Hampstead Area Water Company

Computation of Revenue Deficiency

For the Test Year Ended December 31, 2007

	Actual	Proforma
Rate Base (Schedule 3)	$3,631,773	$3,797,775
Rate of Return (Schedule 4)	4.81%	6.28%
Operating Income Required	$174,688	$238,490
Net Operating Income (Schedule 1)	167,250	238,490
Operating Income Deficiency	$7,438	$0
Tax Effect	0	0
Revenue Deficiency	$7,438	$0

Hampstead Area Water Company

Schedule 1

Statement of Income

Line No.	Account Title (Number) (a)	Actual 2007 Year End Balance (b)	Proforma Adjustments (c)	Proforma 2007 Year End Balance (d)	Actual 2006 Year End Balance (e)	Actual 2005 Year End Balance (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	$ 1,268,877	$ 167,193	$ 1,436,070	$ 1,076,777	$ 699,064
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)	828,524	69,586	898,110	742,733	713,030
4	Depreciation Expense (403)	332,650	22,674	355,324	285,500	235,254
5	Amortization of Contribution in Aid of Construction (405)	(168,604)		(168,604)	(160,329)	(140,667)
6	Amortization of Utility Plant Acquisition Adjustment (406)					
7	Amortization Expense-Other (407)					
8	Taxes Other Than Income (408.1-408.13)	105,123	3,596	108,719	102,942	38,099
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	3,934	97	4,031	3,691	4,234
10	**Total Operating Expenses**	$ 1,101,627	$ 95,953	$ 1,197,580	$ 974,537	$ 849,950
11	Net Operating Income (Loss)	167,250	71,240	238,490	102,240	(150,886)
12	Income From Utility Plant Leased to Others (413)					
13	Gains(Losses) From Disposition of Utility Property (414)					
14	**Net Water Utility Operating Income**	$ 167,250	$ 71,240	$ 238,490	$ 102,240	$ (150,886)
	OTHER INCOME AND DEDUCTIONS					
15	Revenues From Merchandising, Jobbing and Contract Work (415)					
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)					
17	Equity in Earnings of Subsidiary Companies (418)					
18	Interest and Dividend Income (419)			-		
19	Allow. for funds Used During Construction (420)					
20	Nonutility Income (421)					
21	Gains (Losses) Form Disposition Nonutility Property (422)					
22	Miscellaneous Nonutility Expenses (426)	-				
23	**Total Other Income and Deductions**	$ -		$ -	$ -	$ -
	TAXES APPLICABLE TO OTHER INCOME					
24	Taxes Other Than Income (408.2)					
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)					
26	**Total Taxes Applicable To Other Income**					
	INTEREST EXPENSE					
27	Interest Expense (427)	154,183		154,183	128,329	77,127
28	Amortization of Debt Discount & Expense (428)			-		
29	Amortization of Premium on Debt (429)					
30	**Total Interest Expense**	$ 154,183		$ 154,183	$ 128,329	$ 77,127
31	**Income Before Extraordinary Items**	13,067	71,240	84,307	(26,089)	(228,013)
	EXTRAORDINARY ITEMS					
32	Extraordinary Income (433)					
33	Extraordinary Deductions (434)					
34	Income Taxes, Extraordinary Items (409.3)					
35	**Net Extraordinary Items**					
	NET INCOME (LOSS)	$ 13,067	$ 71,240	$ 84,307	$ (26,089)	$ (228,013)

Hampstead Area Water Company
Statement of Income - Proforma Adjustments

Operating Revenues

2007 Test Year Proforma	$1,436,070
2007 Test Year Actual	1,268,877
Proforma Adjustment	$167,193

To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.

