

11/12/2009

## HAMPSTEAD AREA WATER CO.

Hampstead \Atkinson Interconnection

Final Costs Summary

<b>Total Cost</b>	<b>1,071,692.99</b>	
Less: 6 Fire Hydrants @ \$5,000 each	(30,000.00)	3 in Hampstead, 3 in Atkinson
Total allocated to Mains	<u>1,041,692.99</u>	
Length of Mains	<u>15,895</u>	LF
Per LF cost	<u>65.54</u>	per LF

### Summary:

Acct # 331 - Transmission & Distribution Mains	1,041,692.99
Acct # 335 - Hydrants	<u>30,000.00</u>
<b>TOTAL</b>	<b><u>1,071,692.99</u></b>

### CIAC:

Contribution by Town of Atkinson towards 2 Fire Hydrants	<u>5,000.00</u>
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**HAMPSTEAD AREA WATER CO.**

Hampstead \Atkinson Interconnection  
Final Costs - Sorted by Date

<u>Date</u>	<u>Payee</u>	<u>Description</u>	
3/3/07	St Cyr	February	488.06
4/30/07	LBD # 6918	acctg	269.20
4/30/07	LBD # 6919	engineering	86.45
4/30/07	LBD # 6922	engineering	187.11
4/30/07	LBD # 6952	engineering	1,242.75
5/31/07	LBD # 7014	engineering	162.81
6/22/07	LBD # 7024	engineering	1,948.04
7/31/07	LBD # 7125	legal	69.35
7/31/07	LBD # 7179	engineering	1,994.55
8/31/07	LBD # 7157	legal	514.09
8/31/07	LBD # 7180	engineering	698.21
4/30/08	LBD # 7687	acctg.	603.12
4/30/08	LBD # 7695	legal	320.45
5/3/08	Steve St Cyr	April	210.00
5/31/08	LBD # 7768	legal	986.23
5/31/08	LBD # 7779	eng	127.26
6/7/08	Steve St Cyr	May	78.75
6/30/08	LBD # 7833	acctg	75.39
6/30/08	LBD # 7841	legal	763.43
6/30/08	LBD # 7856	eng	21.21
7/7/08	Steve St Cyr		1,785.00
7/28/08	LBD # 7975	mailing	1,260.00
7/31/08	LBD # 7905	legal	820.87
8/3/08	Steve St Cyr		105.00
8/31/08	LBD # 7954		243.54
8/31/08	LBD # 7966	legal	1,697.22
8/31/08	Union Leader	ad	401.84
9/5/08	Steve St Cyr		1,185.76
9/22/08	Steven Patnaude	transcript	133.80
9/30/08	LBD # 8020		3,170.27
9/30/08	LBD # 8023	eng	169.64
10/9/08	Steve St Cyr		958.13
10/31/08	LBD # 8075		1,505.91
10/31/08	LBD # 8078		7,057.98
10/31/08	Steve St Cyr		997.50
11/30/08	LBD # 8125		254.52
11/30/08	LBD # 8129		5,209.90
12/6/08	Steve St Cyr		1,102.50
12/8/08	Steven Patnaude		953.95
12/31/08	Steve St Cyr		52.50
1/30/09	LBD # 8251		230.95
2/28/09	LBD # 8322		1,026.56
3/6/09	Steve St Cyr		52.50
3/31/09	LBD # 8395		1,951.84
3/31/09	LBD # 8395		223.85
4/15/09	Lewis Engineering		8,220.00
4/20/09	NE Archaeology		2,500.00
4/30/09	Eagle Tribune	adv.	654.64
4/30/09	LBD # 8459		4,322.18

