

STATEMENT OF NET INCOME

Aquarion Water Company of New Hampshire
Case No. DW 08-098

Test Year: Twelve Months Ended 03/31/08

Temporary Rate Schedule No. 1

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STATEMENT OF UTILITY OPERATING INCOME

**Aquarion Water Company of New Hampshire
Case No. DW 08-098**

Test Year: Twelve Months Ended 03/31/08
Temporary Rate Schedule No. 1
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Line No.	Account Description	12 Mos. 3/31/2006	12 Mos. 3/31/2007	12 Mos. 3/31/2008	Pro Forma Adjustments	Supp. Sched.	Pro Forma 3/31/2008	Proposed Increase	Proposed 3/31/2008
1									
2	Operating Revenues:								
3	Revenues - Water	\$ 4,134,956	\$ 4,749,095	\$ 5,072,757	\$ (151,602)	A	\$ 4,921,155	\$ 642,600	\$ 5,563,756
4	Revenues - Other	72,637	80,252	71,117	14,899	A	86,016		86,016
5	Net Operating Revenues	\$ 4,207,593	\$ 4,829,347	\$ 5,143,874	\$ (136,703)		\$ 5,007,171	\$ 642,600	\$ 5,649,771
6									-
7	Operating Expenses								
8	Source of Supply	\$ 36,961	\$ 49,590	\$ 42,460	\$ -		\$ 42,460		\$ 42,460
9	Pumping	254,967	310,824	309,609	-		309,609		309,609
10	Treatment	118,692	108,471	107,030	-		107,030		107,030
11	Transmission & Distribution	391,140	542,947	445,901	-		445,901		445,901
12	Customer Accounting	149,824	170,119	174,464	-		174,464		174,464
13	Administrative & General	995,707	1,283,383	1,293,135	-		1,293,135		1,293,135
14		\$ 1,947,291	\$ 2,465,334	\$ 2,372,599	\$ -		\$ 2,372,599	\$ -	\$ 2,372,599
15									-
16	Depreciation	\$ 761,067	\$ 801,947	\$ 823,706	\$ 25,326	W	\$ 849,032		\$ 849,032
17	Taxes Other	364,376	379,556	368,901	-		368,901		368,901
18		\$ 1,125,443	\$ 1,181,503	\$ 1,192,607	\$ 25,326		\$ 1,217,933		\$ 1,217,933
19									-
20	Total Operating expenses	\$ 3,072,734	\$ 3,646,837	\$ 3,565,206	\$ 25,326		\$ 3,590,532	\$ -	\$ 3,590,532
21									-
22	Operating Income	\$ 1,134,859	\$ 1,182,510	\$ 1,578,668	\$ (162,029)		\$ 1,416,639	\$ 642,600	\$ 2,059,239
23									
24	Other income & Expense	(68,369)	(56,667)	(60,321)	-		(60,321)	-	(60,321)
25									
26									
27	PBIT	\$ 1,203,228	\$ 1,239,177	\$ 1,638,989	\$ (162,029)		\$ 1,476,960	\$ 642,600	\$ 2,119,560
28									-
29	Current Income Tax - State	\$ 72,000	\$ 34,000	\$ 88,000	\$ (18,745)	AA	\$ 69,255	\$ 54,621	\$ 123,876
30	Current Income Tax - Federal	272,000	120,000	370,249	(119,873)	BB	250,376	205,793	456,169
31	Deferred Income Tax - State	(17,440)	15,560	(7,440)			(7,440)		(7,440)
32	Deferred Income Tax - Federal	(56,092)	64,948	(11,122)			(11,122)		(11,122)
33	Income Tax Allocated to Non-Utility Inc/Exp	(26,001)	(8,496)	(3,714)	-		(3,714)	-	(3,714)
34									-
35	Utility Operating Income	\$ 958,761	\$ 1,013,165	\$ 1,203,016	\$ (23,411)		\$ 1,179,605	\$ 382,187	\$ 1,561,791

STATEMENT OF NET INCOME

Aquarion Water Company of New Hampshire
Case No. DW 08-098

Test Year: Twelve Months Ended 03/31/08
Schedule No. 1
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STATEMENT OF UTILITY OPERATING INCOME

Aquarion Water Company of New Hampshire
Case No. DW 08-098

Test Year: Twelve Months Ended 03/31/08

Schedule No. 1

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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	161,342
Commercial	85,437	86,576
Industrial	2,729	835
Public Authorities	3,965	5,344
Public Fire	53,453	46,203
Private Fire	23,019	16,012
Other	8,309	4,851
Total Revenues	385,669	321,165
<u>Operating Expenses:</u>		
Source of Supply	2,715	2,475
Pumping	23,486	27,689
Water Treatment	12,152	10,179
Transmission and Distribution	32,130	29,275
Customer Accounting	15,631	20,083
Information Technology	(1,082)	2,609
Administrative and General	101,617	79,124
	186,650	171,434
Depreciation	69,557	65,474
Taxes Other than Income Taxes	32,774	26,793
	102,331	92,267
Total Operating Expenses	288,981	263,701
Other Income and Expense	(96,688)	(57,464)
AFUDC	(538)	(1,188)
	-	(10,882)
Income before Interest and Taxes	(97,226)	(69,534)
Interest Expense, Outside	50,519	50,516
Interest Expense, Inside	6,296	4,362
	(40,411)	(14,656)
Income before Income Taxes	(40,411)	(14,656)
State Income Tax - Current	(3,000)	1,000
Federal Income Tax - Current	(4,000)	4,000
State Income Tax - Deferred	4,000	-
Federal Income Tax - Deferred	18,000	1,000
Net Income	(25,411)	(8,656)

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>
<u>Operating Revenues:</u>		
Residential	3,075,044	2,882,992
Commercial	1,025,072	978,585
Industrial	19,163	13,482
Public Authorities	82,159	83,936
Public Fire	636,333	577,297
Private Fire	234,986	212,803
Other	71,117	80,252
Total Revenues	<u>5,143,874</u>	<u>4,829,347</u>
<u>Operating Expenses:</u>		
Source of Supply	42,460	49,590
Pumping	309,609	310,824
Water Treatment	107,030	108,471
Transmission and Distribution	445,901	542,947
Customer Accounting	174,464	170,119
Information Technology	100,143	60,222
Administrative and General	1,192,991	1,223,161
	<u>2,372,599</u>	<u>2,465,334</u>
Depreciation	823,706	801,947
Taxes Other than Income Taxes	368,901	379,556
	<u>1,192,607</u>	<u>1,181,503</u>
Total Operating Expenses	<u>3,565,207</u>	<u>3,646,837</u>
Other Income and Expense	(1,578,667)	(1,182,510)
AFUDC	(69,486)	(54,067)
	<u>-</u>	<u>(23,564)</u>
Income before Interest and Taxes	(1,648,153)	(1,260,141)
Interest Expense, Outside	606,228	606,229
Interest Expense, Inside	101,282	79,074
	<u>(940,643)</u>	<u>(574,838)</u>
Income before Income Taxes	(940,643)	(574,838)
State Income Tax - Current	88,000	34,000
Federal Income Tax - Current	370,249	120,000
State Income Tax - Deferred	(7,440)	15,560
Federal Income Tax - Deferred	(11,122)	64,948
Net Income	<u>(500,956)</u>	<u>(340,330)</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>
<u>Operating Revenues:</u>		
Residential	3,075,044	2,882,992
Commercial	1,025,072	978,585
Industrial	19,163	13,482
Public Authorities	82,159	83,936
Public Fire	636,333	577,297
Private Fire	234,986	212,803
Other	71,117	80,252
Total Revenues	5,143,874	4,829,347
<u>Operating Expenses:</u>		
Source of Supply	42,460	49,590
Pumping	309,609	310,824
Water Treatment	107,030	108,471
Transmission and Distribution	445,901	542,947
Customer Accounting	174,464	170,119
Information Technology	100,143	60,222
Administrative and General	1,192,991	1,223,161
	2,372,599	2,465,334
Depreciation	823,706	801,947
Taxes Other than Income Taxes	368,901	379,556
	1,192,607	1,181,503
Total Operating Expenses	3,565,207	3,646,837
Other Income and Expense	(1,578,667)	(1,182,510)
AFUDC	(69,486)	(54,067)
	-	(23,564)
Income before Interest and Taxes	(1,648,153)	(1,260,141)
Interest Expense, Outside	606,228	606,229
Interest Expense, Inside	101,282	79,074
	(940,643)	(574,838)
Income before Income Taxes	88,000	34,000
State Income Tax - Current	370,249	120,000
Federal Income Tax - Current	(7,440)	15,560
State Income Tax - Deferred	(11,122)	64,948
Federal Income Tax - Deferred	(500,956)	(340,330)
Net Income		

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	2,638,269
Commercial	986,955	940,979
Industrial	18,159	12,034
Public Authorities	79,729	81,818
Public Fire	586,118	523,844
Private Fire	216,823	193,043
Other	68,714	73,222
Total Revenues	4,819,022	4,463,210
<u>Operating Expenses:</u>		
Source of Supply	39,598	46,093
Pumping	282,627	278,404
Water Treatment	99,747	101,529
Transmission and Distribution	399,984	502,177
Customer Accounting	160,684	152,473
Information Technology	79,456	50,741
Administrative and General	1,099,420	1,099,917
	2,161,518	2,231,334
Depreciation	757,408	731,505
Taxes Other than Income Taxes	339,901	346,483
	1,097,309	1,077,988
Total Operating Expenses	3,258,827	3,309,322
Other Income and Expense	(1,560,195)	(1,153,889)
AFUDC	(66,029)	(43,952)
	-	(23,564)
Income before Interest and Taxes	(1,626,224)	(1,221,405)
Interest Expense, Outside	555,709	555,710
Interest Expense, Inside	92,791	73,765
	(977,724)	(591,929)
Income before Income Taxes	(977,724)	(591,929)
State Income Tax - Current	89,000	34,000
Federal Income Tax - Current	382,249	126,000
State Income Tax - Deferred	(7,440)	15,560
Federal Income Tax - Deferred	(10,122)	64,948
Net Income	(524,037)	(351,421)

AQUARION WATER COMPANY OF NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 10 months ended 31st January '08

	January-08	January-07
<u>Operating Revenues:</u>		
Residential	2,692,599	2,476,338
Commercial	912,383	855,400
Industrial	16,529	10,025
Public Authorities	75,848	77,050
Public Fire	535,903	466,009
Private Fire	198,034	171,842
Other	63,736	66,441
Total Revenues	4,495,031	4,123,106
<u>Operating Expenses:</u>		
Source of Supply	35,425	39,276
Pumping	253,095	255,534
Water Treatment	90,496	94,673
Transmission and Distribution	335,378	470,016
Customer Accounting	144,036	133,221
Information Technology	57,319	41,975
Administrative and General	1,010,926	963,712
	1,926,677	1,998,407
Depreciation	684,991	661,948
Taxes Other than Income Taxes	310,563	312,552
	995,554	974,500
Total Operating Expenses	2,922,231	2,972,907
Other Income and Expense	(1,572,800)	(1,150,200)
AFUDC	(63,225)	(39,292)
	-	(23,564)
Income before Interest and Taxes	(1,636,025)	(1,213,056)
Interest Expense, Outside	505,190	505,191
Interest Expense, Inside	84,443	68,208
	(1,046,393)	(639,656)
Income before Income Taxes	(1,046,393)	(639,656)
State Income Tax - Current	92,000	36,000
Federal Income Tax - Current	404,249	141,000
State Income Tax - Deferred	(6,440)	15,560
Federal Income Tax - Deferred	(7,122)	66,948
Net Income	(563,706)	(380,148)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '07

	December '07	December '06
Operating Revenues:		
Residential	2,516,507	2,286,113
Commercial	830,607	769,266
Industrial	14,944	8,705
Public Authorities	68,884	72,053
Public Fire	485,688	421,098
Private Fire	179,415	153,300
Other	58,080	59,244
Total Revenues	4,154,124	3,769,780
Operating Expenses:		
Source of Supply	32,109	36,807
Pumping	227,110	231,584
Water Treatment	85,036	88,904
Transmission and Distribution	309,155	439,803
Customer Accounting	132,022	121,033
Information Technology	37,308	35,766
Administrative and General	922,151	884,948
	1,744,893	1,838,845
Depreciation	612,574	592,391
Taxes Other than Income Taxes	280,683	279,954
	893,257	872,345
Total Operating Expenses	2,638,150	2,711,190
Other Income and Expense	(1,515,974)	(1,058,591)
AFUDC	(60,020)	(41,994)
	-	(23,564)
Income before Interest and Taxes	(1,575,994)	(1,124,149)
Interest Expense, Outside	454,671	454,672
Interest Expense, Inside	74,349	61,261
	(1,046,975)	(608,215)
Income before Income Taxes	(1,046,975)	(608,215)
State Income Tax - Current	92,000	35,000
Federal Income Tax - Current	404,249	131,000
State Income Tax - Deferred	(6,440)	15,560
Federal Income Tax - Deferred	(7,122)	65,948
Net Income	(564,288)	(360,707)

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>
<u>Operating Revenues:</u>		
Residential	2,258,623	2,007,176
Commercial	783,795	730,359
Industrial	14,145	7,828
Public Authorities	65,665	60,731
Public Fire	431,793	374,236
Private Fire	159,765	135,214
Other	53,334	54,059
Total Revenues	3,767,120	3,369,604
<u>Operating Expenses:</u>		
Source of Supply	28,151	34,450
Pumping	205,536	208,394
Water Treatment	82,740	83,719
Transmission and Distribution	278,943	391,037
Customer Accounting	120,647	108,084
Information Technology	32,721	26,580
Administrative and General	839,169	721,133
	1,587,908	1,573,396
Depreciation	556,456	513,662
Taxes Other than Income Taxes	244,458	240,711
	800,914	754,373
Total Operating Expenses	2,388,822	2,327,769
Other Income and Expense	(1,378,298)	(1,041,836)
AFUDC	(42,628)	(39,506)
	-	(23,564)
Income before Interest and Taxes	(1,420,926)	(1,104,906)
Interest Expense, Outside	404,152	404,153
Interest Expense, Inside	66,018	53,290
Income before Income Taxes	(950,757)	(647,463)
State Income Tax - Current	43,000	48,000
Federal Income Tax - Current	324,000	180,000
State Income Tax - Deferred	4,000	7,000
Federal Income Tax - Deferred	18,000	26,000
Net Income	(561,757)	(386,463)

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>
<u>Operating Revenues:</u>		
Residential	1,989,834	1,774,191
Commercial	675,580	651,138
Industrial	12,819	6,513
Public Authorities	46,920	48,783
Public Fire	378,098	327,374
Private Fire	138,580	117,128
Other	48,520	49,507
Total Revenues	3,290,351	2,974,634
<u>Operating Expenses:</u>		
Source of Supply	25,656	30,724
Pumping	175,360	175,024
Water Treatment	75,583	75,471
Transmission and Distribution	245,575	342,142
Customer Accounting	106,848	94,926
Information Technology	27,332	19,927
Administrative and General	742,058	619,223
Depreciation	1,398,414	1,357,437
Taxes Other than Income Taxes	486,899	458,318
	215,536	203,187
	702,436	661,505
Total Operating Expenses	2,100,850	2,018,942
Other Income and Expense	(1,189,501)	(955,693)
AFUDC	(33,010)	(26,419)
	-	(23,564)
Income before Interest and Taxes	(1,222,511)	(1,005,676)
Interest Expense, Outside	353,633	353,634
Interest Expense, Inside	58,592	46,561
Income before Income Taxes	(810,286)	(605,481)
State Income Tax - Current	36,000	45,000
Federal Income Tax - Current	273,000	168,000
State Income Tax - Deferred	4,000	6,000
Federal Income Tax - Deferred	18,000	24,000
Net Income	(479,286)	(362,481)

AQUARION WATER COMPANY OF NEW HAMPSHIRE
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6months ended 30th September '07

	September-07	September-06
<u>Operating Revenues:</u>		
Residential	1,739,689	1,529,089
Commercial	552,862	541,914
Industrial	11,096	5,138
Public Authorities	39,030	43,353
Public Fire	324,403	280,512
Private Fire	118,904	99,446
Other	40,063	44,648
Total Revenues	2,826,047	2,544,099
<u>Operating Expenses:</u>		
Source of Supply	22,946	27,694
Pumping	148,610	154,133
Water Treatment	67,589	66,912
Transmission and Distribution	198,521	283,592
Customer Accounting	94,398	85,098
Information Technology	20,735	18,057
Administrative and General	647,396	513,869
	1,200,196	1,149,356
Depreciation	417,342	392,844
Taxes Other than Income Taxes	185,825	174,559
	603,167	567,403
Total Operating Expenses	1,803,363	1,716,759
Other Income and Expense	(1,022,684)	(827,340)
AFUDC	(27,619)	(26,252)
	-	(23,564)
Income before Interest and Taxes	(1,050,302)	(877,156)
Interest Expense, Outside	303,114	303,115
Interest Expense, Inside	50,028	39,285
Income before Income Taxes	(697,160)	(534,756)
State Income Tax - Current	30,000	39,000
Federal Income Tax - Current	233,000	148,000
State Income Tax - Deferred	4,000	6,000
Federal Income Tax - Deferred	18,000	21,000
Net Income	(412,160)	(320,756)

AQUARION WATER COMPANY OF NEW HAMPSHIRE
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 5 months ended 31st August '07