Total Proforma Adjustment to Operating Revenues **$167,193**

Operating and Maintenance Expenses

Power Purchased

2007 Test Year Proforma	$182,692
2007 Test Year Actual	177,371
Proforma Adjustment	$5,321

To adjust test year expenses for 3% increase in energy costs

Chemicals

2007 Test Year Proforma	$12,911
2007 Test Year Actual	11,917
Proforma Adjustment	$994

To adjust test year expenses for the current price per gallon of chlorine

Customer Records & Collection Costs

2007 Test Year Proforma	$76,106
2007 Test Year Actual	48,650
Proforma Adjustment	$27,456

To adjust test year expenses for the increase associated with 1 new fulltime person

2007 Test Year Proforma	$64,638
2007 Test Year Actual	45,546
Proforma Adjustment	$19,092

To adjust test year expenses for the increase associated with additional supplies for monthly billings

Outside Services

2007 Test Year Proforma	$110,000
2007 Test Year Actual	104,167
Proforma Adjustment	$5,833

To adjust test year expenses for the increase in the management agreement associated with the additional of information technology service

Miscellaneous Expenses	
2007 Test Year Proforma	$1,000
2007 Test Year Actual	-2,322
Proforma Adjustment	$3,322

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

Salaries and Wages	
2007 Test Year Proforma	$200,391
2007 Test Year Actual	197,235
Proforma Adjustment	$3,156

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

Vehicle Expenses	
2007 Test Year Proforma	$24,665
2007 Test Year Actual	20,253
Proforma Adjustment	$4,412

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

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

Depreciation Expenses

2008 Additions to Plant	
2007 Test Year Proforma	$22,674
2007 Test Year Actual	0
Proforma Adjustment	**$22,674**

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

Taxes other than Income

State Utility Property Taxes	
2007 Test Year Proforma	$1,016
2007 Test Year Actual	0
Proforma Adjustment	$1,016

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

Municipal Property Taxes	
2007 Test Year Proforma	$2,580
2007 Test Year Actual	0
Proforma Adjustment	$2,580

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

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

Hampstead Area Water Company

Balance Sheet - Assets and Other Debits

Line No.	Account Title (Number) (a)	Actual 2007 Year End Balance (b)	Actual 2006 Year End Balance (c)	Actual 2005 Year End Balance (d)
	UTILITY PLANT			
1	Utility Plant (101-106)	$ 10,790,925	$ 10,503,154	$ 8,529,910
2	Less: Accumulated Depr. and Amort. (108-110)	$ 2,464,572	$ 2,152,162	1,868,221
3	Net Plant	$ 8,326,353	$ 8,350,992	$ 6,661,689
4	Utility Plant Acquisition Adj. (Net) (114-115)			
5	Total Net Utility Plant	$ 8,326,353	$ 8,350,992	$ 6,661,689
	OTHER PROPERTY AND INVESTMENTS			
6	Nonutility Property (121)			
7	Less: Accumulated Depr. and Amort. (122)			
8	Net Nonutility Property			
9	Investment in Associated Companies (123)			
11	Utility Investments (124)			
12	Other Investments			
13	Special Funds(126-128)			
14	Total Other Property & Investments	$ -	$ -	$ -
	CURRENT AND ACCRUED ASSETS			
16	Cash (131)	23,596	8,437	19,585
17	Special Deposits (132)			
18	Other Special Deposits (133)			
19	Working Funds (134)			
20	Temporary Cash Investments (135)			
21	Accounts and Notes Receivable-Net (141-144)	78,435	224,636	141,996
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)			
25	Stores Expense (161)			
26	Prepayments-Other (162)	10,043	11,310	4,722
27	Prepaid Taxes (163)	18,934	18,328	14,454
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	167,373	77,324	54,939
31	Misc. Current and Accrued Assets (174)			1,500
32	Total Current and Accrued Assets	$ 298,381	$ 340,035	$ 237,196
	DEFERRED DEBITS			
32	Unamortized Debt Discount & Expense (181)			
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)			
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	56,818	64,753	68,408
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)	26,227	27,520	28,813
40	Total Deferred Debits	$ 83,045	$ 92,273	$ 97,221
	TOTAL ASSETS AND OTHER DEBITS	$ 8,707,779	$ 8,783,300	$ 6,996,106

Hampstead Area Water Company

Balance Sheet - Equity Capital and Liabilities

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

Schedule 3

Hampstead Area Water Company

Rate Base

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

Hampstead Area Water Company

Schedule 3A

Rate Base Adjustments

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

Hampstead Area Water Company **Schedule 3B**

Working Capital

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

Hampstead Area Water Company

Rate of Return Information

Overall Rate of Return	Actual Component Ratio	Actual Component Cost Rate	Actual Wght Avg Cost Rate		Proforma Component Ratio	Proforma Component Cost Rate	Proforma Wght Avg Cost Rate
Equity Capital	-9.71%	9.75%	0.00%		-9.64%	9.75%	0.00%
Long Term Debt	109.71%	4.81%	4.81%		109.64%	6.28%	6.28%
Total Capital	100.00%		4.81%		0.00%		6.28%