**HAMPSTEAD AREA WATER CO.**

Hampstead \Atkinson Interconnection  
Final Costs - Sorted by Date

<u>Date</u>	<u>Payee</u>	<u>Description</u>		
4/30/09	Union Leader	adv.	329.38	
5/1/09	LBD # 8511		1,868.20	
5/1/09	LBD # 8512		7,310.77	
5/1/09	LBD # 8513		191.13	
5/18/09	Plaistow Police	detail	230.00	
5/18/09	Plaistow Police	detail	50.00	
5/22/09	Town of Hampstead	police detail	224.00	
5/31/09	LBD # 8530		6,885.21	
5/31/09	LBD # 8535		3,096.94	
5/31/09	Union Leader	ad	329.38	
6/9/09	Steve St Cyr		52.50	
6/15/09	Lewis Engineering		6,720.00	
6/16/09	Law Office of Peter Riley	title update	292.00	
6/23/09	Atk. Resort	meetng room	171.70	
6/25/09	State of NH	cert of existence	5.00	
6/30/09	LBD # 8589		1,096.71	
6/30/09	LBD # 8593		2,071.33	
6/30/09	LBD # 8599		2,034.97	
6/30/09	Union Leader	ad	467.71	
7/8/09	Steve St Cyr		26.25	
7/10/09	Law Office of Peter Riley		2,187.00	
7/15/09	East Coast Lumber	paint	6.63	
7/15/09	East Coast Lumber	paint	9.94	
7/28/09	Lewis Engineering, PLLC	design	1,500.00	
7/31/09	Al Hoyt & Sons, Inc.		129,096.00	
7/31/09	LBD # 8634		214.41	
7/31/09	LBD # 8635		3,480.29	
7/31/09	LBD # 8684		349.64	
8/19/09	Lewis Engineering, PLLC		840.00	
8/26/09	Al Hoyt & Sons, Inc.	Req # 2	246,912.00	
8/31/09	LBD # 8700		597.00	
8/31/09	LBD # 8701		3,628.43	
9/25/09	GS Analytical		65.00	
9/29/09	Al Hoyt & Sons, Inc.	Req # 3	419,639.00	
9/30/09	LBD # 8740		2,032.42	
9/30/09	LBD # 8741		34.15	
9/30/09	LBD # 8761		5,000.00	
10/5/09	Fedex		11.26	
10/23/09	Al Hoyt & Sons, Inc.	Req # 4	160,465.00	
10/30/09	LBD # 8799		281.54	
10/31/09	LBD # 8783		2,795.29	
<b>TOTAL</b>			<b>1,071,692.99</b>	
<b>Original Budget</b>			<b>1,100,885.00</b>	approved in PUC Order # 24,937
<b>Amount Under Budget</b>			<b>29,192.01</b>	

**HAMPSTEAD AREA WATER CO.****Hampstead \Atkinson Interconnection  
Final Costs - Sorted by Vendor**

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8/26/09	Al Hoyt & Sons, Inc.	Req # 2	246,912.00	
9/29/09	Al Hoyt & Sons, Inc.	Req # 3	419,639.00	
10/23/09	Al Hoyt & Sons, Inc.	Req # 4	160,465.00	<b>956,112.00</b>
6/23/09	Atk. Resort	meetng room	171.70	<b>171.70</b>
4/30/09	Eagle Tribune	adv.	654.64	<b>654.64</b>
7/15/09	East Coast Lumber	paint	6.63	
7/15/09	East Coast Lumber	paint	9.94	<b>16.57</b>
10/5/09	Fedex		11.26	<b>11.26</b>
9/25/09	GS Analytical		65.00	<b>65.00</b>
6/16/09	Law Office of Peter Riley	title update	292.00	
7/10/09	Law Office of Peter Riley		2,187.00	<b>2,479.00</b>
4/30/07	LBD # 6918	acctg	269.20	
4/30/07	LBD # 6919	engineering	86.45	
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9/30/08	LBD # 8020		3,170.27	
9/30/08	LBD # 8023	eng	169.64	
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10/31/08	LBD # 8078		7,057.98	
11/30/08	LBD # 8125		254.52	
11/30/08	LBD # 8129		5,209.90	
1/30/09	LBD # 8251		230.95	
2/28/09	LBD # 8322		1,026.56	
3/31/09	LBD # 8395		1,951.84	

