

Hampstead Area Water Company

New Hampshire Public Utilities Commission

DW 08-065

Proposed Statement to Customer

Date

Name

Address

Dear Customer,

On June 25, 2008 Hampstead Area Water Company (“HAWC” or “Company”) filed for a rate increase with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, the Company annual revenues would increase \$167,193 effective July 1, 2008. The average annual amount for a residential customer would increase from \$424.92 to \$483.42, an increase of \$58.50 or 13.77%.

The need for the rate increase is due to the addition of plant in 2008 and the increase in certain expenses including costs associated with the switch from a quarterly to monthly billing, higher gas prices, increase electrical and chemical expenses, increase local and state property taxes and other expenses. The proposed rate increase in the water rates is designed to allow the Company to recover its costs and to earn a reasonable return on its investment.

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

Sincerely,

Christine Lewis Morse,
Vice President