Capital Structure		2007 Actual Amounts	2007 Actual Ratios		2007 Proforma Amounts	2007 Proforma Ratios
Common Stock		$ 16,767	0.57%		$ 16,767	0.57%
Other Paid in Capital		1,113,401	38.10%		1,113,401	37.84%
Retained Earnings		(1,413,934)	-48.39%		(1,413,934)	-48.06%
Total Equity		$ (283,766)	-9.71%		$ (283,766)	-9.64%
Long Term Debt		$3,205,855	109.71%		$3,225,923	109.64%
Total Capital		$ 2,922,089	100.00%		$ 2,942,157	100.00%

Capital Structure for 2007 - 2005		2007 Amounts		2006 Amounts		2005 Amounts
Common Stock		$ 16,767		$ 16,767		$ 16,767
Other Paid in Capital		1,113,401		1,078,401		1,078,401
Retained Earnings		(1,413,934)		(1,427,000)		(1,400,911)
Total Equity		$ (283,766)		$ (331,832)		$ (305,743)
Long Term Debt		$3,205,855		$ 2,984,186		$ 1,552,370
Total Capital		$ 2,922,089		$ 2,652,354		$ 1,246,627

Capital Structure Ratios for 2007 - 2005		2007 Ratios		2006 Ratios		2005 Ratios
Common Stock		0.57%		0.63%		1.34%
Other Paid in Capital		38.10%		40.66%		86.51%
Retained Earnings		-48.39%		-53.80%		-112.38%
Total Equity		-9.71%		-12.51%		-24.53%
Long Term Debt		109.71%		112.51%		124.53%
Total Capital		100.00%		100.00%		100.00%

Cost of Common Equity Capital
The Company is utilizing the Commission determined cost of common equity of 9.75%.