**HAMPSTEAD AREA WATER CO.**

Hampstead Atkinson Interconnection  
Final Costs - Sorted by Vendor

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4/30/09	LBD # 8459		4,322.18	
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5/1/09	LBD # 8512		7,310.77	
5/1/09	LBD # 8513		191.13	
5/31/09	LBD # 8530		6,885.21	
5/31/09	LBD # 8535		3,096.94	
6/30/09	LBD # 8589		1,096.71	
6/30/09	LBD # 8593		2,071.33	
6/30/09	LBD # 8599		2,034.97	
7/31/09	LBD # 8634		214.41	
7/31/09	LBD # 8635		3,480.29	
7/31/09	LBD # 8684		349.64	
8/31/09	LBD # 8700		597.00	
8/31/09	LBD # 8701		3,628.43	
9/30/09	LBD # 8740		2,032.42	
9/30/09	LBD # 8741		34.15	
9/30/09	LBD # 8761		5,000.00	
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10/30/09	LBD # 8799		281.54	<b>82,183.31</b>
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6/15/09	Lewis Engineering		6,720.00	
7/28/09	Lewis Engineering, PLLC	design	1,500.00	
8/19/09	Lewis Engineering, PLLC		840.00	<b>17,280.00</b>
4/20/09	NE Archaeology		2,500.00	<b>2,500.00</b>
5/18/09	Plaistow Police	detail	230.00	
5/18/09	Plaistow Police	detail	50.00	<b>280.00</b>
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9/5/08	Steve St Cyr		1,185.76	
10/9/08	Steve St Cyr		958.13	
10/31/08	Steve St Cyr		997.50	
12/6/08	Steve St Cyr		1,102.50	
12/31/08	Steve St Cyr		52.50	
3/6/09	Steve St Cyr		52.50	
6/9/09	Steve St Cyr		52.50	
7/8/09	Steve St Cyr		26.25	<b>7,094.45</b>
9/22/08	Steven Patnaude	transcript	133.80	
12/8/08	Steven Patnaude		953.95	<b>1,087.75</b>

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5/31/09	Union Leader	ad	329.38	
6/30/09	Union Leader	ad	467.71	<b>1,528.31</b>
<b>TOTAL</b>			<u>1,071,692.99</u>	<u><u>1,071,692.99</u></u>
<b>Original Budget (approved in PUC Order # 24,937)</b>			<u>1,100,885.00</u>	
<b>Amount Under Budget</b>			<u><u>29,192.01</u></u>	

## DW 08-065 Second Step Adjustment

Plant / Contribution in Aid of Construction

<u>Plant</u>		<u>Costs*</u>		<u>Depr. Exp.</u>	<u>Accum Depr.</u>
331	Main	\$1,006,336	2.00%	\$20,127	\$10,063
335	Hydrants	<u>30,000</u>	2.00%	<u>600</u>	<u>300</u>
	Total	<u>\$1,036,336</u>		<u>\$20,727</u>	<u>\$10,363</u>

\*Total costs amounted to \$1,071,693, of which, as of 7/31/09, \$35,357 are financing and step increase expenditures.

CIAC / Amortization of CIAC / Accumulated Amortization

<u>CIAC</u>		<u>Grant/CIAC*</u>		<u>Amort. Exp.</u>	<u>Accum Amort.</u>
331	Main	(\$256,927)	2.00%	(\$5,139)	(\$2,569)
335	Hydrants	<u>(12,659)</u>	2.00%	<u>(253)</u>	<u>(127)</u>
	Total	<u>(\$269,587)</u>		<u>(\$5,392)</u>	<u>(\$2,696)</u>

\*Total State Grant amounts to \$264,587 (25% of \$1,058,347), which has been allocated based on plant costs. In addition, the Town of Atkinson has contributed \$5,000 towards the costs of 2 of the 3 hydrants in Atkinson.