	August-07	August-06
<u>Operating Revenues:</u>		
Residential	1,372,380	1,237,652
Commercial	495,483	505,009
Industrial	17,165	4,724
Public Authorities	37,295	42,275
Public Fire	270,708	233,650
Private Fire	99,356	82,153
Other	49,917	38,535
Total Revenues	2,342,303	2,143,999
<u>Operating Expenses:</u>		
Source of Supply	19,239	23,872
Pumping	117,567	126,796
Water Treatment	51,616	48,887
Transmission and Distribution	166,562	237,349
Customer Accounting	82,473	69,067
Information Technology	16,385	15,848
Administrative and General	539,610	432,724
	993,453	954,543
Depreciation	347,785	327,370
Taxes Other than Income Taxes	155,991	145,770
	503,776	473,140
Total Operating Expenses	1,497,229	1,427,683
Income before Interest and Taxes	(845,074)	(716,316)
Other Income and Expense	(13,433)	(24,198)
AFUDC	-	(23,564)
Income before Interest and Taxes	(858,506)	(764,078)
Interest Expense, Outside	252,595	252,596
Interest Expense, Inside	42,080	31,349
Income before Income Taxes	(563,831)	(480,133)
State Income Tax - Current	23,000	36,000
Federal Income Tax - Current	184,000	134,000
State Income Tax - Deferred	4,000	5,000
Federal Income Tax - Deferred	18,000	19,000
Net Income	(334,831)	(286,133)

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>
<u>Operating Revenues:</u>		
Residential	1,075,141	1,237,652
Commercial	375,211	505,009
Industrial	15,117	4,724
Public Authorities	32,529	42,275
Public Fire	218,213	233,650
Private Fire	79,461	82,153
Other	44,966	38,535
Total Revenues	1,840,637	2,143,999
<u>Operating Expenses:</u>		
Source of Supply	13,876	23,872
Pumping	94,789	126,796
Water Treatment	37,378	48,887
Transmission and Distribution	141,569	237,349
Customer Accounting	67,774	69,067
Information Technology	15,992	15,848
Administrative and General	430,190	432,724
	801,570	954,543
Depreciation	278,228	327,370
Taxes Other than Income Taxes	124,747	145,770
	402,975	473,140
Total Operating Expenses	1,204,545	1,427,683
Other Income and Expense	(636,092)	(716,316)
AFUDC	(10,959)	(24,198)
	-	(23,564)
Income before Interest and Taxes	(647,050)	(764,078)
Interest Expense, Outside	202,076	252,596
Interest Expense, Inside	33,416	31,349
Income before Income Taxes	(411,558)	(480,133)
State Income Tax - Current	16,000	36,000
Federal Income Tax - Current	132,000	134,000
State Income Tax - Deferred	4,000	5,000
Federal Income Tax - Deferred	18,000	19,000
Net Income, U.S.	(241,558)	(286,133)

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	750,772
Commercial	264,051	257,333
Industrial	6,094	2,620
Public Authorities	19,191	21,799
Public Fire	164,518	139,927
Private Fire	59,642	47,740
Other	36,351	28,897
Total Revenues	<u>1,404,175</u>	<u>1,249,088</u>
<u>Operating Expenses:</u>		
Source of Supply	9,619	15,873
Pumping	74,028	75,186
Water Treatment	25,873	29,780
Transmission and Distribution	105,501	149,743
Customer Accounting	47,582	45,419
Information Technology	10,321	11,258
Administrative and General	313,354	239,330
	<u>586,279</u>	<u>566,568</u>
Depreciation	<u>208,671</u>	<u>196,422</u>
Taxes Other than Income Taxes	92,555	82,677
	<u>301,226</u>	<u>279,099</u>
Total Operating Expenses	<u>887,505</u>	<u>845,667</u>
Other Income and Expense	<u>(516,670)</u>	<u>(403,421)</u>
AFUDC	(8,078)	(21,597)
	-	(22,824)
Income before Interest and Taxes	<u>(524,748)</u>	<u>(447,842)</u>
Interest Expense, Outside	151,557	151,557
Interest Expense, Inside	23,001	15,943
Income before Income Taxes	<u>(350,190)</u>	<u>(280,342)</u>
State Income Tax - Current	13,000	20,000
Federal Income Tax - Current	108,000	76,000
State Income Tax - Deferred	4,000	3,000
Federal Income Tax - Deferred	18,000	11,000
Net Income, U.S.	<u>(207,190)</u>	<u>(170,342)</u>

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>
<u>Operating Revenues:</u>		
Residential	576,039	493,607
Commercial	221,273	207,657
Industrial	4,982	1,626
Public Authorities	13,366	13,986
Public Fire	106,906	93,065
Private Fire	40,619	31,727
Other	15,394	24,266
Total Revenues	978,578	865,934
<u>Operating Expenses:</u>		
Source of Supply	5,894	11,271
Pumping	48,462	45,627
Water Treatment	19,201	18,761
Transmission and Distribution	76,967	86,614
Customer Accounting	29,370	31,224
Information Technology	6,430	6,480
Administrative and General	207,450	163,858
Depreciation	393,774	363,834
Taxes Other than Income Taxes	139,114	130,948
	65,950	54,093
Total Operating Expenses	205,064	185,041
Other Income and Expense	598,838	548,875
AFUDC	(379,740)	(317,059)
	644	(6,720)
	-	(22,092)
Income before Interest and Taxes	(379,097)	(345,871)
Interest Expense, Outside	101,038	101,035
Interest Expense, Inside	14,304	9,700
Income before Income Taxes	(263,754)	(235,135)
State Income Tax - Current	8,000	17,000
Federal Income Tax - Current	76,000	65,000
State Income Tax - Deferred	4,000	2,000
Federal Income Tax - Deferred	18,000	9,000
Net Income, U.S.	(157,754)	(142,135)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 1 month ended 30th April '07

	April-07	April-06
<u>Operating Revenues:</u>		
Residential	208,758	161,342
Commercial	85,437	86,576
Industrial	2,729	835
Public Authorities	3,965	5,344
Public Fire	53,453	46,203
Private Fire	23,019	16,012
Other	8,309	4,851
Total Revenues	385,669	321,165
<u>Operating Expenses:</u>		
Source of Supply	2,715	2,475
Pumping	23,486	27,689
Water Treatment	12,152	10,179
Transmission and Distribution	32,130	29,275
Customer Accounting	15,631	20,083
Information Technology	(1,082)	2,609
Administrative and General	101,617	79,124
	186,650	171,434
Depreciation	69,557	65,474
Taxes Other than Income Taxes	32,774	26,793
	102,331	92,267
Total Operating Expenses	288,981	263,701
Other Income and Expense	(96,688)	(57,464)
AFUDC	(538)	(1,188)
	-	(10,882)
Income before Interest and Taxes	(97,226)	(69,534)
Interest Expense, Outside	50,519	50,516
Interest Expense, Inside	6,296	4,362
Income before Income Taxes	(40,411)	(14,656)
State Income Tax - Current	(3,000)	1,000
Federal Income Tax - Current	(4,000)	4,000
State Income Tax - Deferred	4,000	-
Federal Income Tax - Deferred	18,000	1,000
Net Income	(25,411)	(8,656)

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		
<u>CURRENT AND ACCRUED ASSETS</u>			Total stockholders' equity	8,191	8,096
Cash	-	-	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Accounts receivable	268	183	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	-	-	To associated companies	1,500	1,100
Reserve for uncollectibles	(40)	(42)	Other		
Dividends receivable			Total	1,500	1,100
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	1,092	687	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	-	-	Other accrued taxes		
<u>OTHER INVESTMENTS</u>			Total current liabilities	1,564	1,091
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	-	-	Customers' advances for construction	11	382
<u>DEFERRED DEBITS</u>			Other deferred credits		
Unamortized debt discount and expense	214	223	Total deferred credits	2,920	3,196
Unfunded deferred taxes	568	575	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,417	2,078
Prepaid taxes					
Other deferred debits	779	527	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	25,492	24,461
Total deferred debits	1,561	1,325			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	25,492	24,461			

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		
<u>CURRENT AND ACCRUED ASSETS</u>			Total stockholders' equity	8,259	8,166
Cash	-	12			
Accounts receivable	319	383	<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Miscellaneous receivables	38	-			
Reserve for uncollectibles	(55)	(39)	<u>NOTES PAYABLE</u>		
Dividends receivable			To associated companies	2,600	1,300
Receivables from associated companies	-	51	Other		
Accrued revenues	357	352	Total	2,600	1,300
Materials and supplies, at cost	100	158			
Prepayments	161	177	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Total current assets	920	1,094	Accounts payable and accrued liab	1,451	1,458
			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	321
Total	-	-	Accrued federal income taxes		-
			Accrued state income taxes	-	-
<u>OTHER INVESTMENTS</u>			Other accrued taxes		-
Investments in subsidiaries			Total current liabilities	1,590	1,780
Investments in joint ventures					
Goodwill			<u>DEFERRED CREDITS</u>		
Miscellaneous			Deferred taxes	2,854	2,887
Total	-	-	Unfunded deferred taxes		
			Deferred gain on land sale		
<u>DEFERRED DEBITS</u>			Customers' advances for construction	2	11
Unamortized debt discount and expense	206	215	Other deferred credits		
Unfunded deferred taxes	554	569	Total deferred credits	2,856	2,898
Prepaid taxes					
Other deferred debits	542	790	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,393	2,420
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			April 30	
	2007	2006		2007	2006
<u>Assets and other debits</u>			<u>Liabilities and other credits</u>		
PROPERTY, PLANT AND EQUIPMENT			STOCKHOLDERS' EQUITY		
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		
CURRENT AND ACCRUED ASSETS			Total stockholders' equity	8,191	8,096
Cash	-	-	LONG-TERM DEBT - BONDS	8,900	8,900
Accounts receivable	268	183	NOTES PAYABLE		
Miscellaneous receivables	-	-	To associated companies	1,500	1,100
Reserve for uncollectibles	(40)	(42)	Other		
Dividends receivable			Total	1,500	1,100
Receivables from associated companies	48	27	CURRENT AND ACCRUED LIABILITIES		
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	1,092	687	Payables to associates		
NOTES RECEIVABLE			Accrued bond interest	188	188
From associated companies			Accrued federal income taxes		
Other			Accrued state income taxes	-	-
Total	-	-	Other accrued taxes		
OTHER INVESTMENTS			Total current liabilities	1,564	1,091
Investments in subsidiaries			DEFERRED CREDITS		
Investments in joint ventures			Deferred taxes	2,909	2,814
Goodwill			Unfunded deferred taxes		
Miscellaneous			Deferred gain on land sale		
Total	-	-	Customers' advances for construction	11	382
DEFERRED DEBITS			Other deferred credits		
Unamortized debt discount and expense	214	223	Total deferred credits	2,920	3,196
Unfunded deferred taxes	568	575	CONTRIBUTIONS IN AID OF CONSTRUCTION	2,417	2,078
Prepaid taxes					
Other deferred debits	779	527	TOTAL LIABILITIES AND OTHER CREDITS	25,492	24,461
Total deferred debits	1,561	1,325			
TOTAL ASSETS AND OTHER DEBITS	25,492	24,461			

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

	May 31 2007	2006
<u>Assets and other debits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Utility Plant	\$ 30,861	\$ 29,702
Less: Accumulated depreciation	(7,864)	(7,181)
Net utility plant	22,997	22,521
Non-Utility property and equipment	97	97
Less: Accumulated depreciation	(97)	(97)
Net non-utility property and equipment	-	-
<u>CURRENT AND ACCRUED ASSETS</u>		
Cash	-	-
Accounts receivable	204	181
Miscellaneous receivables	-	-
Reserve for uncollectibles	(40)	(42)
Dividends receivable	-	-
Receivables from associated companies	-	-
Accrued revenues	778	656
Materials and supplies, at cost	166	126
Prepayments	114	(28)
Total current assets	1,222	893
<u>NOTES RECEIVABLE</u>		
From associated companies	-	-
Other	-	-
Total	-	-
<u>OTHER INVESTMENTS</u>		
Investments in subsidiaries	-	-
Investments in joint ventures	-	-
Goodwill	-	-
Miscellaneous	-	-
Total	-	-
<u>DEFERRED DEBITS</u>		
Unamortized debt discount and expense	214	222
Unfunded deferred taxes	568	575
Prepaid taxes	-	-
Other deferred debits	768	533
Total deferred debits	1,550	1,330
TOTAL ASSETS AND OTHER DEBITS	\$ 25,769	\$ 24,744

	May 31 2007	2006
<u>Liabilities and other credits</u>		
<u>STOCKHOLDERS' EQUITY</u>		
Preferred stock	\$ 3	\$ 3
Common stock	2,187	2,187
Paid in capital	3,558	3,558
Contributed capital	480	480
Retained earnings	2,096	2,002
Capital stock expense	-	-
Treasury stock	-	-
Total stockholders' equity	8,324	8,230
<u>LONG-TERM DEBT - BONDS</u>		
	8,900	8,900
<u>NOTES PAYABLE</u>		
To associated companies	1,500	1,300
Other	-	-
Total	1,500	1,300
<u>CURRENT AND ACCRUED LIABILITIES</u>		
Accounts payable and accrued liab	1,467	795
Current maturities of long-term debt	-	-
Dividends payable	1	1
Payables to associates	-	-
Accrued bond interest	238	238
Accrued federal income taxes	-	-
Accrued state income taxes	5	-
Other accrued taxes	-	-
Total current liabilities	1,711	1,034
<u>DEFERRED CREDITS</u>		
Deferred taxes	2,909	2,824
Unfunded deferred taxes	-	-
Deferred gain on land sale	-	-
Customers' advances for construction	11	382
Other deferred credits	-	-
Total deferred credits	2,920	3,206
<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>		
	2,414	2,074
TOTAL LIABILITIES AND OTHER CREDITS	\$ 25,769	\$ 24,744

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
<u>Less:</u> Accumulated depreciation	<u>(7,933)</u>	<u>(7,247)</u>	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
<u>Less:</u> Accumulated depreciation	<u>(97)</u>	<u>(97)</u>	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>			
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 26,037</u>	<u>\$ 25,338</u>	TOTAL LIABILITIES AND OTHER CREDITS	<u>\$ 26,037</u>	<u>\$ 25,338</u>

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (In thousands of dollars)

	July 31			July 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	\$ 31,043	\$ 30,056	Preferred stock	\$ 3	\$ 3
Less: Accumulated depreciation	(8,003)	(7,312)	Common stock	2,187	2,187
Net utility plant	23,040	22,744	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	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,300	8,162
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
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	1,800	1,500
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	1,569	1,059	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	-	-	Total current liabilities	1,806	1,293
<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	-	-	Other deferred credits		
<u>DEFERRED DEBITS</u>			Total deferred credits	2,920	3,178
Unamortized debt discount and expense	212	221	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,408	2,097
Unfunded deferred taxes	568	575			
Prepaid taxes	-	-			
Other deferred debits	745	531			
Total deferred debits	1,525	1,327			
TOTAL ASSETS AND OTHER DEBITS	\$ 26,134	\$ 25,130	TOTAL LIABILITIES AND OTHER CREDITS	\$ 26,134	\$ 25,130

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>		
PROPERTY, PLANT AND EQUIPMENT			STOCKHOLDERS' EQUITY		
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
Non-Utility property and equipment	97	97	Contributed capital	480	480
Less: Accumulated depreciation	(97)	(97)	Retained earnings	2,166	2,000
Net non-utility property and equipment	-	-	Capital stock expense		
			Treasury stock		
			Total stockholders' equity	8,394	8,228
CURRENT AND ACCRUED ASSETS			LONG-TERM DEBT - BONDS	8,900	8,900
Cash	-	-			
Accounts receivable	555	265	NOTES PAYABLE		
Miscellaneous receivables	-	-	To associated companies	1,800	1,700
Reserve for uncollectibles	(37)	(44)	Other		
Dividends receivable	-	31	Total	1,800	1,700
Receivables from associated companies	-	613			
Accrued revenues	567	613	CURRENT AND ACCRUED LIABILITIES		
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
NOTES RECEIVABLE			Payables to associates		
From associated companies			Accrued bond interest	88	88
Other			Accrued federal income taxes		
Total	-	-	Accrued state income taxes	20	-
OTHER INVESTMENTS			Other accrued taxes		
Investments in subsidiaries			Total current liabilities	1,713	998
Investments in joint ventures			DEFERRED CREDITS		
Goodwill			Deferred taxes	2,909	2,837
Miscellaneous			Unfunded deferred taxes		
Total	-	-	Deferred gain on land sale		
DEFERRED DEBITS			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	CONTRIBUTIONS IN AID OF CONSTRUCTION	2,405	2,095
Total deferred debits	1,514	1,325			
			TOTAL LIABILITIES AND OTHER CREDITS	\$ 26,132	\$ 25,104
TOTAL ASSETS AND OTHER DEBITS	\$ 26,132	\$ 25,104			

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
			Contributed capital	480	480
Non-Utility property and equipment	97	97	Retained earnings	2,243	2,034
Less: Accumulated depreciation	(97)	(97)	Capital stock expense		
Net non-utility property and equipment	-	-	Treasury stock		
			Total stockholders' equity	8,471	8,262
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	-			
Accounts receivable	630	484	<u>NOTES PAYABLE</u>		
Miscellaneous receivables	-	-	To associated companies	1,700	1,700
Reserve for uncollectibles	(37)	(45)	Other		
Dividends receivable	-	-	Total	1,700	1,700
Receivables from associated companies	-	-			
Accrued revenues	431	443	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Materials and supplies, at cost	241	176	Accounts payable and accrued liab	1,803	840
Prepayments	187	(8)	Current maturities of long-term debt		
Total current assets	1,452	1,050	Dividends payable	1	1
<u>NOTES RECEIVABLE</u>			Payables to associates		
From associated companies			Accrued bond interest	138	138
Other			Accrued federal income taxes		
Total	-	-	Accrued state income taxes	14	2
<u>OTHER INVESTMENTS</u>			Other accrued taxes		
Investments in subsidiaries			Total current liabilities	1,956	981
Investments in joint ventures			<u>DEFERRED CREDITS</u>		
Goodwill			Deferred taxes	2,909	2,840
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	211	219	Other deferred credits		
Unfunded deferred taxes	568	575	Total deferred credits	2,920	3,186
Prepaid taxes					
Other deferred debits	723	520	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,402	2,092
Total deferred debits	1,502	1,314			
			<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,349	\$ 25,121
<u>TOTAL ASSETS AND OTHER DEBITS</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		
<u>CURRENT AND ACCRUED ASSETS</u>			Total stockholders' equity	<u>8,431</u>	<u>8,219</u>
Cash	-	-			
Accounts receivable	390	296	<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Miscellaneous receivables	-	-			
Reserve for uncollectibles	(38)	(45)	<u>NOTES PAYABLE</u>		
Dividends receivable	-	-	To associated companies	1,600	1,500
Receivables from associated companies	8	-	Other		
Accrued revenues	439	449	Total	<u>1,600</u>	<u>1,500</u>
Materials and supplies, at cost	163	176			
Prepayments	158	(24)	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Total current assets	<u>1,120</u>	<u>852</u>	Accounts payable and accrued liab	1,980	794
			Current maturities of long-term debt		
<u>NOTES RECEIVABLE</u>			Dividends payable	1	1
From associated companies			Payables to associates		
Other			Accrued bond interest	188	188
Total	<u>-</u>	<u>-</u>	Accrued federal income taxes		
			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		
			Deferred gain on land sale		
<u>DEFERRED DEBITS</u>			Customers' advances for construction	11	346
Unamortized debt discount and expense	210	219	Other deferred credits		
Unfunded deferred taxes	568	575	Total deferred credits	<u>2,920</u>	<u>3,189</u>
Prepaid taxes					
Other deferred debits	717	509	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,399</u>	<u>2,090</u>
Total deferred debits	<u>1,495</u>	<u>1,303</u>			
			<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 26,439</u>	<u>\$ 24,889</u>
<u>TOTAL ASSETS AND OTHER DEBITS</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		
			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			
			<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,807	\$ 25,025
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,807	\$ 25,025			

