

Concord Steam Corporation

DG 12-242

Rate filing 2 of 2
PUC Rule 1604.01

September 2012

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

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1. Internal Financials for first and last month of test year, for test year and prior 12 month period. Attached hereto.	1
2. Annual reports to stockholders for last five years. Attached hereto.	13
3. Federal Income Tax reconciliation. Attached hereto.	87
4. Detailed computation of State and Federal income tax factors on the increment of revenue needed to produce a given increment of net operating income. Attached hereto.	88
5. Detailed list of charitable contributions in the test year with donee and amount. Attached hereto.	89
6. Advertising charged in the test year. Attached hereto.	91
7. Cost of service study. None available, waiver requested.	
8. Recent construction budget. Attached hereto.	93
9. Company chart of accounts. Attached hereto.	94
10. Forms 10K and 100 (10Q). None available, waiver requested.	
11. Membership fees, dues, and donations. Attached hereto.	102
12. Management audits and depreciation studies. None available, waiver requested.	
13. Audits and studies not previously submitted to the commission. None performed.	

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

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17.	Assets and costs allocated to non-utility operations. None.	
18.	Balance sheets and income statements for last 3 years. See items #1, #2.	1, 13
19.	Quarterly income statements. None available, waiver requested.	
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21.	Need for external capital. See #8.	93
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23.	Sinking fund provisions. None.	
24.	Outstanding short term debt on a monthly basis. Attached hereto.	109
25.	Parent subsidiary relationship. None.	
26.	Parent subsidiary documentation Not applicable.	
27.	Statistical report. None available, waiver requested.	

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

1. Internal financials for test year.

Attached hereto.

Concord Steam Corp.

PO Box 2520
Concord, NH 03302-2520

Balance Sheet

As of January 2011

1-0000 Assets		
1-1010	General Checking Account	(\$181,704.81)
1-1200	Current Assets	
1-1251	Accounts Receivable	\$1,118,538.97
1-1259	Allowance for Doubtfull A/R	(\$35,160.89)
1-2000	Oil Inventory	\$70,306.78
1-2005	Prepaid Oil Additive/Comb. Cat	\$678.80
1-2010	Wood Inventory	\$125,844.08
1-2030	Parts/Supplies Inventory	\$78,350.00
1-2035	Chemical Inventory/Salt	\$11,668.39
1-2040	Prepaid Insurance	\$25,455.09
1-2042	Prepaid Empl. Insurances	\$2,449.34
1-2046	Deposits to Vendors	\$6,125.00
1-2050	Prepaid Property Tax	(\$429.34)
1-2052	Prepaid Property Tax Yard	\$4,029.59
1-2055	Deferred Tax Debit	\$586,294.35
1-2500	Fixed Assets	
1-2502	Organization	\$139.34
1-2505	Rights of Way	\$2,654.65
1-2506	Construction Cont. to Others	\$31,000.00
1-2508	LH Improvements	\$311,623.17
1-2510	Structures	\$668,706.66
1-2512	Wood Yard Equipment	\$118,948.52
1-2514	Wood Yard Building	\$35,183.66
1-2515	Plant Equipment	\$6,131,488.95
1-2516	Special FA Account	\$90,638.66
1-2520	Underground Mains	\$3,282,728.42
1-2525	Services-Equip. Main to Meter	\$400,180.60
1-2530	Customers' Meters	\$118,445.47
1-2535	Office Equip/Improvements	\$31,525.98
1-2540	Transportation Equipment	\$249,859.31
1-2545	Shop Equipment	\$11,823.87
1-2550	Laboratory Equipment	\$3,643.23
1-2555	Large Tools	\$2,990.32
1-2560	Misc. General Equipment	\$14,074.53
1-2565	Depreciation	(\$5,786,060.35)
1-2570	CIAC-Received-Accum. Amort.	\$79,711.00
1-2575	Turbine Assets	\$19,762.04
1-2580	Plant Safety Improvements	\$20,419.34
1-2600	Cost of Obtaining Financing	\$10,241.50
1-2601	Accum. Amort. Cost of Ob. Finance	(\$3,724.18)
	Total Assets	\$7,658,450.04
2-0000 Liabilities		
2-2000	Accounts Payable	\$774,585.84
2-3000	Accrued Taxes FICA/ Med	(\$41.18)
2-3010	Payroll Federal Withholding	\$15.79
2-3011	Accrued Empl. Other Ded.	\$101.24
2-3013	Accrued Child Support	\$232.00
2-3014	Accr. Med&Dental	(\$1,323.61)
2-3020	Accrued Taxes FUTA	\$467.79
2-3025	Accrued Taxes-SUTA	\$1,782.29
2-3027	Accrued Interest	\$195.41
2-3030	Accrued Taxes - 1120 NH	(\$870.00)
2-3045	Misc. Current Accruals	\$33,933.50
2-3050	SEP/IRA Deposits	\$1,859.48
2-3055	AFLAC pre-tax	(\$0.02)
2-3056	AFLAC After Tax	(\$204.50)
2-3060	Deferred Income Tax Credit	\$1,156,409.07
3065	Line of Credit	\$806,694.67
3500	Long Term Liabilities	
2-3501	Current Maturity Offset	(\$103,677.16)
2-3502	Current Maturity LTD	\$103,677.16
2-3506	Long Term Loan TD Banknorth	\$636,956.41
2-3507	Truck Loan	\$11,179.87
2-3511	Loan from P&M Realty	\$200,000.00
2-3530	Contribution Aid to Constr.	\$671,975.39
	Total Liabilities	\$4,293,949.44

