059
Commercial	552,862	540,715
Industrial	11,096	3,960
Public Authorities	39,030	38,385
Public Fire	324,403	256,798
Private Fire	118,904	85,725
Other	40,063	43,656
 Total Revenues	 2,826,047	 2,222,298
 <u>Operating Expenses:</u>		
Source of Supply	22,946	16,321
Pumping	148,610	129,933
Water Treatment	67,589	71,089
Transmission and Distribution	198,521	189,858
Customer Accounting	94,398	70,430
Information Technology	20,735	26,751
Administrative and General	647,396	455,760
	1,200,196	960,142
 Depreciation	 417,342	 373,344
Taxes Other than Income Taxes	185,825	157,657
	603,167	531,001
 Total Operating Expenses	 1,803,363	 1,491,143
	(1,022,684)	(731,155)
Other Income and Expense	(27,619)	(41,836)
AFUDC	-	(3,180)
Income before Interest and Taxes	(1,050,302)	(776,171)
Interest Expense, Outside	303,114	154,755
Interest Expense, Inside	50,028	113,472
	(697,160)	(507,945)
Income before Income Taxes	(697,160)	(507,945)
State Income Tax - Current	30,000	33,000
Federal Income Tax - Current	233,000	126,000
State Income Tax - Deferred	4,000	10,000
Federal Income Tax - Deferred	18,000	37,000
 Net Income	 (412,160)	 (301,945)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 5 months ended 31st August '07

	<u>August-07</u>	<u>August-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,372,380	930,518
Commercial	495,483	563,389
Industrial	17,165	3,338
Public Authorities	37,295	35,403
Public Fire	270,708	214,198
Private Fire	99,356	71,480
Other	49,917	36,979
 Total Revenues	 <u>2,342,303</u>	 <u>1,855,305</u>
<b><u>Operating Expenses:</u></b>		
Source of Supply	19,239	12,740
Pumping	117,567	96,236
Water Treatment	51,616	45,782
Transmission and Distribution	166,562	151,261
Customer Accounting	82,473	56,168
Information Technology	16,385	22,426
Administrative and General	539,610	366,994
	<u>993,453</u>	<u>751,607</u>
Depreciation	347,785	311,120
Taxes Other than Income Taxes	155,991	126,667
	<u>503,776</u>	<u>437,787</u>
Total Operating Expenses	<u>1,497,229</u>	<u>1,189,394</u>
Income before Interest and Taxes	(845,074)	(665,912)
Other Income and Expense	(13,433)	(40,773)
AFUDC	-	(2,946)
Income before Interest and Taxes	(858,506)	(709,631)
Interest Expense, Outside	252,595	104,267
Interest Expense, Inside	42,080	110,812
Income before Income Taxes	(563,831)	(494,551)
State Income Tax - Current	23,000	32,000
Federal Income Tax - Current	184,000	122,000
State Income Tax - Deferred	4,000	10,000
Federal Income Tax - Deferred	18,000	36,000
 <b>Net Income, U.S.</b>	 <u>(334,831)</u>	 <u>(294,551)</u>



AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 4 months ended 31st July '07

	<u>July-07</u>	<u>July-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,075,141	819,645
Commercial	375,211	365,286
Industrial	15,117	3,106
Public Authorities	32,529	20,512
Public Fire	218,213	171,428
Private Fire	79,461	57,235
Other	44,966	32,582
<b>Total Revenues</b>	<b>1,840,637</b>	<b>1,469,794</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	13,876	9,922
Pumping	94,789	73,087
Water Treatment	37,378	34,296
Transmission and Distribution	141,569	122,503
Customer Accounting	67,774	44,827
Information Technology	15,992	18,228
Administrative and General	430,190	286,665
	<b>801,570</b>	<b>589,528</b>
Depreciation	278,228	248,896
Taxes Other than Income Taxes	124,747	96,108
	<b>402,975</b>	<b>345,004</b>
<b>Total Operating Expenses</b>	<b>1,204,545</b>	<b>934,531</b>
	<b>(636,092)</b>	<b>(535,262)</b>
Other Income and Expense	(10,959)	(39,337)
AFUDC	-	(2,946)
<b>Income before Interest and Taxes</b>	<b>(647,050)</b>	<b>(577,545)</b>
Interest Expense, Outside	202,076	77,714
Interest Expense, Inside	33,416	88,522
	<b>(411,558)</b>	<b>(411,308)</b>
Income before Income Taxes	(411,558)	(411,308)
State Income Tax - Current	16,000	27,000
Federal Income Tax - Current	132,000	102,000
State Income Tax - Deferred	4,000	8,000
Federal Income Tax - Deferred	18,000	30,000
<b>Net Income, U.S.</b>	<b>(241,558)</b>	<b>(244,308)</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 3 months ended 30th June '07

	<u>June-07</u>	<u>June-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	854,329	681,603
Commercial	264,051	211,766
Industrial	6,094	3,074
Public Authorities	19,191	21,618
Public Fire	164,518	128,657
Private Fire	59,642	85,725
Other	36,351	29,150
<b>Total Revenues</b>	<b>1,404,175</b>	<b>1,161,593</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	9,619	6,147
Pumping	74,028	52,040
Water Treatment	25,873	23,185
Transmission and Distribution	105,501	102,833
Customer Accounting	47,582	34,753
Information Technology	10,321	11,438
Administrative and General	313,354	198,690
	<b>586,279</b>	<b>429,086</b>
Depreciation	208,671	186,672
Taxes Other than Income Taxes	92,555	83,090
	<b>301,226</b>	<b>269,762</b>
<b>Total Operating Expenses</b>	<b>887,505</b>	<b>698,848</b>
	<b>(516,670)</b>	<b>(462,745)</b>
Other Income and Expense	(8,078)	(36,999)
AFUDC	-	(2,168)
<b>Income before Interest and Taxes</b>	<b>(524,748)</b>	<b>(501,911)</b>
Interest Expense, Outside	151,557	58,286
Interest Expense, Inside	23,001	64,930
<b>Income before Income Taxes</b>	<b>(350,190)</b>	<b>(378,696)</b>
State Income Tax - Current	13,000	25,000
Federal Income Tax - Current	108,000	93,000
State Income Tax - Deferred	4,000	7,000
Federal Income Tax - Deferred	18,000	28,000
<b>Net Income, U.S.</b>	<b>(207,190)</b>	<b>(225,696)</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 2 months ended 31st May '07

	<u>May-07</u>	<u>May-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	576,039	469,657
Commercial	221,273	154,694
Industrial	4,982	2,257
Public Authorities	13,366	17,882
Public Fire	106,906	85,885
Private Fire	40,619	28,331
Other	15,394	26,341
<b>Total Revenues</b>	<b>978,578</b>	<b>785,047</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	5,894	3,753
Pumping	48,462	36,269
Water Treatment	19,201	16,071
Transmission and Distribution	76,967	66,594
Customer Accounting	29,370	13,347
Information Technology	6,430	8,940
Administrative and General	207,450	157,593
	<b>393,774</b>	<b>302,565</b>
Depreciation	139,114	124,448
Taxes Other than Income Taxes	65,950	54,569
	<b>205,064</b>	<b>179,017</b>
<b>Total Operating Expenses</b>	<b>598,838</b>	<b>481,583</b>
	<b>(379,740)</b>	<b>(303,465)</b>
Other Income and Expense	644	(30,679)
AFUDC	-	(1,422)
<b>Income before Interest and Taxes</b>	<b>(379,097)</b>	<b>(335,566)</b>
Interest Expense, Outside	101,038	38,857
Interest Expense, Inside	14,304	42,232
	<b>(263,754)</b>	<b>(254,476)</b>
Income before Income Taxes	(263,754)	(254,476)
State Income Tax - Current	8,000	17,000
Federal Income Tax - Current	76,000	63,000
State Income Tax - Deferred	4,000	5,000
Federal Income Tax - Deferred	18,000	19,000
<b>Net Income, U.S.</b>	<b>(157,754)</b>	<b>(150,476)</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 1 month ended 30th April '07

	<u>April-07</u>	<u>April-06</u>
<b><u>Operating Revenues:</u></b>		
Residential	208,758	165,766
Commercial	85,437	67,959
Industrial	2,729	1,226
Public Authorities	3,965	4,087
Public Fire	53,453	42,600
Private Fire	23,019	14,610
Other	8,309	5,410
<b>Total Revenues</b>	<u>385,669</u>	<u>301,659</u>
<b><u>Operating Expenses:</u></b>		
Source of Supply	2,715	1,052
Pumping	23,486	17,839
Water Treatment	12,152	8,177
Transmission and Distribution	32,130	39,716
Customer Accounting	15,631	14,861
Information Technology	(1,082)	4,209
Administrative and General	101,617	74,100
	<u>186,650</u>	<u>159,955</u>
Depreciation	69,557	62,224
Taxes Other than Income Taxes	32,774	26,769
	<u>102,331</u>	<u>88,993</u>
<b>Total Operating Expenses</b>	<u>288,981</u>	<u>248,948</u>
	(96,688)	(52,711)
Other Income and Expense	(538)	(1,336)
AFUDC	-	(705)
<b>Income before Interest and Taxes</b>	<u>(97,226)</u>	<u>(54,751)</u>
Interest Expense, Outside	50,519	34,309
Interest Expense, Inside	6,296	19,755
	<u>(40,411)</u>	<u>(688)</u>
Income before Income Taxes	(40,411)	(688)
State Income Tax - Current	(3,000)	-
Federal Income Tax - Current	(4,000)	-
State Income Tax - Deferred	4,000	-
Federal Income Tax - Deferred	18,000	-
<b>Net Income,</b>	<u>(25,411)</u>	<u>(688)</u>

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AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 12 months ended 30th March '06

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March-06

Operating Revenues:

Residential	2,505,222
Commercial	867,711
Industrial	15,441
Public Authorities	72,177
Public Fire	511,201
Private Fire	173,319
Other	86,937

Total Revenues	<u>4,232,008</u>
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Operating Expenses:

Source of Supply	37,658
Pumping	267,716
Water Treatment	117,994
Transmission and Distribution	395,674
Customer Accounting	211,378
Information Technology	63,265
Administrative and General	1,212,901
	<u>2,306,586</u>

Depreciation	<u>748,356</u>
Taxes Other than Income Taxes	407,246
	<u>1,155,602</u>

Total Operating Expenses	<u>3,462,187</u>
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	<u>(769,820)</u>
Other Income and Expense	(56,883)
AFUDC	<u>(4,317)</u>
Income before Interest and Taxes	<u>(831,020)</u>
Interest Expense, Outside	413,468
Interest Expense, Inside	124,899
	<u>(292,653)</u>
Income before Income Taxes	(292,653)
State Income Tax - Current	3,000
Federal Income Tax - Current	12,000
State Income Tax - Deferred	20,920
Federal Income Tax - Deferred	80,430
<b>Net Income</b>	<u><u>(176,303)</u></u>

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AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)  
For 11 months ended 28th February '06

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February '06

Operating Revenues:

Residential	2,269,941
Commercial	830,172
Industrial	13,337
Public Authorities	67,843
Public Fire	468,601
Private Fire	159,032
Other	86,503

Total Revenues	<u>3,895,429</u>
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Operating Expenses:

Source of Supply	32,608
Pumping	242,228
Water Treatment	105,461
Transmission and Distribution	364,519
Customer Accounting	189,558
Information Technology	58,563
Administrative and General	1,141,633

2,134,570

Depreciation	686,132
Taxes Other than Income Taxes	392,926

1,079,058

Total Operating Expenses	<u>3,213,628</u>
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(681,801)

Other Income and Expense	(51,151)
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AFUDC	<u>(3,511)</u>
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Income before Interest and Taxes	(736,463)
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Interest Expense, Outside	379,160
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Interest Expense, Inside	109,940
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Income before Income Taxes	<u>(247,364)</u>
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State Income Tax - Current	15,000
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Federal Income Tax - Current	57,000
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State Income Tax - Deferred	4,920
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Federal Income Tax - Deferred	22,430
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<b>Net Income</b>	<u>(148,014)</u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 10 months ended 31st January '06

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January-06

Operating Revenues:

Residential	2,118,557
Commercial	760,259
Industrial	11,437
Public Authorities	64,235
Public Fire	426,001
Private Fire	144,744
Other	77,482

Total Revenues	<u>3,602,715</u>
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Operating Expenses:

Source of Supply	29,786
Pumping	222,311
Water Treatment	101,954
Transmission and Distribution	343,815
Customer Accounting	178,532
Information Technology	53,405
Administrative and General	998,520

	<u>1,928,323</u>
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Depreciation	<u>623,908</u>
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Taxes Other than Income Taxes	<u>425,264</u>
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	<u>1,049,172</u>
--	------------------

Total Operating Expenses	<u>2,977,495</u>
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	<u>(625,220)</u>
--	------------------

Other Income and Expense	<u>(51,547)</u>
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AFUDC	<u>(3,024)</u>
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Income before Interest and Taxes	<u>(679,790)</u>
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Interest Expense, Outside	344,691
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Interest Expense, Inside	99,539
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Income before Income Taxes	<u>(235,560)</u>
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State Income Tax - Current	14,000
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Federal Income Tax - Current	53,000
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State Income Tax - Deferred	4,920
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Federal Income Tax - Deferred	23,430
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<b>Net Income</b>	<u>(140,210)</u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '05

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December '05

Operating Revenues:

Residential	1,973,214
Commercial	685,628
Industrial	10,153
Public Authorities	59,742
Public Fire	383,401
Private Fire	130,648
Other	72,634

Total Revenues	<u>3,315,420</u>
----------------	------------------

Operating Expenses:

Source of Supply	24,957
Pumping	198,389
Water Treatment	96,989
Transmission and Distribution	312,621
Customer Accounting	139,188
Information Technology	47,801
Administrative and General	871,645

1,691,589

Depreciation	<u>561,684</u>
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Taxes Other than Income Taxes	<u>386,918</u>
-------------------------------	----------------

948,602

Total Operating Expenses	<u>2,640,191</u>
--------------------------	------------------

(675,228)

Other Income and Expense	<u>(53,607)</u>
--------------------------	-----------------

AFUDC	<u>(2,664)</u>
-------	----------------

Income before Interest and Taxes	<u>(731,499)</u>
----------------------------------	------------------

Interest Expense, Outside	<u>310,222</u>
---------------------------	----------------

Interest Expense, Inside	<u>87,985</u>
--------------------------	---------------

Income before Income Taxes	<u>(333,293)</u>
----------------------------	------------------

State Income Tax - Current	<u>23,000</u>
----------------------------	---------------

Federal Income Tax - Current	<u>86,000</u>
------------------------------	---------------

State Income Tax - Deferred	<u>3,920</u>
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Federal Income Tax - Deferred	<u>20,430</u>
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<b>Net Income</b>	<u>(199,943)</u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 8 months ended 30th November '05

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November '05

Operating Revenues:

Residential	1,787,818
Commercial	641,750
Industrial	9,130
Public Authorities	55,557
Public Fire	340,801
Private Fire	116,870
Other	66,617

Total Revenues	3,018,542
----------------	-----------

Operating Expenses:

Source of Supply	22,793
Pumping	177,964
Water Treatment	89,106
Transmission and Distribution	267,799
Customer Accounting	139,529
Information Technology	40,415
Administrative and General	784,312

1,521,917

Depreciation	492,664
Taxes Other than Income Taxes	318,474

811,138

Total Operating Expenses	2,333,056
--------------------------	-----------

(685,486)

Other Income and Expense	(43,421)
AFUDC	(2,466)

Income before Interest and Taxes	(731,373)
----------------------------------	-----------

Interest Expense, Outside	275,752
---------------------------	---------

Interest Expense, Inside	76,399
--------------------------	--------

Income before Income Taxes	(379,221)
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State Income Tax - Current	35,000
----------------------------	--------

Federal Income Tax - Current	129,000
------------------------------	---------

State Income Tax - Deferred	(3,000)
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Federal Income Tax - Deferred	(11,000)
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<b>Net Income</b>	<b>(229,221)</b>
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 7 months ended 31st October '05

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October-05

Operating Revenues:

Residential	1,580,567
Commercial	589,938
Industrial	8,189
Public Authorities	51,320
Public Fire	298,201
Private Fire	103,132
Other	60,823

Total Revenues	<u>2,692,171</u>
----------------	------------------

Operating Expenses:

Source of Supply	19,614
Pumping	160,354
Water Treatment	80,733
Transmission and Distribution	233,470
Customer Accounting	123,489
Information Technology	38,900
Administrative and General	699,654

	<u>1,356,214</u>
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Depreciation	431,081
Taxes Other than Income Taxes	255,711

	<u>686,792</u>
--	----------------

Total Operating Expenses	<u>2,043,006</u>
--------------------------	------------------

	<u>(649,165)</u>
--	------------------

Other Income and Expense	(44,078)
AFUDC	<u>(2,308)</u>

Income before Interest and Taxes	<u>(695,550)</u>
----------------------------------	------------------

Interest Expense, Outside	241,283
Interest Expense, Inside	66,307

Income before Income Taxes	<u>(387,960)</u>
----------------------------	------------------

State Income Tax - Current	36,000
Federal Income Tax - Current	132,000
State Income Tax - Deferred	(3,000)
Federal Income Tax - Deferred	<u>(11,000)</u>

Net Income	<u>(233,960)</u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6 months ended 30th September '05

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September-05

Operating Revenues:

Residential	1,382,341
Commercial	490,430
Industrial	7,206
Public Authorities	43,653
Public Fire	255,600
Private Fire	89,455
Other	56,506