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>			<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	-	56	Total	1,900	1,700
Receivables from associated companies	-	352			
Accrued revenues	371	168	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Materials and supplies, at cost	109	251	Accounts payable and accrued liab	1,955	1,628
Prepayments	204	1,578	Current maturities of long-term debt		
Total current assets	1,095	-	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	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,762	\$ 25,915
Prepaid taxes	-	-			
Other deferred debits	559	625			
Total deferred debits	1,322	1,609			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,762	\$ 25,915			

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		
			Total stockholders' equity	8,321	8,206
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8900	8,900
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	345	252	To associated companies	2200	1,100
Miscellaneous receivables	37	-	Other		
Reserve for uncollectibles	(53)	(46)	Total	2200	1,100
Dividends receivable	-	-	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Receivables from associated companies	-	-	Accounts payable and accrued liab	1,657	1,558
Accrued revenues	371	414	Current maturities of long-term debt		
Materials and supplies, at cost	97	168	Dividends payable	1	1
Prepayments	184	216	Payables to associates		
Total current assets	981	1,004	Accrued bond interest	222	222
<u>NOTES RECEIVABLE</u>			Accrued federal income taxes		-
From associated companies			Accrued state income taxes	54	-
Other			Other accrued taxes		-
Total	-	-	Total current liabilities	1,934	1,781
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,860	2,889
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	2	11
Total	-	-	Other deferred credits		
<u>DEFERRED DEBITS</u>			Total deferred credits	2,862	2,900
Unamortized debt discount and expense	207	217	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,399	2,432
Unfunded deferred taxes	554	568			
Prepaid taxes					
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
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		
			Total stockholders' equity	8,282	8,177
<u>CURRENT AND ACCRUED ASSETS</u>			<u>LONG-TERM DEBT - BONDS</u>	8,900	8,900
Cash	-	-	<u>NOTES PAYABLE</u>		
Accounts receivable	276	264	To associated companies	2,400	1,200
Miscellaneous receivables	38	-	Other		
Reserve for uncollectibles	(52)	(47)	Total	2,400	1,200
Dividends receivable	-	-	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Receivables from associated companies	-	-	Accounts payable and accrued liab	1,603	1,455
Accrued revenues	406	487	Current maturities of long-term debt		
Materials and supplies, at cost	102	166	Dividends payable	1	1
Prepayments	162	189	Payables to associates		
Total current assets	932	1,059	Accrued bond interest	88	271
<u>NOTES RECEIVABLE</u>			Accrued federal income taxes		-
From associated companies			Accrued state income taxes	51	-
Other			Other accrued taxes		-
Total	0	-	Total current liabilities	1,743	1,727
<u>OTHER INVESTMENTS</u>			<u>DEFERRED CREDITS</u>		
Investments in subsidiaries			Deferred taxes	2,855	2,887
Investments in joint ventures			Unfunded deferred taxes		
Goodwill			Deferred gain on land sale		
Miscellaneous			Customers' advances for construction	2	11
Total	0	-	Other deferred credits		
<u>DEFERRED DEBITS</u>			Total deferred credits	2,857	2,898
Unamortized debt discount and expense	206	216	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	2,396	2,429
Unfunded deferred taxes	554	568	<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	\$ 26,578	\$ 25,331
Prepaid taxes					
Other deferred debits	548	801			
Total deferred debits	1,308	1,585			
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$ 26,578	\$ 25,331			

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	<u>24,376</u>	<u>22,796</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	2,031	1,938
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>8,259</u>	<u>8,166</u>
Cash	-	12			
Accounts receivable	319	383	<u>LONG-TERM DEBT - BONDS</u>	<u>8,900</u>	<u>8,900</u>
Miscellaneous receivables	38	-			
Reserve for uncollectibles	(55)	(39)	<u>NOTES PAYABLE</u>		
Dividends receivable			To associated companies	2,600	1,300
Receivables from associated companies	-	51	Other		
Accrued revenues	357	352	Total	<u>2,600</u>	<u>1,300</u>
Materials and supplies, at cost	100	158			
Prepayments	161	177	<u>CURRENT AND ACCRUED LIABILITIES</u>		
Total current assets	<u>920</u>	<u>1,094</u>	Accounts payable and accrued liab	1,451	1,458
			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	321
Total	<u>-</u>	<u>-</u>	Accrued federal income taxes		-
			Accrued state income taxes	-	-
<u>OTHER INVESTMENTS</u>			Other accrued taxes		-
Investments in subsidiaries			Total current liabilities	<u>1,590</u>	<u>1,780</u>
Investments in joint ventures					
Goodwill			<u>DEFERRED CREDITS</u>		
Miscellaneous			Deferred taxes	2,854	2,887
Total	<u>-</u>	<u>-</u>	Unfunded deferred taxes		
			Deferred gain on land sale		
<u>DEFERRED DEBITS</u>			Customers' advances for construction	2	11
Unamortized debt discount and expense	206	215	Other deferred credits		
Unfunded deferred taxes	554	569	Total deferred credits	<u>2,856</u>	<u>2,898</u>
Prepaid taxes					
Other deferred debits	542	790	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	<u>2,393</u>	<u>2,420</u>
Total deferred debits	<u>1,302</u>	<u>1,574</u>			
			<u>TOTAL LIABILITIES AND OTHER CREDITS</u>	<u>\$ 26,598</u>	<u>\$ 25,464</u>
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$ 26,598</u>	<u>\$ 25,464</u>			

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>
<u>Operating Revenues:</u>		
Residential	3,075,044	2,882,992
Commercial	1,025,072	978,585
Industrial	19,163	13,482
Public Authorities	82,159	83,936
Public Fire	636,333	577,297
Private Fire	234,986	212,803
Other	71,117	80,252
Total Revenues	5,143,874	4,829,347
<u>Operating Expenses:</u>		
Source of Supply	42,460	49,590
Pumping	309,609	310,824
Water Treatment	107,030	108,471
Transmission and Distribution	445,901	542,947
Customer Accounting	174,464	170,119
Information Technology	100,143	60,222
Administrative and General	1,192,991	1,223,161
	2,372,599	2,465,334
Depreciation	823,706	801,947
Taxes Other than Income Taxes	368,901	379,556
	1,192,607	1,181,503
Total Operating Expenses	3,565,207	3,646,837
Other Income and Expense	(1,578,667)	(1,182,510)
AFUDC	(69,486)	(54,067)
	-	(23,564)
Income before Interest and Taxes	(1,648,153)	(1,260,141)
Interest Expense, Outside	606,228	606,229
Interest Expense, Inside	101,282	79,074
Income before Income Taxes	(940,643)	(574,838)
State Income Tax - Current	88,000	34,000
Federal Income Tax - Current	370,249	120,000
State Income Tax - Deferred	(7,440)	15,560
Federal Income Tax - Deferred	(11,122)	64,948
Net Income	(500,956)	(340,330)

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	2,638,269
Commercial	986,955	940,979
Industrial	18,159	12,034
Public Authorities	79,729	81,818
Public Fire	586,118	523,844
Private Fire	216,823	193,043
Other	68,714	73,222
Total Revenues	4,819,022	4,463,210
<u>Operating Expenses:</u>		
Source of Supply	39,598	46,093
Pumping	282,627	278,404
Water Treatment	99,747	101,529
Transmission and Distribution	399,984	502,177
Customer Accounting	160,684	152,473
Information Technology	79,456	50,741
Administrative and General	1,099,420	1,099,917
	2,161,518	2,231,334
Depreciation	757,408	731,505
Taxes Other than Income Taxes	339,901	346,483
	1,097,309	1,077,988
Total Operating Expenses	3,258,827	3,309,322
Other Income and Expense	(1,560,195)	(1,153,889)
AFUDC	(66,029)	(43,952)
	-	(23,564)
Income before Interest and Taxes	(1,626,224)	(1,221,405)
Interest Expense, Outside	555,709	555,710
Interest Expense, Inside	92,791	73,765
Income before Income Taxes	(977,724)	(591,929)
State Income Tax - Current	89,000	34,000
Federal Income Tax - Current	382,249	126,000
State Income Tax - Deferred	(7,440)	15,560
Federal Income Tax - Deferred	(10,122)	64,948
Net Income	(524,037)	(351,421)

AQUARIUM WATER COMPANY OF NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 10 months ended 31st January '08

	January-08	January-07
<u>Operating Revenues:</u>		
Residential	2,692,599	2,476,338
Commercial	912,383	855,400
Industrial	16,529	10,025
Public Authorities	75,848	77,050
Public Fire	535,903	466,009
Private Fire	198,034	171,842
Other	63,736	66,441
Total Revenues	4,495,031	4,123,106
<u>Operating Expenses:</u>		
Source of Supply	35,425	39,276
Pumping	253,095	255,534
Water Treatment	90,496	94,673
Transmission and Distribution	335,378	470,016
Customer Accounting	144,036	133,221
Information Technology	57,319	41,975
Administrative and General	1,010,926	963,712
	1,926,677	1,998,407
Depreciation	684,991	661,948
Taxes Other than Income Taxes	310,563	312,552
	995,554	974,500
Total Operating Expenses	2,922,231	2,972,907
Other Income and Expense	(1,572,800)	(1,150,200)
AFUDC	(63,225)	(39,292)
	-	(23,564)
Income before Interest and Taxes	(1,636,025)	(1,213,056)
Interest Expense, Outside	505,190	505,191
Interest Expense, Inside	84,443	68,208
Income before Income Taxes	(1,046,393)	(639,656)
State Income Tax - Current	92,000	36,000
Federal Income Tax - Current	404,249	141,000
State Income Tax - Deferred	(6,440)	15,560
Federal Income Tax - Deferred	(7,122)	66,948
Net Income	(563,706)	(380,148)

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	2,286,113
Commercial	830,607	769,266
Industrial	14,944	8,705
Public Authorities	68,884	72,053
Public Fire	485,688	421,098
Private Fire	179,415	153,300
Other	58,080	59,244
Total Revenues	4,154,124	3,769,780
<u>Operating Expenses:</u>		
Source of Supply	32,109	36,807
Pumping	227,110	231,584
Water Treatment	85,036	88,904
Transmission and Distribution	309,155	439,803
Customer Accounting	132,022	121,033
Information Technology	37,308	35,766
Administrative and General	922,151	884,948
	1,744,893	1,838,845
Depreciation	612,574	592,391
Taxes Other than Income Taxes	280,683	279,954
	893,257	872,345
Total Operating Expenses	2,638,150	2,711,190
Other Income and Expense	(1,515,974)	(1,058,591)
AFUDC	(60,020)	(41,994)
Income before Interest and Taxes	(1,575,994)	(1,124,149)
Interest Expense, Outside	454,671	454,672
Interest Expense, Inside	74,349	61,261
Income before Income Taxes	(1,046,975)	(608,215)
State Income Tax - Current	92,000	35,000
Federal Income Tax - Current	404,249	131,000
State Income Tax - Deferred	(6,440)	15,560
Federal Income Tax - Deferred	(7,122)	65,948
Net Income	(564,288)	(360,707)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 8 months ended 30th November '07

	November '07	November '06
<u>Operating Revenues:</u>		
Residential	2,258,623	2,007,176
Commercial	783,795	730,359
Industrial	14,145	7,828
Public Authorities	65,665	60,731
Public Fire	431,793	374,236
Private Fire	159,765	135,214
Other	53,334	54,059
Total Revenues	3,767,120	3,369,604
<u>Operating Expenses:</u>		
Source of Supply	28,151	34,450
Pumping	205,536	208,394
Water Treatment	82,740	83,719
Transmission and Distribution	278,943	391,037
Customer Accounting	120,647	108,084
Information Technology	32,721	26,580
Administrative and General	839,169	721,133
	1,587,908	1,573,396
Depreciation	556,456	513,662
Taxes Other than Income Taxes	244,458	240,711
	800,914	754,373
Total Operating Expenses	2,388,822	2,327,769
Other Income and Expense	(1,378,298)	(1,041,836)
AFUDC	(42,628)	(39,506)
Income before Interest and Taxes	-	(23,584)
Interest Expense, Outside	(1,420,926)	(1,104,906)
Interest Expense, Inside	404,152	404,153
	66,018	53,290
Income before Income Taxes	(950,757)	(647,463)
State Income Tax - Current	43,000	48,000
Federal Income Tax - Current	324,000	180,000
State Income Tax - Deferred	4,000	7,000
Federal Income Tax - Deferred	18,000	26,000
Net Income	(561,757)	(386,463)

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>
<u>Operating Revenues:</u>		
Residential	1,989,834	1,774,191
Commercial	675,580	651,138
Industrial	12,819	6,513
Public Authorities	46,920	48,783
Public Fire	378,098	327,374
Private Fire	138,580	117,128
Other	48,520	49,507
Total Revenues	3,290,351	2,974,634
<u>Operating Expenses:</u>		
Source of Supply	25,656	30,724
Pumping	175,360	175,024
Water Treatment	75,583	75,471
Transmission and Distribution	245,575	342,142
Customer Accounting	106,848	94,926
Information Technology	27,332	19,927
Administrative and General	742,058	619,223
	1,398,414	1,357,437
Depreciation	486,899	458,318
Taxes Other than Income Taxes	215,536	203,187
	702,436	661,505
Total Operating Expenses	2,100,850	2,018,942
Other Income and Expense	(1,189,501)	(955,693)
AFUDC	(33,010)	(26,419)
Income before Interest and Taxes	(1,222,511)	(1,005,676)
Interest Expense, Outside	353,633	353,634
Interest Expense, Inside	58,592	46,561
Income before Income Taxes	(810,286)	(605,481)
State Income Tax - Current	36,000	45,000
Federal Income Tax - Current	273,000	168,000
State Income Tax - Deferred	4,000	6,000
Federal Income Tax - Deferred	18,000	24,000
Net Income	(479,286)	(362,481)

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	1,529,089
Commercial	552,862	541,914
Industrial	11,096	5,138
Public Authorities	39,030	43,353
Public Fire	324,403	280,512
Private Fire	118,904	99,446
Other	40,063	44,648
Total Revenues	<u>2,826,047</u>	<u>2,544,099</u>
<u>Operating Expenses:</u>		
Source of Supply	22,946	27,694
Pumping	148,610	154,133
Water Treatment	67,589	66,912
Transmission and Distribution	198,521	283,592
Customer Accounting	94,398	85,098
Information Technology	20,735	18,057
Administrative and General	647,396	513,869
	<u>1,200,196</u>	<u>1,149,356</u>
Depreciation	417,342	392,844
Taxes Other than Income Taxes	185,825	174,559
	<u>603,167</u>	<u>567,403</u>
Total Operating Expenses	<u>1,803,363</u>	<u>1,716,759</u>
Other Income and Expense	(1,022,684)	(827,340)
AFUDC	(27,619)	(26,252)
	<u>-</u>	<u>(23,564)</u>
Income before Interest and Taxes	(1,050,302)	(877,156)
Interest Expense, Outside	303,114	303,115
Interest Expense, Inside	50,028	39,285
	<u>(697,160)</u>	<u>(534,756)</u>
Income before Income Taxes	(697,160)	(534,756)
State Income Tax - Current	30,000	39,000
Federal Income Tax - Current	233,000	148,000
State Income Tax - Deferred	4,000	6,000
Federal Income Tax - Deferred	18,000	21,000
Net Income	<u>(412,160)</u>	<u>(320,756)</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>
<u>Operating Revenues:</u>		
Residential	1,372,380	1,237,652
Commercial	495,483	505,009
Industrial	17,165	4,724
Public Authorities	37,295	42,275
Public Fire	270,708	233,650
Private Fire	99,356	82,153
Other	49,917	38,535
Total Revenues	2,342,303	2,143,999

<u>Operating Expenses:</u>		
Source of Supply	19,239	23,872
Pumping	117,567	126,796
Water Treatment	51,616	48,887
Transmission and Distribution	166,562	237,349
Customer Accounting	82,473	69,067
Information Technology	16,385	15,848
Administrative and General	539,610	432,724
	993,453	954,543

Depreciation	347,785	327,370
Taxes Other than Income Taxes	155,991	145,770
	503,776	473,140
Total Operating Expenses	1,497,229	1,427,683

Income before Interest and Taxes	(845,074)	(716,316)
Other Income and Expense	(13,433)	(24,198)
AFUDC	-	(23,564)

Income before Interest and Taxes	(858,506)	(764,078)
Interest Expense, Outside	252,595	252,596
Interest Expense, Inside	42,080	31,349