SPSt. Cyr  
11/5/2009

**Hampstead Area Water Company**

**SPS-2**

**DW 08-065 Second Step Adjustment**

**Rate of Return**

	<u>Balance</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Amort. of Fin. Costs</u>	<u>Total Interest</u>	<u>Cost of Debt</u>
State Revolving Fund	\$1,058,347	3.7440%	\$39,625	\$884	\$40,509	3.8275%

Note: As of 7/31/09 the Company incurred \$35,357 of financing and step increase costs. The Company has attributed 50% of the costs to financing costs and 50% of the costs to rate case expenditures. As such, the amortization of financing costs amounts to \$884 ( $\$35,357 / 2 / 20$ )

SPSt. Cyr  
11/5/2009

**Hampstead Area Water Company****SPS-3****DW 08-065 Second Step Adjustment****State Property Taxes**

331	Mains, LF 15,895		\$1,006,336
335	Hydrants, Total 6		<u>30,000</u>
	Total Plant		\$1,036,336
108	Accumulated Depreciation		<u>(10,363)</u>
	Net Plant		<u>\$1,046,699</u>
	Thousand Dollars of Assessed Value		\$1,047
	Property Tax Rate		<u>6.60</u>
	State Property Taxes		<u>\$6,908</u>

**Local Property Taxes****Hampstead**

331	Mains, LF 5,830	0.3668	\$369,106
335	Hydrants, Total 3	0.5000	<u>15,000</u>
	Total Plant		\$384,106
108	Accumulated Depreciation		<u>(3,841)</u>
	Net Plant		<u>\$380,265</u>
	Thousand Dollars of Assessed Value		\$380
	Property Tax Rate		<u>18.79</u>
	Hampstead Property Taxes		<u>\$7,145</u>

**Atkinson**

331	Mains, LF 10,065	0.6332	\$637,230
335	Hydrants, Total 3	0.5000	<u>15,000</u>
	Total Plant		\$652,230
108	Accumulated Depreciation		<u>(6,522)</u>
	Net Plant		<u>\$645,708</u>
	Thousand Dollars of Assessed Value		\$646
	Property Tax Rate		<u>12.69</u>
	Atkinson Property Taxes		<u>\$8,194</u>

**State Business Enterprise Taxes**

Interest Expense	\$40,509
Business Enterprise Tax Rate	<u>0.75%</u>
Business Enterprise Taxes	<u>\$304</u>

**Total Taxes****\$22,551**

**Hampstead Area Water Company**

**SPS-4**

**DW 08-065 Second Step Adjustment**

**Calculation of Revenue Requirement**

Addition to Rate Base:

Plant Additions:

Main	\$1,006,336
Hydrants	<u>30,000</u>
Total Addition to Plant	\$1,036,336
Less: Accumulated Depreciation	<u>(10,363)</u>
Net Plant	<u>\$1,025,973</u>

Add: Cash Working Capital

CIAC:

Mains	(\$256,927)
Hydrants	<u>(12,659)</u>
Total Addition to CIAC	(\$269,587)
Less: Accumulated Amortization	<u>2,696</u>
Net CIAC	<u>(\$266,891)</u>

Total Additions to Rate Base \$759,082

Rate of Return 3.828%

Additional Net Operating Income Required \$29,054

Add:	Operating and Maintenance Expenses	
	Depreciation Expense	20,727
	Amortization of CIAC	(5,392)
	State Property Taxes	6,908
	Local Property Taxes	15,339
	Business Enterprise Taxes	<u>304</u>

Total Additional Revenue Required \$66,940

DW 08-065 Revenue Requirement \$1,310,082

Total Revenue Requirement after Additions \$1,377,022

Percentage Increase 5.11%

Hampstead Area Water Company

SPS-5

DW 08-065 Second Step Adjustment

Calculation of Rates

Marginal Increase in Water Revenues \$66,940

Less: Fire Protection Revenues

Municipal	\$0	
Private	0	0

Revenue from General Metered Customers

Customer Charge Revenue

Meter Size	Present Rate	Proposed Rate	Proforma # of Cust.	Annual Revenues
5/8"			2859	
3/4"			0	
1"			48	
1 1/2"			0	
2"			0	0

Consumption Charge Revenue

Consumption Charge Revenue	\$66,940
Total Proforma Annual Consumption (ccf)*	228,445
Consumption Rate per Customer (per ccf)	<u>0.293026</u>

\* Based on Total Proforma Annual Consumption (ccf) as agreed upon in DW 08-065

SPSt. Cyr  
11/5/2009