Total Revenues	<u>2,325,192</u>
----------------	------------------

Operating Expenses:

Source of Supply	18,190
Pumping	143,089
Water Treatment	74,299
Transmission and Distribution	200,398
Customer Accounting	111,337
Information Technology	29,854
Administrative and General	610,140

	<u>1,187,307</u>
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Depreciation	<u>369,498</u>
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Taxes Other than Income Taxes	<u>213,203</u>
-------------------------------	----------------

	<u>582,701</u>
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Total Operating Expenses	<u>1,770,008</u>
--------------------------	------------------

	<u>(555,184)</u>
--	------------------

Other Income and Expense	<u>(42,050)</u>
--------------------------	-----------------

AFUDC	<u>(2,200)</u>
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Income before Interest and Taxes	<u>(599,434)</u>
----------------------------------	------------------

Interest Expense, Outside	206,814
---------------------------	---------

Interest Expense, Inside	55,247
--------------------------	--------

Income before Income Taxes	<u>(337,372)</u>
----------------------------	------------------

State Income Tax - Current	31,000
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Federal Income Tax - Current	115,000
------------------------------	---------

State Income Tax - Deferred	(3,000)
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Federal Income Tax - Deferred	(9,000)
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<b>Net Income</b>	<u>(203,372)</u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 5 months ended 31st August '05

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August-05

Operating Revenues:

Residential	1,139,148
Commercial	479,245
Industrial	6,514
Public Authorities	38,798
Public Fire	213,000
Private Fire	74,888
Other	51,719

Total Revenues	2,003,312
----------------	-----------

Operating Expenses:

Source of Supply	14,410
Pumping	117,713
Water Treatment	54,875
Transmission and Distribution	162,898
Customer Accounting	87,902
Information Technology	19,195
Administrative and General	534,278

991,271

Depreciation	307,915
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Taxes Other than Income Taxes	168,278
-------------------------------	---------

476,193

Total Operating Expenses	1,467,464
--------------------------	-----------

Income before Interest and Taxes	(535,848)
----------------------------------	-----------

Other Income and Expense	(41,247)
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AFUDC	(2,213)
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Income before Interest and Taxes	(579,308)
----------------------------------	-----------

Interest Expense, Outside	172,345
---------------------------	---------

Interest Expense, Inside	44,394
--------------------------	--------

Income before Income Taxes	(362,569)
----------------------------	-----------

State Income Tax - Current	34,000
----------------------------	--------

Federal Income Tax - Current	123,000
------------------------------	---------

State Income Tax - Deferred	(3,000)
-----------------------------	---------

Federal Income Tax - Deferred	(10,000)
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Net Income	(218,569)
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 4 months ended 31st July '05

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July-05

Operating Revenues:

Residential	921,416
Commercial	364,885
Industrial	5,213
Public Authorities	26,967
Public Fire	170,400
Private Fire	60,321
Other	46,923

Total Revenues	<hr/> 1,596,126 <hr/>
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Operating Expenses:

Source of Supply	11,619
Pumping	97,473
Water Treatment	40,238
Transmission and Distribution	134,587
Customer Accounting	71,405
Information Technology	16,268
Administrative and General	435,247

	<hr/> 806,836 <hr/>
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Depreciation	<hr/> 246,332
Taxes Other than Income Taxes	130,451

	<hr/> 376,783 <hr/>
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Total Operating Expenses	<hr/> 1,183,619 <hr/>
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	<hr/> (412,507)
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Other Income and Expense	(38,521)
AFUDC	(2,165)

Income before Interest and Taxes	<hr/> (453,193)
----------------------------------	-----------------

Interest Expense, Outside	137,876
Interest Expense, Inside	34,014

Income before Income Taxes	<hr/> (281,303)
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State Income Tax - Current	26,000
Federal Income Tax - Current	96,000
State Income Tax - Deferred	(2,000)
Federal Income Tax - Deferred	(8,000)

Net Income	<hr/> (169,303)
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 3 months ended 30th June '05

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June-05

Operating Revenues:

Residential	707,908
Commercial	250,221
Industrial	3,910
Public Authorities	22,522
Public Fire	127,800
Private Fire	45,755
Other	40,379

Total Revenues	<hr/> 1,198,494 <hr/>
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Operating Expenses:

Source of Supply	7,379
Pumping	66,887
Water Treatment	29,624
Transmission and Distribution	104,851
Customer Accounting	51,900
Information Technology	11,589
Administrative and General	358,869

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631,099

Depreciation	<hr/> 184,749
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Taxes Other than Income Taxes	114,836
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299,585

Total Operating Expenses	<hr/> 930,683 <hr/>
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(267,811)

Other Income and Expense	(37,280)
--------------------------	----------

AFUDC	(2,153)
-------	---------

Income before Interest and Taxes	<hr/> (307,243)
----------------------------------	-----------------

Interest Expense, Outside	103,407
---------------------------	---------

Interest Expense, Inside	24,248
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Income before Income Taxes	(179,588)
----------------------------	-----------

State Income Tax - Current	14,000
----------------------------	--------

Federal Income Tax - Current	51,000
------------------------------	--------

State Income Tax - Deferred	(1,000)
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Federal Income Tax - Deferred	(4,000)
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Net Income	(119,588)
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 2 months ended 31st May '05

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May-05

Operating Revenues:

Residential	464,788
Commercial	185,412
Industrial	2,963
Public Authorities	19,482
Public Fire	85,200
Private Fire	30,357
Other	34,916

Total Revenues	<hr/> 823,117 <hr/>
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Operating Expenses:

Source of Supply	4,067
Pumping	40,403
Water Treatment	16,037
Transmission and Distribution	59,149
Customer Accounting	33,098
Information Technology	8,509
Administrative and General	256,546

---

417,809

Depreciation	<hr/> 108,382
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Taxes Other than Income Taxes	77,295
-------------------------------	--------

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185,677

Total Operating Expenses	<hr/> 603,487 <hr/>
--------------------------	---------------------

(219,631)

Other Income and Expense	(5,348)
--------------------------	---------

AFUDC	(2,144)
-------	---------

Income before Interest and Taxes	<hr/> (227,123)
----------------------------------	-----------------

Interest Expense, Outside	68,938
---------------------------	--------

Interest Expense, Inside	15,001
--------------------------	--------

Income before Income Taxes	<hr/> (143,184)
----------------------------	-----------------

State Income Tax - Current	13,000
----------------------------	--------

Federal Income Tax - Current	49,000
------------------------------	--------

State Income Tax - Deferred	(1,000)
-----------------------------	---------

Federal Income Tax - Deferred	(4,000)
-------------------------------	---------

Net Income	<hr/> (86,184)
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AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 1 month ended 30th April '05

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April-05

Operating Revenues:

Residential	153,871
Commercial	74,843
Industrial	1,504
Public Authorities	5,063
Public Fire	42,600
Private Fire	15,155
Other	5,087

Total Revenues	<hr/> 298,123 <hr/>
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Operating Expenses:

Source of Supply	1,437
Pumping	21,793
Water Treatment	9,360
Transmission and Distribution	33,990
Customer Accounting	17,587
Information Technology	4,163
Administrative and General	107,211

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195,542

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Depreciation	<hr/> 54,191
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Taxes Other than Income Taxes	39,201
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93,392

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Total Operating Expenses	<hr/> 288,934 <hr/>
--------------------------	---------------------

(9,189)

Other Income and Expense	(5,516)
--------------------------	---------

AFUDC	(2,141)
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Income before Interest and Taxes	<hr/> (16,846)
----------------------------------	----------------

Interest Expense, Outside	34,469
---------------------------	--------

Interest Expense, Inside	7,257
--------------------------	-------

Income before Income Taxes	<hr/> 24,880
----------------------------	--------------

State Income Tax - Current	(2,000)
----------------------------	---------

Federal Income Tax - Current	(9,000)
------------------------------	---------

State Income Tax - Deferred	-
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Federal Income Tax - Deferred	1,000
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Net Income	<hr/> 14,880
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# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	April 30, 2005		April 30, 2005
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 27,729	Preferred stock	\$ 3
Less: Accumulated depreciation	(6,413)	Common stock	2,187
Net utility plant	21,316	Paid in capital	2,259
		Contributed capital	480
Non-Utility property and equipment	97	Retained earnings	1,690
Less: Accumulated depreciation	(97)	Capital stock expense	
Net non-utility property and equipment	-	Treasury stock	
		Total stockholders' equity	6,619
<u>CURRENT AND ACCRUED ASSETS</u>		<u>LONG-TERM DEBT - BONDS</u>	3,000
Cash	-		
Accounts receivable	405	<u>NOTES PAYABLE</u>	
Miscellaneous receivables	101	To associated companies	8,000
Reserve for uncollectibles	(25)	Other	
Dividends receivable		Total	8,000
Receivables from associated companies	27		
Accrued revenues	445	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Materials and supplies, at cost	109	Accounts payable and accrued liab	607
Prepayments	147	Current maturities of long-term debt	
Total current assets	1,209	Dividends payable	1
		Payables to associates	-
<u>NOTES RECEIVABLE</u>		Accrued bond interest	111
From associated companies		Accrued federal income taxes	
Other		Accrued state income taxes	-
Total	-	Other accrued taxes	
		Total current liabilities	719
<u>OTHER INVESTMENTS</u>		<u>DEFERRED CREDITS</u>	
Investments in subsidiaries		Deferred taxes	2,889
Investments in joint ventures		Unfunded deferred taxes	
Goodwill		Deferred gain on land sale	
Miscellaneous		Customers' advances for construction	793
Total	-	Other deferred credits	
		Total deferred credits	3,682
<u>DEFERRED DEBITS</u>		<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	1,733
Unamortized debt discount and expense	144		
Unfunded deferred taxes	578		
Prepaid taxes			
Other deferred debits	506		
Total deferred debits	1,228		
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 23,753</u>	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 23,753</u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**  
**BALANCE SHEETS**  
(In thousands of dollars)

	May 31, 2005		May 31, 2005
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 27,937	Preferred stock	\$ 3
Less: Accumulated depreciation	(6,475)	Common stock	2,187
Net utility plant	21,462	Paid in capital	2,259
		Contributed capital	480
Non-Utility property and equipment	97	Retained earnings	1,840
Less: Accumulated depreciation	(97)	Capital stock expense	
Net non-utility property and equipment	-	Treasury stock	
		Total stockholders' equity	6,769
<u>CURRENT AND ACCRUED ASSETS</u>		<u>LONG-TERM DEBT - BONDS</u>	
Cash	-		3,000
Accounts receivable	512	<u>NOTES PAYABLE</u>	
Miscellaneous receivables	-	To associated companies	8,000
Reserve for uncollectibles	(26)	Other	
Dividends receivable		Total	8,000
Receivables from associated companies	-	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Accrued revenues	537	Accounts payable and accrued liab	617
Materials and supplies, at cost	121	Current maturities of long-term debt	
Prepayments	106	Dividends payable	1
Total current assets	1,250	Payables to associates	-
		Accrued bond interest	116
<u>NOTES RECEIVABLE</u>		Accrued federal income taxes	
From associated companies		Accrued state income taxes	-
Other		Other accrued taxes	
Total	-	Total current liabilities	734
<u>OTHER INVESTMENTS</u>		<u>DEFERRED CREDITS</u>	
Investments in subsidiaries		Deferred taxes	2,913
Investments in joint ventures		Unfunded deferred taxes	
Goodwill		Deferred gain on land sale	
Miscellaneous		Customers' advances for construction	793
Total	-	Other deferred credits	
<u>DEFERRED DEBITS</u>		Total deferred credits	3,706
Unamortized debt discount and expense	144	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	
Unfunded deferred taxes	577		1,730
Prepaid taxes		<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	
Other deferred debits	506		\$ 23,939
Total deferred debits	1,227		
<u>TOTAL ASSETS AND OTHER DEBITS</u>			
	\$ 23,939		

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	June 30, 2005		June 30, 2005
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 28,101	Preferred stock	\$ 3
Less: Accumulated depreciation	(6,537)	Common stock	2,187
Net utility plant	21,564	Paid in capital	2,259
		Contributed capital	480
Non-Utility property and equipment	97	Retained earnings	1,836
Less: Accumulated depreciation	(97)	Capital stock expense	
Net non-utility property and equipment	-	Treasury stock	
		Total stockholders' equity	6,765
<u>CURRENT AND ACCRUED ASSETS</u>		<u>LONG-TERM DEBT - BONDS</u>	3,000
Cash	-		
Accounts receivable	384	<u>NOTES PAYABLE</u>	
Miscellaneous receivables	-	To associated companies	8,200
Reserve for uncollectibles	(25)	Other	
Dividends receivable		Total	8,200
Receivables from associated companies	-		
Accrued revenues	471	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Materials and supplies, at cost	121	Accounts payable and accrued liab	476
Prepayments	140	Current maturities of long-term debt	
Total current assets	1,091	Dividends payable	1
		Payables to associates	-
<u>NOTES RECEIVABLE</u>		Accrued bond interest	19
From associated companies		Accrued federal income taxes	
Other		Accrued state income taxes	-
Total	-	Other accrued taxes	
		Total current liabilities	496
<u>OTHER INVESTMENTS</u>		<u>DEFERRED CREDITS</u>	
Investments in subsidiaries		Deferred taxes	2,924
Investments in joint ventures		Unfunded deferred taxes	
Goodwill		Deferred gain on land sale	
Miscellaneous		Customers' advances for construction	793
Total	-	Other deferred credits	
		Total deferred credits	3,717
<u>DEFERRED DEBITS</u>		<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	1,728
Unamortized debt discount and expense	169		
Unfunded deferred taxes	577		
Prepaid taxes			
Other deferred debits	505		
Total deferred debits	1,251		
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 23,906</u>	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 23,906</u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**  
**BALANCE SHEETS**  
(In thousands of dollars)

	July 31, <u>2005</u>		July 31, <u>2005</u>
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 28,138	Preferred stock	\$ 3
Less: Accumulated depreciation	<u>(6,600)</u>	Common stock	2,187
Net utility plant	<u>21,538</u>	Paid in capital	2,259
Non-Utility property and equipment	(97)	Contributed capital	480
Less: Accumulated depreciation	<u>97</u>	Retained earnings	1,855
Net non-utility property and equipment	<u>-</u>	Capital stock expense	
		Treasury stock	
		Total stockholders' equity	<u>6,784</u>
<u>CURRENT AND ACCRUED ASSETS</u>		<u>LONG-TERM DEBT - BONDS</u>	<u>3,000</u>
Cash	-		
Accounts receivable	489	<u>NOTES PAYABLE</u>	
Miscellaneous receivables	-	To associated companies	8,300
Reserve for uncollectibles	(25)	Other	
Dividends receivable		Total	<u>8,300</u>
Receivables from associated companies	5		
Accrued revenues	545	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Materials and supplies, at cost	124	Accounts payable and accrued liab	556
Prepayments	<u>181</u>	Current maturities of long-term debt	
Total current assets	<u>1,319</u>	Dividends payable	1
		Payables to associates	-
<u>NOTES RECEIVABLE</u>		Accrued bond interest	39
From associated companies		Accrued federal income taxes	
Other		Accrued state income taxes	-
Total	<u>-</u>	Other accrued taxes	
		Total current liabilities	<u>596</u>
<u>OTHER INVESTMENTS</u>		<u>DEFERRED CREDITS</u>	
Investments in subsidiaries		Deferred taxes	2,927
Investments in joint ventures		Unfunded deferred taxes	
Goodwill		Deferred gain on land sale	
Miscellaneous		Customers' advances for construction	793
Total	<u>-</u>	Other deferred credits	
		Total deferred credits	<u>3,720</u>
<u>DEFERRED DEBITS</u>		<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>1,726</u>
Unamortized debt discount and expense	174		
Unfunded deferred taxes	577		
Prepaid taxes			
Other deferred debits	<u>518</u>		
Total deferred debits	<u>1,269</u>		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>\$ 24,126</u></b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b><u>\$ 24,126</u></b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	August 31, 2005		August 31, 2005
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 28,223	Preferred stock	\$ 3
<u>Less: Accumulated depreciation</u>	<u>(6,662)</u>	Common stock	2,187
Net utility plant	21,561	Paid in capital	3,559
Non-Utility property and equipment	97	Contributed capital	480
<u>Less: Accumulated depreciation</u>	<u>(97)</u>	Retained earnings	1,906
Net non-utility property and equipment	-	Capital stock expense	
		Treasury stock	
		Total stockholders' equity	8,135
<u>CURRENT AND ACCRUED ASSETS</u>		<u>LONG-TERM DEBT - BONDS</u>	8,900
Cash	-		
Accounts receivable	303	<u>NOTES PAYABLE</u>	
Miscellaneous receivables	-	To associated companies	900
Reserve for uncollectibles	(26)	Other	
Dividends receivable		Total	900
Receivables from associated companies	14		
Accrued revenues	546	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Materials and supplies, at cost	126	Accounts payable and accrued liab	553
Prepayments	160	Current maturities of long-term debt	
Total current assets	1,123	Dividends payable	1
		Payables to associates	-
<u>NOTES RECEIVABLE</u>		Accrued bond interest	65
From associated companies		Accrued federal income taxes	
Other		Accrued state income taxes	-
Total	-	Other accrued taxes	
		Total current liabilities	619
<u>OTHER INVESTMENTS</u>		<u>DEFERRED CREDITS</u>	
Investments in subsidiaries		Deferred taxes	2,935
Investments in joint ventures		Unfunded deferred taxes	
Goodwill		Deferred gain on land sale	
Miscellaneous		Customers' advances for construction	793
Total	-	Other deferred credits	
		Total deferred credits	3,728
<u>DEFERRED DEBITS</u>		<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	1,724
Unamortized debt discount and expense	217		
Unfunded deferred taxes	577		
Prepaid taxes			
Other deferred debits	528		
Total deferred debits	1,322		
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 24,006</u>	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 24,006</u>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