3-0000	Equity	
3-4000	Common Stock	\$91,200.00
3-4010	Capital Surplus	\$220,653.00
3-4022	Treasury stock	(\$873,000.00)
3-4500	Retained Earnings	\$3,722,985.72
3-9000	Current Earnings	\$202,661.97
3-9999	Historical Balancing Account	(\$0.09)
	Total Equity	<u>\$3,364,500.60</u>
	Total Liability & Equit	<u>\$7,658,450.04</u>

Concord Steam Corp.

PO Box 2520
Concord, NH 03302-2520

Profit & Loss Statement

January 2011

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4-0000	Income		
4-5000	Base Steam Income		
4-5005	Residential Base Income	\$453.84	
4-5010	Commercial/Ind. Base Income	\$178,131.18	
4-5020	Public Authority Base Income	\$266,763.55	
4-5025	Sales Discount		(\$23,269.40)
4-5027	Energy Income		
4-5028	Commercial Energy Income	\$159,979.42	
4-5029	Public Auth. Energy Income	\$264,042.35	
4-5030	Residential Energy Income	\$406.02	
4-5040	Customer Penalties		\$155.22
4-5045	Meter Charges		\$3,580.00
4-5048	Sale of Electricity		\$32,144.13
4-5060	Customer Service		
4-5061	Customer Service Parts	\$4,220.86	
4-5062	Customer Service Revenue	\$2,475.00	
4-5115	Misc. Income		(\$6,921.90)
	Total Income		<u>\$882,160.27</u>
5-0000	Cost Of Sales		
5-6000	Rent - NH Hospital Plant Lease	\$101,911.65	
5-6009	Fuel Oil		
5-6010	#6 Fuel Oil	\$24,714.68	
5-6012	Wood Fuel		
5-6013	Whole Tree Chips	\$178,614.01	
5-6015	Wood Procurement	\$2,916.67	
6016	Gas		
5-6017	Main Gas	\$114,712.76	
5-6018	Pilot Gas	\$127.29	
5-6020	Ash Disposal		\$3,529.34
5-6025	Water/Sever		\$29,335.83
5-6030	Chemicals		
5-6031	Treatment Chemicals	\$722.09	
5-6032	Reagents	\$7.49	
5-6035	Salt (Boiler)	\$3,174.47	
5-6036	Fuel Additives	\$1,314.40	
5-6040	Lubricants		\$44.28
5-6045	Gases (Welding)		\$165.62
5-6050	Consumables		
5-6051	Mechanical	\$284.81	
5-6052	Pipe Fittings	\$10.90	
5-6055	Misc. Small Tools	\$39.79	
5-6060	Consumables/Electrical		\$5.20
5-6075	Electricity Purchased		\$3,980.50
5-6085	Rental Fees/ Plant Maintenance		\$50.00
5-6095	Repair Parts/Mechanical Plant		\$770.80
5-6100	Repair Parts Electrical		\$363.73
5-6102	Repairs Distribution		
5-6105	RepairParts Distribution	\$1,086.45	
5-6106	Pipe	\$199.42	
5-6109	Valves	\$513.17	
5-6117	Instrumentation/Elect		\$4,216.50
5-6120	Customer Parts/Supplies		\$3,057.97
5-8000	New Yard Expenses		
5-8005	Yard Rental	\$11,816.00	
5-8006	Loader Fuel	\$1,612.15	
5-8010	Utilities	\$495.02	
5-8015	Heat Yard	\$1,693.64	
5-8060	Contracts-Hauling	\$3,200.00	
5-8085	Loader rental	\$4,299.73	
	Total Cost Of Sales		<u>\$498,986.36</u>
	Gross Profit		<u>\$383,173.91</u>
6-0000	Expenses		
6-2300	Interest Paid	\$1,563.10	
6-5200	Employer FICA	\$3,489.77	
6-5201	Employer SEP/IRA	\$873.86	
6-5202	SUTA	\$1,755.83	

