

## Exhibit B

**Justin Richardson**

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**From:** SARAH.KNOWLTON@MCLANE.com  
**Sent:** Monday, August 29, 2005 9:25 AM  
**To:** jrichardson@Upton-Hatfield.com  
**Cc:** rupton@Upton-Hatfield.com; pmunck@sansoucy.com; connelld@ci.nashua.nh.us; TOM.DONOVAN@MCLANE.com; STEVEN.CAMERINO@MCLANE.com; gsansoucy@verizon.net  
**Subject:** RE: DR 2-2 and 2-3

Justin:

I have reviewed in depth the F8, the PUC's Uniform System of Account for Water Utilities and the Company's response to Nashua Data Requests 2-2 and 2-3 in an effort to respond to your questions.

Regarding your question about the F8, its format is prescribed by the PUC. Looking at the F8, the breakdowns you reference in your e-mail (Intangible Plant .1, Source of Supply and Pumping Plant .2, etc.) are used only as headings in the F8. Under each of these headings is a list of the various accounts in question (e.g., 301, 302, 339, etc). These account numbers correspond with the Chart of Accounts. If you were to pull the Chart of Accounts and read the detailed description of what goes in each account (as opposed to the table of contents), you will note that there are no fourth digit sub-accounts in the plant account descriptions. As an example, Account 304, Structures and Improvements, contains no fourth decimal designation. If Mr. Sansoucy or Mr. Munck were to take the print out that we provided in response to Nashua 2-2, it breaks down each asset of the Company by account number. Using the prior explanation I provided about the meaning of each digit, one could total each GL Acct # on the response to DR 2-2 (e.g. totaling all account numbers 304), which would tie into the number entered for that account on the F8. I would also note that the continuing property records provided in response to DR 2-2 contain detailed descriptions of the asset in question. Thus, we believe we have provided what the City needs to determine its value of the assets.

In addition, we are not familiar with Utility Plant Instruction 32 (I don't find it in my Chart of Accounts), or the requirement to maintain the continuing property records with a fourth decimal point designation. Since the most recent version of the Chart of Accounts was adopted by the Commission, its Staff has audited the Company at least three times and never raised this issue of fourth decimal point designation or raised a concern that the Company was not following Commission procedural regarding the Chart. Finally, the Company does not maintain a separate document explaining or showing what accounts it maintains. Rather, it relies on the Chart of Accounts itself as its guide for determining what accounts to maintain and where to account for its assets.

If you have any further questions, or need me to walk you through this on the phone, I'd be glad to.

Sarah

-----Original Message-----

**From:** Justin Richardson [mailto:jrichardson@Upton-Hatfield.com]  
**Sent:** Friday, August 19, 2005 3:18 PM  
**To:** KNOWLTON SARAH  
**Cc:** Rob Upton; 'pmunck@sansoucy.com'; 'connelld@ci.nashua.nh.us'; DONOVAN TOM; CAMERINO STEVEN; 'gsansoucy@verizon.net'  
**Subject:** RE: DR 2-2 and 2-3

Sarah:

Based on your response, it appears that we are still missing the additional breakdown for functions and subaccounts that PWW is required to maintain under the PUC regs and the NARUC Uniform System of Accounts for Water Utilities. PWW's response to 2-2 and 2-3 contains a three digit account code. However, Utility Plant Instruction 32 requires the use of a four digit number for water utility plant accounts. The fourth digit breaks accounts into the categories of intangible plant (.1), source of supply and pumping plant (.2), water treatment plant (.3), transmission and distribution plant (.4) and general plant (.5). Based on the company's Schedule F-8 reported annually to the NHPUC, we know that the company uses this four digit system.

This information provided by the fourth digit is important because Mr. Sansoucy needs the Company's breakdown of costs for his valuation report and testimony. We therefore need to have PWW update its response to provide the Continuing Property Records using the required 4 digit account codes. We also asked for "an explanation of each field in PWW's Continuing Property Record data and all keys, charts, and/or numbering systems associated with PWW's Continuing Property Records needed to understand the fields therein." Your response gives us a better understanding of PWW's response, but we need the documents explaining or showing what accounts the company maintains in its Continuing Property Record System, so that we can be sure that there are not any accounts or cost information that we have overlooked.

Thank you for your assistance in this regard.

If you have any questions, please contact me.

-Justin

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-----Original Message-----

From: SARAH.KNOWLTON@MCLANE.com [mailto:SARAH.KNOWLTON@MCLANE.com]  
Sent: Monday, August 15, 2005 2:54 PM  
To: rupton@Upton-Hatfield.com  
Cc: connelld@ci.nashua.nh.us; pmunck@sansoucy.com; sansoucy@verizon.net;  
jrichardson@Upton-Hatfield.com; TOM.DONOVAN@MCLANE.com;  
STEVEN.CAMERINO@MCLANE.com  
Subject: RE: DR 2-2 and 2-3

Rob,

The fields in PWW's Continuing Property Records can be translated as set forth below. Hopefully this will answer the question once and for all!  
Sarah

The first digit is the company identifier (PWW), the next three digits match the PUC Chart of Accounts, the next three are an internal placeholder, and the final three identify the PWW system.

Ex: 2304-100-011 2=PWW 304=PUC Chart 100=separator number 011=Glenwoodlands

The following digits are used to identify the PWW system:

001= Includes all systems not listed in 002-011  
002-Richardson Estates  
003-Hi-Lo Estates  
004-Twin Ridge  
005-Drew Woods  
006-Glen Ridge  
007= Ashley Commons  
008-Bedford Water Co.  
009=Great Brook Estates  
010=Maple Haven  
011=Glenwoodlands

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-----Original Message-----

From: Rob Upton [mailto:rupton@Upton-Hatfield.com]  
Sent: Monday, August 08, 2005 3:58 PM  
To: KNOWLTON SARAH  
Cc: Dave Connell (E-mail); Phil Munck (E-mail); Skip Sansoucy (E-mail); Justin Richardson  
Subject: DR 2-2 and 2-3

Sarah

Our request for Continuing Property Records in Requests 2-2 and 2-3 asked for an explanation of the fields in the records provided. I cannot find that explanation in your response. Specifically, we are looking for explanations of the fields that make up the "Asset GL Acct #" and a roadmap of those account numbers to the account numbers reported in PWW's Annual Report to the NH PUC. I believe that digits 2-4

are the general plant account categories (i.e., 2304 refers to account 304 - Structures & Improvements). The second four digits are not so clear (probably distinguish between uses such as Source of Supply, etc.) and the seventh digit is a mystery. Can we get this data without having to make a major fuss? Rob