Income before Income Taxes	(563,831)	(480,133)
State Income Tax - Current	23,000	36,000
Federal Income Tax - Current	184,000	134,000
State Income Tax - Deferred	4,000	5,000
Federal Income Tax - Deferred	18,000	19,000

Net Income	(334,831)	(286,133)
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AQUARION WATER COMPANY OF NEW HAMPSHIRE
STATEMENT OF INCOME
(In Hundreds of Dollars)
For 4 months ended 31st July '07

	July-07	July-06
<u>Operating Revenues:</u>		
Residential	1,075,141	1,237,652
Commercial	375,211	505,009
Industrial	15,117	4,724
Public Authorities	32,529	42,275
Public Fire	218,213	233,650
Private Fire	79,461	82,153
Other	44,966	38,535
Total Revenues	1,840,637	2,143,999
<u>Operating Expenses:</u>		
Source of Supply	13,876	23,872
Pumping	94,789	126,796
Water Treatment	37,378	48,887
Transmission and Distribution	141,569	237,349
Customer Accounting	67,774	69,067
Information Technology	15,992	15,848
Administrative and General	430,190	432,724
Depreciation	801,570	954,543
Taxes Other than Income Taxes	278,228	327,370
	124,747	145,770
	402,975	473,140
Total Operating Expenses	1,204,545	1,427,683
Other Income and Expense	(636,092)	(716,316)
AFUDC	(10,959)	(24,198)
	-	(23,564)
Income before Interest and Taxes	(647,050)	(764,078)
Interest Expense, Outside	202,076	252,596
Interest Expense, Inside	33,416	31,349
Income before Income Taxes	(411,558)	(480,133)
State Income Tax - Current	16,000	36,000
Federal Income Tax - Current	132,000	134,000
State Income Tax - Deferred	4,000	5,000
Federal Income Tax - Deferred	18,000	19,000
Net Income, U.S.	(241,558)	(286,133)

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	750,772
Commercial	264,051	257,333
Industrial	6,094	2,620
Public Authorities	19,191	21,799
Public Fire	164,518	139,927
Private Fire	59,642	47,740
Other	36,351	28,897
Total Revenues	1,404,175	1,249,088
<u>Operating Expenses:</u>		
Source of Supply	9,619	15,873
Pumping	74,028	75,166
Water Treatment	25,873	29,780
Transmission and Distribution	105,501	149,743
Customer Accounting	47,582	45,419
Information Technology	10,321	11,258
Administrative and General	313,354	239,330
	586,279	566,568
Depreciation	208,671	196,422
Taxes Other than Income Taxes	92,555	82,677
	301,226	279,099
Total Operating Expenses	887,505	845,667
Other Income and Expense	(516,670)	(403,421)
AFUDC	(8,078)	(21,597)
	-	(22,824)
Income before Interest and Taxes	(524,748)	(447,842)
Interest Expense, Outside	151,557	151,557
Interest Expense, Inside	23,001	15,943
Income before Income Taxes	(350,190)	(280,342)
State Income Tax - Current	13,000	20,000
Federal Income Tax - Current	108,000	76,000
State Income Tax - Deferred	4,000	3,000
Federal Income Tax - Deferred	18,000	11,000
Net Income, U.S.	(207,190)	(170,342)

AQUARION WATER COMPANY OF NEW HAMPSHIRE		
STATEMENT OF INCOME		
(In Hundreds of Dollars)		
For 2 months ended 31st May '07		
	May-07	May-06

Operating Revenues:

Residential	576,039	493,607
Commercial	221,273	207,657
Industrial	4,982	1,626
Public Authorities	13,366	13,986
Public Fire	106,906	93,065
Private Fire	40,619	31,727
Other	15,394	24,266
Total Revenues	978,578	865,934

Operating Expenses:

Source of Supply	5,894	11,271
Pumping	48,462	45,627
Water Treatment	19,201	18,761
Transmission and Distribution	76,967	86,614
Customer Accounting	29,370	31,224
Information Technology	6,430	6,480
Administrative and General	207,450	163,858

	393,774	363,834
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Depreciation
Taxes Other than Income Taxes

	139,114	130,948
	65,950	54,093

	205,064	185,041
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Total Operating Expenses

	598,838	548,875
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Other Income and Expense
AFUDC

	(379,740)	(317,059)
	644	(6,720)
	-	(22,092)

Income before Interest and Taxes
Interest Expense, Outside
Interest Expense, Inside

	(379,097)	(345,871)
	101,038	101,035
	14,304	9,700

Income before Income Taxes
State Income Tax - Current
Federal Income Tax - Current
State Income Tax - Deferred
Federal Income Tax - Deferred

	(263,754)	(235,135)
	8,000	17,000
	76,000	65,000
	4,000	2,000
	18,000	9,000

Net Income, U.S.

	(157,754)	(142,135)
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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	161,342
Commercial	85,437	86,576
Industrial	2,729	835
Public Authorities	3,965	5,344
Public Fire	53,453	46,203
Private Fire	23,019	16,012
Other	8,309	4,851
Total Revenues	385,669	321,165
<u>Operating Expenses:</u>		
Source of Supply	2,715	2,475
Pumping	23,486	27,689
Water Treatment	12,152	10,179
Transmission and Distribution	32,130	29,275
Customer Accounting	15,631	20,083
Information Technology	(1,082)	2,609
Administrative and General	101,617	79,124
	186,650	171,434
Depreciation	69,557	65,474
Taxes Other than Income Taxes	32,774	26,793
	102,331	92,267
Total Operating Expenses	288,981	263,701
Other Income and Expense	(96,688)	(57,464)
AFUDC	(538)	(1,188)
	-	(10,882)
Income before Interest and Taxes	(97,226)	(69,534)
Interest Expense, Outside	50,519	50,516
Interest Expense, Inside	6,296	4,362
	(40,411)	(14,656)
Income before Income Taxes	(40,411)	(14,656)
State Income Tax - Current	(3,000)	1,000
Federal Income Tax - Current	(4,000)	4,000
State Income Tax - Deferred	4,000	-
Federal Income Tax - Deferred	18,000	1,000
Net Income	(25,411)	(8,656)

AQUARION WATER COMPANY OF NEW HAMPSHIRE
STATEMENT OF INCOME

(In Hundreds of Dollars)

For 12 months ended 30th March '07

	March-07	March-06
<u>Operating Revenues:</u>		
Residential	2,882,992	2,389,820
Commercial	978,585	956,150
Industrial	13,482	9,365
Public Authorities	83,936	74,016
Public Fire	577,297	526,384
Private Fire	212,803	179,221
Other	80,252	72,637
Total Revenues	4,829,347	4,207,593
<u>Operating Expenses:</u>		
Source of Supply	49,590	36,961
Pumping	310,824	254,967
Water Treatment	108,471	118,692
Transmission and Distribution	542,947	391,140
Customer Accounting	170,119	149,824
Information Technology	60,222	55,977
Administrative and General	1,223,161	939,730
	2,465,334	1,947,291
Depreciation	801,947	761,067
Taxes Other than Income Taxes	379,556	364,376
	1,181,503	1,125,443
Total Operating Expenses	3,646,837	3,072,734
Other Income and Expense	(1,182,510)	(1,134,859)
AFUDC	(54,067)	(61,704)
	(23,564)	(70,826)
Income before Interest and Taxes	(1,260,141)	(1,267,389)
Interest Expense, Outside	606,229	457,177
Interest Expense, Inside	79,074	133,349
Income before Income Taxes	(574,838)	(676,863)
State Income Tax - Current	34,000	72,000
Federal Income Tax - Current	120,000	272,000
State Income Tax - Deferred	15,560	(17,440)
Federal Income Tax - Deferred	64,948	(56,092)
Net Income	(340,330)	(406,395)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 11 months ended 28th February '07

	February '07	February-06
<u>Operating Revenues:</u>		
Residential	2,638,269	2,179,643
Commercial	940,979	922,219
Industrial	12,034	8,760
Public Authorities	81,818	72,331
Public Fire	523,844	479,523
Private Fire	193,043	162,620
Other	73,222	69,050
Total Revenues	4,463,210	3,894,146
<u>Operating Expenses:</u>		
Source of Supply	46,093	34,683
Pumping	278,404	225,247
Water Treatment	101,529	107,271
Transmission and Distribution	502,177	349,073
Customer Accounting	152,473	137,112
Information Technology	50,741	50,843
Administrative and General	1,099,917	875,154
	2,231,334	1,779,384
Depreciation	731,505	695,593
Taxes Other than Income Taxes	346,483	328,804
	1,077,988	1,024,397
Total Operating Expenses	3,309,322	2,803,780
Other Income and Expense	(1,153,889)	(1,090,366)
AFUDC	(43,952)	(58,361)
	(23,564)	(60,530)
Income before Interest and Taxes	(1,221,405)	(1,209,256)
Interest Expense, Outside	555,710	406,752
Interest Expense, Inside	73,765	128,724
Income before Income Taxes	(591,929)	(673,780)
State Income Tax - Current	34,000	72,000
Federal Income Tax - Current	126,000	272,000
State Income Tax - Deferred	15,560	(17,440)
Federal Income Tax - Deferred	64,948	(56,092)
Net Income	(351,421)	(403,312)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 10 months ended 31st January '07

	<u>January-'07</u>	<u>January-'06</u>
<u>Operating Revenues:</u>		
Residential	2,476,338	2,022,933
Commercial	855,400	852,447
Industrial	10,025	7,365
Public Authorities	77,050	67,886
Public Fire	466,009	433,774
Private Fire	171,842	146,018
Other	66,441	62,838
Total Revenues	4,123,106	3,593,261
<u>Operating Expenses:</u>		
Source of Supply	39,276	31,926
Pumping	255,534	199,524
Water Treatment	94,673	103,239
Transmission and Distribution	470,016	317,309
Customer Accounting	133,221	125,269
Information Technology	41,975	45,880
Administrative and General	963,712	749,937
	1,998,407	1,573,085
Depreciation	661,948	630,119
Taxes Other than Income Taxes	312,552	293,057
	974,500	923,176
Total Operating Expenses	2,972,907	2,496,261
Other Income and Expense	(1,150,200)	(1,096,999)
AFUDC	(39,292)	(50,760)
	(23,564)	(50,942)
Income before Interest and Taxes	(1,213,056)	(1,198,702)
Interest Expense, Outside	505,191	356,235
Interest Expense, Inside	68,208	125,174
	(639,656)	(717,292)
Income before Income Taxes		
State Income Tax - Current	36,000	76,000
Federal Income Tax - Current	141,000	286,000
State Income Tax - Deferred	15,560	(17,440)
Federal Income Tax - Deferred	66,948	(56,092)
Net Income	(380,148)	(428,824)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '06

	December '06	December '05
<u>Operating Revenues:</u>		
Residential	2,286,113	1,839,202
Commercial	769,266	787,516
Industrial	8,705	6,086
Public Authorities	72,053	62,799
Public Fire	421,098	386,254
Private Fire	153,300	129,417
Other	59,244	57,202
Total Revenues	3,769,780	3,268,475
<u>Operating Expenses:</u>		
Source of Supply	36,807	28,809
Pumping	231,584	177,359
Water Treatment	88,904	97,784
Transmission and Distribution	439,803	285,683
Customer Accounting	121,033	114,199
Information Technology	35,766	41,032
Administrative and General	884,948	666,705
	1,838,845	1,411,572
Depreciation	592,391	564,645
Taxes Other than Income Taxes	279,954	257,352
	872,345	821,997
Total Operating Expenses	2,711,190	2,233,569
Other Income and Expense	(1,058,591)	(1,034,906)
AFUDC	(41,994)	(48,202)
	(23,564)	(42,309)
Income before Interest and Taxes	(1,124,149)	(1,125,416)
Interest Expense, Outside	454,672	306,638
Interest Expense, Inside	61,261	122,023
Income before Income Taxes	(608,215)	(696,756)
State Income Tax - Current	35,000	74,000
Federal Income Tax - Current	131,000	279,000
State Income Tax - Deferred	15,560	(17,440)
Federal Income Tax - Deferred	65,948	(56,092)
Net Income	(360,707)	(417,288)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 8 months ended 30th November '06

	November '06	November '05
<u>Operating Revenues:</u>		
Residential	2,007,176	1,648,777
Commercial	730,359	743,395
Industrial	7,828	5,656
Public Authorities	60,731	59,751
Public Fire	374,236	342,835
Private Fire	135,214	114,853
Other	54,059	52,560
Total Revenues	3,369,604	2,967,828
<u>Operating Expenses:</u>		
Source of Supply	34,450	22,415
Pumping	208,394	169,978
Water Treatment	83,719	90,519
Transmission and Distribution	391,037	251,282
Customer Accounting	108,084	95,284
Information Technology	26,580	34,738
Administrative and General	721,133	614,156
	1,573,396	1,278,371
Depreciation	513,662	500,228
Taxes Other than Income Taxes	240,711	214,792
	754,373	715,020
Total Operating Expenses	2,327,769	1,993,391
Other Income and Expense	(1,041,836)	(974,437)
AFUDC	(39,506)	(44,722)
	(23,564)	(3,671)
Income before Interest and Taxes	(1,104,906)	(1,022,831)
Interest Expense, Outside	404,153	256,010
Interest Expense, Inside	53,290	118,864
Income before Income Taxes	(647,463)	(647,957)
State Income Tax - Current	48,000	43,000
Federal Income Tax - Current	180,000	160,000
State Income Tax - Deferred	7,000	13,000
Federal Income Tax - Deferred	26,000	48,000
Net Income	(386,463)	(383,957)

AQUARION WATER COMPANY of NEW HAMPSHIRE
STATEMENT OF INCOME
(In Hundreds of Dollars)
For 7 months ended 31st October '06

	<u>October-06</u>	<u>October-05</u>
<u>Operating Revenues:</u>		
Residential	1,774,191	1,420,912
Commercial	651,138	653,690
Industrial	6,513	4,889
Public Authorities	48,783	44,117
Public Fire	327,374	299,682
Private Fire	117,128	100,289
Other	49,507	48,145
Total Revenues	<u>2,974,634</u>	<u>2,571,724</u>

<u>Operating Expenses:</u>		
Source of Supply	30,724	18,614
Pumping	175,024	147,668
Water Treatment	75,471	80,993
Transmission and Distribution	342,142	217,451
Customer Accounting	94,926	81,126
Information Technology	19,927	29,709
Administrative and General	619,223	535,682
	<u>1,357,437</u>	<u>1,111,243</u>

Depreciation	458,318	435,568
Taxes Other than Income Taxes	203,187	187,905
	<u>661,505</u>	<u>623,473</u>
Total Operating Expenses	<u>2,018,942</u>	<u>1,734,717</u>

Other Income and Expense	(955,693)	(837,007)
AFUDC	(26,419)	(43,137)
	(23,564)	(3,418)
Income before Interest and Taxes	(1,005,676)	(883,562)
Interest Expense, Outside	353,634	205,248
Interest Expense, Inside	46,561	116,558
Income before Income Taxes	(605,481)	(561,757)
State Income Tax - Current	45,000	37,000
Federal Income Tax - Current	168,000	139,000
State Income Tax - Deferred	6,000	11,000
Federal Income Tax - Deferred	24,000	41,000
Net Income	<u>(362,481)</u>	<u>(333,757)</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE
STATEMENT OF INCOME
(In Hundreds of Dollars)
For 6 months ended 30th September '06

	September-06	September-05
Operating Revenues:		
Residential	1,529,089	1,253,059
Commercial	541,914	540,715
Industrial	5,138	3,960
Public Authorities	43,353	38,385
Public Fire	280,512	256,798
Private Fire	99,446	85,725
Other	44,648	43,656
Total Revenues	2,544,099	2,222,298

Operating Expenses:		
Source of Supply	27,694	16,321
Pumping	154,133	129,933
Water Treatment	66,912	71,089
Transmission and Distribution	283,592	189,858
Customer Accounting	85,098	70,430
Information Technology	18,057	26,751
Administrative and General	513,869	456,507
	1,149,356	960,889

Depreciation	392,844	373,344
Taxes Other than Income Taxes	174,559	157,657
	567,403	531,001
Total Operating Expenses	1,716,759	1,491,890

Other Income and Expense	(827,340)	(730,408)
AFUDC	(26,252)	(41,836)
	(23,564)	(3,180)
Income before Interest and Taxes	(877,156)	(775,424)
Interest Expense, Outside	303,115	154,755
Interest Expense, Inside	39,285	113,472

Income before Income Taxes	(534,756)	(507,198)
State Income Tax - Current	39,000	33,000
Federal Income Tax - Current	148,000	126,000
State Income Tax - Deferred	6,000	10,000
Federal Income Tax - Deferred	21,000	37,000
Net Income	(320,756)	(301,198)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 5 months ended 31st August '06

	<u>August-06</u>	<u>August-05</u>
<u>Operating Revenues:</u>		
Residential	1,237,652	930,518
Commercial	505,009	563,389
Industrial	4,724	3,338
Public Authorities	42,275	35,403
Public Fire	233,650	214,198
Private Fire	82,153	71,480
Other	38,535	36,979
Total Revenues	2,143,999	1,855,305
<u>Operating Expenses:</u>		
Source of Supply	23,872	12,740
Pumping	126,796	96,236
Water Treatment	48,887	45,782
Transmission and Distribution	237,349	151,261
Customer Accounting	69,067	56,168
Information Technology	15,848	22,426
Administrative and General	432,724	367,741
	954,543	752,354
Depreciation	327,370	311,120
Taxes Other than Income Taxes	145,770	126,667
	473,140	437,787
Total Operating Expenses	1,427,683	1,190,141
Income before Interest and Taxes	(716,316)	(665,165)
Other Income and Expense	(24,198)	(40,773)
AFUDC	(23,564)	(2,946)
Income before Interest and Taxes	(764,078)	(708,884)
Interest Expense, Outside	252,596	104,267
Interest Expense, Inside	31,349	110,812
Income before Income Taxes	(480,133)	(493,804)
State Income Tax - Current	36,000	32,000
Federal Income Tax - Current	134,000	122,000
State Income Tax - Deferred	5,000	10,000
Federal Income Tax - Deferred	19,000	36,000
Net Income	(286,133)	(293,804)