Concord Steam Corp.

Profit & Loss Statement

January 2011

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6-5203	FUTA	\$467.79
6-5204	SUTA Admin. Contrib.	\$26.46
6-5700	Steam Plant Labor	
6-5701	Superintendence / Plant-11%	\$5,400.19
6-5702	Boiler Labor-55%	\$24,692.94
6-5725	Plant Equip. Maint. Labor-9%	\$4,523.25
6-5756	Superintendence / Distrib. - 6%	\$3,207.83
6-5761	O&M Distribution Lines Lab-3%	\$2,469.43
6-5762	Meter Operating Labor-6%	\$3,207.83
6-5780	Meter Rding / Collection Lab-2%	\$1,453.95
6-5781	Customer Billing Labor-3%	(\$415.59)
6-5791	General Office Labor-5%	(\$692.66)
6-5799	Contracted Admin. Services	\$3,500.00
	Total Steam Plant Labor	<u>\$47,347.17</u>
6-6130	Depreciation	\$20,172.74
6-6135	Amortization	\$232.76
6-6140	Property Tax-City	\$21,936.13
6-6171	State Fees	\$579.24
6-6175	Uncollectable Steam Sales	(\$2.07)
6-6180	Uncollectable Service Sales	\$110.00
6-6500	Postage	\$8.99
6-6510	Telephone	\$1,662.54
6-6516	Employee Appreciation	\$73.42
6-6520	Leases / Rentals Equipment	\$672.68
6-6523	Travel Meals etc.	\$247.12
6-6525	Travel Expenses	\$1.50
6-6530	Cleaning Supplies / Expense	\$248.45
6-6535	Misc. Office Expense / Supplies	\$883.27
6545	Attorneys	(\$8,815.70)
6550	Accountants	\$645.50
6-6560	Management Fees	\$6,885.00
6-6565	Other Consultants	\$21,650.40
6-6575	Insurance	
6-6576	Liability / Auto Insurance	\$6,874.83
6-6577	Workmen's Comp.	\$2,317.00
6-6585	Employee Med, Dental etc. Ins.	\$19,918.48
6-6590	Uniforms	\$807.37
6-6600	Safety Equipment	\$298.72
6-6615	Misc. General Expense	\$11,066.25
6-6620	Vehicle Registrations	\$1,398.00
6-6625	Truck & Loader Maintenance	\$204.22
6-6630	Gasoline	\$1,316.65
6-6635	Interest	
6-6636	Credit Line Interest	\$4,509.86
6-6637	Term Loan Interest	\$2,914.40
6-6638	Truck Loan Interest	\$29.01
	Total Interest	<u>\$7,453.27</u>
6-6680	Special Payroll / Retired	\$1,000.00
6-6710	Bank Charges	\$321.78
6-9200	Truck / Loader Expense	\$242.34
6-9205	Tractor Trailer Fuel	\$462.41
6-9600	Property Tax Yard	\$1,900.67
	Total Expenses	<u>\$178,297.94</u>
	Operating Profit	<u>\$204,875.97</u>
8-0000	Other Income	
9-0000	Non-Operating Expense	
9-9555	Off Book Rent Expense	\$2,184.00
9-9560	Service / Late Fees	\$30.00
	Total Non-Operating Expense	<u>\$2,214.00</u>
	Net Profit / (Loss)	<u><u>\$202,661.97</u></u>

Concord Steam Corp.