September 30,  
2005

September 30,  
2005

### Assets and other debits

### Liabilities and other credits

#### PROPERTY, PLANT AND EQUIPMENT

Utility Plant	\$ 28,292
Less: Accumulated depreciation	(6,724)
Net utility plant	<u>21,568</u>
Non-Utility property and equipment	97
Less: Accumulated depreciation	(97)
Net non-utility property and equipment	<u>-</u>

#### CURRENT AND ACCRUED ASSETS

Cash	-
Accounts receivable	502
Miscellaneous receivables	-
Reserve for uncollectibles	(26)
Dividends receivable	-
Receivables from associated companies	36
Accrued revenues	407
Materials and supplies, at cost	139
Prepayments	130
Total current assets	<u>1,188</u>

#### NOTES RECEIVABLE

From associated companies	-
Other	-
Total	<u>-</u>

#### OTHER INVESTMENTS

Investments in subsidiaries	-
Investments in joint ventures	-
Goodwill	-
Miscellaneous	-
Total	<u>-</u>

#### DEFERRED DEBITS

Unamortized debt discount and expense	219
Unfunded deferred taxes	577
Prepaid taxes	-
Other deferred debits	528
Total deferred debits	<u>1,324</u>

**TOTAL ASSETS AND OTHER DEBITS** \$ 24,080

#### STOCKHOLDERS' EQUITY

Preferred stock	\$ 3
Common stock	2,187
Paid in capital	3,559
Contributed capital	480
Retained earnings	1,834
Capital stock expense	-
Treasury stock	-
Total stockholders' equity	<u>8,063</u>

#### LONG-TERM DEBT - BONDS

8,900

#### NOTES PAYABLE

To associated companies	1,000
Other	-
Total	<u>1,000</u>

#### CURRENT AND ACCRUED LIABILITIES

Accounts payable and accrued liab	550
Current maturities of long-term debt	-
Dividends payable	1
Payables to associates	-
Accrued bond interest	115
Accrued federal income taxes	-
Accrued state income taxes	-
Other accrued taxes	-
Total current liabilities	<u>666</u>

#### DEFERRED CREDITS

Deferred taxes	2,936
Unfunded deferred taxes	-
Deferred gain on land sale	-
Customers' advances for construction	793
Other deferred credits	-
Total deferred credits	<u>3,729</u>

#### CONTRIBUTIONS IN AID OF CONSTRUCTION

1,722

**TOTAL LIABILITIES AND OTHER CREDITS** \$ 24,080

# **AQUARION WATER COMPANY OF NEW HAMPSHIRE**

## BALANCE SHEETS (In thousands of dollars)

	October 31, <u>2005</u>		October 31, <u>2005</u>
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 28,351	Preferred stock	\$ 3
Less: Accumulated depreciation	<u>(6,786)</u>	Common stock	2,187
Net utility plant	<u>21,565</u>	Paid in capital	3,559
Non-Utility property and equipment	97	Contributed capital	480
Less: Accumulated depreciation	<u>(97)</u>	Retained earnings	1,867
Net non-utility property and equipment	<u>-</u>	Capital stock expense	
		Treasury stock	
		Total stockholders' equity	<u>8,096</u>
<u>CURRENT AND ACCRUED ASSETS</u>		<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>
Cash	-	<u>NOTES PAYABLE</u>	
Accounts receivable	292	To associated companies	700
Miscellaneous receivables	-	Other	
Reserve for uncollectibles	(26)	Total	<u>700</u>
Dividends receivable		<u>CURRENT AND ACCRUED LIABILITIES</u>	
Receivables from associated companies	-	Accounts payable and accrued liab	516
Accrued revenues	386	Current maturities of long-term debt	
Materials and supplies, at cost	143	Dividends payable	1
Prepayments	<u>100</u>	Payables to associates	-
Total current assets	<u>895</u>	Accrued bond interest	165
<u>NOTES RECEIVABLE</u>		Accrued federal income taxes	
From associated companies		Accrued state income taxes	-
Other		Other accrued taxes	
Total	<u>-</u>	Total current liabilities	<u>682</u>
<u>OTHER INVESTMENTS</u>		<u>DEFERRED CREDITS</u>	
Investments in subsidiaries		Deferred taxes	2,941
Investments in joint ventures		Unfunded deferred taxes	
Goodwill		Deferred gain on land sale	
Miscellaneous		Customers' advances for construction	793
Total	<u>-</u>	Other deferred credits	
<u>DEFERRED DEBITS</u>		Total deferred credits	<u>3,734</u>
Unamortized debt discount and expense	267	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>1,719</u>
Unfunded deferred taxes	577		
Prepaid taxes			
Other deferred debits	<u>527</u>		
Total deferred debits	<u>1,371</u>		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><b>\$ 23,831</b></u>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<u><b>\$ 23,831</b></u>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

November 30,  
2005

November 30,  
2005

### Assets and other debits

### Liabilities and other credits

#### PROPERTY, PLANT AND EQUIPMENT

Utility Plant	\$ 28,547
Less: Accumulated depreciation	(6,851)
Net utility plant	<u>21,696</u>
Non-Utility property and equipment	97
Less: Accumulated depreciation	(97)
Net non-utility property and equipment	<u>-</u>

#### CURRENT AND ACCRUED ASSETS

Cash	-
Accounts receivable	399
Miscellaneous receivables	-
Reserve for uncollectibles	(27)
Dividends receivable	-
Receivables from associated companies	36
Accrued revenues	378
Materials and supplies, at cost	120
Prepayments	141
Total current assets	<u>1,047</u>

#### NOTES RECEIVABLE

From associated companies	-
Other	-
Total	<u>-</u>

#### OTHER INVESTMENTS

Investments in subsidiaries	-
Investments in joint ventures	-
Goodwill	-
Miscellaneous	-
Total	<u>-</u>

#### DEFERRED DEBITS

Unamortized debt discount and expense	266
Unfunded deferred taxes	577
Prepaid taxes	-
Other deferred debits	529
Total deferred debits	<u>1,372</u>

#### TOTAL ASSETS AND OTHER DEBITS

\$ 24,115

#### STOCKHOLDERS' EQUITY

Preferred stock	\$ 3
Common stock	2,187
Paid in capital	3,559
Contributed capital	480
Retained earnings	1,917
Capital stock expense	-
Treasury stock	-
Total stockholders' equity	<u>8,146</u>

#### LONG-TERM DEBT - BONDS

8,900

#### NOTES PAYABLE

To associated companies	900
Other	-
Total	<u>900</u>

#### CURRENT AND ACCRUED LIABILITIES

Accounts payable and accrued liab	515
Current maturities of long-term debt	-
Dividends payable	1
Payables to associates	-
Accrued bond interest	214
Accrued federal income taxes	-
Accrued state income taxes	-
Other accrued taxes	-
Total current liabilities	<u>730</u>

#### DEFERRED CREDITS

Deferred taxes	2,950
Unfunded deferred taxes	-
Deferred gain on land sale	-
Customers' advances for construction	474
Other deferred credits	-
Total deferred credits	<u>3,424</u>

#### CONTRIBUTIONS IN AID OF CONSTRUCTION

2,015

#### TOTAL LIABILITIES AND OTHER CREDITS

\$ 24,115



# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	December 31, <u>2005</u>		December 31, <u>2005</u>
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 28,887	Preferred stock	\$ 3
<u>Less: Accumulated depreciation</u>	<u>(6,916)</u>	Common stock	2,187
Net utility plant	21,971	Paid in capital	3,559
		Contributed capital	480
Non-Utility property and equipment	97	Retained earnings	1,871
<u>Less: Accumulated depreciation</u>	<u>(97)</u>	Capital stock expense	
Net non-utility property and equipment	-	Treasury stock	
		Total stockholders' equity	8,100
<u>CURRENT AND ACCRUED ASSETS</u>			
Cash	-	<u>LONG-TERM DEBT - BONDS</u>	8,900
Accounts receivable	686		
Miscellaneous receivables	-	<u>NOTES PAYABLE</u>	
Reserve for uncollectibles	(30)	To associated companies	900
Dividends receivable	-	Other	
Receivables from associated companies	-	Total	900
Accrued revenues	326		
Materials and supplies, at cost	94	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Prepayments	118	Accounts payable and accrued liab	1,200
Total current assets	1,194	Current maturities of long-term debt	
		Dividends payable	1
<u>NOTES RECEIVABLE</u>		Payables to associates	-
From associated companies		Accrued bond interest	149
Other		Accrued federal income taxes	
Total	-	Accrued state income taxes	-
		Other accrued taxes	
<u>OTHER INVESTMENTS</u>		Total current liabilities	1,350
Investments in subsidiaries			
Investments in joint ventures		<u>DEFERRED CREDITS</u>	
Goodwill		Deferred taxes	2,813
Miscellaneous		Unfunded deferred taxes	
Total	-	Deferred gain on land sale	
		Customers' advances for construction	398
<u>DEFERRED DEBITS</u>		Other deferred credits	
Unamortized debt discount and expense	265	Total deferred credits	3,211
Unfunded deferred taxes	575		
Prepaid taxes		<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,089
Other deferred debits	545		
Total deferred debits	1,385		
		<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 24,550</u>
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 24,550</u>		

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

January 31,  
2006

January 31,  
2006

### Assets and other debits

### Liabilities and other credits

#### PROPERTY, PLANT AND EQUIPMENT

Utility Plant	\$ 29,091
<u>Less: Accumulated depreciation</u>	<u>(6,981)</u>
Net utility plant	22,110
Non-Utility property and equipment	97
<u>Less: Accumulated depreciation</u>	<u>(97)</u>
Net non-utility property and equipment	-

#### CURRENT AND ACCRUED ASSETS

Cash	-
Accounts receivable	230
Miscellaneous receivables	-
Reserve for uncollectibles	(30)
Dividends receivable	-
Receivables from associated companies	42
Accrued revenues	369
Materials and supplies, at cost	94
Prepayments	82
Total current assets	<u>787</u>

#### NOTES RECEIVABLE

From associated companies	-
Other	-
Total	<u>-</u>

#### OTHER INVESTMENTS

Investments in subsidiaries	-
Investments in joint ventures	-
Goodwill	-
Miscellaneous	-
Total	<u>-</u>

#### DEFERRED DEBITS

Unamortized debt discount and expense	259
Unfunded deferred taxes	575
Prepaid taxes	-
Other deferred debits	535
Total deferred debits	<u>1,369</u>

**TOTAL ASSETS AND OTHER DEBITS** \$ 24,266

#### STOCKHOLDERS' EQUITY

Preferred stock	\$ 3
Common stock	2,187
Paid in capital	3,558
Contributed capital	480
Retained earnings	1,883
Capital stock expense	-
Treasury stock	-
Total stockholders' equity	<u>8,111</u>

#### LONG-TERM DEBT - BONDS

	<u>8,900</u>
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#### NOTES PAYABLE

To associated companies	800
Other	-
Total	<u>800</u>

#### CURRENT AND ACCRUED LIABILITIES

Accounts payable and accrued liab	975
Current maturities of long-term debt	-
Dividends payable	1
Payables to associates	-
Accrued bond interest	197
Accrued federal income taxes	-
Accrued state income taxes	-
Other accrued taxes	-
Total current liabilities	<u>1,173</u>

#### DEFERRED CREDITS

Deferred taxes	2,813
Unfunded deferred taxes	-
Deferred gain on land sale	-
Customers' advances for construction	383
Other deferred credits	-
Total deferred credits	<u>3,196</u>

#### CONTRIBUTIONS IN AID OF CONSTRUCTION

	<u>2,086</u>
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**TOTAL LIABILITIES AND OTHER CREDITS** \$ 24,266

# **AQUARION WATER COMPANY OF NEW HAMPSHIRE**

## BALANCE SHEETS

(In thousands of dollars)

February 28,  
2006

February 28,  
2006

Assets and other debits

Liabilities and other credits

PROPERTY, PLANT AND EQUIPMENT

Utility Plant	\$ 29,238
<u>Less: Accumulated depreciation</u>	<u>(7,046)</u>
Net utility plant	22,192
Non-Utility property and equipment	97
<u>Less: Accumulated depreciation</u>	<u>(97)</u>
Net non-utility property and equipment	-

CURRENT AND ACCRUED ASSETS

Cash	-
Accounts receivable	222
Miscellaneous receivables	-
Reserve for uncollectibles	(31)
Dividends receivable	-
Receivables from associated companies	20
Accrued revenues	400
Materials and supplies, at cost	122
Prepayments	57
Total current assets	790

NOTES RECEIVABLE

From associated companies	-
Other	-
Total	-

OTHER INVESTMENTS

Investments in subsidiaries	-
Investments in joint ventures	-
Goodwill	-
Miscellaneous	-
Total	-

DEFERRED DEBITS

Unamortized debt discount and expense	223
Unfunded deferred taxes	575
Prepaid taxes	-
Other deferred debits	533
Total deferred debits	1,331

**TOTAL ASSETS AND OTHER DEBITS** **\$ 24,313**

STOCKHOLDERS' EQUITY

Preferred stock	\$ 3
Common stock	2,187
Paid in capital	3,558
Contributed capital	480
Retained earnings	1,857
Capital stock expense	-
Treasury stock	-
Total stockholders' equity	8,085

LONG-TERM DEBT - BONDS

	8,900
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NOTES PAYABLE

To associated companies	1,100
Other	-
Total	1,100

CURRENT AND ACCRUED LIABILITIES

Accounts payable and accrued liab	860
Current maturities of long-term debt	-
Dividends payable	1
Payables to associates	-
Accrued bond interest	88
Accrued federal income taxes	-
Accrued state income taxes	-
Other accrued taxes	-
Total current liabilities	949

DEFERRED CREDITS

Deferred taxes	2,813
Unfunded deferred taxes	-
Deferred gain on land sale	-
Customers' advances for construction	382
Other deferred credits	-
Total deferred credits	3,195

CONTRIBUTIONS IN AID OF CONSTRUCTION

	2,084
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**TOTAL LIABILITIES AND OTHER CREDITS** **\$ 24,313**

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	March 31, <u>2006</u>		March 31, <u>2006</u>
<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDERS' EQUITY</u>	
Utility Plant	\$ 29,378	Preferred stock	\$ 3
<u>Less: Accumulated depreciation</u>	<u>(7,051)</u>	Common stock	2,187
Net utility plant	<u>22,327</u>	Paid in capital	3,558
Non-Utility property and equipment	97	Contributed capital	480
<u>Less: Accumulated depreciation</u>	<u>(97)</u>	Retained earnings	1,860
Net non-utility property and equipment	<u>-</u>	Capital stock expense	
		Treasury stock	
		Total stockholders' equity	<u>8,088</u>
<u>CURRENT AND ACCRUED ASSETS</u>			
Cash	-	<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>
Accounts receivable	305		
Miscellaneous receivables	-	<u>NOTES PAYABLE</u>	
Reserve for uncollectibles	(31)	To associated companies	1,100
Dividends receivable	-	Other	
Receivables from associated companies	-	Total	<u>1,100</u>
Accrued revenues	316	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Materials and supplies, at cost	120	Accounts payable and accrued liab	889
Prepayments	<u>25</u>	Current maturities of long-term debt	
Total current assets	<u>735</u>	Dividends payable	1
		Payables to associates	-
<u>NOTES RECEIVABLE</u>		Accrued bond interest	138
From associated companies		Accrued federal income taxes	
Other		Accrued state income taxes	-
Total	<u>-</u>	Other accrued taxes	
		Total current liabilities	<u>1,028</u>
<u>OTHER INVESTMENTS</u>			
Investments in subsidiaries		<u>DEFERRED CREDITS</u>	
Investments in joint ventures		Deferred taxes	2,813
Goodwill		Unfunded deferred taxes	
Miscellaneous		Deferred gain on land sale	
Total	<u>-</u>	Customers' advances for construction	382
		Other deferred credits	
<u>DEFERRED DEBITS</u>		Total deferred credits	<u>3,195</u>
Unamortized debt discount and expense	224		
Unfunded deferred taxes	575	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,081</u>
Prepaid taxes			
Other deferred debits	<u>531</u>		
Total deferred debits	<u>1,330</u>		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 24,392</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 24,392</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	April 30 <u>2007</u>	2006		April 30 <u>2007</u>	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 30,633	\$ 29,565	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(7,794)	(7,116)	Common stock	2,187	2,187
Net utility plant	<u>22,839</u>	<u>22,449</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	1,963	1,868
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,191</u>	<u>8,096</u>
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	268	183	To associated companies	1,500	1,100
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(40)	(42)	Total	<u>1,500</u>	<u>1,100</u>
Dividends receivable					
Receivables from associated companies	48	27	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Accrued revenues	501	388	Accounts payable and accrued liab	1,375	902
Materials and supplies, at cost	161	117	Current maturities of long-term debt		
Prepayments	154	14	Dividends payable	1	1
Total current assets	<u>1,092</u>	<u>687</u>	Payables to associates		
<u>NOTES RECEIVABLE</u>			Accrued bond interest	188	188
From associated companies			Accrued federal income taxes		
Other			Accrued state income taxes	-	-
Total	<u>-</u>	<u>-</u>	Other accrued taxes		
<u>OTHER INVESTMENTS</u>			Total current liabilities	<u>1,564</u>	<u>1,091</u>
Investments in subsidiaries			<u>DEFERRED CREDITS</u>		
Investments in joint ventures			Deferred taxes	2,909	2,814
Goodwill			Unfunded deferred taxes		
Miscellaneous			Deferred gain on land sale		
Total	<u>-</u>	<u>-</u>	Customers' advances for construction	11	382
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	214	223	Total deferred credits	<u>2,920</u>	<u>3,196</u>
Unfunded deferred taxes	568	575	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,417</u>	<u>2,078</u>
Prepaid taxes					
Other deferred debits	779	527			
Total deferred debits	<u>1,561</u>	<u>1,325</u>			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><u>25,492</u></u>	<u><u>24,461</u></u>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<u><u>25,492</u></u>	<u><u>24,461</u></u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**  
**BALANCE SHEETS**  
(In thousands of dollars)