AQUARIUM WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 4 months ended 31st July '06

	<u>July-06</u>	<u>July-05</u>
<u>Operating Revenues:</u>		
Residential	1,237,652	819,645
Commercial	505,009	365,286
Industrial	4,724	3,106
Public Authorities	42,275	20,512
Public Fire	233,650	171,428
Private Fire	82,153	57,235
Other	38,535	32,582
Total Revenues	2,143,999	1,469,794
<u>Operating Expenses:</u>		
Source of Supply	23,872	9,922
Pumping	126,796	73,087
Water Treatment	48,887	34,296
Transmission and Distribution	237,349	122,503
Customer Accounting	69,067	44,827
Information Technology	15,848	18,228
Administrative and General	432,724	287,412
	954,543	590,275
Depreciation	327,370	248,896
Taxes Other than Income Taxes	145,770	96,108
	473,140	345,004
Total Operating Expenses	1,427,683	935,278
Other Income and Expense		
AFUDC	(716,316)	(534,515)
	(24,198)	(39,337)
	(23,564)	(2,946)
Income before Interest and Taxes	(764,078)	(576,798)
Interest Expense, Outside	252,596	77,714
Interest Expense, Inside	31,349	88,522
Income before Income Taxes	(480,133)	(410,561)
State Income Tax - Current	36,000	27,000
Federal Income Tax - Current	134,000	102,000
State Income Tax - Deferred	5,000	8,000
Federal Income Tax - Deferred	19,000	30,000
Net Income	(286,133)	(243,561)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 3 months ended 30th June '06

	<u>June-06</u>	<u>June-05</u>
<u>Operating Revenues:</u>		
Residential	750,772	681,603
Commercial	257,333	211,766
Industrial	2,620	3,074
Public Authorities	21,799	21,618
Public Fire	139,927	128,657
Private Fire	47,740	85,725
Other	28,897	29,150
Total Revenues	1,249,088	1,161,593
<u>Operating Expenses:</u>		
Source of Supply	15,873	6,147
Pumping	75,166	52,040
Water Treatment	29,780	23,185
Transmission and Distribution	149,743	102,833
Customer Accounting	45,419	34,753
Information Technology	11,258	11,438
Administrative and General	239,330	199,437
	566,568	429,833
Depreciation	196,422	186,672
Taxes Other than Income Taxes	82,677	83,090
	279,099	269,762
Total Operating Expenses	845,667	699,595
Other Income and Expense	(403,421)	(461,998)
AFUDC	(21,597)	(36,999)
	(22,824)	(2,168)
Income before Interest and Taxes	(447,842)	(501,164)
Interest Expense, Outside	151,557	58,286
Interest Expense, Inside	15,943	64,930
Income before Income Taxes	(280,342)	(377,949)
State Income Tax - Current	20,000	25,000
Federal Income Tax - Current	76,000	93,000
State Income Tax - Deferred	3,000	7,000
Federal Income Tax - Deferred	11,000	28,000
Net Income	(170,342)	(224,949)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 2 months ended 31st May '06

	<u>May-06</u>	<u>May-05</u>
<u>Operating Revenues:</u>		
Residential	493,607	469,657
Commercial	207,657	154,694
Industrial	1,626	2,257
Public Authorities	13,986	17,882
Public Fire	93,065	85,885
Private Fire	31,727	28,331
Other	24,266	26,341
Total Revenues	865,934	785,047
<u>Operating Expenses:</u>		
Source of Supply	11,271	3,753
Pumping	45,627	36,269
Water Treatment	18,761	16,071
Transmission and Distribution	86,614	66,594
Customer Accounting	31,224	13,347
Information Technology	6,480	8,940
Administrative and General	163,858	158,340
	363,834	303,312
Depreciation	130,948	124,448
Taxes Other than Income Taxes	54,093	54,569
	185,041	179,017
Total Operating Expenses	548,875	482,330
Other Income and Expense	(317,059)	(302,718)
AFUDC	(6,720)	(30,679)
	(22,092)	(1,422)
Income before Interest and Taxes	(345,871)	(334,819)
Interest Expense, Outside	101,035	38,857
Interest Expense, Inside	9,700	42,232
Income before Income Taxes	(235,135)	(253,729)
State Income Tax - Current	17,000	17,000
Federal Income Tax - Current	65,000	63,000
State Income Tax - Deferred	2,000	5,000
Federal Income Tax - Deferred	9,000	19,000
Net Income	(142,135)	(149,729)

AQUARION WATER COMPANY OF NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 1 month ended 30th April '06

	April-06	April-05
<u>Operating Revenues:</u>		
Residential	161,342	165,766
Commercial	86,576	67,959
Industrial	835	1,226
Public Authorities	5,344	4,087
Public Fire	46,203	42,600
Private Fire	16,012	14,610
Other	4,851	5,410
Total Revenues	321,165	301,659
<u>Operating Expenses:</u>		
Source of Supply	2,475	1,052
Pumping	27,689	17,839
Water Treatment	10,179	8,177
Transmission and Distribution	29,275	39,716
Customer Accounting	20,083	14,861
Information Technology	2,609	4,209
Administrative and General	79,124	74,532
	171,434	160,387
Depreciation	65,474	62,224
Taxes Other than Income Taxes	26,793	26,769
	92,267	88,993
Total Operating Expenses	263,701	249,380
Other Income and Expense		
AFUDC	(57,464)	(52,279)
	(1,188)	(1,336)
	(10,882)	(705)
Income before Interest and Taxes	(69,534)	(54,319)
Interest Expense, Outside	50,516	34,309
Interest Expense, Inside	4,362	19,755
Income before Income Taxes	(14,656)	(256)
State Income Tax - Current	1,000	-
Federal Income Tax - Current	4,000	-
State Income Tax - Deferred	-	-
Federal Income Tax - Deferred	1,000	-
Net Income	(8,656)	(256)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 12 months ended 30th March '06

March-06

Operating Revenues:

Residential	2,389,820
Commercial	956,150
Industrial	9,365
Public Authorities	74,016
Public Fire	526,384
Private Fire	179,221
Other	72,637

Total Revenues

4,207,593

Operating Expenses:

Source of Supply	36,961
Pumping	254,967
Water Treatment	118,692
Transmission and Distribution	391,140
Customer Accounting	149,824
Information Technology	55,977
Administrative and General	939,730

1,947,291

Depreciation

761,067

Taxes Other than Income Taxes

364,376

1,125,443

Total Operating Expenses

3,072,734

Other Income and Expense

(1,134,859)

AFUDC

(61,704)

Income before Interest and Taxes

(70,826)

Interest Expense, Outside

(1,267,389)

Interest Expense, Inside

457,177

133,349

Income before Income Taxes

(676,863)

State Income Tax - Current

72,000

Federal Income Tax - Current

272,000

State Income Tax - Deferred

(17,440)

Federal Income Tax - Deferred

(56,092)

Net Income

(406,395)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 11 months ended 28th February '06

February '06

Operating Revenues:

Residential	2,179,643
Commercial	922,219
Industrial	8,760
Public Authorities	72,331
Public Fire	479,523
Private Fire	162,620
Other	69,050

Total Revenues

3,894,146

Operating Expenses:

Source of Supply	34,683
Pumping	225,247
Water Treatment	107,271
Transmission and Distribution	349,073
Customer Accounting	137,112
Information Technology	50,843
Administrative and General	875,154

1,779,384

Depreciation

695,593

Taxes Other than Income Taxes

328,804

1,024,397

Total Operating Expenses

2,803,780

Other Income and Expense

(1,090,366)

AFUDC

(58,361)

Income before Interest and Taxes

(60,530)

Interest Expense, Outside

(1,209,256)

Interest Expense, Inside

406,752

Income before Income Taxes

128,724

State Income Tax - Current

(673,780)

Federal Income Tax - Current

72,000

State Income Tax - Deferred

272,000

Federal Income Tax - Deferred

(17,440)

(56,092)

Net Income

(403,312)

AQUARION WATER COMPANY of NEW HAMPSHIRE
STATEMENT OF INCOME

(In Hundreds of Dollars)
For 10 months ended 31st January '06

January-06

Operating Revenues:

Residential	2,022,933
Commercial	852,447
Industrial	7,365
Public Authorities	67,886
Public Fire	433,774
Private Fire	146,018
Other	62,838
Total Revenues	3,593,261

Operating Expenses:

Source of Supply	31,926
Pumping	199,524
Water Treatment	103,239
Transmission and Distribution	317,309
Customer Accounting	125,269
Information Technology	45,880
Administrative and General	749,937
	1,573,085

Depreciation
Taxes Other than Income Taxes

Depreciation	630,119
Taxes Other than Income Taxes	293,057
	923,176

Total Operating Expenses

	2,496,261
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Other Income and Expense
AFUDC

Other Income and Expense	(1,096,999)
AFUDC	(50,760)
	(50,942)

Income before Interest and Taxes
Interest Expense, Outside
Interest Expense, Inside

Income before Interest and Taxes	(1,198,702)
Interest Expense, Outside	356,235
Interest Expense, Inside	125,174

Income before Income Taxes
State Income Tax - Current
Federal Income Tax - Current
State Income Tax - Deferred
Federal Income Tax - Deferred

Income before Income Taxes	(717,292)
State Income Tax - Current	76,000
Federal Income Tax - Current	286,000
State Income Tax - Deferred	(17,440)
Federal Income Tax - Deferred	(56,092)

Net Income

	(428,824)
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AQUARION WATER COMPANY of NEW HAMPSHIRE
STATEMENT OF INCOME

(In Hundreds of Dollars)
For 9 months ended 31st December '05

December '05

Operating Revenues:

Residential	1,839,202
Commercial	787,516
Industrial	6,086
Public Authorities	62,799
Public Fire	386,254
Private Fire	129,417
Other	57,202

Total Revenues

3,268,475

Operating Expenses:

Source of Supply	28,809
Pumping	177,359
Water Treatment	97,784
Transmission and Distribution	285,683
Customer Accounting	114,199
Information Technology	41,032
Administrative and General	666,705

1,411,572

Depreciation

564,645

Taxes Other than Income Taxes

257,352

821,997

Total Operating Expenses

2,233,569

Other Income and Expense

(1,034,906)

AFUDC

(48,202)

Income before Interest and Taxes

(42,309)

Interest Expense, Outside

(1,125,416)

Interest Expense, Inside

306,638

122,023

Income before Income Taxes

(696,756)

State Income Tax - Current

74,000

Federal Income Tax - Current

279,000

State Income Tax - Deferred

(17,440)

Federal Income Tax - Deferred

(56,092)

Net Income

(417,288)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 8 months ended 30th November '05

November '05

Operating Revenues:

Residential	1,648,777
Commercial	743,395
Industrial	5,656
Public Authorities	59,751
Public Fire	342,835
Private Fire	114,853
Other	52,560

Total Revenues

2,967,828

Operating Expenses:

Source of Supply	22,415
Pumping	169,978
Water Treatment	90,519
Transmission and Distribution	251,282
Customer Accounting	95,284
Information Technology	34,738
Administrative and General	614,156

1,278,371

Depreciation

500,228

Taxes Other than Income Taxes

214,792

715,020

Total Operating Expenses

1,993,391

Other Income and Expense
AFUDC

(974,437)

(44,722)

(3,671)

Income before Interest and Taxes

(1,022,831)

Interest Expense, Outside

256,010

Interest Expense, Inside

118,864

Income before Income Taxes

(647,957)

State Income Tax - Current

43,000

Federal Income Tax - Current

160,000

State Income Tax - Deferred

13,000

Federal Income Tax - Deferred

48,000

Net Income

(383,957)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 7 months ended 31st October '05

October-05

Operating Revenues:

Residential	1,420,912
Commercial	653,690
Industrial	4,889
Public Authorities	44,117
Public Fire	299,682
Private Fire	100,289
Other	48,145

Total Revenues

2,571,724

Operating Expenses:

Source of Supply	18,614
Pumping	147,668
Water Treatment	80,993
Transmission and Distribution	217,451
Customer Accounting	81,126
Information Technology	29,709
Administrative and General	535,682

1,111,243

Depreciation

435,568

Taxes Other than Income Taxes

187,905

623,473

Total Operating Expenses

1,734,717

Other Income and Expense

(837,007)

AFUDC

(43,137)

(3,418)

Income before Interest and Taxes

(883,562)

Interest Expense, Outside

205,248

Interest Expense, Inside

116,558

Income before Income Taxes

(561,757)

State Income Tax - Current

37,000

Federal Income Tax - Current

139,000

State Income Tax - Deferred

11,000

Federal Income Tax - Deferred

41,000

Net Income

(333,757)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6 months ended 30th September '05

September-05

Operating Revenues:

Residential	1,253,059
Commercial	540,715
Industrial	3,960
Public Authorities	38,385
Public Fire	256,798
Private Fire	85,725
Other	43,656

Total Revenues

2,222,298

Operating Expenses:

Source of Supply	16,321
Pumping	129,933
Water Treatment	71,089
Transmission and Distribution	189,858
Customer Accounting	70,430
Information Technology	26,751
Administrative and General	456,507

960,889

Depreciation

373,344

Taxes Other than Income Taxes

157,657

531,001

Total Operating Expenses

1,491,890

Other Income and Expense

(730,408)

AFUDC

(41,836)

Income before Interest and Taxes

(3,180)

Interest Expense, Outside

(775,424)

Interest Expense, Inside

154,755

Income before Income Taxes

113,472

State Income Tax - Current

(507,198)

Federal Income Tax - Current

33,000

State Income Tax - Deferred

126,000

Federal Income Tax - Deferred

10,000

37,000

Net Income

(301,198)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 5 months ended 31st August '05

August-05

Operating Revenues:

Residential	930,518
Commercial	563,389
Industrial	3,338
Public Authorities	35,403
Public Fire	214,198
Private Fire	71,480
Other	36,979

Total Revenues

1,855,305

Operating Expenses:

Source of Supply	12,740
Pumping	96,236
Water Treatment	45,782
Transmission and Distribution	151,261
Customer Accounting	56,168
Information Technology	22,426
Administrative and General	367,741

752,354

Depreciation

311,120

Taxes Other than Income Taxes

126,667

437,787

Total Operating Expenses

1,190,141

Income before Interest and Taxes

(665,165)

Other Income and Expense

(40,773)

AFUDC

(2,946)

Income before Interest and Taxes

(708,884)

Interest Expense, Outside

104,267

Interest Expense, Inside

110,812

Income before Income Taxes

(493,804)

State Income Tax - Current

32,000

Federal Income Tax - Current

122,000

State Income Tax - Deferred

10,000

Federal Income Tax - Deferred

36,000

Net Income

(293,804)

AQUARION WATER COMPANY OF NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 4 months ended 31st July '05

July-05

Operating Revenues:

Residential	819,645
Commercial	365,286
Industrial	3,106
Public Authorities	20,512
Public Fire	171,428
Private Fire	57,235
Other	32,582
Total Revenues	<u>1,469,794</u>

Operating Expenses:

Source of Supply	9,922
Pumping	73,087
Water Treatment	34,296
Transmission and Distribution	122,503
Customer Accounting	44,827
Information Technology	18,228
Administrative and General	287,412
	<u>590,275</u>

Depreciation

	<u>248,896</u>
Taxes Other than Income Taxes	96,108

	<u>345,004</u>
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Total Operating Expenses

	<u>935,278</u>
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Other Income and Expense
AFUDC

	<u>(534,515)</u>
	(39,337)
	(2,946)

Income before Interest and Taxes

	<u>(576,798)</u>
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Interest Expense, Outside

	77,714
--	--------

Interest Expense, Inside

	88,522
--	--------

Income before Income Taxes

	<u>(410,561)</u>
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State Income Tax - Current

	27,000
--	--------

Federal Income Tax - Current

	102,000
--	---------

State Income Tax - Deferred

	8,000
--	-------

Federal Income Tax - Deferred

	30,000
--	--------

Net Income

	<u>(243,561)</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

June-05

Operating Revenues:

Residential	681,603
Commercial	211,766
Industrial	3,074
Public Authorities	21,618
Public Fire	128,657
Private Fire	85,725
Other	29,150
Total Revenues	<u>1,161,593</u>

Operating Expenses:

Source of Supply	6,147
Pumping	52,040
Water Treatment	23,185
Transmission and Distribution	102,833
Customer Accounting	34,753
Information Technology	11,438
Administrative and General	199,437
	<u>429,833</u>

Depreciation
Taxes Other than Income Taxes

Depreciation	186,672
Taxes Other than Income Taxes	83,090
	<u>269,762</u>

Total Operating Expenses

	<u>699,595</u>
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Other Income and Expense
AFUDC

Other Income and Expense	(461,998)
AFUDC	(36,999)
	<u>(2,168)</u>

Income before Interest and Taxes
Interest Expense, Outside
Interest Expense, Inside

Income before Interest and Taxes	(501,164)
Interest Expense, Outside	58,286
Interest Expense, Inside	64,930

Income before Income Taxes
State Income Tax - Current
Federal Income Tax - Current
State Income Tax - Deferred
Federal Income Tax - Deferred

Income before Income Taxes	(377,949)
State Income Tax - Current	25,000
Federal Income Tax - Current	93,000
State Income Tax - Deferred	7,000
Federal Income Tax - Deferred	28,000

Net Income

	<u>(224,949)</u>
--	------------------

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 2 months ended 31st May '05

May-05

Operating Revenues:

Residential	469,657
Commercial	154,694
Industrial	2,257
Public Authorities	17,882
Public Fire	85,885
Private Fire	28,331
Other	26,341

Total Revenues

785,047

Operating Expenses:

Source of Supply	3,753
Pumping	36,269
Water Treatment	16,071
Transmission and Distribution	66,594
Customer Accounting	13,347
Information Technology	8,940
Administrative and General	158,340

303,312

Depreciation

124,448

Taxes Other than Income Taxes

54,569

179,017

Total Operating Expenses

482,330

Other Income and Expense
AFUDC

(302,718)