PO Box 2520
Concord, NH 03302-2520

Profit & Loss Statement

December 2011

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4-0000	Income		
4-5000	Base Steam Income		
4-5005	Residential Base Income	\$68.60	
4-5010	Commercial/Ind. Base Income	\$113,966.81	
4-5020	Public Authority Base Income	\$216,787.91	
4-5025	Sales Discount		(\$23,319.64)
4-5027	Energy Income		
4-5028	Commercial Energy Income	\$109,418.03	
4-5029	Public Auth. Energy Income	\$213,423.60	
4-5030	Residential Energy Income	\$65.86	
4-5040	Customer Penalties		\$11.82
4-5045	Meter Charges		\$3,345.00
4-5048	Sale of Electricity		\$6,586.02
4-5060	Customer Service		
4-5061	Customer Service Parts	\$4,816.91	
4-5062	Customer Service Revenue	\$3,825.00	
4-5115	Misc. Income		\$1.13
	Total Income		<u>\$648,997.05</u>
5-0000	Cost Of Sales		
5-6009	Fuel Oil		
5-6010	#6 Fuel Oil	\$22,920.52	
5-6012	Wood Fuel		
5-6013	Whole Tree Chips	\$148,167.43	
5-6015	Wood Procurement	\$2,916.67	
5-6016	Gas		
5-6017	Main Gas	\$95,462.03	
5-6018	Pilot Gas	\$72.92	
5-6020	Ash Disposal		\$2,454.68
5-6025	Water/Sewer		\$20,099.16
5-6030	Chemicals		
5-6031	Treatment Chemicals	\$340.00	
5-6032	Reagents	\$5.16	
5-6035	Salt (Boiler)	(\$1,093.13)	
5-6036	Fuel Additives	(\$1,503.60)	
5-6045	Gases (Welding)		\$389.24
5-6050	Consumables		
5-6051	Mechanical	\$237.11	
5-6055	Misc. Small Tools	\$150.19	
5-6075	Electricity Purchased		\$8,086.77
5-6085	Rental Fees/Plant Maintenance		\$77.00
5-6095	Repair Parts/Mechanical Plant		\$1,200.89
5-6102	Repairs Distribution		
5-6105	RepairParts Distribution	\$612.26	
5-6107	Insulation	\$1,553.40	
5-6108	Road Materials	\$24.52	
5-6110	Contracts Maint.&Repair/Plant		\$4,820.00
5-6116	C.E.M. System		\$5,010.93
5-6117	Instrumentation/Elect		\$1,965.73
5-6120	Customer Parts/Supplies		\$8,539.96
5-7000	Turbines-C		
5-7100	Repair Parts/Elect. Turbines	\$793.15	
5-7110	Contracts Maint/RepairTurbine	\$360.00	
5-8000	New Yard Expenses		
5-8005	Yard Rental	\$11,816.00	
5-8010	Utilities	\$431.26	
5-8015	Heat Yard	\$710.14	
5-8055	Small Tools Yard	\$539.97	
5-8085	Loader rental	\$4,299.73	
	Total Cost Of Sales		<u>\$341,460.09</u>
	Gross Profit		<u>\$307,536.96</u>
6-0000	Expenses		
6-2300	Interest Paid	\$1,608.43	
6-5200	Employer FICA	\$6,047.22	
6-5201	Employer SEP/IRA	\$983.99	
6-5202	SUTA	\$840.00	
6-5204	SUTA Admin. Contrib.	\$30.00	

Concord Steam Corp.