Schedule 5A

HAMPSTEAD AREA WATER COMPANY
ACTUAL LONG-TERM DEBT
12/31/2007

Date of Note	Borrower	GL Acct. #	Lender	Original Note Amount	Note Term	Interest Rate	Outstanding Balance 12/31/2007	Interest Expense 2007	Total Costs Rate
12/1/1992	WRWC / HAWC	234.01	Lewis Builders Development Inc	270,531	15 yrs.	9.25%	10,926	2,577	23.59%
12/31/1999	WRWC / HAWC	234.02	Lewis Builders Development Inc	133,245	30 yrs.	8.50%	131,609	11,236	8.54%
12/1/1992	LFWC	234.03	Lewis Builders Inc	85,494	30 yrs.	9.50%	10,581	1,312	12.40%
10/2/1985	Bricketts Mill Water Co	234.04	Lewis Builders Inc	38,596	demand	10.00%	37,554	3,793	10.10%
12/1/1993	HAWC	234.05	Lewis Builders Development Inc	245,991	30 yrs.	8.50%	200,081	17,261	8.63%
3/1/1988	Kent Farm Water Co.	234.06	Lewis Builders Inc	19,000	demand	9.50%	18,455	1,772	9.60%
10/1/1997	HAWC	234.07	Lewis Builders Inc	87,270	15 yrs.	8.50%	44,099	4,041	9.16%
2/18/1998	HAWC	234.08	Lewis Builders Inc	222,371	30 yrs.	8.50%	201,764	17,300	8.57%
6/4/2000	HAWC	234.09	Lewis Builders Development Inc	20,286	15 yrs.	8.50%	19,149	1,662	8.68%
6/1/2005	HAWC	234.11	Lewis Builders Development Inc	128,000	20 yrs.	P+2.25%	120,810	9,798	8.11%
6/1/2005	HAWC	234.12	Lewis Builders Development Inc	190,895	20 yrs.	P+2.25%	177,909	11,305	6.35%
6/1/2005	HAWC	234.13	Lewis Builders Development Inc	124,714	20 yrs.	P+2.25%	116,230	7,386	6.35%
6/1/2005	HAWC	234.14	Lewis Builders Development Inc	157,730	20 yrs.	P+2.25%	147,000	9,341	6.35%
2/16/2006	HAWC	234.15	Lewis Builders Development Inc	153,700	20 yrs.	P+2.25%	149,292	14,332	9.60%
6/6/2006	HAWC	234.16	Lewis Builders Development Inc	71,968	20 yrs.	P+2.25%	70,135	7,082	10.10%
n\a	HAWC	234.17	Lewis Builders Development Inc	40,974	5 yrs	10.50%	40,974	0	0.00%
n\a	HAWC	234.18	Lewis Builders Development Inc	136,470			136,470	0	0.00%
n\a	HAWC	234.19	Lewis Builders Development Inc	18,000	20 yrs.	7.50%	18,000	0	0.00%
	Total Associated Companies			2,145,234			1,651,038	120,198	7.28%
	Amortize financing costs - associated companies							730	
	Total Associated Companies						1,651,038	120,928	7.32%
7/20/1992	HAWC	232.01	Ruma Inc	73,679	26 yrs.	9.50%	50,037	4,902	9.80%
10/25/2004	HAWC	232.02	Picadilly Development	23,000	10 yrs.	P+2.25%	16,100	1,932	12.00%
10/25/2004	HAWC	232.03	Edgeworth Development	22,000	10 yrs.	P+2.25%	15,400	1,848	12.00%
11/16/2004	HAWC	232.04	Ten Powder Realty	40,000	10 yrs.	P+2.25%	40,000	0	0.00%
10/25/2004	HAWC	232.05	Skipper Land Development	38,000	10 yrs.	P+2.25%	26,250	3,155	12.02%
9/6/2005	HAWC	232.06	NH DES	1,315,291	20 yrs.	3.35%	1,315,291	18,370	1.40%
10/1/2004	HAWC	232.07	Winslow Drive Realty Group LLC	27,000	10 yrs.	P+2.25%	27,000	0	0.00%
3/31/2006	HAWC	232.08	Aquarius Properties LLC	24,000	20 yrs.	P+2.25%	23,577	2,262	9.59%
2/9/2007	HAWC	232.09	Ford Motor Credit	50,401	4 yrs.	0% & 1.9%	41,162	495	1.20%
	Total Non-related			1,613,371			1,554,817	32,964	2.12%
	Amortize financing costs - 3rd parties							291	
	Total 3rd Parties						1,554,817	33,255	2.14%
	Company Totals			3,758,605			3,205,855	154,183	4.81%