	May 31			May 31	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 30,861	\$ 29,702	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(7,864)	(7,181)	Common stock	2,187	2,187
Net utility plant	22,997	22,521	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,096	2,002
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,324	8,230
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	204	181	To associated companies	1,500	1,300
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(40)	(42)	Total	1,500	1,300
Dividends receivable					
Receivables from associated companies	-	-	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Accrued revenues	778	656	Accounts payable and accrued liab	1,467	795
Materials and supplies, at cost	166	126	Current maturities of long-term debt		
Prepayments	114	(28)	Dividends payable	1	1
Total current assets	1,222	893	Payables to associates		
<u>NOTES RECEIVABLE</u>			Accrued bond interest	238	238
From associated companies			Accrued federal income taxes		
Other			Accrued state income taxes	5	-
Total	-	-	Other accrued taxes		-
<u>OTHER INVESTMENTS</u>			Total current liabilities	1,711	1,034
Investments in subsidiaries			<u>DEFERRED CREDITS</u>		
Investments in joint ventures			Deferred taxes	2,909	2,824
Goodwill			Unfunded deferred taxes		
Miscellaneous			Deferred gain on land sale		
Total	-	-	Customers' advances for construction	11	382
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	214	222	Total deferred credits	2,920	3,206
Unfunded deferred taxes	568	575	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,414	2,074
Prepaid taxes					
Other deferred debits	768	533			
Total deferred debits	1,550	1,330			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 25,769</b>	<b>\$ 24,744</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 25,769</b>	<b>\$ 24,744</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	June 30 <u>2007</u>	June 30 <u>2006</u>		June 30 <u>2007</u>	June 30 <u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 30,954	\$ 29,974	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(7,933)	(7,247)	Common stock	2,187	2,187
Net utility plant	<u>23,021</u>	<u>22,727</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,038	1,885
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,266</u>	<u>8,113</u>
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	542	686	To associated companies	2,100	1,700
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(37)	(43)	Total	<u>2,100</u>	<u>1,700</u>
Dividends receivable					
Receivables from associated companies	39	44	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Accrued revenues	463	437	Accounts payable and accrued liab	1,257	1,172
Materials and supplies, at cost	242	130	Current maturities of long-term debt		
Prepayments	229	31	Dividends payable	1	1
Total current assets	<u>1,478</u>	<u>1,285</u>	Payables to associates		
<u>NOTES RECEIVABLE</u>			Accrued bond interest	172	172
From associated companies			Accrued federal income taxes		
Other			Accrued state income taxes	10	-
Total	<u>-</u>	<u>-</u>	Other accrued taxes		
<u>OTHER INVESTMENTS</u>			Total current liabilities	<u>1,440</u>	<u>1,345</u>
Investments in subsidiaries			<u>DEFERRED CREDITS</u>		
Investments in joint ventures			Deferred taxes	2,909	2,827
Goodwill			Unfunded deferred taxes		
Miscellaneous			Deferred gain on land sale		
Total	<u>-</u>	<u>-</u>	Customers' advances for construction	11	382
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	213	222	Total deferred credits	<u>2,920</u>	<u>3,209</u>
Unfunded deferred taxes	568	575	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,411</u>	<u>2,071</u>
Prepaid taxes					
Other deferred debits	757	529			
Total deferred debits	<u>1,538</u>	<u>1,326</u>			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 26,037</u>	<u>\$ 25,338</u>	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 26,037</u>	<u>\$ 25,338</u>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	July 31 <u>2007</u>	2006		July 31 <u>2007</u>	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 31,043	\$ 30,056	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,003)	(7,312)	Common stock	2,187	2,187
Net utility plant	<u>23,040</u>	<u>22,744</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,072	1,934
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,300</u>	<u>8,162</u>
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	325	293	To associated companies	1,800	1,500
Miscellaneous receivables	-	-	Other		
Reserve for uncollectibles	(37)	(44)	Total	<u>1,800</u>	<u>1,500</u>
Dividends receivable			<u>CURRENT AND ACCRUED LIABILITIES</u>		
Receivables from associated companies	-	49	Accounts payable and accrued liab	1,569	1,070
Accrued revenues	846	558	Current maturities of long-term debt		
Materials and supplies, at cost	220	166	Dividends payable	1	1
Prepayments	215	37	Payables to associates		
Total current assets	<u>1,569</u>	<u>1,059</u>	Accrued bond interest	222	222
<u>NOTES RECEIVABLE</u>			Accrued federal income taxes		
From associated companies			Accrued state income taxes	14	-
Other			Other accrued taxes		
Total	<u>-</u>	<u>-</u>	Total current liabilities	<u>1,806</u>	<u>1,293</u>
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,909	2,832
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	11	346
Total	<u>-</u>	<u>-</u>	Other deferred credits		
<u>DEFERRED DEBITS</u>			Total deferred credits	<u>2,920</u>	<u>3,178</u>
Unamortized debt discount and expense	212	221	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,408</u>	<u>2,097</u>
Unfunded deferred taxes	568	575			
Prepaid taxes	-	-			
Other deferred debits	745	531			
Total deferred debits	<u>1,525</u>	<u>1,327</u>			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><b>\$ 26,134</b></u>	<u><b>\$ 25,130</b></u>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<u><b>\$ 26,134</b></u>	<u><b>\$ 25,130</b></u>



**AQUARION WATER COMPANY OF NEW HAMPSHIRE**  
**BALANCE SHEETS**  
(In thousands of dollars)

	August 31,			August 31,	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 31,185	\$ 30,136	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,073)	(7,378)	Common stock	2,187	2,187
Net utility plant	23,112	22,758	Paid in capital	3,558	3,558
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,166	2,000
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,394	8,228
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	-			
Accounts receivable	555	265	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	-	-	To associated companies	1,800	1,700
Reserve for uncollectibles	(37)	(44)	Other		
Dividends receivable			Total	1,800	1,700
Receivables from associated companies	-	31			
Accrued revenues	567	613	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Materials and supplies, at cost	236	153	Accounts payable and accrued liab	1,604	909
Prepayments	185	3	Current maturities of long-term debt		
Total current assets	1,506	1,021	Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	88	88
Other			Accrued federal income taxes		
Total	-	-	Accrued state income taxes	20	-
<u>OTHER INVESTMENTS</u>			Other accrued taxes		
Investments in subsidiaries			Total current liabilities	1,713	998
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,909	2,837
Miscellaneous			Unfunded deferred taxes		
Total	-	-	Deferred gain on land sale		
<u>DEFERRED DEBITS</u>			Customers' advances for construction	11	346
Unamortized debt discount and expense	212	220	Other deferred credits		
Unfunded deferred taxes	568	575	Total deferred credits	2,920	3,183
Prepaid taxes					
Other deferred debits	734	530	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,405	2,095
Total deferred debits	1,514	1,325			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,132</b>	<b>\$ 25,104</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,132</b>	<b>\$ 25,104</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	September 30			September 30	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 31,537	\$ 30,200	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,142)	(7,443)	Common stock	2,187	2,187
Net utility plant	23,395	22,757	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,243	2,034
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,471	8,262
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	630	484			
Miscellaneous receivables	-	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(37)	(45)	To associated companies	1,700	1,700
Dividends receivable			Other		
Receivables from associated companies	-	-	Total	1,700	1,700
Accrued revenues	431	443			
Materials and supplies, at cost	241	176	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	187	(8)	Accounts payable and accrued liab	1,803	840
Total current assets	1,452	1,050	Current maturities of long-term debt		
<u>NOTES RECEIVABLE</u>			Dividends payable	1	1
From associated companies			Payables to associates		
Other			Accrued bond interest	138	138
Total	-	-	Accrued federal income taxes		
<u>OTHER INVESTMENTS</u>			Accrued state income taxes	14	2
Investments in subsidiaries			Other accrued taxes		
Investments in joint ventures			Total current liabilities	1,956	981
Goodwill					
Miscellaneous			<u>DEFERRED CREDITS</u>		
Total	-	-	Deferred taxes	2,909	2,840
<u>DEFERRED DEBITS</u>			Unfunded deferred taxes		
Unamortized debt discount and expense	211	219	Deferred gain on land sale		
Unfunded deferred taxes	568	575	Customers' advances for construction	11	346
Prepaid taxes			Other deferred credits		
Other deferred debits	723	520	Total deferred credits	2,920	3,186
Total deferred debits	1,502	1,314			
			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,402	2,092
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,349	\$ 25,121	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,349	\$ 25,121

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	October 31,			October 31,	
	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,036	\$ 30,243	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,212)	(7,509)	Common stock	2,187	2,187
Net utility plant	<u>23,824</u>	<u>22,734</u>	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,203	1,991
Net non-utility property and equipment	<u>-</u>	<u>-</u>	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	<u>8,431</u>	<u>8,219</u>
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Accounts receivable	390	296			
Miscellaneous receivables	-	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(38)	(45)	To associated companies	1,600	1,500
Dividends receivable			Other		
Receivables from associated companies	8	-	Total	<u>1,600</u>	<u>1,500</u>
Accrued revenues	439	449			
Materials and supplies, at cost	163	176	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	158	(24)	Accounts payable and accrued liab	1,980	794
Total current assets	<u>1,120</u>	<u>852</u>	Current maturities of long-term debt		
			Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	188	188
Other			Accrued federal income taxes		
Total	<u>-</u>	<u>-</u>	Accrued state income taxes	20	8
			Other accrued taxes		
<u>OTHER INVESTMENTS</u>			Total current liabilities	<u>2,189</u>	<u>991</u>
Investments in subsidiaries					
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,909	2,843
Miscellaneous			Unfunded deferred taxes		
Total	<u>-</u>	<u>-</u>	Deferred gain on land sale		
			Customers' advances for construction	11	346
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	210	219	Total deferred credits	<u>2,920</u>	<u>3,189</u>
Unfunded deferred taxes	568	575			
Prepaid taxes			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,399</u>	<u>2,090</u>
Other deferred debits	717	509			
Total deferred debits	<u>1,495</u>	<u>1,303</u>			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 26,439</u>	<u>\$ 24,889</u>	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 26,439</u>	<u>\$ 24,889</u>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	November 30,			November 30,	
	<u>2007</u>	<u>2006</u>		<u>2007</u>	<u>2006</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,485	\$ 30,300	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,281)	(7,564)	Common stock	2,187	2,187
Net utility plant	24,204	22,736	Paid in capital	3,558	3,558
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,285	2,015
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
<u>CURRENT AND ACCRUED ASSETS</u>			Total stockholders' equity	8,513	8,243
Cash	-	-			
Accounts receivable	394	338	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Miscellaneous receivables	-	-			
Reserve for uncollectibles	(36)	(45)	<u>NOTES PAYABLE</u>		
Dividends receivable	-	21	To associated companies	1,500	1,500
Receivables from associated companies	-	21	Other		
Accrued revenues	448	429	Total	1,500	1,500
Materials and supplies, at cost	138	166			
Prepayments	171	89	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Total current assets	1,115	998	Accounts payable and accrued liab	2,312	853
			Current maturities of long-term debt		
<u>NOTES RECEIVABLE</u>			Dividends payable	1	1
From associated companies			Payables to associates		
Other			Accrued bond interest	238	238
Total	-	-	Accrued federal income taxes		-
			Accrued state income taxes	27	11
<u>OTHER INVESTMENTS</u>			Other accrued taxes		-
Investments in subsidiaries			Total current liabilities	2,578	1,103
Investments in joint ventures					
Goodwill			<u>DEFERRED CREDITS</u>		
Miscellaneous			Deferred taxes	2,909	2,846
Total	-	-	Unfunded deferred taxes		
			Deferred gain on land sale		
<u>DEFERRED DEBITS</u>			Customers' advances for construction	2	346
Unamortized debt discount and expense	209	218	Other deferred credits		
Unfunded deferred taxes	568	575	Total deferred credits	2,911	3,192
Prepaid taxes		-			
Other deferred debits	711	498	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,405	2,087
Total deferred debits	1,488	1,291			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,807</b>	<b>\$ 25,025</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,807</b>	<b>\$ 25,025</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	December 31,			December 31,	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,598	\$ 30,243	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,253)	(7,515)	Common stock	2,187	2,187
Net utility plant	24,346	22,728	Paid in capital	3,558	3,558
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,288	1,958
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,516	8,186
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	-			
Accounts receivable	427	796	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	38	-	To associated companies	1,900	1,700
Reserve for uncollectibles	(53)	(45)	Other		
Dividends receivable			Total	1,900	1,700
Receivables from associated companies	-	56			
Accrued revenues	371	352	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Materials and supplies, at cost	109	168	Accounts payable and accrued liab	1,955	1,628
Prepayments	204	251	Current maturities of long-term debt		
Total current assets	1,095	1,578	Dividends payable	1	1
			Payables to associates		
<u>NOTES RECEIVABLE</u>			Accrued bond interest	172	172
From associated companies			Accrued federal income taxes		-
Other			Accrued state income taxes	54	-
Total	-	-	Other accrued taxes		-
			Total current liabilities	2,183	1,801
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,859	2,888
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	2	11
Total	-	-	Other deferred credits		
			Total deferred credits	2,861	2,899
<u>DEFERRED DEBITS</u>			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,402	2,429
Unamortized debt discount and expense	209	217			
Unfunded deferred taxes	554	767			
Prepaid taxes	-	-			
Other deferred debits	559	625			
Total deferred debits	1,322	1,609			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 26,762</u>	<u>\$ 25,915</u>	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 26,762</u>	<u>\$ 25,915</u>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	January 31,			January 31,	
	2008	2007		2008	2007
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$32,649	\$ 30,303	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,329)	(7,585)	Common stock	2,187	2,187
Net utility plant	24,320	22,718	Paid in capital	3,558	3,558
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,093	1,978
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,321	8,206
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	8900	8,900
Accounts receivable	345	252			
Miscellaneous receivables	37	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(53)	(46)	To associated companies	2200	1,100
Dividends receivable			Other		
Receivables from associated companies	-	-	Total	2200	1,100
Accrued revenues	371	414			
Materials and supplies, at cost	97	168	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	184	216	Accounts payable and accrued liab	1,657	1,558
Total current assets	981	1,004	Current maturities of long-term debt		
			Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	222	222
Other			Accrued federal income taxes		-
Total	-	-	Accrued state income taxes	54	-
			Other accrued taxes		-
<u>OTHER INVESTMENTS</u>			Total current liabilities	1,934	1,781
Investments in subsidiaries					
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,860	2,889
Miscellaneous			Unfunded deferred taxes		
Total	-	-	Deferred gain on land sale		
			Customers' advances for construction	2	11
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	207	217	Total deferred credits	2,862	2,900
Unfunded deferred taxes	554	568			
Prepaid taxes			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,399	2,432
Other deferred debits	554	812			
Total deferred debits	1,315	1,597			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,616	\$ 25,319	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,616	\$ 25,319

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS (In thousands of dollars)

	February 28,			February 28,	
	2008	2007		2008	2007
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,740	\$ 30,341	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,402)	(7,654)	Common stock	2,187	2,187
Net utility plant	\$ 24,338	22,687	Paid in capital	3,558	3,558
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,054	1,949
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,282	8,177
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	276	264			
Miscellaneous receivables	38	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(52)	(47)	To associated companies	2,400	1,200
Dividends receivable	-	-	Other		
Receivables from associated companies	-	-	Total	2,400	1,200
Accrued revenues	406	487			
Materials and supplies, at cost	102	166	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	162	189	Accounts payable and accrued liab	1,603	1,455
Total current assets	932	1,059	Current maturities of long-term debt		
			Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	88	271
Other			Accrued federal income taxes		-
Total	0	-	Accrued state income taxes	51	-
			Other accrued taxes		-
<u>OTHER INVESTMENTS</u>			Total current liabilities	1,743	1,727
Investments in subsidiaries					
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,855	2,887
Miscellaneous			Unfunded deferred taxes		
Total	0	-	Deferred gain on land sale		
			Customers' advances for construction	2	11
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	206	216	Total deferred credits	2,857	2,898
Unfunded deferred taxes	554	568			
Prepaid taxes			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,396	2,429
Other deferred debits	548	801			
Total deferred debits	1,308	1,585			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,578</b>	<b>\$ 25,331</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,578</b>	<b>\$ 25,331</b>

# AQUARION WATER COMPANY OF NEW HAMPSHIRE

## BALANCE SHEETS

(In thousands of dollars)

	March 31,			March 31,	
	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>			<u>STOCKHOLDERS' EQUITY</u>		
Utility Plant	\$ 32,799	\$ 30,521	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,423)	(7,725)	Common stock	2,187	2,187
Net utility plant	24,376	22,796	Paid in capital	3,558	3,558
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,031	1,938
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,259	8,166
<u>CURRENT AND ACCRUED ASSETS</u>					
Cash	-	12	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	319	383			
Miscellaneous receivables	38	-	<u>NOTES PAYABLE</u>		
Reserve for uncollectibles	(55)	(39)	To associated companies	2,600	1,300
Dividends receivable			Other		
Receivables from associated companies	-	51	Total	2,600	1,300
Accrued revenues	357	352			
Materials and supplies, at cost	100	158	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Prepayments	161	177	Accounts payable and accrued liab	1,451	1,458
Total current assets	920	1,094	Current maturities of long-term debt		
			Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates	-	-
From associated companies			Accrued bond interest	138	321
Other			Accrued federal income taxes		-
Total	-	-	Accrued state income taxes	-	-
			Other accrued taxes		-
<u>OTHER INVESTMENTS</u>			Total current liabilities	1,590	1,780
Investments in subsidiaries					
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,854	2,887
Miscellaneous			Unfunded deferred taxes		
Total	-	-	Deferred gain on land sale		
			Customers' advances for construction	2	11
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	206	215	Total deferred credits	2,856	2,898
Unfunded deferred taxes	554	569			
Prepaid taxes			<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,393	2,420
Other deferred debits	542	790			
Total deferred debits	1,302	1,574			
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,598</b>	<b>\$ 25,464</b>	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 26,598</b>	<b>\$ 25,464</b>



**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 19**

- Quarterly income statements for the previous 5 years.