(30,679)

(1,422)

Income before Interest and Taxes

(334,819)

Interest Expense, Outside

38,857

Interest Expense, Inside

42,232

Income before Income Taxes

(253,729)

State Income Tax - Current

17,000

Federal Income Tax - Current

63,000

State Income Tax - Deferred

5,000

Federal Income Tax - Deferred

19,000

Net Income

(149,729)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 1 month ended 30th April '05

April-05

Operating Revenues:

Residential	165,766
Commercial	67,959
Industrial	1,226
Public Authorities	4,087
Public Fire	42,600
Private Fire	14,610
Other	5,410
Total Revenues	301,659

Operating Expenses:

Source of Supply	1,052
Pumping	17,839
Water Treatment	8,177
Transmission and Distribution	39,716
Customer Accounting	14,861
Information Technology	4,209
Administrative and General	74,532
	160,387

Depreciation
Taxes Other than Income Taxes

62,224
26,769

Total Operating Expenses

249,380

Other Income and Expense
AFUDC

(52,279)
(1,336)
(705)

Income before Interest and Taxes
Interest Expense, Outside
Interest Expense, Inside

(54,319)
34,309
19,755

Income before Income Taxes
State Income Tax - Current
Federal Income Tax - Current
State Income Tax - Deferred
Federal Income Tax - Deferred

(256)
-
-
-
-

Net Income

(256)

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS
(in thousands of dollars)

April 30,
2005

STOCKHOLDERS' EQUITY	
Preferred stock	\$ 3
Common stock	2,187
Paid in capital	2,259
Contributed capital	480
Retained earnings	1,690
Treasury stock	
Total stockholders' equity	6,619
LONG-TERM DEBT - BONDS	
To associated companies	8,000
Other	
Total	8,000
CURRENT AND ACCRUED LIABILITIES	
Accounts payable and accrued liab	607
Current maturities of long-term debt	1
Dividends payable	-
Payables to associates	111
Accrued bond interest	-
Accrued federal income taxes	-
Accrued state income taxes	-
Other accrued taxes	719
Total current liabilities	2,889
DEFERRED CREDITS	
Deferred taxes	793
Unfunded deferred taxes	
Deferred gain on land sale	
Customers' advances for construction	
Other deferred credits	
Total deferred credits	3,682
CONTRIBUTIONS IN AID OF CONSTRUCTION	1,733
TOTAL LIABILITIES AND OTHER CREDITS	\$ 23,753

April 30,
2005

PROPERTY, PLANT AND EQUIPMENT	
Utility Plant	\$ 27,729
Less: Accumulated depreciation	(6,413)
Net utility plant	21,316
Non-Utility property and equipment	97
Less: Accumulated depreciation	(97)
Net non-utility property and equipment	-
CURRENT AND ACCRUED ASSETS	
Cash	-
Accounts receivable	405
Miscellaneous receivables	101
Reserve for uncollectibles	(25)
Dividends receivable	27
Receivables from associated companies	445
Accrued revenues	109
Materials and supplies, at cost	147
Prepayments	1,209
Total current assets	1,209
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	-
Unfunded deferred taxes	144
Prepaid taxes	578
Other deferred debits	506
Total deferred debits	1,228
TOTAL ASSETS AND OTHER DEBITS	\$ 23,753

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS
(in thousands of dollars)

	May 31, 2005	May 31, 2005
PROPERTY, PLANT AND EQUIPMENT		
Utility Plant	\$ 27,937	\$ 27,937
Less: Accumulated depreciation	(6,475)	(6,475)
Net utility plant	21,462	21,462
Non-Utility property and equipment	97	97
Less: Accumulated depreciation	(97)	(97)
Net non-utility property and equipment	-	-
CURRENT AND ACCRUED ASSETS		
Cash	-	-
Accounts receivable	512	512
Miscellaneous receivables	-	-
Reserve for uncollectibles	(26)	(26)
Dividends receivable	-	-
Receivables from associated companies	-	-
Accrued revenues	537	537
Materials and supplies, at cost	121	121
Prepayments	106	106
Total current assets	1,250	1,250
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	144	144
Unfunded deferred taxes	577	577
Prepaid taxes	506	506
Other deferred debits	-	-
Total deferred debits	1,227	1,227
TOTAL ASSETS AND OTHER DEBITS	\$ 23,939	\$ 23,939
STOCKHOLDERS' EQUITY		
Preferred stock	3	3
Common stock	2,187	2,187
Paid in capital	2,259	2,259
Contributed capital	480	480
Retained earnings	1,840	1,840
Capital stock expense	-	-
Treasury stock	-	-
Total stockholders' equity	6,769	6,769
LONG-TERM DEBT - BONDS		
3.000	-	-
NOTES PAYABLE		
To associated companies	8,000	8,000
Other	-	-
Total	8,000	8,000
CURRENT AND ACCRUED LIABILITIES		
Accounts payable and accrued liab	617	617
Current maturities of long-term debt	1	1
Dividends payable	-	-
Payables to associates	-	-
Accrued bond interest	116	116
Accrued federal income taxes	-	-
Accrued state income taxes	-	-
Other accrued taxes	-	-
Total current liabilities	734	734
DEFERRED CREDITS		
Deferred taxes	2,913	2,913
Unfunded deferred taxes	-	-
Deferred gain on land sale	793	793
Customers' advances for construction	-	-
Other deferred credits	-	-
Total deferred credits	3,706	3,706
CONTRIBUTIONS IN AID OF CONSTRUCTION		
1,730	-	-
TOTAL LIABILITIES AND OTHER CREDITS	\$ 23,939	\$ 23,939

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

	June 30, 2005	June 30, 2005
PROPERTY, PLANT AND EQUIPMENT		
Utility plant	\$ 28,101	\$ 28,101
Less: Accumulated depreciation	(6,537)	(6,537)
Net utility plant	21,564	21,564
Non-Utility property and equipment	97	97
Less: Accumulated depreciation	(97)	(97)
Net non-Utility property and equipment	-	-
CURRENT AND ACCRUED ASSETS		
Cash	-	-
Accounts receivable	384	384
Miscellaneous receivables	-	-
Reserve for uncollectibles	(25)	(25)
Dividends receivable	-	-
Receivables from associated companies	471	471
Accrued revenues	121	121
Materials and supplies, at cost	140	140
Prepayments	1,091	1,091
Total current assets	1,991	1,991
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	169	169
Unfunded deferred taxes	577	577
Prepaid taxes	505	505
Other deferred debits	1,251	1,251
Total deferred debits	2,402	2,402
TOTAL ASSETS AND OTHER DEBITS	\$ 23,906	\$ 23,906
STOCKHOLDERS' EQUITY		
Preferred stock	\$ 3	\$ 3
Common stock	2,187	2,187
Paid in capital	2,259	2,259
Contributed capital	480	480
Retained earnings	1,836	1,836
Capital stock expense	-	-
Treasury stock	-	-
Total stockholders' equity	6,765	6,765
LONG-TERM DEBT - BONDS		
Notes payable	8,200	8,200
To associated companies	-	-
Other	-	-
Total	8,200	8,200
CURRENT AND ACCRUED LIABILITIES		
Accounts payable and accrued liab	476	476
Current maturities of long-term debt	1	1
Dividends payable	-	-
Payables to associates	-	-
Accrued bond interest	19	19
Accrued federal income taxes	-	-
Accrued state income taxes	-	-
Other accrued taxes	-	-
Total current liabilities	496	496
DEFERRED CREDITS		
Unfunded deferred taxes	2,924	2,924
Deferred taxes	-	-
Deferred gain on land sale	793	793
Customers' advances for construction	-	-
Other deferred credits	-	-
Total deferred credits	3,717	3,717
CONTRIBUTIONS IN AID OF CONSTRUCTION		
	1,728	1,728
TOTAL LIABILITIES AND OTHER CREDITS	\$ 23,906	\$ 23,906

Liabilities and other credits

Assets and other debits

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

July 31,
2005

Liabilities and other credits

STOCKHOLDERS' EQUITY	
Preferred stock	3
Common stock	2,167
Paid in capital	2,259
Contributed capital	480
Retained earnings	1,855
Treasury stock	
Total stockholders' equity	6,764
LONG-TERM DEBT - BONDS	
Notes payable	8,300
Other	
Total	8,300
CURRENT AND ACCRUED LIABILITIES	
Accounts payable and accrued liab	556
Current maturities of long-term debt	1
Dividends payable	-
Payables to associates	39
Accrued bond interest	-
Accrued federal income taxes	-
Accrued state income taxes	-
Other accrued taxes	596
Total current liabilities	2,927
DEFERRED CREDITS	
Deferred taxes	793
Unfunded deferred taxes	
Deferred gain on land sale	
Customers' advances for construction	
Other deferred credits	
Total deferred credits	3,720
CONTRIBUTIONS IN AID OF CONSTRUCTION	
	1,726
TOTAL LIABILITIES AND OTHER CREDITS	\$ 24,126

July 31,
2005

Assets and other debits

PROPERTY, PLANT AND EQUIPMENT	
Utility plant	28,138
Less: Accumulated depreciation	(6,600)
Net utility plant	21,538
Non-Utility property and equipment	(97)
Less: Accumulated depreciation	97
Net non-utility property and equipment	-
CURRENT AND ACCRUED ASSETS	
Cash	-
Accounts receivable	489
Miscellaneous receivables	-
Reserve for uncollectibles	(25)
Receivables from associated companies	5
Accrued revenues	545
Materials and supplies, at cost	124
Prepayments	181
Total current assets	1,319
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	174
Unfunded deferred taxes	577
Prepaid taxes	518
Other deferred debits	
Total deferred debits	1,269
TOTAL ASSETS AND OTHER DEBITS	\$ 24,126

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

August 31, 2005		August 31, 2005	
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
PROPERTY, PLANT AND EQUIPMENT		STOCKHOLDERS' EQUITY	
Utility Plant	\$ 28,223	Preferred stock	\$ 3
Less: Accumulated depreciation	(6,662)	Common stock	2,187
Net utility plant	21,561	Paid in capital	3,559
Non-Utility property and equipment	97	Contributed capital	480
Less: Accumulated depreciation	(97)	Retained earnings	1,906
Net non-utility property and equipment	-	Treasury stock	-
CURRENT AND ACCRUED ASSETS	-	Total stockholders' equity	8,135
Cash	-	LONG-TERM DEBT - BONDS	8,900
Accounts receivable	303	NOTES PAYABLE	500
Miscellaneous receivables	-	To associated companies	Other
Reserve for uncollectibles	(26)	Total	900
Dividends receivable	14	CURRENT AND ACCRUED LIABILITIES	553
Accrued revenues	546	Accounts payable and accrued liab	1
Materials and supplies, at cost	126	Current maturities of long-term debt	553
Prepayments	160	Dividends payable	-
Total current assets	1,123	Payables to associates	65
NOTES RECEIVABLE	-	Accrued bond interest	-
From associated companies	-	Accrued federal income taxes	-
Other	-	Accrued state income taxes	-
OTHER INVESTMENTS	-	Other accrued taxes	619
Investments in subsidiaries	-	Total current liabilities	2,935
Investments in joint ventures	-	DEFERRED CREDITS	793
Goodwill	-	Deferred taxes	3,728
Miscellaneous	-	Unfunded deferred taxes	1,724
DEFERRED DEBITS	-	Deferred gain on land sale	-
Unamortized debt discount and expense	217	Customers' advances for construction	-
Unfunded deferred taxes	577	Other deferred credits	-
Prepaid taxes	528	Total deferred credits	-
Other deferred debits	1,322	CONTRIBUTIONS IN AID OF CONSTRUCTION	24,006
Total deferred debits	24,006		
TOTAL ASSETS AND OTHER DEBITS	\$ 24,006	TOTAL LIABILITIES AND OTHER CREDITS	\$ 24,006

(in thousands of dollars)

September 30, 2005		September 30, 2004	
PROPERTY, PLANT AND EQUIPMENT			
Utility plant	\$ 28,292	\$ 21,568	2004
Less: Accumulated depreciation	(6,724)	(97)	2004
Net utility plant	21,568	97	2004
Non-utility property and equipment	97	(97)	2004
Less: Accumulated depreciation	(97)	-	2004
Net non-utility property and equipment	-	-	2004
CURRENT AND ACCRUED ASSETS			
Cash	-	-	
Accounts receivable	502	502	
Miscellaneous receivables	-	-	
Reserve for uncollectibles	(26)	(26)	
Dividends receivable	36	36	
Receivables from associated companies	407	407	
Accrued revenues	139	139	
Materials and supplies, at cost	130	130	
Prepayments	1,188	1,188	
NOTES RECEIVABLE			
From associated companies	-	-	
Other	-	-	
TOTAL			
Investments in subsidiaries	-	-	
Investments in joint ventures	-	-	
Goodwill	-	-	
Miscellaneous	-	-	
DEFERRED DEBITS			
Unamortized debt discount and expense	219	219	
Unfunded deferred taxes	577	577	
Prepaid taxes	528	528	
Other deferred debits	1,324	1,324	
Total deferred debits	1,324	1,324	
TOTAL ASSETS AND OTHER DEBITS	\$ 24,080	\$ 24,080	
STOCKHOLDERS' EQUITY			
Preferred stock	3	3	
Common stock	2,187	2,187	
Paid in capital	3,559	3,559	
Contributed capital	480	480	
Retained earnings	1,834	1,834	
Capital stock expense	-	-	
Treasury stock	-	-	
Total stockholders' equity	8,063	8,063	
LONG-TERM DEBT - BONDS			
To associated companies	1,000	1,000	
Other	1,000	1,000	
TOTAL			
Accounts payable and accrued liab	550	550	
Current maturities of long-term debt	1	1	
Dividends payable	-	-	
Payables to associates	-	-	
Accrued bond interest	115	115	
Accrued federal income taxes	-	-	
Accrued state income taxes	-	-	
Other accrued taxes	666	666	
Total current liabilities	666	666	
DEFERRED CREDITS			
Deferred taxes	2,936	2,936	
Unfunded deferred taxes	-	-	
Deferred gain on land sale	-	-	
Customers' advances for construction	793	793	
Other deferred credits	3,729	3,729	
Total deferred credits	3,729	3,729	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
1,722	1,722		
TOTAL LIABILITIES AND OTHER CREDITS	\$ 24,080	\$ 24,080	

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS

(in thousands of dollars)

October 31,
2005

ASSETS and other debits	
PROPERTY, PLANT AND EQUIPMENT	
Utility Plant	
Less: Accumulated depreciation	
Net utility plant	
Non-Utility property and equipment	
Less: Accumulated depreciation	
Net non-utility property and equipment	
CURRENT AND ACCRUED ASSETS	
Cash	
Accounts receivable	
Miscellaneous receivables	
Reserve for uncollectibles	
Dividends receivable	
Receivables from associated companies	
Accrued revenues	
Materials and supplies, at cost	
Prepayments	
Total current assets	
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	
Unfunded deferred taxes	
Prepaid taxes	
Other deferred debits	
Total deferred debits	
TOTAL ASSETS AND OTHER DEBITS	
	\$ 23,831
LIABILITIES and other credits	
STOCKHOLDERS' EQUITY	
Preferred stock	
Common stock	
Paid in capital	
Contributed capital	
Retained earnings	
Capital stock expense	
Treasury stock	
Total stockholders' equity	
LONG-TERM DEBT - BONDS	
NOTES PAYABLE	
To associated companies	
Other	
Total	
CURRENT AND ACCRUED LIABILITIES	
Accounts payable and accrued liab	
Current maturities of long-term debt	
Dividends payable	
Payables to associates	
Accrued bond interest	
Accrued federal income taxes	
Accrued state income taxes	
Other accrued taxes	
Total current liabilities	
DEFERRED CREDITS	
Deferred taxes	
Unfunded deferred taxes	
Deferred gain on land sale	
Customers' advances for construction	
Other deferred credits	
Total deferred credits	
CONTRIBUTIONS IN AID OF CONSTRUCTION	
TOTAL LIABILITIES AND OTHER CREDITS	
	\$ 23,831

October 31,
2005

ASSETS and other debits	
PROPERTY, PLANT AND EQUIPMENT	
Utility Plant	
Less: Accumulated depreciation	
Net utility plant	
Non-Utility property and equipment	
Less: Accumulated depreciation	
Net non-utility property and equipment	
CURRENT AND ACCRUED ASSETS	
Cash	
Accounts receivable	
Miscellaneous receivables	
Reserve for uncollectibles	
Dividends receivable	
Receivables from associated companies	
Accrued revenues	
Materials and supplies, at cost	
Prepayments	
Total current assets	
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	
Unfunded deferred taxes	
Prepaid taxes	
Other deferred debits	
Total deferred debits	
TOTAL ASSETS AND OTHER DEBITS	
	\$ 23,831
LIABILITIES and other credits	
STOCKHOLDERS' EQUITY	
Preferred stock	
Common stock	
Paid in capital	
Contributed capital	
Retained earnings	
Capital stock expense	
Treasury stock	
Total stockholders' equity	
LONG-TERM DEBT - BONDS	
NOTES PAYABLE	
To associated companies	
Other	
Total	
CURRENT AND ACCRUED LIABILITIES	
Accounts payable and accrued liab	
Current maturities of long-term debt	
Dividends payable	
Payables to associates	
Accrued bond interest	
Accrued federal income taxes	
Accrued state income taxes	
Other accrued taxes	
Total current liabilities	
DEFERRED CREDITS	
Deferred taxes	
Unfunded deferred taxes	
Deferred gain on land sale	
Customers' advances for construction	
Other deferred credits	
Total deferred credits	
CONTRIBUTIONS IN AID OF CONSTRUCTION	
TOTAL LIABILITIES AND OTHER CREDITS	
	\$ 23,831

BALANCE SHEETS
(in thousands of dollars)