Profit & Loss Statement

December 2011

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6-5700	Steam Plant Labor	
6-5701	Superintendence/ Plant-11%	\$7,104.06
6-5702	Boiler Labor-55%	\$32,294.87
6-5725	Plant Equip. Maint. Labor-9%	\$5,931.02
6-5756	Superintendence/ Distrib. - 6%	(\$8,182.37)
6-5761	O&M Distribution Lines Lab-3%	(\$3,892.70)
6-5762	Meter Operating Labor-6%	\$5,557.40
6-5780	Meter Rding/ Collection Lab-2%	\$2,381.73
6-5781	Customer Billing Labor-3%	\$15,750.00
6-5791	General Office Labor-5%	\$26,250.00
6-5799	Contracted Admin. Services	(\$38,500.00)
	Total Steam Plant Labor	<u>\$44,694.01</u>
6-6130	Depreciation	\$28,426.77
6-6135	Amortization	(\$9,435.24)
6-6140	Property Tax-City	(\$5,853.34)
6-6166	State BET Taxes	(\$6,167.00)
6-6170	Contributions/ Donations	\$5,000.00
6-6171	State Fees	\$370.00
6-6172	City Fees	\$35.25
6-6173	Assoc. Dues/ Fees/ Memberships	\$25.00
6-6500	Postage	\$231.86
6-6510	Telephone	\$1,053.93
6-6516	Employee Appreciation	\$4,426.00
6-6520	Leases/ Rentals Equipment	\$336.34
6-6523	Travel Meals etc.	\$38.75
6-6530	Cleaning Supplies/ Expense	\$120.00
6-6535	Misc. Office Expense/ Supplies	\$566.27
6-6545	Attorneys	\$2,625.00
6-6555	Engineering Consultants	\$4,470.25
6-6560	Management Fees	\$6,885.00
6-6565	Other Consultants	\$250.00
6-6570	PUC Tax	\$1,345.00
6-6575	Insurance	
6-6576	Liability/ Auto Insurance	\$4,563.50
6-6577	Workmen's Comp.	\$2,256.00
6-6585	Employee Med, Dental etc. Ins.	\$511.67
6-6590	Uniforms	\$2,459.49
6-6600	Safety Equipment	(\$34.20)
6-6615	Misc. General Expense	\$430.19
6-6625	Truck & Loader Maintenance	\$168.59
6-6630	Gasoline	\$1,625.97
6-6635	Interest	
6-6636	Credit Line Interest	\$4,559.20
6-6637	Term Loan Interest	\$1,935.29
6-6638	Truck Loan Interest	\$29.01
	Total Interest	<u>\$6,523.50</u>
6-6680	Special Payroll/ Retired	\$1,000.00
6-6710	Bank Charges	\$298.61
6-7050	Deferred Tax Provision	(\$42,868.19)
6-9205	Tractor Trailer Fuel	\$557.29
6-9240	State & Town Fees	\$180.00
6-9600	Property Tax Yard	\$2,862.34
	Total Expenses	<u>\$69,488.25</u>
	Operating Profit	<u>\$238,048.71</u>
8-0000	Other Income	
9-0000	Non-Operating Expense	
9-9555	Off Book Rent Expense	\$2,184.00
9-9570	Checking acct. reconciliation	\$0.01
	Total Non-Operating Expense	<u>\$2,184.01</u>
	Net Profit/(Loss)	<u><u>\$235,864.70</u></u>

Concord Steam Corp.

PO Box 2520
Concord, NH 03302-2520

Balance Sheet [Last Year Analysis]