**Attached.**

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Hundreds of Dollars)

For 12 months ended 30th March '08

	<u>March-08</u>	<u>March-07</u>
<b><u>Operating Revenues:</u></b>		
Residential	3,075,044	2,436,020
Commercial	1,025,072	996,835
Industrial	19,163	10,863
Public Authorities	82,159	74,682
Public Fire	636,333	542,453
Private Fire	234,986	188,919
Other	71,117	78,209
<b>Total Revenues</b>	<u>5,143,874</u>	<u>4,327,981</u>
<b><u>Operating Expenses:</u></b>		
Source of Supply	42,460	41,592
Pumping	309,609	256,599
Water Treatment	107,030	117,351
Transmission and Distribution	445,901	388,827
Customer Accounting	174,464	163,285
Information Technology	100,143	65,489
Administrative and General	1,192,991	1,004,172
	<u>2,372,599</u>	<u>2,037,314</u>
Depreciation	823,706	774,201
Taxes Other than Income Taxes	368,901	356,954
	<u>1,192,607</u>	<u>1,131,155</u>
<b>Total Operating Expenses</b>	<u>3,565,207</u>	<u>3,168,469</u>
	<u>(1,578,667)</u>	<u>(1,159,513)</u>
Other Income and Expense	(69,486)	(60,275)
AFUDC	-	(42,309)
<b>Income before Interest and Taxes</b>	<u>(1,648,153)</u>	<u>(1,262,096)</u>
Interest Expense, Outside	606,228	458,195
Interest Expense, Inside	101,282	139,836
	<u>(940,643)</u>	<u>(664,065)</u>
Income before Income Taxes	(940,643)	(664,065)
State Income Tax - Current	88,000	73,000
Federal Income Tax - Current	370,249	268,000
State Income Tax - Deferred	(7,440)	(17,440)
Federal Income Tax - Deferred	(11,122)	(57,092)
<b>Net Income</b>	<u>(500,956)</u>	<u>(397,597)</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '07

	<u>December '07</u>	<u>December '06</u>
<u>Operating Revenues:</u>		
Residential	2,516,507	1,839,141
Commercial	830,607	787,516
Industrial	14,944	6,086
Public Authorities	68,884	62,799
Public Fire	485,688	386,254
Private Fire	179,415	129,417
Other	58,080	57,202
 Total Revenues	 4,154,124	 3,268,414
 <u>Operating Expenses:</u>		
Source of Supply	32,109	28,809
Pumping	227,110	177,359
Water Treatment	85,036	97,784
Transmission and Distribution	309,155	285,683
Customer Accounting	132,022	114,199
Information Technology	37,308	41,032
Administrative and General	922,151	665,958
	1,744,893	1,410,825
 Depreciation	 612,574	 564,645
Taxes Other than Income Taxes	280,683	257,352
	893,257	821,997
 Total Operating Expenses	 2,638,150	 2,232,821
	(1,515,974)	(1,035,593)
Other Income and Expense	(60,020)	(48,202)
AFUDC	-	(42,309)
Income before Interest and Taxes	(1,575,994)	(1,126,103)
Interest Expense, Outside	454,671	306,638
Interest Expense, Inside	74,349	122,023
 Income before Income Taxes	 (1,046,975)	 (697,442)
State Income Tax - Current	92,000	74,000
Federal Income Tax - Current	404,249	279,000
State Income Tax - Deferred	(6,440)	(17,440)
Federal Income Tax - Deferred	(7,122)	(56,092)
 Net Income	 (564,288)	 (417,974)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6months ended 30th September '07

	<u>September-07</u>	<u>September-06</u>
<u>Operating Revenues:</u>		
Residential	1,739,689	1,253,059
Commercial	552,862	540,715
Industrial	11,096	3,960
Public Authorities	39,030	38,385
Public Fire	324,403	256,798
Private Fire	118,904	85,725
Other	40,063	43,656
<b>Total Revenues</b>	<b>2,826,047</b>	<b>2,222,298</b>
<u>Operating Expenses:</u>		
Source of Supply	22,946	16,321
Pumping	148,610	129,933
Water Treatment	67,589	71,089
Transmission and Distribution	198,521	189,858
Customer Accounting	94,398	70,430
Information Technology	20,735	26,751
Administrative and General	647,396	455,760
	<b>1,200,196</b>	<b>960,142</b>
Depreciation	417,342	373,344
Taxes Other than Income Taxes	185,825	157,657
	<b>603,167</b>	<b>531,001</b>
<b>Total Operating Expenses</b>	<b>1,803,363</b>	<b>1,491,143</b>
	(1,022,684)	(731,155)
Other Income and Expense	(27,619)	(41,836)
AFUDC	-	(3,180)
<b>Income before Interest and Taxes</b>	<b>(1,050,302)</b>	<b>(776,171)</b>
Interest Expense, Outside	303,114	154,755
Interest Expense, Inside	50,028	113,472
	<b>(697,160)</b>	<b>(507,945)</b>
<b>Income before Income Taxes</b>	<b>(697,160)</b>	<b>(507,945)</b>
State Income Tax - Current	30,000	33,000
Federal Income Tax - Current	233,000	126,000
State Income Tax - Deferred	4,000	10,000
Federal Income Tax - Deferred	18,000	37,000
<b>Net Income</b>	<b>(412,160)</b>	<b>(301,945)</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 3 months ended 30th June '07

	<u>June-07</u>	<u>June-06</u>
<u>Operating Revenues:</u>		
Residential	854,329	681,603
Commercial	264,051	211,766
Industrial	6,094	3,074
Public Authorities	19,191	21,618
Public Fire	164,518	128,657
Private Fire	59,642	85,725
Other	36,351	29,150
 Total Revenues	 <u>1,404,175</u>	 <u>1,161,593</u>
 <u>Operating Expenses:</u>		
Source of Supply	9,619	6,147
Pumping	74,028	52,040
Water Treatment	25,873	23,185
Transmission and Distribution	105,501	102,833
Customer Accounting	47,582	34,753
Information Technology	10,321	11,438
Administrative and General	313,354	198,690
	<u>586,279</u>	<u>429,086</u>
 Depreciation	 <u>208,671</u>	 <u>186,672</u>
Taxes Other than Income Taxes	92,555	83,090
	<u>301,226</u>	<u>269,762</u>
 Total Operating Expenses	 <u>887,505</u>	 <u>698,848</u>
	<u>(516,670)</u>	<u>(462,745)</u>
Other Income and Expense	(8,078)	(36,999)
AFUDC	-	(2,168)
 Income before Interest and Taxes	 <u>(524,748)</u>	 <u>(501,911)</u>
Interest Expense, Outside	151,557	58,286
Interest Expense, Inside	23,001	64,930
 Income before Income Taxes	 <u>(350,190)</u>	 <u>(378,696)</u>
State Income Tax - Current	13,000	25,000
Federal Income Tax - Current	108,000	93,000
State Income Tax - Deferred	4,000	7,000
Federal Income Tax - Deferred	18,000	28,000
 Net Income, U.S.	 <u>(207,190)</u>	 <u>(225,696)</u>

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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 12 months ended 30th March '06

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March-06

Operating Revenues:

Residential	2,505,222
Commercial	867,711
Industrial	15,441
Public Authorities	72,177
Public Fire	511,201
Private Fire	173,319
Other	86,937

Total Revenues	4,232,008
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Operating Expenses:

Source of Supply	37,658
Pumping	267,716
Water Treatment	117,994
Transmission and Distribution	395,674
Customer Accounting	211,378
Information Technology	63,265
Administrative and General	1,212,901

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2,306,586

Depreciation	748,356
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Taxes Other than Income Taxes	407,246
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1,155,602

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Total Operating Expenses	3,462,187
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(769,820)

Other Income and Expense	(56,883)
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AFUDC	(4,317)
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Income before Interest and Taxes	(831,020)
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Interest Expense, Outside	413,468
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Interest Expense, Inside	124,899
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Income before Income Taxes	(292,653)
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State Income Tax - Current	3,000
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Federal Income Tax - Current	12,000
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State Income Tax - Deferred	20,920
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Federal Income Tax - Deferred	80,430
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<b>Net Income</b>	<b>(176,303)</b>
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '05

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December '05

Operating Revenues:

Residential	1,973,214
Commercial	685,628
Industrial	10,153
Public Authorities	59,742
Public Fire	383,401
Private Fire	130,648
Other	72,634

Total Revenues	<u>3,315,420</u>
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Operating Expenses:

Source of Supply	24,957
Pumping	198,389
Water Treatment	96,989
Transmission and Distribution	312,621
Customer Accounting	139,188
Information Technology	47,801
Administrative and General	871,645

1,691,589

Depreciation	<u>561,684</u>
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Taxes Other than Income Taxes	<u>386,918</u>
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948,602

Total Operating Expenses	<u>2,640,191</u>
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(675,228)

Other Income and Expense	<u>(53,607)</u>
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AFUDC	<u>(2,664)</u>
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Income before Interest and Taxes	<u>(731,499)</u>
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Interest Expense, Outside	<u>310,222</u>
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Interest Expense, Inside	<u>87,985</u>
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Income before Income Taxes	<u>(333,293)</u>
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State Income Tax - Current	<u>23,000</u>
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Federal Income Tax - Current	<u>86,000</u>
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State Income Tax - Deferred	<u>3,920</u>
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Federal Income Tax - Deferred	<u>20,430</u>
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<b>Net Income</b>	<u>(199,943)</u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6 months ended 30th September '05

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September-05

Operating Revenues:

Residential	1,382,341
Commercial	490,430
Industrial	7,206
Public Authorities	43,653
Public Fire	255,600
Private Fire	89,455
Other	56,506

Total Revenues	<u>2,325,192</u>
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Operating Expenses:

Source of Supply	18,190
Pumping	143,089
Water Treatment	74,299
Transmission and Distribution	200,398
Customer Accounting	111,337
Information Technology	29,854
Administrative and General	610,140

1,187,307

Depreciation	<u>369,498</u>
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Taxes Other than Income Taxes	<u>213,203</u>
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582,701

Total Operating Expenses	<u>1,770,008</u>
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(555,184)

Other Income and Expense	<u>(42,050)</u>
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AFUDC	<u>(2,200)</u>
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Income before Interest and Taxes	<u>(599,434)</u>
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Interest Expense, Outside	206,814
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Interest Expense, Inside	55,247
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Income before Income Taxes	<u>(337,372)</u>
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State Income Tax - Current	31,000
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Federal Income Tax - Current	115,000
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State Income Tax - Deferred	(3,000)
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Federal Income Tax - Deferred	(9,000)
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Net Income	<u>(203,372)</u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 3 months ended 30th June '05

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June-05

Operating Revenues:

Residential	707,908
Commercial	250,221
Industrial	3,910
Public Authorities	22,522
Public Fire	127,800
Private Fire	45,755
Other	40,379

Total Revenues	<u>1,198,494</u>
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Operating Expenses:

Source of Supply	7,379
Pumping	66,887
Water Treatment	29,624
Transmission and Distribution	104,851
Customer Accounting	51,900
Information Technology	11,589
Administrative and General	358,869

631,099

Depreciation	<u>184,749</u>
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Taxes Other than Income Taxes	<u>114,836</u>
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299,585

Total Operating Expenses	<u>930,683</u>
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(267,811)

Other Income and Expense	<u>(37,280)</u>
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AFUDC	<u>(2,153)</u>
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Income before Interest and Taxes	<u>(307,243)</u>
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Interest Expense, Outside	103,407
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Interest Expense, Inside	24,248
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Income before Income Taxes	<u>(179,588)</u>
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State Income Tax - Current	14,000
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Federal Income Tax - Current	51,000
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State Income Tax - Deferred	(1,000)
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Federal Income Tax - Deferred	(4,000)
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<b>Net Income</b>	<u><b>(119,588)</b></u>
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AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Thousands of Dollars)

For 12 months ended 30th March '05

	<u>March-05</u>	<u>March-04</u>
<b><u>Operating Revenues:</u></b>		
Residential	2,505	2,489
Commercial	868	921
Industrial	15	15
Public Authorities	72	71
Public Fire	512	511
Private Fire	173	155
Other	87	87
<b>Total Revenues</b>	<b>4,232</b>	<b>4,249</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	38	43
Pumping	268	233
Water Treatment	118	142
Transmission and Distribution	396	462
Customer Accounting	211	179
Information Technology	63	43
Administrative and General	1,213	1,094
	<b>2,307</b>	<b>2,196</b>
Depreciation	748	688
Taxes Other than Income Taxes	408	444
	<b>1,156</b>	<b>1,132</b>
<b>Total Operating Expenses</b>	<b>3,463</b>	<b>3,328</b>
Other Income and Expense	769	921
AFUDC	57	(10)
Interco Interest Income	4	76
	<b>-</b>	<b>-</b>
Interest Expense, Outside	830	987
Interest Expense, Inside	413	414
	<b>125</b>	<b>68</b>
Income before Income Taxes	292	505
State Income Tax - Current	3	48
Federal Income Tax - Current	12	177
<b>Net Income, U.K.</b>	<b>277</b>	<b>280</b>
State Income Tax - Deferred	22	(5)
Federal Income Tax - Deferred	79	(25)
<b>Net Income, U.S.</b>	<b>176</b>	<b>310</b>
Profit from Property Sales	-	-
	<b>176</b>	<b>310</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Thousands of Dollars)

For 9 months ended 31st December 04

	<u>December '04</u>	<u>December '03</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,973	1,985
Commercial	686	746
Industrial	10	10
Public Authorities	60	57
Public Fire	383	383
Private Fire	131	116
Other	72	65
<b>Total Revenues</b>	<b>3,315</b>	<b>3,362</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	25	28
Pumping	198	177
Water Treatment	97	114
Transmission and Distribution	313	366
Customer Accounting	139	128
Information Technology	48	33
Administrative and General	872	770
	<b>1,692</b>	<b>1,616</b>
Depreciation	562	525
Taxes Other than Income Taxes	387	328
	<b>949</b>	<b>853</b>
<b>Total Operating Expenses</b>	<b>2,641</b>	<b>2,469</b>
	<b>674</b>	<b>893</b>
Other Income and Expense	54	(21)
AFUDC	3	73
Interco Interest Income	-	-
	<b>731</b>	<b>945</b>
Interest Expense, Outside	310	310
Interest Expense, Inside	88	48
	<b>333</b>	<b>587</b>
Income before Income Taxes	23	64
State Income Tax - Current	86	235
Federal Income Tax - Current		
<b>Net Income, U.K.</b>	<b>224</b>	<b>288</b>
State Income Tax - Deferred	5	(14)
Federal Income Tax - Deferred	19	(55)
	<b>200</b>	<b>357</b>
<b>Net Income, U.S.</b>	<b>200</b>	<b>357</b>
Profit from Property Sales	-	-
	<b>200</b>	<b>357</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Thousands of Dollars)

For 6 months ended 30th September 04

	<u>September-04</u>	<u>September-03</u>
<b><u>Operating Revenues:</u></b>		
Residential	1,382	1,395
Commercial	490	526
Industrial	7	8
Public Authorities	44	46
Public Fire	256	256
Private Fire	89	77
Other	57	52
<b>Total Revenues</b>	<b>2,325</b>	<b>2,360</b>
<b><u>Operating Expenses:</u></b>		
Source of Supply	18	18
Pumping	143	119
Water Treatment	74	76
Transmission and Distribution	201	221
Customer Accounting	111	106
Information Technology	30	30
Administrative and General	610	540
	<b>1,187</b>	<b>1,110</b>
Depreciation	369	325
Taxes Other than Income Taxes	214	232
	<b>583</b>	<b>557</b>
<b>Total Operating Expenses</b>	<b>1,770</b>	<b>1,667</b>
	555	693
Other Income and Expense	42	(13)
AFUDC	2	53
Interco Interest Income	-	-
	599	733
Interest Expense, Outside	207	207
Interest Expense, Inside	55	31
	337	495
Income before Income Taxes	31	57
State Income Tax - Current	115	210
Federal Income Tax - Current		
<b>Net Income, U.K.</b>	<b>191</b>	<b>228</b>
State Income Tax - Deferred	(3)	(15)
Federal Income Tax - Deferred	(9)	(51)
	203	294
<b>Net Income, U.S.</b>	<b>203</b>	<b>294</b>
Profit from Property Sales	-	-
	<b>203</b>	<b>294</b>

AQUARION WATER COMPANY of NEW HAMPSHIRE  
STATEMENT OF INCOME  
(In Thousands of Dollars)

For 3 months ended 30th June 04

	<u>June-04</u>	<u>June-03</u>
<b>Operating Revenues:</b>		
Residential	708	718
Commercial	250	237
Industrial	4	4
Public Authorities	23	24
Public Fire	128	128
Private Fire	46	39
Other	40	28
<b>Total Revenues</b>	<u>1,199</u>	<u>1,178</u>
<b>Operating Expenses:</b>		
Source of Supply	7	9
Pumping	66	58
Water Treatment	30	36
Transmission and Distribution	105	115
Customer Accounting	52	54
Information Technology	12	18
Administrative and General	359	295
	<u>631</u>	<u>585</u>
Depreciation	185	150
Taxes Other than Income Taxes	115	118
	<u>300</u>	<u>268</u>
<b>Total Operating Expenses</b>	<u>931</u>	<u>853</u>
	<u>268</u>	<u>325</u>
Other Income and Expense	8	(3)
AFUDC	2	24
Interco Interest Income	-	-
	<u>278</u>	<u>346</u>
Interest Expense, Outside	103	104
Interest Expense, Inside	24	14
	<u>151</u>	<u>228</u>
Income before Income Taxes	151	228
State Income Tax - Current	14	26
Federal Income Tax - Current	51	97
<b>Net Income, U.K.</b>	<u>86</u>	<u>105</u>
State Income Tax - Deferred	(1)	(7)
Federal Income Tax - Deferred	(4)	(23)
<b>Net Income, U.S.</b>	<u>91</u>	<u>135</u>
Profit from Property Sales	-	-
	<u>91</u>	<u>135</u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 20**

- Quarterly sales volumes for the previous 5 years, itemized for residential and other classifications of service.