Schedule 5B

HAMPSTEAD AREA WATER COMPANY
PROFORMA LONG-TERM DEBT
12/31/2007

Date of Note	Borrower	GL Acct. #	Lender	Original Note Amount	Note Term	Interest Rate	Outstanding Balance 12/31/2007	Additional Long Term Debt	Adjusted Outstanding Balance	Interest Expense 2007	Additional Interest Expense	Total Interest Costs	Total Costs Rate
12/1/1992	WRWC / HAWC	234.01	Lewis Builders Development Inc	270,531	15 yrs.	9.25%	10,926		10,926	2,577		2,577	23.59%
12/31/1999	WRWC / HAWC	234.02	Lewis Builders Development Inc	133,245	30 yrs.	8.50%	131,609		131,609	11,236		11,236	8.54%
12/1/1992	LFWC	234.03	Lewis Builders Inc	85,494	30 yrs.	9.50%	10,581		10,581	1,312		1,312	12.40%
10/2/1985	Bricketts Mill Water Co	234.04	Lewis Builders Inc	38,596	demand	10.00%	37,554		37,554	3,793		3,793	10.10%
12/1/1993	HAWC	234.05	Lewis Builders Development Inc	245,991	30 yrs.	8.50%	200,081		200,081	17,261		17,261	8.63%
3/1/1988	Kent Farm Water Co.	234.06	Lewis Builders Inc	19,000	demand	9.50%	18,455		18,455	1,772		1,772	9.60%
10/1/1997	HAWC	234.07	Lewis Builders Inc	87,270	15 yrs.	8.50%	44,099		44,099	4,041		4,041	9.16%
2/18/1998	HAWC	234.08	Lewis Builders Inc	222,371	30 yrs.	8.50%	201,764		201,764	17,300		17,300	8.57%
6/4/2000	HAWC	234.09	Lewis Builders Development Inc	20,286	15 yrs.	8.50%	19,149		19,149	1,662		1,662	8.68%
6/1/2005	HAWC	234.11	Lewis Builders Development Inc	128,000	20 yrs.	P+2.25%	120,810		120,810	9,798		9,798	8.11%
6/1/2005	HAWC	234.12	Lewis Builders Development Inc	190,895	20 yrs.	P+2.25%	177,909		177,909	11,305		11,305	6.35%
6/1/2005	HAWC	234.13	Lewis Builders Development Inc	124,714	20 yrs.	P+2.25%	116,230		116,230	7,386		7,386	6.35%
6/1/2005	HAWC	234.14	Lewis Builders Development Inc	157,730	20 yrs.	P+2.25%	147,000		147,000	9,341		9,341	6.35%
2/16/2006	HAWC	234.15	Lewis Builders Development Inc	153,700	20 yrs.	P+2.25%	149,292		149,292	14,332		14,332	9.60%
6/6/2006	HAWC	234.16	Lewis Builders Development Inc	71,968	20 yrs.	P+2.25%	70,135		70,135	7,082		7,082	10.10%
2007	HAWC	234.17	Lewis Builders Development Inc	40,974	5 yrs	10.50%	40,974	11,499	52,473	0	5,112	5,112	9.74%
2007	HAWC	234.18	Lewis Builders Development Inc	136,470			136,470	(136,470)	0	0		0	0.00%
2007	HAWC	234.19	Lewis Builders Development Inc	18,000	20 yrs.	7.50%	18,000	12,442	30,442	0	2,090	2,090	6.87%
2008	HAWC		Lewis Builders Development Inc	48,597	10 yrs.	8.50%	0	48,597	48,597	0	3,888	3,888	8.00%
2008	HAWC		Lewis Builders Development Inc	84,000	5 yrs.	8.50%	0	84,000	84,000	0	6,403	6,403	7.62%
	Total Associated Companies			2,277,831			1,651,038	20,068	1,671,106	120,198	17,493	137,691	8.24%
	Amortize financing costs - associated companies									730		730	
	Total Associated Companies						1,651,038	20,068	1,671,106	120,928	17,493	138,421	8.28%
7/20/1992	HAWC	232.01	Ruma Inc	73,679	26 yrs.	9.50%	50,037		50,037	4,902		4,902	9.80%
10/25/2004	HAWC	232.02	Picadilly Development	23,000	10 yrs.	P+2.25%	16,100		16,100	1,932		1,932	12.00%
10/25/2004	HAWC	232.03	Edgeworth Development	22,000	10 yrs.	P+2.25%	15,400		15,400	1,848		1,848	12.00%
11/16/2004	HAWC	232.04	Ten Powder Realty	40,000	10 yrs.	P+2.25%	40,000		40,000	0	3,000	3,000	7.50%
10/25/2004	HAWC	232.05	Skipper Land Development	38,000	10 yrs.	P+2.25%	26,250		26,250	3,155		3,155	12.02%
9/6/2005	HAWC	232.06	NH DES	1,315,291	20 yrs.	3.35%	1,315,291		1,315,291	18,370	25,001	43,371	3.30%
10/1/2004	HAWC	232.07	Winslow Drive Realty Group LLC	27,000	10 yrs.	P+2.25%	27,000		27,000	0	2,565	2,565	9.50%
3/31/2006	HAWC	232.08	Aquarius Properties LLC	24,000	20 yrs.	P+2.25%	23,577		23,577	2,262		2,262	9.59%
2/9/2007	HAWC	232.09	Ford Motor Credit	50,401	4 yrs.	0% & 1.9%	41,162		41,162	495	(63)	432	1.05%
	Total Non-related			1,613,371			1,554,817		1,554,817	32,964	30,503	63,467	4.08%
	Amortize financing costs - 3rd parties									291	400	691	
	Total 3rd Parties						1,554,817		1,554,817	33,255	30,903	64,158	4.13%
	Company Totals			3,758,605			3,205,855	20,068	3,225,923	154,183	48,396	202,579	6.28%

Income Taxes

State Business Taxes	
2007 Test Year Proforma	$97
2007 Test Year Actual	0
Proforma Adjustment	**$97**

To adjust test year expenses for the increase in state business taxes due to the increase in interest on the 2008 long term debt

Total Proforma Adjustment to Operating Expenses	**$95,953**