13th Period 2011

2/9/12

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	This Year	Last Year	\$ Difference	Difference
1-0000 Assets				
1-1010 General Checking Account	(\$123,236.10)	(\$2,807.98)	(\$120,428.12)	(4,288.8%)
1-1200 Current Assets				
1-1251 Accounts Receivable	\$694,766.20	\$885,803.47	(\$191,037.27)	(21.6%)
1-1259 Allowance for Doubtful A/R	(\$35,160.89)	(\$35,160.89)	\$0.00	0.0%
1-2000 Oil Inventory	\$119,569.10	\$59,162.34	\$60,406.76	102.1%
1-2005 Prepaid Oil Additive/Comb. Cat	\$1,549.20	\$0.00	\$1,549.20	NA
1-2010 Wood Inventory	\$9,982.94	\$155,305.33	(\$145,322.39)	(93.6%)
1-2030 Parts/Supplies Inventory	\$78,350.00	\$78,350.00	\$0.00	0.0%
1-2035 Chemical Inventory/Salt	\$1,360.00	\$4,847.37	(\$3,487.37)	(71.9%)
1-2040 Prepaid Insurance	\$20,891.59	\$25,455.09	(\$4,563.50)	(17.9%)
1-2042 Prepaid Empl. Insurances	\$3,204.97	\$2,449.34	\$755.63	30.9%
1-2046 Deposits to Vendors	\$12,250.00	\$0.00	\$12,250.00	NA
1-2052 Prepaid Property Tax Yard	(\$6,355.75)	\$5,930.26	(\$12,286.01)	(207.2%)
1-2055 Deferred Tax Debit	\$641,130.79	\$586,294.35	\$54,836.44	9.4%
1-2500 Fixed Assets				
1-2502 Organization	\$139.34	\$139.34	\$0.00	0.0%
1-2505 Rights of Way	\$2,654.65	\$2,654.65	\$0.00	0.0%
1-2506 Construction Cont. to Others	\$31,000.00	\$31,000.00	\$0.00	0.0%
1-2508 LH Improvements	\$311,623.17	\$311,623.17	\$0.00	0.0%
1-2510 Structures	\$671,406.66	\$668,706.66	\$2,700.00	0.4%
1-2512 Wood Yard Equipment	\$118,948.52	\$118,948.52	\$0.00	0.0%
1-2514 Wood Yard Building	\$35,183.66	\$35,183.66	\$0.00	0.0%
1-2515 Plant Equipment	\$6,271,285.86	\$6,127,588.54	\$143,697.32	2.3%
1-2516 Special FA Account	\$88,709.66	\$90,638.66	(\$1,929.00)	(2.1%)
1-2520 Underground Mains	\$3,370,395.06	\$3,257,152.42	\$113,242.64	3.5%
1-2525 Services-Equip. Main to Meter	\$415,150.33	\$399,726.03	\$15,424.30	3.9%
1-2530 Customers' Meters	\$156,170.88	\$118,445.47	\$37,725.41	31.9%
1-2535 Office Equip/Improvements	\$28,502.98	\$31,525.98	(\$3,023.00)	(9.6%)
1-2540 Transportation Equipment	\$249,859.31	\$249,859.31	\$0.00	0.0%
1-2545 Shop Equipment	\$11,745.87	\$11,823.87	(\$78.00)	(0.7%)
1-2550 Laboratory Equipment	\$3,643.23	\$3,643.23	\$0.00	0.0%
1-2555 Large Tools	\$5,370.27	\$2,990.32	\$2,379.95	79.6%
1-2560 Misc. General Equipment	\$14,074.53	\$14,074.53	\$0.00	0.0%
1-2565 Depreciation	(\$6,001,808.92)	(\$5,765,887.61)	(\$235,921.31)	(4.1%)
1-2570 CIAC-Received-Accum. Amort.	\$89,379.00	\$79,711.00	\$9,668.00	12.1%
1-2575 Turbine Assets	\$19,762.04	\$19,762.04	\$0.00	0.0%
1-2580 Plant Safety Improvements	\$20,419.34	\$20,419.34	\$0.00	0.0%
1-2600 Cost of Obtaining Financing	\$10,241.50	\$10,241.50	\$0.00	0.0%
1-2601 Accum. Amort. Cost of Ob. Finance	(\$6,284.56)	(\$3,491.42)	(\$2,793.14)	(80.0%)
Total Assets	<u>\$7,335,874.43</u>	<u>\$7,602,107.89</u>	<u>(\$266,233.46)</u>	<u>(3.5%)</u>
2-0000 Liabilities				
2-2000 Accounts Payable	\$955,877.59	\$750,220.91	\$205,656.68	27.4%
2-3000 Accrued Taxes FICA / Med	\$1,174.06	\$1,059.77	\$114.29	10.8%
2-3010 Payroll Federal Withholding	\$0.00	(\$9.40)	\$9.40	100.0%
2-3011 Accrued Empl. Other Ded.	(\$3,565.09)	\$114.38	(\$3,679.47)	(3,216.9%)
2-3012 Accrued Payroll	\$15,347.17	\$13,853.14	\$1,494.03	10.8%
2-3013 Accrued Child Support	\$232.00	\$232.00	\$0.00	0.0%
2-3014 Accr. Med & Dental	(\$997.88)	\$0.00	(\$997.88)	NA
2-3020 Accrued Taxes FUTA	(\$29.50)	(\$0.09)	(\$29.41)	(32,677.8%)
2-3025 Accrued Taxes-SUTA	\$297.24	\$701.10	(\$403.86)	(57.6%)
2-3027 Accrued Interest	\$195.41	\$195.41	\$0.00	0.0%
2-3030 Accrued Taxes - 1120 NH	(\$7,037.00)	(\$870.00)	(\$6,167.00)	(708.9%)
2-3045 Misc. Current Accruals	\$20,278.50	\$39,833.75	(\$19,555.25)	(49.1%)
2-3050 SEP/IRA Deposits	(\$13.22)	\$0.00	(\$13.22)	NA
2-3055 AFLAC pre-tax	\$413.07	\$0.00	\$413.07	NA
2-3056 AFLAC After Tax	(\$50.18)	\$0.00	(\$50.18)	NA
2-3060 Deferred Income Tax Credit	\$1,168,377.32	\$1,156,409.07	\$11,968.25	1.0%
2-3065 Line of Credit	\$862,642.47	\$983,785.85	(\$121,143.38)	(12.3%)
-3500 Long Term Liabilities				
2-3501 Current Maturity Offset	(\$111,611.16)	(\$103,677.16)	(\$7,934.00)	(7.7%)
2-3502 Current Maturity LTD	\$111,611.16	\$103,677.16	\$7,934.00	7.7%
2-3506 Long Term Loan TD Banknorth	\$545,810.01	\$644,915.13	(\$99,105.12)	(15.4%)
2-3507 Truck Loan	\$6,951.69	\$11,564.25	(\$4,612.56)	(39.9%)
2-3511 Loan from P&M Realty	\$200,000.00	\$200,000.00	\$0.00	0.0%
2-3530 Contribution Aid to Constr.	\$671,975.39	\$671,975.39	\$0.00	0.0%
2-4000 Customer Deposits/Overpay	\$600.00	\$0.00	\$600.00	NA