**Attached.**

**AWC of New Hampshire Quarterly Sales Volume By Customer Type**  
(In Thousand Gallons)

<u>Quarter ending</u>	<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Others</u>	<u>Total</u>	<u>Annual consumption</u>
March	2003	84,868	45,305	1,133	2,409	133,715	744,370
June	2003	96,992	45,446	1,161	2,506	146,105	
September	2003	144,112	75,693	925	5,710	226,440	
December	2003	184,322	50,485	774	2,529	238,110	
March	2004	90,168	50,636	1,182	2,916	144,902	697,325
June	2004	94,736	49,283	1,000	2,344	147,363	
September	2004	138,959	66,701	936	4,103	210,699	
December	2004	133,428	55,444	795	4,694	194,361	
March	2005	85,909	37,062	837	1,680	125,488	679,129
June	2005	90,451	41,122	831	1,979	134,383	
September	2005	141,790	67,851	711	3,278	213,630	
December	2005	141,286	55,715	578	8,049	205,628	
March	2006	90,965	37,943	809	1,727	131,444	652,075
June	2006	91,420	39,460	597	1,465	132,942	
September	2006	137,867	61,331	782	3,836	203,816	
December	2006	125,993	51,150	905	5,825	183,873	
March	2007	85,265	35,909	676	1,446	123,296	687,174
June	2007	89,686	41,978	1,524	1,989	135,177	
September	2007	159,848	58,296	1,331	2,000	221,475	
December	2007	149,036	52,353	698	5,139	207,226	
March	2008	81,594	37,909	939	2,031	122,473	

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 21**

- A description of the utility's need for external capital for the 2 year period immediately following the test year.

**Attached.**



### Summary of Need for External Capital

As shown in Standard Filing Requirement Response #22, the Company can generally finance its capital improvement program through internally generated funds. At a very high level, net income plus depreciation less dividends will create enough sources of funds to care for typical spending.

The only additional financing required, in the form of inter-company borrowings, is needed to fund the Mill Road Standpipe Project. The Company views this project as extraordinary given the larger than normal spending requirements.

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 22**

- The utility's capital budget with a statement of the source and uses of funds for the 2 years immediately subsequent to the test year.

**Attached.**

Aquarion Water Company of New Hampshire  
Two Year Capital Budget

<u>Department Name</u>	<u>PUC Account No.</u>	<u>Description</u>	<u>2008 Expenditures</u>	<u>2009 Expenditures</u>
Admin & Gen	391	Office/Computer Equipment	\$ -	\$ 10,000
<b>Admin &amp; Gen Total</b>			-	10,000
Capital and Planning	317	Water Supply Alternatives Analysis	\$ 35,000	35,500
Capital and Planning	314	New Source Investigation		197,500
Capital and Planning	342	Mill Road Water Storage Tank Construction	1,322,500	
Capital and Planning	342	Mill Road Booster Pump Station Upgrades		50,000
Capital and Planning	343	Mill Road Water Main Replacement	189,500	
Capital and Planning	343	I-95 Water Main Replacement	14,900	
Capital and Planning	343	Atlantic Avenue Water Main Replacement		90,000
Capital and Planning	343	Cross Country Easement Main Replacement Rye		100,000
Capital and Planning	343	Interconnection Modifications		30,000
Capital and Planning	391S	GIS		60,000
<b>Capital and Planning Total</b>			1,561,900	563,000
Customer Service	346	30 - 5/8" New Meters	1,725	1,725
Customer Service	346	10 - 1" New Meters	775	775
Customer Service	346	4 - 1 1/2" New Meters		1,000
Customer Service	346	5 - 2" New Meters	1,000	1,000
Customer Service	346	1800 - 5/8" Replacement Meters	103,500	112,300
Customer Service	346	50 - 1" Replacement Meters	3,800	3,800
Customer Service	346	14 - 2" Replacement Meters	2,000	2,000
<b>Customer Service Total</b>			112,800	122,600
Supply Operations	394	General Plant	8,000	15,000
Supply Operations	343	SCADA Improvements	7,500	20,000
Supply Operations	343	Well #10 Water Main Replacement	5,000	
Supply Operations	331	Feasibility Study Mill Rd. Treatment	7,000	
Supply Operations	314	Well Capacity Evaluation	54,000	
Supply Operations	317	Security Improvements	11,000	16,200
Supply Operations	317	Decommission Well #15 N. Hampton	2,600	
Supply Operations	317	Source Protection Surveys/Water Audits	11,000	
Supply Operations	317	Little River Stream Gauging Study	6,500	6,200
Supply Operations	317	Wetlands Monitoring N. Hampton	7,000	
Supply Operations	various	Recurring Capital Projects Pumping/Treatment	37,500	45,000
Supply Operations	various	Recurring Source of Supply	35,000	35,000
Supply Operations	332	Well Pump replacements		50,000
Supply Operations	332	Replace Chem Feed Equipment- KOH		10,000
<b>Supply Operations Total</b>			192,100	102,400
Utility Operations	345	1" New Services	7,000	7,500
Utility Operations	345	1 1/2" New Services	3,500	
Utility Operations	345	2" New Services	2,000	2,000
Utility Operations	345	4" Fire Services	5,500	3,500
Utility Operations	345	6" Fire Services	3,500	3,500
Utility Operations	345	3/4" Replacement Services	6,000	3,000
Utility Operations	345	1" Replacement Services	2,500	2,500
Utility Operations	345	1 1/2" Replacement Services	1,500	1,500
Utility Operations	345	2" Replacement Services	3,000	1,500
Utility Operations	343	Recurring Capital Projects T&D	54,500	70,000
Utility Operations	346	Hydrant Replacements	3,600	38,400
Utility Operations	349	Valve Replacements	3,000	
Utility Operations	392	Service Truck		30,000
<b>Utility Operations Total</b>			95,600	163,400
<b>Grand Total</b>		<b>Total Capital Expenditures</b>	<b>\$ 1,962,400</b>	<b>\$ 961,400</b>

**Aquarion Water Company of New Hampshire**  
*Sources and Uses of Funds*

	<u>2008/2009</u>	<u>2009/2010</u>
<u>Sources of Funds</u>		
Net Income <sup>1</sup>	263	865
Depreciation	964	1,004
Dividends	(197)	(649)
Financings - Intercompany Debt <sup>2</sup>	800	
Total Sources of Funds	<u>1,830</u>	<u>1,220</u>
<u>Uses of Funds</u>		
Gross Construction <sup>3</sup>	(1,716)	(961)
Total Uses of Funds	<u>(1,716)</u>	<u>(961)</u>
Net Surplus(Deficit)	<u>114</u>	<u>259</u>

Notes:

- 1) Reflects the pro forma adjustments made during this case. Assumes 33% of rate relief realized in 2008/09 and remaining 67% realized in 2009/10.
- 2) Additional debt required to fund "Mill Road Water Storage Tank" as detailed in testimony regarding step increase.
- 3) Capital Budget attached

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 23**

- The provisions of any sinking funds associated with senior capital and a description of the rate at which any respective issues of senior capital will be retired, consistent with such sinking fund(s).

**Not Applicable.**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 24**

- **If the short-term debt component of total invested capital is volatile, the amount outstanding, on a monthly basis, during the test period, for each short-term indebtedness.**

**Attached.**

**AWC of New Hampshire**

**Month in Test year**

**Outstanding Short term debt  
(Intercompany Notes Payable)**

April	2007	\$	1,500,000
May	2007	\$	1,500,000
June	2007	\$	2,100,000
July	2007	\$	1,800,000
August	2007	\$	1,800,000
September	2007	\$	1,700,000
October	2007	\$	1,600,000
November	2007	\$	1,500,000
December	2007	\$	1,900,000
January	2008	\$	2,200,000
February	2008	\$	2,400,000
March	2008	\$	2,600,000

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 25**

- If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26).

**Attached.**



AUDITED FINANCIAL STATEMENTS

Aquarion Company and Subsidiaries

Year ended December 31, 2007

with Report of Independent Auditors

Aquarion Company and Subsidiaries

Audited Financial Statements

Year ended December 31, 2007

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**Report of Independent Auditors**

To Aquarion Company

We have audited the accompanying consolidated balance sheet of Aquarion Company and subsidiaries as of December 31, 2007, and the related consolidated statement of operations, comprehensive income, common stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Aquarion Company and subsidiaries at December 31, 2007, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
March 14, 2008

Aqurion Company and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2007  
(Dollars in thousands)

<u>Assets and other debits</u>		<u>Liabilities and other credits</u>	
<u>PROPERTY, PLANT AND EQUIPMENT</u>		<u>STOCKHOLDER'S EQUITY</u>	
Utility Plant	\$ 962,937	Common stock - \$0.01 par value, 100 shares outstanding, 1,000 authorized	\$ -
Less: Accumulated depreciation	(273,165)	Capital in excess of stated value	220,568
Net utility plant	<u>689,772</u>	Other comprehensive income	(51)
Non-Utility property and equipment	40,291	Retained earnings	<u>157,906</u>
Less: Accumulated depreciation	(8,520)	Total stockholder's equity	<u>378,423</u>
Net non-utility property and equipment	<u>31,771</u>		
<u>GOODWILL</u>	<u>62,789</u>	<u>PREFERRED STOCK OF SUBSIDIARY</u>	<u>3</u>
<u>CURRENT ASSETS</u>		<u>LONG-TERM DEBT</u>	<u>259,816</u>
Cash and cash equivalents	946		
Restricted cash	4,509	<u>CURRENT AND ACCRUED LIABILITIES</u>	
Accounts receivables, net	14,371	Accounts payable and accrued liabilities	25,402
Other receivables	3,278	Current maturities of long-term debt	580
Accrued revenues	14,004	Accrued interest	3,769
Materials and supplies, at cost	1,550	Other accrued liabilities	<u>4,228</u>
Prepayments	2,895	Total	<u>33,979</u>
Other	844		
Total	<u>42,397</u>	<u>OTHER LIABILITIES AND DEFERRED CREDITS</u>	
<u>OTHER ASSETS</u>		Deferred taxes	96,005
Unfunded deferred taxes	48,242	Contributions in aid of and customers' advances for construction	122,255
Deferred taxes	2,503	Deferred OPEB	31,711
Prepaid pension	5,031	Other long-term liabilities	<u>3,750</u>
Deferred pension and OPEB	24,062	Total	<u>253,721</u>
Unamortized debt discount and expense	13,643		
Other assets	5,732	<u>COMMITMENTS AND CONTINGENCIES</u>	
Total	<u>99,213</u>		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><u>\$925,942</u></u>	<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<u><u>\$925,942</u></u>

See accompanying notes.

Aquarion Company and Subsidiaries  
Consolidated Statement of Operations  
Year Ended December 31, 2007  
(Dollars in thousands)

**Operating revenues:**

Public water supply	\$133,447
Water line warranty services	3,364
<b>Total revenue</b>	<u>136,811</u>

**Operating expenses:**

Operating	30,091
General and administrative	27,333
Depreciation	25,016
Taxes other than income	11,472
<b>Total operating expenses</b>	<u>93,912</u>
	42,899

Interest expense	15,770
Allowance for funds used during construction	2,851
Income from operations before income taxes	<u>29,980</u>

Income taxes	9,378
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<b>Net income from continuing operations</b>	<u>20,602</u>
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Net income from discontinued operations	210
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<b>Net income</b>	<u><u>\$20,812</u></u>
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*See accompanying notes.*

Aquarion Company and Subsidiaries  
Consolidated Statement of Common Stockholder's Equity  
Year ended December 31, 2007  
(Dollars in thousands)

	Common Stock		Capital in Excess of Stated Value	Accumulated		Stockholder's Equity
	Shares	Par Value		Earnings	Other Comprehensive Income	
Balance at December 31, 2006	100	\$ -	\$ 247,304	\$ 150,882	\$ (605)	\$ 397,581
Net income	-	-	-	20,812	-	20,812
Common stock dividends	-	-	-	(13,762)	-	(13,762)
Preferred stock dividends	-	-	-	(26)	-	(26)
Other comprehensive income	-	-	-	-	554	554
Capital distribution	-	-	(1,706)	-	-	(1,706)
Disposal of subsidiaries	-	-	(25,030)	-	-	(25,030)
Balance at December 31, 2007	<u>100</u>	<u>\$ -</u>	<u>\$ 220,568</u>	<u>\$ 157,906</u>	<u>\$ (51)</u>	<u>\$ 378,423</u>

*See accompanying notes.*

Aquarion Company and Subsidiaries  
Consolidated Statement of Comprehensive Income  
Year ended December 31, 2007  
(Dollars in thousands)

Net income	\$ 20,812
Unrealized gain on investments	17
Other	537
Total comprehensive income	<u>\$ 21,366</u>

*See accompanying notes.*

Aquarion Company and Subsidiaries  
Consolidated Statement of Cash Flows  
Year Ended December 31, 2007  
(Dollars in thousands)

Cash flows from operating activities:	
Net income	\$ 20,812
Adjustments reconciling net loss to net cash provided by operating activities:	
Net (income) loss from discontinued operations	(210)
Depreciation and amortization	25,889
Allowance for funds used during construction (AFUDC)	(1,646)
Provision for losses on accounts receivable	565
Deferred income taxes	6,470
Changes in assets and liabilities	(7,839)
Net cash provided by operating activities	<u>44,041</u>
Cash flows from investing activities:	
Capital additions, excluding AFUDC	(47,399)
Allowance for funds used during construction (AFUDC)	(1,205)
Decrease in restricted cash	6,753
Other	(616)
Net cash used in investing activities	<u>(42,467)</u>
Cash flows from financing activities:	
Proceeds from (payments on) debt	3,000
Advances and contributions in aid of construction	3,107
Refunds on advances for construction	(208)
Capital distribution to stockholders	(1,706)
Dividends to parent	(13,762)
Principal payments on long-term debt	(1,196)
Bond financing charges	(1,198)
Other	697
Net cash used in financing activities	<u>(11,266)</u>
Net decrease in cash and cash equivalents	(9,692)
Cash and cash equivalents at beginning of year	<u>10,638</u>
Cash and cash equivalents at end of year	<u>\$ 946</u>

*See accompanying notes.*



Aquarion Company and Subsidiaries  
Notes to Audited Financial Statements  
(Dollars in thousands)

**1. Organization and Operation**

Aquarion Company ("Aquarion" or the "Company") is a wholly owned subsidiary of Aquarion Holdings LLC ("Holdings"), which is a wholly owned subsidiary of Macquarie Utilities Inc. ("MUI"). The Company owns all the outstanding stock of Aquarion Water Company ("AWC") which is an intermediate holding company of the Company and owns the regulated public water utility operating subsidiaries of the Company. Aquarion also owns a non-regulated warranty services business, Homeowner's Safety Valve Company ("HSV"). MUI purchased the Aquarion companies from Kelda Group, Inc. (Kelda) on April 30, 2007.

On February 24, 2006, Macquarie Bank, Ltd. announced that a consortium led by it had agreed to purchase Aquarion and certain of its subsidiaries from Kelda. The acquisition was subject to regulatory approval from the public utility commissions in Connecticut, New Hampshire and New York. Approval was obtained from Connecticut on October 18, 2006 and New Hampshire on October 31, 2006.

On February 8, 2007, Kelda and MUI amended the acquisition agreement to exclude the New York subsidiaries and filed a petition with the New York Commission to withdraw MUI's proposed acquisition of the New York subsidiaries. In its decision issued on April 19, 2007, the New York Commission approved this request and authorized a corporate restructuring for the New York entities.