November 30, 2005

<u>STOCKHOLDERS' EQUITY</u>	
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>
<u>LONG-TERM DEBT - BONDS</u>	
<u>NOTES PAYABLE</u>	
To associated companies	900
Other	
Total	<u>900</u>
<u>CURRENT AND ACCRUED LIABILITIES</u>	
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>
<u>DEFERRED CREDITS</u>	
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	<u>2,015</u>
<u>\$ 24,115</u>	

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

	December 31, 2005	December 31, 2005
<u>Assets and other debits</u>		
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Utility Plant	\$ 28,887	\$ 28,887
Less: Accumulated depreciation	(6,916)	(6,916)
Net utility plant	21,971	21,971
Non-Utility property and equipment	97	97
Less: Accumulated depreciation	(97)	(97)
Net non-utility property and equipment	-	-
<u>CURRENT AND ACCRUED ASSETS</u>		
Cash	-	-
Accounts receivable	686	686
Miscellaneous receivables	-	-
Reserve for uncollectibles	(30)	(30)
Dividends receivable	-	-
Receivables from associated companies	326	326
Materials and supplies, at cost	94	94
Prepayments	118	118
Total current assets	1,194	1,194
<u>NOTES RECEIVABLE</u>		
From associated companies	-	-
Other	-	-
Total	-	-
<u>OTHER INVESTMENTS</u>		
Investments in subsidiaries	-	-
Investments in joint ventures	-	-
Goodwill	-	-
Miscellaneous	-	-
Total	-	-
<u>DEFERRED DEBITS</u>		
Unamortized debt discount and expense	265	265
Unfunded deferred taxes	575	575
Prepaid taxes	545	545
Other deferred debits	1,385	1,385
Total deferred debits	2,550	2,550
<u>Liabilities and other credits</u>		
<u>STOCKHOLDERS' EQUITY</u>		
Preferred stock	3	3
Common stock	2,187	2,187
Paid in capital	3,559	3,559
Contributed capital	480	480
Retained earnings	1,871	1,871
Capital stock expense	-	-
Treasury stock	-	-
Total stockholders' equity	8,100	8,100
<u>LONG-TERM DEBT - BONDS</u>		
8.900		
<u>NOTES PAYABLE</u>		
To associated companies	900	900
Other	-	-
Total	900	900
<u>CURRENT AND ACCRUED LIABILITIES</u>		
Accounts payable and accrued liab	1,200	1,200
Current maturities of long-term debt	1	1
Dividends payable	-	-
Payables to associates	149	149
Accrued bond interest	-	-
Accrued federal income taxes	-	-
Accrued state income taxes	-	-
Other accrued taxes	-	-
Total current liabilities	1,350	1,350
<u>DEFERRED CREDITS</u>		
Deferred taxes	2,813	2,813
Unfunded deferred taxes	-	-
Deferred gain on land sale	-	-
Customers' advances for construction	398	398
Other deferred credits	-	-
Total deferred credits	3,211	3,211
<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>		
2,089		
<u>TOTAL LIABILITIES AND OTHER CREDITS</u>		
\$ 24,550		\$ 24,550

December 31,
2005

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

January 31,
2006

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	8,111
LONG-TERM DEBT - BONDS	
	8,900
NOTES PAYABLE	
To associated companies	800
Other	
Total	800
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	1,173
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	3,196
CONTRIBUTIONS IN AID OF CONSTRUCTION	
	2,086
TOTAL LIABILITIES AND OTHER CREDITS	
	\$ 24,266

January 31,
2006

PROPERTY, PLANT AND EQUIPMENT	
Utility Plant	29,091
Less: Accumulated depreciation	(6,981)
Net utility plant	22,110
Non-Utility property and equipment	97
Less: Accumulated depreciation	(97)
Net non-utility property and equipment	-
CURRENT AND ACCRUED ASSETS	
Cash	-
Accounts receivable	230
Miscellaneous receivables	-
Reserve for uncollectibles	(30)
Dividends receivable	42
Receivables from associated companies	369
Materials and supplies, at cost	94
Prepayments	82
Total current assets	787
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	259
Unfunded deferred taxes	575
Prepaid taxes	535
Other deferred debits	1,369
Total deferred debits	2,758
TOTAL ASSETS AND OTHER DEBITS	
	\$ 24,266

BALANCE SHEETS
(In thousands of dollars)

February 28, 2006

February 28, 2006

Assets and other debits	
<u>PROPERTY, PLANT AND EQUIPMENT</u>	
Utility Plant	
Less: Accumulated depreciation	
Net utility plant	
Non-Utility property and equipment	
Less: Accumulated depreciation	
Net non-utility property and equipment	
<u>CURRENT AND ACCRUED ASSETS</u>	
Cash	
Accounts receivable	
Miscellaneous receivables	
Reserve for uncollectibles	
Dividends receivable	
Receivables from associated companies	
Accrued revenues	
Materials and supplies, at cost	
Prepayments	
Total current assets	
<u>NOTES RECEIVABLE</u>	
From associated companies	
Other	
Total	
<u>OTHER INVESTMENTS</u>	
Investments in subsidiaries	
Investments in joint ventures	
Goodwill	
Miscellaneous	
Total	
<u>DEFERRED DEBITS</u>	
Unamortized debt discount and expense	
Unfunded deferred taxes	
Prepaid taxes	
Other deferred debits	
Total deferred debits	
<u>TOTAL ASSETS AND OTHER DEBITS</u>	

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AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS
(in thousands of dollars)

March 31,
2006

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

March 31,
2006

(in thousands of dollars)

2006

2007

April 30

2006

Liabilities and other credits

2007	April 30	2006
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April 30

2006

PROPERTY, PLANT AND EQUIPMENT	Utility Plant	Less: Accumulated depreciation	Net utility plant	Non-Utility property and equipment	Less: Accumulated depreciation	Net non-utility property and equipment	CURRENT AND ACCRUED ASSETS	Cash	Accounts receivable	Miscellaneous receivables	Reserve for uncollectibles	Dividends receivable	Receivables from associated companies	Accrued revenues	Materials and supplies, at cost	Prepayments	Total current assets	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	Unfunded deferred taxes	Prepaid taxes	Other deferred debits	Total deferred debits	TOTAL ASSETS AND OTHER DEBITS
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STOCKHOLDERS' EQUITY

Preferred stock

Common stock

Paid in capital

Contributed capital

Retained earnings

Capital stock expense

Treasury stock

Total stockholders' equity

LONG-TERM DEBT - BONDS

NOTES PAYABLE

To associated companies

Other

Total

CURRENT AND ACCRUED LIABILITIES

Accounts payable and accrued liab

Current maturities of long-term debt

Dividends payable

Payables to associates

Accrued bond interest

Accrued federal income taxes

Accrued state income taxes

Other accrued taxes

Total current liabilities

DEFERRED CREDITS

Deferred taxes

Unfunded deferred taxes

Deferred gain on land sale

Customers' advances for construction

Other deferred credits

Total deferred credits

CONTRIBUTIONS IN AID OF CONSTRUCTION

TOTAL LIABILITIES AND OTHER CREDITS

\$	3	2,187	3,558	480	1,963	8,191	8,900	1,500	1,500	1,100	1,100	902	1	188	-	1,091	2,814	382	3,196	2,078	24,461
3		2,187	3,558	480	1,963	8,191	8,900	1,500	1,500	1,100	1,100	902	1	188	-	1,091	2,814	382	3,196	2,078	24,461

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

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

Liabilities and other credits

Assets and other debits

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

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

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

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

July 31 2007
July 31 2006

Liabilities and other credits

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

	2007	2006
PROPERTY, PLANT AND EQUIPMENT		
Utility Plant	\$ 31,185	\$ 30,136
Less: Accumulated depreciation	(8,073)	(7,378)
Net utility plant	23,112	22,758
Non-Utility property and equipment	97	97
Less: Accumulated depreciation	(97)	(97)
Net non-utility property and equipment	-	-
CURRENT AND ACCRUED ASSETS		
Cash	-	-
Accounts receivable	555	265
Miscellaneous receivables	-	-
Reserve for uncollectibles	-	-
Dividends receivable	(37)	(44)
Receivables from associated companies	-	31
Accrued revenues	567	613
Materials and supplies, at cost	236	153
Prepayments	185	3
Total current assets	1,506	1,021
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	212	220
Unfunded deferred taxes	568	575
Prepaid taxes	734	530
Other deferred debits	1,514	1,325
Total deferred debits	2,808	2,625
TOTAL ASSETS AND OTHER DEBITS	\$ 26,132	\$ 25,104
STOCKHOLDERS' EQUITY		
Preferred stock	\$ 3	\$ 3
Common stock	2,187	2,187
Paid in capital	3,558	3,558
Contributed capital	480	480
Retained earnings	2,166	2,000
Capital stock expense	-	-
Treasury stock	-	-
Total stockholders' equity	8,394	8,228
LONG-TERM DEBT - BONDS		
8,900	8,900	8,900
NOTES PAYABLE		
To associated companies	1,800	1,700
Other	-	-
Total	1,800	1,700
CURRENT AND ACCRUED LIABILITIES		
Accounts payable and accrued liab	1,604	909
Current maturities of long-term debt	1	1
Dividends payable	88	88
Payables to associates	20	-
Accrued bond interest	-	-
Accrued federal income taxes	998	2,837
Accrued state income taxes	11	346
Other accrued taxes	2,920	3,183
Total current liabilities	2,405	2,095
DEFERRED CREDITS		
Deferred taxes	2,909	2,837
Unfunded deferred taxes	11	346
Deferred gain on land sale	-	-
Customers' advances for construction	-	-
Other deferred credits	-	-
Total deferred credits	2,920	3,183
CONTRIBUTIONS IN AID OF CONSTRUCTION		
2,405	2,405	2,095
TOTAL LIABILITIES AND OTHER CREDITS	\$ 26,132	\$ 25,104

August 31, 2007
August 31, 2006

Liabilities and other credits

Assets and other debits

(in thousands of dollars)

2006

2007

Liabilities and other credits

2006

2007

TOTAL ASSETS AND OTHER DEBITS

\$	26,349
\$	25,121

TOTAL LIABILITIES AND OTHER CREDITS

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

	October 31, 2007	October 31, 2006		October 31, 2007	October 31, 2006
Assets and other debits			Liabilities and other credits		
PROPERTY, PLANT AND EQUIPMENT			STOCKHOLDERS' EQUITY		
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	23,824	22,734	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	-	-	Capital stock expense	-	-
	-	-	Treasury stock	-	-
	-	-	Total stockholders' equity	8,431	8,219
CURRENT AND ACCRUED ASSETS			LONG-TERM DEBT - BONDS		
Cash	-	296		8,900	8,900
Accounts receivable	390	-			
Miscellaneous receivables	-	-			
Reserve for uncollectibles	(38)	(45)			
Dividends receivable	-	-			
Receivables from associated companies	8	-			
Accrued revenues	439	449			
Materials and supplies, at cost	183	176			
Prepayments	158	(24)			
Total current assets	1,120	852			
NOTES RECEIVABLE			CURRENT AND ACCRUED LIABILITIES		
From associated companies	-	-	Accounts payable and accrued liab	1,980	794
Other	-	-	Current maturities of long-term debt	1	1
Total	-	-	Dividends payable	-	-
	-	-	Payables to associates	-	-
	-	-	Accrued bond interest	188	188
	-	-	Accrued federal income taxes	20	8
	-	-	Accrued state income taxes	-	-
	-	-	Other accrued taxes	-	-
	-	-	Total current liabilities	2,189	991
OTHER INVESTMENTS			DEFERRED CREDITS		
Investments in subsidiaries	-	-	Deferred taxes	2,909	2,843
Investments in joint ventures	-	-	Unfunded deferred taxes	11	346
Goodwill	-	-	Deferred gain on land sale	-	-
Miscellaneous	-	-	Customers' advances for construction	-	-
Total	-	-	Other deferred credits	-	-
	-	-	Total deferred credits	2,920	3,189
DEFERRED DEBITS			CONTRIBUTIONS IN AID OF CONSTRUCTION		
Unamortized debt discount and expense	210	219		2,399	2,090
Unfunded deferred taxes	568	575			
Prepaid taxes	717	509			
Other deferred debits	1,495	1,303			
Total deferred debits	26,439	24,889			
	\$ 26,439	\$ 24,889			
TOTAL ASSETS AND OTHER DEBITS			TOTAL LIABILITIES AND OTHER CREDITS		
	\$ 26,439	\$ 24,889		\$ 26,439	\$ 24,889

October 31, 2007
October 31, 2006

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

	2007	2006		2007	2006
PROPERTY, PLANT AND EQUIPMENT					
Utility Plant			STOCKHOLDERS' EQUITY		
Less: Accumulated depreciation			Preferred stock	\$	\$
Net utility plant			Common stock	32,485	(8,281)
			Paid in capital	24,204	24,204
Non-Utility property and equipment			Retained earnings	97	97
Less: Accumulated depreciation			Capital stock expense	(97)	(97)
Net non-utility property and equipment			Treasury stock	-	-
			Total stockholders' equity	30,300	(7,564)
CURRENT AND ACCRUED ASSETS					
Cash			LONG-TERM DEBT - BONDS		
Accounts receivable			NOTES PAYABLE		
Miscellaneous receivables			To associated companies	1,500	1,500
Reserve for uncollectibles			Other	1,500	1,500
Dividends receivable			Total	3,000	3,000
Receivables from associated companies			CURRENT AND ACCRUED LIABILITIES		
Accrued revenues			Accounts payable and accrued liab	2,312	853
Materials and supplies, at cost			Current maturities of long-term debt	1	1
Prepayments			Dividends payable	238	238
Total current assets	1,115	998	Accrued bond interest	27	11
			Accrued federal income taxes	11	-
			Accrued state income taxes	-	-
			Other accrued taxes	2,578	1,103
			Total current liabilities	2,909	2,846
			DEFERRED CREDITS		
			Deferred taxes	2	346
			Unfunded deferred taxes	2,909	2,846
			Deferred gain on land sale	2	346
			Customers' advances for construction	2,911	3,192
			Other deferred credits	2,405	2,087
			Total deferred credits	26,807	25,025
			CONTRIBUTIONS IN AID OF CONSTRUCTION		
				2,405	2,087
			TOTAL LIABILITIES AND OTHER CREDITS		
				26,807	25,025
			OTHER INVESTMENTS		
			Investments in subsidiaries		
			Investments in joint ventures		
			Goodwill		
			Miscellaneous		
			Total		
			NOTES RECEIVABLE		
			From associated companies		
			Other		
			Total		
			DEFERRED DEBITS		
			Unamortized debt discount and expense	209	218
			Unfunded deferred taxes	568	575
			Prepaid taxes	711	498
			Other deferred debits	1,488	1,291
			Total deferred debits	26,807	25,025
			TOTAL ASSETS AND OTHER DEBITS		
				26,807	25,025

November 30, 2007

November 30, 2006

BALANCE SHEETS
(in thousands of dollars)

December 31, 2007

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

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS
(in thousands of dollars)

January 31, 2007

January 31, 2008

Liabilities and other credits

PROPERTY, PLANT AND EQUIPMENT		STOCKHOLDERS' EQUITY	
Utility Plant		Preferred stock	
Less: Accumulated depreciation		Common stock	
Net utility plant		Paid in capital	
		Contributed capital	
		Retained earnings	
		Capital stock expense	
		Treasury stock	
		Total stockholders' equity	
CURRENT AND ACCRUED ASSETS		LONG-TERM DEBT - BONDS	
Cash			
Accounts receivable			
Miscellaneous receivables			
Reserve for uncollectibles			
Dividends receivable			
Receivables from associated companies			
Accrued revenues			
Materials and supplies, at cost			
Prepayments			
Total current assets			
NOTES RECEIVABLE		CURRENT AND ACCRUED LIABILITIES	
From associated companies		Accounts payable and accrued liab	
Other		Current maturities of long-term debt	
Total		Dividends payable	
		Payables to associates	
		Accrued bond interest	
		Accrued federal income taxes	
		Accrued state income taxes	
		Other accrued taxes	
		Total current liabilities	
OTHER INVESTMENTS		DEFERRED CREDITS	
Investments in subsidiaries		Deferred taxes	
Investments in joint ventures		Unfunded deferred taxes	
Goodwill		Deferred gain on land sale	
Miscellaneous		Customers' advances for construction	
Total		Other deferred credits	
		Total deferred credits	
DEFERRED DEBITS		CONTRIBUTIONS IN AID OF CONSTRUCTION	
Unamortized debt discount and expense			
Unfunded deferred taxes			
Prepaid taxes			
Other deferred debits			
Total deferred debits			
TOTAL ASSETS AND OTHER DEBITS		TOTAL LIABILITIES AND OTHER CREDITS	

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

February 28,
2007

February 28,
2008

Liabilities and other credits

PROPERTY, PLANT AND EQUIPMENT		STOCKHOLDERS' EQUITY	
Utility Plant	\$ 32,740	Preferred stock	\$ 3
Less: Accumulated depreciation	(8,402)	Common stock	2,187
Net utility plant	\$ 24,338	Paid in capital	3,558
Non-Utility property and equipment	97	Contributed capital	480
Less: Accumulated depreciation	(97)	Retained earnings	2,054
Net non-utility property and equipment	-	Treasury stock	1,949
	-	Total stockholders' equity	8,282
CURRENT AND ACCRUED ASSETS		LONG-TERM DEBT - BONDS	
Cash	-		8,900
Accounts receivable	276		2,400
Miscellaneous receivables	38		1,200
Reserve for uncollectibles	(52)		2,400
Dividends receivable	(47)		1,200
Receivables from associated companies	-		1,200
Accrued revenues	406		1,455
Materials and supplies, at cost	102		1,200
Prepayments	162		1,200
Total current assets	932		1,200
	1,059		1,200
NOTES RECEIVABLE		CURRENT AND ACCRUED LIABILITIES	
From associated companies	-	Accounts payable and accrued liab	1,603
Other	0	Current maturities of long-term debt	1
Total	-	Dividends payable	1
	-	Payables to associates	88
	-	Accrued bond interest	271
	-	Accrued federal income taxes	-
	-	Accrued state income taxes	51
	-	Other accrued taxes	-
	-	Total current liabilities	1,727
OTHER INVESTMENTS		DEFERRED CREDITS	
Investments in subsidiaries	0	Deferred taxes	2,855
Investments in joint ventures	-	Unfunded deferred taxes	2,887
Goodwill	-	Deferred gain on land sale	2
Miscellaneous	-	Customers' advances for construction	11
Total	-	Other deferred credits	2,898
	-	Total deferred credits	2,996
DEFERRED DEBITS		CONTRIBUTIONS IN AID OF CONSTRUCTION	
Unamortized debt discount and expense	0		2,429
Unfunded deferred taxes	206		
Prepaid taxes	548		
Other deferred debits	1,308		
Total deferred debits	1,585		
	25,331		
TOTAL ASSETS AND OTHER DEBITS		TOTAL LIABILITIES AND OTHER CREDITS	
	\$ 26,578		\$ 26,578
	\$ 25,331		\$ 25,331