Following the corporate restructuring, the sale of Aquarion by Kelda to MUI became effective on April 30, 2007. Total consideration for the acquisition was \$839,783, consisting of cash consideration of \$578,250 (including \$10,000 for the repayment of an outstanding intercompany loan between Kelda and Aquarion) and assumption of indebtedness of \$261,533. The transaction is a purchase business combination. The fair value of the assets and liabilities has not been pushed down to the Company.

As a result of the restructuring, the Company transferred its AWC of New York and AWC of Sea Cliff subsidiaries to its former parent, Kelda. The transfer to Kelda at net book value was reflected as a distribution of capital. The net assets transferred on April 30, 2007, are as follows:

Aquarion Company and Subsidiaries  
Notes to Audited Financial Statements  
(Dollars in thousands)

Current assets	\$ 2,835
Property, plant and equipment	35,032
Other assets	1,924
Total assets	<u>39,791</u>
Debt	2,250
Accounts payable and accrued liabilities	845
Deferred taxes	5,442
Customer advances for and contributions in aid of construction	1,208
Other liabilities	132
Total liabilities	<u>9,877</u>
Net assets disposed of	<u>\$ 29,914</u>

### Utilities

The Company, through its wholly-owned subsidiary AWC, operates regulated water utilities in Connecticut ("AWC-CT"), Massachusetts ("AWC-MA") and New Hampshire ("AWC-NH"). These subsidiaries (collectively, the "Utilities") collect, treat and distribute water to residential, commercial and industrial customers, to other utilities for resale, and for private and municipal fire protection. The Utilities provide water to customers in thirty-six communities in Connecticut, five communities in Massachusetts and three in New Hampshire. The Utilities are regulated by several state agencies ("Regulatory Authorities"). As of December 31, 2007, the Utilities had approximately 206,000 customers.

During the fiscal year ended December 31, 2007, the Utilities contributed approximately \$ 133,000, or 98%, of total revenues.

### Non-Regulated

The Company offers water service line and sewer line warranty protection programs through its HSV subsidiary. In addition, the Company owns a non-regulated subsidiary located in Massachusetts (Aquarion Water Capital of Massachusetts, Inc. ("AWC-MA Cap")), which leases a water treatment plant to AWC-MA. The transactions between AWC-MA Cap and AWC-MA are eliminated in consolidation.

## 2. Summary of Significant Accounting Policies

The Company's accounting policies conform to accounting principles generally accepted in the United States and, as applied in the case of rate-regulated public utilities, include those policies contained in Statement of Financial Accounting Standards ("SFAS") No. 71, *Accounting for the Effects of Certain Types of Regulation* ("SFAS 71") and comply with the Uniform System of Accounts and ratemaking practices prescribed by the Regulatory Authorities. A description of the Company's principal accounting policies follows.

Aquarion Company and Subsidiaries  
Notes to Audited Financial Statements  
(Dollars in thousands)

**Regulation**

The Company's regulated subsidiaries have incurred various costs and received various credits, which have been reflected as regulatory assets and liabilities on the Company's consolidated balance sheet. Accounting for such costs and credits as regulatory assets and liabilities is in accordance with SFAS 71, which sets forth the application of generally accepted accounting principles for those companies whose rates are established by or are subject to approval by an independent third-party regulator. Under SFAS 71, regulated companies defer costs and credits on the balance sheet as regulatory assets and liabilities when it is probable that those costs and credits will be recognized in the rate setting process in a period different from the period in which they would have been reflected in income by an unregulated company. These deferred regulatory assets and liabilities are then reflected in the statement of operations in the period in which the same amounts are reflected in rates charged for service.

Regulatory assets consist of the following at December 31, 2007:

Pension and OPEB	\$ 24,062
Unfunded deferred taxes	48,242
Rate case expenses (included in other assets)	1,292
Deferred tank painting costs (included in other assets)	2,266
Total	<u>\$ 75,862</u>

The Company believes, based on current regulatory circumstances, that the regulatory assets recorded are likely to be recovered and that its use of regulatory accounting is appropriate. Material regulatory assets are earning a return.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated.

**Property, Plant and Equipment**

Property, plant and equipment is stated at cost. The cost of additions to and replacements of retired property are capitalized. Costs include charges for direct material, labor and services, and indirect charges related to construction, such as engineering, supervision, payroll taxes and employee benefits. The Utilities also capitalize an allowance for funds used during construction equivalent to the cost of funds devoted to plant under construction. Property modifications and improvements are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Aquarion Company and Subsidiaries  
Notes to Audited Financial Statements  
(Dollars in thousands)

At the time depreciable utility property is retired or disposed of, the carrying amount together with the related costs of removal, less salvage, is charged to accumulated depreciation in accordance with the Uniform System of Accounts prescribed by the Regulatory Authorities. Upon disposal or retirement of depreciable non-utility property, the appropriate plant and equipment and accumulated depreciation are reduced, with any resulting gain or loss recognized in the consolidated statements of operations.

For financial reporting purposes, depreciation is provided for using the straight-line method over the estimated service lives of the respective assets.

The Company has no material asset retirement obligations at December 31, 2007.

**Cash, Cash Equivalents and Restricted Cash**

The Company considers all highly liquid investments that have a maturity of three months or less when purchased to be cash equivalents. Certain cash balances within restricted cash are not available for general corporate purposes. See *Note 5(j)*.

**Concentration of Credit Risk**

The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. Credit losses consistently have been within management's expectations.

The Company maintains an estimated allowance for uncollectible trade receivables based on a percentage factor applied to each aging category of such receivables. The Company monitors the aging of receivables, sends a 30-day reminder notice and a 60-day shut-off notice on delinquent accounts. The Company is allowed to terminate water service to non-paying customers per regulation and commences shut-off at 75 days past due. Accounts that cannot be collected after shut off are placed with a collection agency. If the agency is unsuccessful, the account is written off against the reserve.

The Company limits its risk exposure for cash equivalents by investing in investment grade debt instruments and using multiple, highly rated financial institutions as trustees.

**Allowance for Funds Used During Construction ("AFUDC")**

AFUDC, as defined in the Uniform System of Accounts and permitted by the Regulatory Authorities, represents the net cost of borrowed funds used for construction during the construction period and a reasonable rate of return on other funds when so used. AFUDC represents a noncash addition to income and utility plant. AFUDC is recognized by applying the last approved rate of return on rate base to construction projects exceeding \$10 and requiring more than one month to complete.

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Utility plant under construction is not recognized as part of the Company's rate base for ratemaking purposes until such facilities are placed in service. Accordingly, the utilities capitalize AFUDC as a portion of the construction cost of utility plant until it is completed. Capitalized AFUDC is recovered through water service rates over the service lives of the facilities.

**Revenue Recognition**

The Utilities recognize revenue as customers are billed periodically for water consumed and accrue revenue for the estimated amount of water consumed but not billed at the end of each period. Such amount is included in accrued revenues in the consolidated balance sheet. HSV revenues are recognized ratably over the contract period.

**Material and Supplies**

Materials and supplies inventories are valued at average cost and are used primarily for the construction and maintenance of utility plant.

**Other Assets**

Other assets include goodwill (see note above), deferred tax assets (see *Note 4 – Income Taxes*), prepaid pension (see *Note 7 – Employee Benefit Plans*) and deferred financing charges, rate case and other expenses to be amortized over periods allowed by the Regulatory Authorities. Deferred rate case expenses are amortized over periods allowed by the Regulatory Authorities, generally one to three years. Deferred financing charges are amortized over the lives of the related debt issues, ranging from 5 to 40 years.

**Fair Value of Financial Instruments**

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximate their fair values due to their short-term nature. The fair value of long-term debt is based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

The carrying amounts and fair value of the Company's financial instruments as of December 31, 2007 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Long-term debt	\$ 260,396	\$ 310,363

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**Long-Lived Assets**

In the event that facts and circumstances indicate that the carrying amounts of long-lived assets may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down may be required. If this review indicates that the assets will not be recoverable, the carrying value of the Company's assets would be reduced to their estimated realizable value. There were no impairments of long-lived assets in 2007.

**Goodwill**

Goodwill is tested for impairment at least annually and whenever events or changes in circumstances indicate that goodwill may be impaired. Goodwill represents the excess of the cost of acquired businesses over the fair value of the assets acquired at the date of acquisition. There was no impairment of goodwill in 2007. Goodwill is not deductible for tax purposes.

**Customer Advances for Construction/Contributions in Aid of Construction**

The Utilities receive cash advances from developers and customers to finance construction of new water main extensions. These advances are partially refunded over a ten-year period as water revenues are earned from those new customers. Any remaining unrefunded balances are reclassified to contributions in aid of construction or as a reduction to utility plant in the consolidated balance sheet and are no longer refundable.

Utility plant funded by advances and contributions is excluded from rate base and is not depreciated. Generally, advances and contributions received during the period of January 1, 1987 through June 12, 1996 have been included in taxable income and the related property is depreciable for tax purposes. As a result of a tax law change, advances and contributions received subsequent to June 12, 1996 are excluded from taxable income and the related property is not depreciable for tax purposes.

**Transactions with Affiliated Companies**

MUI charged the Company management allocation fees of \$598 in 2007. In addition, Kelda charged the Company \$492 from January to April of 2007. The Company also recorded dividends to its parent, Holdings, of \$11,405 in 2007. In addition, the Company recorded dividends to Kelda of \$2,357 through April of 2007. The Company has intercompany balances of \$4,639 due to Holdings on the consolidated balance sheet under Other Accrued Liabilities, primarily due to taxes payable relating to the Company and its subsidiaries. The Company recorded interest expense of \$250 on intercompany borrowings for the year ended December 31, 2007 (see *Note 5 – Long-Term Debt*).

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**Investments**

The Company holds several equity investments, which are accounted for as "Available for Sale" securities. Unrealized gains and losses on these investments are included in other comprehensive income.

**Income Taxes**

The Company, its parent and affiliates ("Consolidated Group") file a consolidated Federal income tax return. Federal income tax expense for financial reporting purposes is provided on a separate return basis, except that the Federal income tax rate applicable to the Consolidated Group is applied to separate company taxable income and is recognized currently. The Company provides deferred taxes for all temporary book-tax differences using the liability method. The liability method requires that deferred tax balances be adjusted to reflect enacted future tax rates that are anticipated to be in effect when the temporary differences reverse. In accordance with accounting principles generally accepted in the United States for regulated industries, the Company reflects as income tax expense the amount of tax currently payable, except for accelerated depreciation since 1981 and the tax effect of post-1986 contributions in aid of construction, for which deferred income taxes have been provided on an annual basis. This method, known as the flow-through method of accounting, is consistent with ratemaking policies of the Department of Public Utility Commission ("DPUC") in the states in which it operates. The Company has established assets and liabilities that reflect anticipated future ratemaking effects of deferred tax provisions arising from the implementation of the liability method. Deferred investment tax credits are amortized ratably over the book life of property.

The Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an Interpretation of SFAS No. 109* ("FIN 48") in 2007. See Note 4 – *Income Taxes*.

**Estimates**

The accompanying consolidated financial statements reflect judgments and estimates made in preparation of these statements and in the application of its accounting policies. Actual results may differ from these estimates.

**Employee Benefits**

The Company and certain of its subsidiaries have certain noncontributory defined benefit pension plans and other post-employment medical plans. These plans are accounted for in accordance with SFAS No. 87, *Employer's Accounting for Pensions*, SFAS No. 106, *Employers' Accounting for Postretirement Benefits Other than Pensions* ("SFAS 106") and SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Post Retirement Plans* ("SFAS 158") (see Note 7 – *Employee Benefit Plans*).

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**Recent Accounting Pronouncements**

In June 2006, the FASB issued FIN 48. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement of a tax position taken or expected to be taken in an enterprise's tax return. In addition, FIN 48 provides guidance on derecognition, classification, interest, penalties, accounting in interim periods and disclosure related to uncertain income tax positions. FIN 48 was effective for fiscal years beginning after December 15, 2006. See *Note 4 – Income Taxes*.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value under GAAP, and expands the definition of fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, SFAS 157 does not require any new fair value measurement. SFAS 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact, if any, that the adoption of SFAS 157 will have on its consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Opinion for Financial Assets and Financial Liabilities* ("SFAS 159"). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value. SFAS 159's objective is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. Generally accepted accounting principles have required different measurement attributes for different assets and liabilities that can create artificial volatility in earnings. SFAS 159 helps to mitigate this type of accounting-induced volatility by enabling companies to report related assets and liabilities at fair value, which would likely reduce the need for companies to comply with detailed rules for hedge accounting. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 requires companies to provide additional information that will help investors and other users of financial statements to more easily understand the effect of a company's choice to use fair value on its earnings. It also requires entities to display the fair value of those assets and liabilities for which a company has chosen to use fair value on the face of its balance sheet. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact, if any, that the adoption of SFAS 159 will have on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141(revised 2007), *Business Combinations* ("SFAS 141R")—a replacement of SFAS No. 141, *Business*



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*Combinations*, which significantly changes the principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. The statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This statement is effective prospectively, except for certain retrospective adjustments to deferred tax balances, for fiscal years beginning after December 15, 2008 and may not be applied before that date. The Company has not yet determined the impact, if any, of this statement on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* - an amendment of Accounting Research Bulletin No. 51, *Consolidated Financial Statements* ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective prospectively, except for certain retrospective disclosure requirements, for fiscal years beginning after December 15, 2008. The Company has not yet determined the impact, if any, of this statement on its consolidated financial statements.

### 3. Regulatory Matters

As necessary, the Utilities apply to their respective state regulator for changes in the rates charged for water service. Such rate requests are based on an historic test year, selected by the Company as the base period, adjusted for known changes, such as increases or decreases in customer base and/or consumption patterns; planned changes in operating and maintenance expenses; and planned changes in tax rates.

On December 12, 2007, AWC-CT received approval from the Connecticut DPUC for a 16.7% water service rate increase designed to provide a \$19,329 increase in annual water service revenues. This order sustained the Company's accounting for regulatory assets and liabilities. As part of the decision, the Company will be allowed to re-open the application in for the limited purpose of including in rates, the cost associated with specific capital investments along with related operating charges. On February 29, 2008, the Company filed a letter of intent to re-open the application. As of December 31, 2007, the Company is planning on filing a rate case for AWC-MA and AWC-NH with each of its respective state regulators in 2008.

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**4. Income Taxes**

Income tax expense for the year ended December 31, 2007 consists of the following:

Current	
Federal	\$ 2,352
State	556
Total current	<u>2,908</u>
Deferred	
Federal	3,512
State	2,958
Total deferred	<u>6,470</u>
Total income tax expense	<u><u>\$ 9,378</u></u>

A reconciliation of income tax expense at the statutory federal income tax rate to the actual income tax expense for the year ended December 31, 2007 is as follows:

Tax at statutory rate	35.00 %
Increase (reductions) in taxes resulting from:	
State taxes, net of federal income tax benefit	3.70
Valuation allowance of tax credits	6.50
Excess depreciation and cost of removal	2.00
Pension and SFAS 106	2.90
AFUDC	(1.90)
Other	<u>(17.00)</u>
Actual income tax expense	<u><u>31.20 %</u></u>

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Deferred tax liabilities (assets) at December 31, 2007 are comprised of the following:

Utility temporary difference	\$ 20,733
Depreciation	76,784
Total deferred tax liabilities	<u>97,517</u>
State Open Space credit	24,536
State Fixed Capital credit	2,919
Prepaid taxes	2,503
Other	66
Total deferred tax assets	<u>30,024</u>
Valuation allowance for deferred tax assets	<u>(22,606)</u>
Deferred tax assets, net of allowance	<u>7,418</u>
Net deferred tax liabilities	<u>90,099</u>
ITC	3,403
Total net deferred tax liabilities	<u><u>\$ 93,502</u></u>

The Company adopted the provisions of FIN 48 (as described above) during 2007. As of December 31, 2007, the Company has no FIN 48 liability. The Company recognizes interest on over/under payments of income taxes and penalties in income tax expense.

The Company has no positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will materially increase or decrease within the next year.

The Company currently has a New York State Franchise tax audit in process for the tax years 2004 and 2005. Tax years that remain open at year-end and subject to examination with the IRS are 2005 and 2006; and the State of Connecticut Department of Revenue Services are 2004 through 2006.

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**5. Long-Term Debt**

Long-term debt as of December 31, 2007 consisted of the following:

**Notes payable – unsecured:**

6.58% senior notes due August 15, 2012 (a)	20,000
5.00% note due July 1, 2032 (b)	7,000
4.50% note due August 1, 2035 (c)	16,570
4.40% note due August 1, 2029 (c)	21,830
4.55% note due August 1, 2035 (c)	9,900
6.15% note due April 1, 2035	30,000
5.10% note due September 1, 2037 (c)	29,415
5.00% note due July 1, 2038 (i)	18,000
4.70% note due September 1, 2036 (c)	25,000
11.00% convertible debentures (d)	55
4.11% State of Connecticut Revolving Fund	277
0.00% MWPAT Drinking Water Fund	2,819

**Notes payable – secured:**

6.43% series due June 29, 2034 (e)	8,500
7.33% series due December 1, 2027 (e)(g)	14,000
8.04% series due February 1, 2030	3,500
9.29% series due April 1, 2031 (e)(h)	4,500
7.71% series due June 1, 2023	7,000
9.64% series due September 1, 2021	1,400
7.71% series due June 1, 2023	3,000
6.21% series due August 1, 2035	5,900
6.25% series due December 1, 2010 (j)	1,325
6.60% series due December 1, 2015 (j)	2,850
6.75% series due December 1, 2020 (j)	3,925
6.75% series due December 1, 2025 (j)	5,450
6.90% series due December 1, 2029 (j)	5,850
6.95% series due December 1, 2035 (j)	12,330
	<hr/> 260,396
Less: current maturities of long-term debt	580
Long-Term Debt	<hr/> <u>\$ 259,816</u>

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- (a) Callable on any interest payment date subject to make-whole premium.
- (b) Callable at a redemption price ranging from 102% on July 1, 2009 to 100% on July 1, 2011 and thereafter.
- (c) These financings are insured as to the payment of principal and interest by the XL Capital Assurance Inc.
- (d) Holders of 11% convertible debentures have the option to convert each debenture (\$100 denominations) into two shares of common stock of the Village Water Company. Upon conversion, these shares of stock would be cancelled and the holder would receive \$300.00 per share of stock.
- (e) Callable at 100%, if through condemnation or purchase of Company assets by a municipal or other governmental entity.
- (f) Not used.
- (g) Callable at U.S. Treasury Bond yield plus 50 basis points anytime. In case of a voluntary sale of assets by the Company, callable at U.S. Treasury Bond yield plus 50 basis points at make-whole premium instead of par value.
- (h) Callable on any interest payment date subject to make-whole premium.
- (i) These AWC-CT financings are insured as to the payment of principal and interest by the XL Capital Assurance Corporation.
- (j) Represents debt of AWC MA Cap. Approximately \$4,400 of cash is held in various bank accounts for payment of interest and principal on those obligations. This cash is reflected as restricted cash in the accompanying balance sheet.

Aggregate maturities or sinking fund requirements on long-term debt for each of the five years succeeding December 31, 2007 is as follows:

<u>Year ended December 31</u>	
2008	\$ 580
2009	606
2010	638
2011	671
2012	20,710
Thereafter	<u>237,191</u>
	<u>\$260,396</u>

The Company and its subsidiaries' debt agreements contain certain covenants typical of such agreements, the most restrictive of which is under the 6.58% unsecured Senior Notes which require the maintenance of total funded debt to total capital, as defined, of no more than 66⅔%. The Company is in compliance with these covenants at December 31, 2007.

## 6. Short-Term Borrowings

At December 31, 2007, Aquarion has one letter of credit with Bank of America in the amount of \$1,035. This letter of credit renews annually and is related to the Company's annual business insurance.

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**7. Employee Benefit Plans**

*Retirement Plans.* The Company and certain of its subsidiaries have noncontributory defined retirement pension plans ("Pension Plans") covering qualified employees. In general, the Company's policy is to fund accrued pension costs. The Pension Plan's assets are primarily invested in U.S. and foreign equities and debt securities issued by the U.S. government and corporations.

*Postretirement Health Care Benefits.* The Company and certain of its subsidiaries provide health benefits for substantially all retired employees ("Postretirement Plans") and life insurance for a small group of retired individuals. Postretirement health benefits are not provided to employees hired after July 1, 1996. Only those employees hired prior to July 1, 1996 who remain until retirement age are eligible. Both active and retired employees contribute a portion of the cost of medical benefits. The Company is funding its postretirement health care benefits through contributions to a Voluntary Employee Beneficiary Association Trust ("VEBA"). The Company's tax-deductible contribution to the VEBA for calendar year ended December 31, 2007 was \$1,514. The Postretirement Plan assets are primarily invested in short-term investments.

The Company follows the provisions of SFAS 158, which requires the Company to recognize in its consolidated balance sheet the funded status of a benefit plan. For the Pension Plans, this is measured as the difference between plan assets at fair value and the projected benefit obligation. For the Postretirement Plans, this is measured as the difference between the plan assets at fair value and the accumulated benefit obligation. In addition, SFAS 158 requires the Company to recognize the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost. Under SFAS 71, these amounts are recorded as a regulatory asset of \$24,062 at December 31, 2007 as the Regulatory Authorities have provided for full recovery of these costs in rates.

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**Pension Benefits**

Based on an actuarial valuation as of December 31 2007, the following table sets forth the funded status of the Company's qualified Pension Plans and Postretirement Plans as of December 31, 2007:

	Pension Plans	Postretirement Plans
<b><u>Change In Benefit Obligation</u></b>		
<b>Benefit Obligation at Beginning of Year</b>	\$ 74,830	\$ 44,530
Service Cost	1,421	753
Interest Cost	4,631	2,751
Actuarial (Gain)/Loss	(4,350)	(2,014)
Transfer from Nonqualified Plan	484	-
Purchase Accounting Adjustment	-	100
Estimated Medicare Part D subsidy	-	12
Annuity Purchase	(306)	-
Benefits Paid	(4,261)	(2,474)
<b>Benefit Obligation at End of Year</b>	<u>\$ 72,449</u>	<u>\$ 43,658</u>
<b><u>Change In Plan Assets</u></b>		
<b>Fair Value Of Plan Assets At Beginning Of Year</b>	\$ 77,469	\$ 11,921
Actual return on assets	3,898	547
Employer Contributions	679	1,953
Annuity Purchase (Reimbursement due Aquarion)	(305)	-
Benefits Paid	(4,261)	(2,474)
<b>Fair Value of Plan Assets at End of Year</b>	<u>\$ 77,480</u>	<u>\$ 11,947</u>
<b><u>Net Amount Recognized</u></b>		
Funded Status	\$ 5,031	\$ (31,711)
<b><u>Amounts recognized in Balance Sheet Consist of:</u></b>		
Noncurrent Assets	\$ 5,031	\$ -
Noncurrent Liabilities	-	31,711
<b>Net Amount Recognized</b>	<u>\$ 5,031</u>	<u>\$ (31,711)</u>

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The components of the net periodic benefit cost and the weighted average assumptions for the Pension Plans for the year ended December 31, 2007 were as follows:

<u>Components Of Net Periodic Benefit Cost</u>	<u>Pension Plans</u>	<u>Postretirement Plans</u>
Service Cost	\$ 1,421	\$ 753
Interest Cost	4,631	2,751
Expected Return on Plan Assets	(6,228)	(804)
Amortizations		
Transition (Asset)/Obligation	-	735
Prior Service Cost	347	-
Net (Gain)/Loss	26	628
<b>Net Periodic Benefit Cost</b>	<b>\$ 197</b>	<b>\$ 4,063</b>

<u>Weighted Average Assumptions:</u>	<u>Pension Plans</u>	<u>Postretirement Plans</u>
Discount Rate used to determine projected benefit obligation	6.80%	6.70% - 6.80%
Discount Rate used to determine net periodic benefit cost	6.2%/6.3%/6.4%	6.20% - 6.30%
Expected Return on Plan Assets	8.00%	8.00%/5.00%
Rate of Compensation Increase	4.00%	4.00%

The weighted average asset allocations at December 31, 2007 are as follows:

<u>Asset category:</u>	<u>Pension Plans</u>	<u>Postretirement Plans</u>	<u>Target</u>
Equity securities	54.3 %	54.2 %	55.0 %
Debt securities	45.7	44.9	45.0
Other	-	0.9	-
<b>Total</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

The components of equity allocation consist of U.S. equity of large, medium, and small capitalization companies and international equity. The components of fixed income allocation consist of U.S. and international long-term fixed income investments in high yield instruments.



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The expected long-term rate of return is based on target allocations of investments. The long-term rate of return is developed based on a capital markets model that was developed by investment consultants. This model considers expectations of future returns for investments and historical returns on comparable equity, debt and other investments.

Aquarion expects to contribute \$621 and \$2,126 to the Pension Plans and the Postretirement Plans, respectively, for 2008.

Future benefit payments and subsidy receipts are expected to be:

	Pension Plans	Postretirement Plans	
		Gross payment	Subsidy Receipt
2008	\$ 4,690	\$ 2,523	\$ 106
2009	4,571	2,618	122
2010	4,555	2,742	132
2011	4,510	2,859	140
2012	4,553	2,887	160
2013-2017	25,623	15,620	871

For measurement purposes, the weighted average annual assumed rate of increase in the per capita cost of covered benefits (health care trend rate) related to the Postretirement Plans for December 31, 2007 is as follows:

	2007
Health care cost trend rate assumed next year:	
Pre-65	12.0%
Post-65	10.0%
Rate at which the trend rate is assumed to decline (the ultimate rate)	5.0%
Year at which the trend rate reaches the ultimate rate	2014

The estimated net loss and prior service cost for the plan that will be amortized from accumulated other comprehensive income and regulatory net periodic benefit cost over the next fiscal year are \$0 and \$350 respectively.

The estimated net loss, prior service cost, and initial transition obligation for the Postretirement Plans that will be amortized from regulatory assets into net periodic benefit cost over the next fiscal year are \$236, \$0 and \$735, respectively.

A one-percentage point change in assumed health care cost trend rates would have the following effects:

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	<u>One Percentage Point Increase</u>	<u>One Percentage Point Decrease</u>
Effect on total of service and interest cost components	\$ 595	\$ (484)
Effect on health care component of the accumulated postretirement benefit obligation	\$ 6,619	\$ (5,308)

In addition to the above qualified Pension Plans, the Company has unqualified plans for certain executives and former Board of Directors for a small number of individuals. Total expense under these plans was approximately \$400 in 2007. The plans are unfunded and \$4,352 and \$436 is reflected in long term liabilities and accrued liabilities, respectively, at December 31, 2007.

#### **Savings Plan for Employees**

Aquarion sponsors a 401(k) Savings Plan for Employees of the Aquarion Water Company (the "Savings Plan"). All employees can make contributions that are invested at their direction in one or more funds. The Company matches 50% of the first 5% of each employee's wages contributed to the Savings Plan or 75% of the first 6% of each employee's wages contributed to the Savings Plan, for union and non-union employees, respectively. The Company expensed matching contributions to the Savings Plan totaling \$415 for 2007. This amount was recognized in the statement of operations as operating expense.

#### **8. Property, Plant and Equipment**

Net property, plant and equipment at December 31, 2007 consisted of the following components:

Source of supply	\$ 78,593
Pumping	58,819
Water treatment	216,934
Transmission and distribution	510,078
General structures and improvements	73,064
Construction work in progress	24,784
Non-utility plant	40,291
Other	665
	<u>1,003,228</u>
Less: accumulated depreciation	281,685
Property, plant and equipment, net	<u><u>\$ 721,543</u></u>

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Non-utility property includes \$37,400 for a water treatment plant in Hingham, Massachusetts. This facility, which is owned by AWC-MA Cap, a non-regulated subsidiary, is leased to AWC-MA. All intercompany transactions associated with this lease are eliminated in consolidation.

**9. Statement of Cash Flows**

Changes in assets and liabilities and supplemental cash flow information for the years ended December 31, 2007 are set forth below:

Increase in accounts receivable and accrued revenues	\$ (12,404)
Increase in materials and supplies	(97)
Decrease in prepayments	5,032
Decrease in accounts payable and accrued liabilities	(3,476)
Increase in accrued interest	188
Change in other current accounts	1,076
Net changes in other noncurrent balance sheet items	1,842
	<u>\$ (7,839)</u>
Cash paid for:	
Interest	\$ 15,547
Income taxes	<u>3,484</u>

**10. Operating Leases**

Rental expense was \$197 for 2007 related to the acquired Aquarion companies. The Company is party to operating leases involving certain land, facilities and equipment, which expire through 2035.

Future minimum lease payments under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

2008	\$ 227
2009	290
2010	263
2011	263
2012	112
Thereafter	547
Total	<u>\$1,702</u>

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**11. Preferred Stock of Subsidiary**

AWC-NH's shares of outstanding preferred stock have voting rights in the event that dividends are not paid for a period of one year, but no voting rights if all dividends in arrears have been fully paid. The preferred stock pays a dividend at a rate of 6% per share.

**12. Contingencies**

The Company is subject to various litigation in the normal course of business, none of which, in management's opinion, would be material to the Company's consolidated financial statements.

Since approximately 1950, in accordance with past accepted practices, AWC-CT's Southern Division (formerly known as Connecticut American Water Company ("CAWC")) discharged sedimentation basin residuals and spent filter backwash water from the Putnam Treatment Plant to the Putnam Reservoir. Prior to the acquisition of CAWC in 2002, CAWC entered into a Consent Order with the Department of Environmental Protection ("DEP") that required that these discharges cease and that CAWC investigate the fate of the residuals that have accumulated in Putnam Lake and evaluate the need, if any, for remediation or removal of the residuals. CAWC stopped discharging sedimentation basin residuals in 1993 and untreated backwash water in December 1999. Extensive work has been done to investigate the impact of the residuals deposit in the reservoir and evaluate remediation alternatives. The Company currently disagrees with the DEP regarding the most appropriate remediation alternative for the reservoir and is developing a plan for further investigation.

At December 31, 2007, AWC-CT maintained a remediation reserve of approximately \$4,000 related to the Putnam Reservoir, which is reflected in other long-term liabilities in the accompanying, consolidated balance sheet. The amount was the Company's best estimate of the cost to fully remove the residuals via dredging of the reservoir, which corresponded to the DEP's originally favored remediation option. AWC-CT continues to provide the DEP monthly status reports on the matter and has not been required to execute on the dredge option.

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 26**

- As to a subsidiary as referred to in (25), in lieu of duplicate copies of documentation required by Puc 1604.02 (a)(5), (6), (11), and (17), a certificate of an appropriate official of the subsidiary detailing any expense of the parent company which was included in the subsidiary's cost of service.

**Corporate Allocation from Aquarion Inc., and  
Macquarie Utilities attached**

**Aquarion Water Company of New Hampshire**  
**Corporate Allocations from MUI and Aquarion Inc.**

		12 Months Ended
Line No.		03/31/08
1		
2	Corporate Costs	
3		
4	MUI Management Fee	958,885
5	Auditing & Consulting	111,655
6	Legal	40,701
7	Employee Wages and Benefits	281,840
8	Bank Fees	149,770
9	Building Overhead	23,103
10	Other	(12,155)
11		
12	Total	<u>1,553,799</u>
13		
14	<u>Allocation Based on Massachusetts Formula</u>	
15	% Charged to Utilities	98.62%
16	Residual % Charged to AWC-NH	<u>4.72%</u>
17	Effective Rate to AWC-NH	4.66%
18		
19		
20	<u>AWC-NH Share of Costs</u>	
21		
22	MUI Management Fee	44,672
23	Auditing & Consulting	5,202
24	Legal	1,896
25	Employee Wages and Benefits	13,130
26	Bank Fees	6,977
27	Building Overhead	1,076
28	Other	(566)
29		
30	Total	<u>72,387</u>
31		
32		
33		
34		
35		
36		
37		
38		
39		

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 27**

- For gas utilities, as defined in Puc 500, and for electric utilities, as defined in Puc 300, the uniform statistical report to the American Gas Association-Edison Electric Institute for the last 2 years.

**Not Applicable.**

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 28**

- **Lead/Lag Study to compute the cash working capital allowance percentage.**

**Attached.**



## Aquarion Water Company of New Hampshire - Working Capital Percentage Calculation

### Revenue Classification

	<u>Revenue</u>	<u>Days (Lead)/Lag</u>	<u>(Lead)/Lag Dollar-Days</u>
<b><u>Billed in Advance</u></b>			
<b><u>Year Round Monthly</u></b>			
Residential	-	15	-
Commercial	86,449	15	1,296,740
Industrial	863	15	12,948
Other Public Authority	13,127	15	196,901
<b><u>Year Round Quarterly</u></b>			
Residential	904,175	-15	(13,562,623)
Commercial	93,587	-15	(1,403,807)
Industrial	-	-15	-
Other Public Authority	4,927	-15	(73,909)
<b><u>Seasonal</u></b>			
Residential	128,636	-30	(3,859,086)
Commercial	21,581	-30	(647,439)
Other Public Authority	9,888	-30	(296,654)
Private Fire	223,467	-15	(3,352,011)
Public Fire	602,578	-60	(36,154,654)
Subtotal Advance	<u>2,089,279</u>		<u>(57,843,594)</u>
<b><u>Billed in Arrears</u></b>			
<b><u>Year Round Monthly</u></b>			
Residential	-	45	-
Commercial	455,241	45	20,485,833
Industrial	18,261	45	821,754
Other Public Authority	24,027	45	1,081,212
<b><u>Year Round Quarterly</u></b>			
Residential	1,874,424	75	140,581,781
Commercial	264,430	75	19,832,262
Industrial	-	75	-
Other Public Authority	4,954	75	371,534
<b><u>Seasonal</u></b>			
Residential	98,537	90	8,868,347
Commercial	68,706	90	6,183,568
Other Public Authority	20,304	90	1,827,372
Subtotal in Arrears	<u>2,828,884</u>		<u>200,053,663</u>
	<u>4,918,164</u>		<u>142,210,069</u>
Average Days			28.92
Total Days			<u>360</u>
			<u>8.03%</u>

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 28**

- **Wages and Salaries taken to expense percentage computations.**

**Attached.**

**Aquarion Water Of New Hampshire  
Payroll to Expense Percentage**

Labor Charged to Capital	47,805.80
Labor Charged to General Overhead	23,825.89
Labor Charged to Other companies	12,735.91
Labor Charged to Expense	466,791.78
Total Wages	<u>551,159.38</u>
Percent of Labor Charged to Expense	84.7%

**AQUARION WATER COMPANY OF NEW HAMPSHIRE**

**PUC 1604.01- Section 28**

- Support for the figures appearing on written testimony and/or in accompanying exhibits.

**Attached.**