AQUARION WATER COMPANY OF NEW HAMPSHIRE

BALANCE SHEETS (in thousands of dollars)

	2008	2007
March 31,		
Assets and other debits		
PROPERTY, PLANT AND EQUIPMENT		
Utility Plant	32,799	30,521
Less: Accumulated depreciation	(8,423)	(7,725)
Net utility plant	24,376	22,796
Non-Utility property and equipment	97	97
Less: Accumulated depreciation	(97)	(97)
Net non-utility property and equipment	-	-
CURRENT AND ACCRUED ASSETS		
Cash	-	12
Accounts receivable	319	383
Miscellaneous receivables	38	-
Reserve for uncollectibles	(55)	(39)
Dividends receivable	-	51
Receivables from associated companies	357	352
Accrued revenues	100	158
Materials and supplies, at cost	161	177
Prepayments	920	1,094
Total current assets	1,920	2,600
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	206	215
Unfunded deferred taxes	554	569
Prepaid taxes	542	790
Other deferred debits	1,302	1,574
Total deferred debits	2,602	3,048
TOTAL ASSETS AND OTHER DEBITS	\$ 26,598	\$ 25,464
Liabilities and other credits		
STOCKHOLDERS' EQUITY		
Preferred stock	3	3
Common stock	2,187	2,187
Paid in capital	3,558	3,558
Contributed capital	480	480
Retained earnings	2,031	1,938
Capital stock expense	-	-
Treasury stock	-	-
Total stockholders' equity	8,259	8,166
LONG-TERM DEBT - BONDS		
8.900	8,900	8,900
NOTES PAYABLE		
To associated companies	2,600	1,300
Other	-	-
Total	2,600	1,300
CURRENT AND ACCRUED LIABILITIES		
Accounts payable and accrued liab	1,451	1,458
Current maturities of long-term debt	1	1
Dividends payable	-	321
Payables to associates	-	-
Accrued bond interest	138	-
Accrued federal income taxes	-	-
Accrued state income taxes	-	-
Other accrued taxes	-	-
Total current liabilities	1,590	1,760
DEFERRED CREDITS		
Deferred taxes	2,854	2,887
Unfunded deferred taxes	-	-
Deferred gain on land sale	-	-
Customers' advances for construction	2	11
Other deferred credits	-	-
Total deferred credits	2,856	2,898
CONTRIBUTIONS IN AID OF CONSTRUCTION		
2,393	2,420	2,420
TOTAL LIABILITIES AND OTHER CREDITS	\$ 26,598	\$ 25,464

March 31, 2008
March 31, 2007

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>
<u>Operating Revenues:</u>		
Residential	3,075,044	2,882,992
Commercial	1,025,072	978,585
Industrial	19,163	13,482
Public Authorities	82,159	83,936
Public Fire	636,333	577,297
Private Fire	234,986	212,803
Other	71,117	80,252
Total Revenues	5,143,874	4,829,347
<u>Operating Expenses:</u>		
Source of Supply	42,460	49,590
Pumping	309,609	310,824
Water Treatment	107,030	108,471
Transmission and Distribution	445,901	542,947
Customer Accounting	174,464	170,119
Information Technology	100,143	60,222
Administrative and General	1,192,991	1,223,161
	2,372,599	2,465,334
Depreciation	823,706	801,947
Taxes Other than Income Taxes	368,901	379,556
	1,192,607	1,181,503
Total Operating Expenses	3,565,207	3,646,837
Other Income and Expense	(1,578,667)	(1,182,510)
AFUDC	(69,486)	(54,067)
	-	(23,564)
Income before Interest and Taxes	(1,648,153)	(1,260,141)
Interest Expense, Outside	606,228	606,229
Interest Expense, Inside	101,282	79,074
Income before Income Taxes	(940,643)	(574,838)
State Income Tax - Current	88,000	34,000
Federal Income Tax - Current	370,249	120,000
State Income Tax - Deferred	(7,440)	15,560
Federal Income Tax - Deferred	(11,122)	64,948
Net Income	(500,956)	(340,330)

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	2,286,113
Commercial	830,607	769,266
Industrial	14,944	8,705
Public Authorities	68,884	72,053
Public Fire	485,688	421,098
Private Fire	179,415	153,300
Other	58,080	59,244
Total Revenues	4,154,124	3,769,780
<u>Operating Expenses:</u>		
Source of Supply	32,109	36,807
Pumping	227,110	231,584
Water Treatment	85,036	88,904
Transmission and Distribution	309,155	439,803
Customer Accounting	132,022	121,033
Information Technology	37,308	35,766
Administrative and General	922,151	884,948
Depreciation	1,744,893	1,838,845
Taxes Other than Income Taxes	612,574	592,391
	280,683	279,954
Total Operating Expenses	893,257	872,345
	2,638,150	2,711,190
Other Income and Expense	(1,515,974)	(1,058,591)
AFUDC	(60,020)	(41,984)
Income before Interest and Taxes	-	(23,564)
Interest Expense, Outside	(1,575,994)	(1,124,149)
Interest Expense, Inside	454,671	454,672
	74,349	61,261
Income before Income Taxes	(1,046,975)	(608,215)
State Income Tax - Current	92,000	35,000
Federal Income Tax - Current	404,249	131,000
State Income Tax - Deferred	(6,440)	15,560
Federal Income Tax - Deferred	(7,122)	65,948
Net Income	(564,288)	(360,707)

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	1,529,089
Commercial	552,862	541,914
Industrial	11,096	5,138
Public Authorities	39,030	43,353
Public Fire	324,403	280,512
Private Fire	118,904	99,446
Other	40,063	44,648
Total Revenues	<u>2,826,047</u>	<u>2,544,099</u>
<u>Operating Expenses:</u>		
Source of Supply	22,946	27,694
Pumping	148,610	154,133
Water Treatment	67,589	66,912
Transmission and Distribution	198,521	283,592
Customer Accounting	94,398	85,098
Information Technology	20,735	18,057
Administrative and General	647,396	513,869
	<u>1,200,196</u>	<u>1,149,356</u>
Depreciation	<u>417,342</u>	<u>392,844</u>
Taxes Other than Income Taxes	<u>185,825</u>	<u>174,559</u>
	<u>603,167</u>	<u>567,403</u>
Total Operating Expenses	<u>1,803,363</u>	<u>1,716,759</u>
Other Income and Expense	<u>(1,022,684)</u>	<u>(827,340)</u>
AFUDC	<u>(27,619)</u>	<u>(26,252)</u>
Income before Interest and Taxes	<u>(1,050,302)</u>	<u>(877,156)</u>
Interest Expense, Outside	303,114	303,115
Interest Expense, Inside	50,028	39,285
Income before Income Taxes	<u>(697,160)</u>	<u>(534,756)</u>
State Income Tax - Current	30,000	39,000
Federal Income Tax - Current	233,000	148,000
State Income Tax - Deferred	4,000	6,000
Federal Income Tax - Deferred	18,000	21,000
Net Income	<u>(412,160)</u>	<u>(320,756)</u>

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	750,772
Commercial	264,051	257,333
Industrial	6,094	2,620
Public Authorities	19,191	21,799
Public Fire	164,518	139,927
Private Fire	59,642	47,740
Other	36,351	28,897
Total Revenues	1,404,175	1,249,088
<u>Operating Expenses:</u>		
Source of Supply	9,619	15,873
Pumping	74,028	75,166
Water Treatment	25,873	29,780
Transmission and Distribution	105,501	149,743
Customer Accounting	47,582	45,419
Information Technology	10,321	11,258
Administrative and General	313,354	239,330
Depreciation	586,279	566,568
Taxes Other than Income Taxes	208,671	196,422
	92,555	82,677
Total Operating Expenses	301,226	279,099
Other Income and Expense	887,505	845,667
AFUDC	(516,670)	(403,421)
	(8,078)	(21,597)
	-	(22,824)
Income before Interest and Taxes	(524,748)	(447,842)
Interest Expense, Outside	151,557	151,557
Interest Expense, Inside	23,001	15,943
Income before Income Taxes	(350,190)	(280,342)
State Income Tax - Current	13,000	20,000
Federal Income Tax - Current	108,000	76,000
State Income Tax - Deferred	4,000	3,000
Federal Income Tax - Deferred	18,000	11,000
Net Income, U.S.	(207,190)	(170,342)

AQUARION WATER COMPANY of NEW HAMPSHIRE
STATEMENT OF INCOME

(In Hundreds of Dollars)
For 12 months ended 30th March '06

March-06

Operating Revenues:

Residential	2,389,820
Commercial	956,150
Industrial	9,365
Public Authorities	74,016
Public Fire	526,384
Private Fire	179,221
Other	72,637

Total Revenues

4,207,593

Operating Expenses:

Source of Supply	36,961
Pumping	254,967
Water Treatment	118,692
Transmission and Distribution	391,140
Customer Accounting	149,824
Information Technology	55,977
Administrative and General	939,730

1,947,291

Depreciation

761,067

Taxes Other than Income Taxes

364,376

1,125,443

Total Operating Expenses

3,072,734

Other Income and Expense
AFUDC

(1,134,859)
(61,704)

Income before Interest and Taxes

(70,826)

Interest Expense, Outside

(1,267,389)

Interest Expense, Inside

457,177

133,349

Income before Income Taxes

(676,863)

State Income Tax - Current

72,000

Federal Income Tax - Current

272,000

State Income Tax - Deferred

(17,440)

Federal Income Tax - Deferred

(56,092)

Net Income

(406,395)

AQUARION WATER COMPANY OF NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 9 months ended 31st December '05

December '05

Operating Revenues:

Residential	1,839,202
Commercial	787,516
Industrial	6,086
Public Authorities	62,799
Public Fire	386,254
Private Fire	129,417
Other	57,202
Total Revenues	3,268,475

Operating Expenses:

Source of Supply	28,809
Pumping	177,359
Water Treatment	97,784
Transmission and Distribution	285,683
Customer Accounting	114,199
Information Technology	41,032
Administrative and General	666,705
	1,411,572

Depreciation

564,645

Taxes Other than Income Taxes

257,352

821,997

Total Operating Expenses

2,233,569

Other Income and Expense

(1,034,906)

AFUDC

(48,202)

Income before Interest and Taxes

(42,309)

Interest Expense, Outside

(1,125,416)

Interest Expense, Inside

306,638

122,023

Income before Income Taxes

(696,756)

State Income Tax - Current

74,000

Federal Income Tax - Current

279,000

State Income Tax - Deferred

(17,440)

Federal Income Tax - Deferred

(56,092)

Net Income

(417,288)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 6months ended 30th September '05

September-05

Operating Revenues:

Residential	1,253,059
Commercial	540,715
Industrial	3,960
Public Authorities	38,385
Public Fire	256,798
Private Fire	85,725
Other	43,656

Total Revenues

2,222,298

Operating Expenses:

Source of Supply	16,321
Pumping	129,933
Water Treatment	71,089
Transmission and Distribution	189,858
Customer Accounting	70,430
Information Technology	26,751
Administrative and General	456,507

960,889

Depreciation

373,344

Taxes Other than Income Taxes

157,657

531,001

Total Operating Expenses

1,491,890

Other Income and Expense

(730,408)

AFUDC

(41,836)

Income before Interest and Taxes

(3,180)

Interest Expense, Outside

(775,424)

Interest Expense, Inside

154,755

Income before Income Taxes

113,472

State Income Tax - Current

(507,198)

Federal Income Tax - Current

33,000

State Income Tax - Deferred

126,000

Federal Income Tax - Deferred

10,000

Net Income

37,000

(301,198)

AQUARION WATER COMPANY of NEW HAMPSHIRE

STATEMENT OF INCOME

(In Hundreds of Dollars)

For 3 months ended 30th June '05

June-05

Operating Revenues:

Residential	681,603
Commercial	211,766
Industrial	3,074
Public Authorities	21,618
Public Fire	128,657
Private Fire	85,725
Other	29,150
Total Revenues	<u>1,161,593</u>

Operating Expenses:

Source of Supply	6,147
Pumping	52,040
Water Treatment	23,185
Transmission and Distribution	102,833
Customer Accounting	34,753
Information Technology	11,438
Administrative and General	199,437
	<u>429,833</u>

Depreciation
Taxes Other than Income Taxes

	<u>186,672</u>
	<u>83,090</u>
	<u>269,762</u>

Total Operating Expenses

	<u>699,595</u>
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Other Income and Expense
AFUDC

	<u>(461,998)</u>
	<u>(36,999)</u>
	<u>(2,168)</u>

Income before Interest and Taxes

	<u>(501,164)</u>
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Interest Expense, Outside
Interest Expense, Inside

	<u>58,286</u>
	<u>64,930</u>

Income before Income Taxes

	<u>(377,949)</u>
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State Income Tax - Current
Federal Income Tax - Current
State Income Tax - Deferred
Federal Income Tax - Deferred

	<u>25,000</u>
	<u>93,000</u>
	<u>7,000</u>
	<u>28,000</u>

Net Income

	<u>(224,949)</u>
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AQUARIUM 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>
<u>Operating Revenues:</u>		
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
Total Revenues	<u>4,232</u>	<u>4,249</u>
<u>Operating Expenses:</u>		
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
	<u>2,307</u>	<u>2,196</u>
Depreciation	748	688
Taxes Other than Income Taxes	408	444
	<u>1,156</u>	<u>1,132</u>
Total Operating Expenses	<u>3,463</u>	<u>3,328</u>
Other Income and Expense	769	921
AFUDC	57	(10)
Interco Interest Income	4	76
	-	-
Interest Expense, Outside	830	987
Interest Expense, Inside	413	414
	125	68
Income before Income Taxes	292	505
State Income Tax - Current	3	48
Federal Income Tax - Current	12	177
Net Income, U.K.	<u>277</u>	<u>280</u>
State Income Tax - Deferred	22	(5)
Federal Income Tax - Deferred	79	(25)
Net Income, U.S.	<u>176</u>	<u>310</u>
Profit from Property Sales	-	-
	<u>176</u>	<u>310</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE
STATEMENT OF INCOME
(In Thousands of Dollars)
For 8 months ended 31st December 04

	December '04	December '03
<u>Operating Revenues:</u>		
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
Total Revenues	<u>3,315</u>	<u>3,362</u>
<u>Operating Expenses:</u>		
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
	<u>1,692</u>	<u>1,616</u>
Depreciation	562	525
Taxes Other than Income Taxes	387	328
	<u>949</u>	<u>853</u>
Total Operating Expenses	<u>2,641</u>	<u>2,469</u>
Other Income and Expense	674	893
AFUDC	54	(21)
Interco Interest Income	3	73
	-	-
Interest Expense, Outside	731	945
Interest Expense, Inside	310	310
	88	48
Income before Income Taxes	<u>333</u>	<u>587</u>
State Income Tax - Current	23	64
Federal Income Tax - Current	86	235
Net Income, U.K.	<u>224</u>	<u>288</u>
State Income Tax - Deferred	5	(14)
Federal Income Tax - Deferred	19	(55)
Net Income, U.S.	<u>200</u>	<u>357</u>
Profit from Property Sales	-	-
	<u>200</u>	<u>357</u>

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>
<u>Operating Revenues:</u>		
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
Total Revenues	<u>2,325</u>	<u>2,360</u>
<u>Operating Expenses:</u>		
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
	<u>1,187</u>	<u>1,110</u>
Depreciation	369	325
Taxes Other than Income Taxes	214	232
	<u>583</u>	<u>557</u>
Total Operating Expenses	<u>1,770</u>	<u>1,667</u>
Other Income and Expense	555	693
AFUDC	42	(13)
Interco Interest Income	2	53
	-	-
Interest Expense, Outside	599	733
Interest Expense, Inside	207	207
	55	31
Income before Income Taxes	337	495
State Income Tax - Current	31	57
Federal Income Tax - Current	115	210
Net Income, U.K.	191	228
State Income Tax - Deferred	(3)	(15)
Federal Income Tax - Deferred	(9)	(51)
Net Income, U.S.	203	294
Profit from Property Sales	-	-
	<u>203</u>	<u>294</u>

AQUARION WATER COMPANY of NEW HAMPSHIRE
STATEMENT OF INCOME
(In Thousands of Dollars)
For 3 months ended 30th June 04

	June-04	June-03
<u>Operating Revenues:</u>		
Residential	708	718
Commercial	250	237
Industrial	4	4
Public Authorities	23	24
Public Fire	128	128
Private Fire	46	39
Other	40	28
Total Revenues	1,199	1,178
<u>Operating Expenses:</u>		
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
	631	585
Depreciation	185	150
Taxes Other than Income Taxes	115	118
	300	268
Total Operating Expenses	931	853
Other Income and Expense	268	325
AFUDC	8	(3)
Interco Interest Income	2	24
	-	-
Interest Expense, Outside	278	346
Interest Expense, Inside	103	104
	24	14
Income before Income Taxes	151	228
State Income Tax - Current	14	26
Federal Income Tax - Current	51	97
Net Income, U.K.	86	105
State Income Tax - Deferred	(1)	(7)
Federal Income Tax - Deferred	(4)	(23)
Net Income, U.S.	91	135
Profit from Property Sales	-	-
	91	135