Concord Steam Corp.

Balance Sheet [Last Year Analysis]

13th Period 2011

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	This Year	Last Year	\$ Difference	Difference
Total Liabilities	<u>\$4,438,479.05</u>	<u>\$4,473,980.66</u>	<u>(\$35,501.61)</u>	<u>(0.8%)</u>
3-0000 Equity				
3-4000 Common Stock	\$91,200.00	\$91,200.00	\$0.00	0.0%
3-4010 Capital Surplus	\$220,653.00	\$220,653.00	\$0.00	0.0%
3-4022 Treasury stock	(\$873,000.00)	(\$873,000.00)	\$0.00	0.0%
3-4500 Retained Earnings	\$3,722,888.37	\$3,787,561.03	(\$64,672.66)	(1.7%)
3-9000 Current Earnings	(\$264,345.90)	(\$98,286.71)	(\$166,059.19)	(169.0%)
3-9999 Historical Balancing Account	(\$0.09)	(\$0.09)	\$0.00	0.0%
Total Equity	<u>\$2,897,395.38</u>	<u>\$3,128,127.23</u>	<u>(\$230,731.85)</u>	<u>(7.4%)</u>
Total Liability & Equity	<u>\$7,335,874.43</u>	<u>\$7,602,107.89</u>	<u>(\$266,233.46)</u>	<u>(3.5%)</u>

Concord Steam Corp.

PO Box 2520

Concord, NH 03302-2520

Profit & Loss [Last Year Analysis]

January 2011 through 13th Period 2011

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		This Year	Last Year	\$ Difference	Difference
4-0000	Income				
4-2200	Service Late Fees Collected	\$39.90	(\$43.60)	\$83.50	191.5%
4-5000	Base Steam Income				
4-5005	Residential Base Income	\$1,398.14	\$426.81	\$971.33	227.6%
4-5010	Commercial/Ind. Base Income	\$848,762.31	\$804,795.42	\$43,966.89	5.5%
4-5020	Public Authority Base Income	\$1,398,910.44	\$1,316,366.34	\$82,544.10	6.3%
4-5025	Sales Discount	(\$117,497.70)	(\$9,913.01)	(\$107,584.69)	(1,085.3%)
4-5027	Energy Income				
4-5028	Commercial Energy Income	\$765,186.77	\$814,023.53	(\$48,836.76)	(6.0%)
4-5029	Public Auth. Energy Income	\$1,342,806.32	\$1,351,883.73	(\$9,077.41)	(0.7%)
4-5030	Residential Energy Income	\$1,249.46	\$403.34	\$846.12	209.8%
4-5040	Customer Penalties	\$2,841.95	\$16,709.60	(\$13,867.65)	(83.0%)
4-5045	Meter Charges	\$29,710.00	\$29,934.00	(\$224.00)	(0.7%)
4-5048	Sale of Electricity	\$94,733.01	\$122,105.29	(\$27,372.28)	(22.4%)
4-5049	Demand Response Income	\$3,456.00	\$6,644.39	(\$3,188.39)	(48.0%)
4-5060	Customer Service				
4-5061	Customer Service Parts	\$25,478.16	\$54,753.42	(\$29,275.26)	(53.5%)
4-5062	Customer Service Revenue	\$452,780.91	\$36,691.19	\$416,089.72	1,134.0%
4-5070	Interest Income	\$255.51	\$0.00	\$255.51	NA
4-5102	Rental Income Stack	\$5,000.00	\$11,824.38	(\$6,824.38)	(57.7%)
4-5115	Misc. Income	(\$1,418.29)	\$38,842.86	(\$40,261.15)	(103.7%)
	Total Income	\$4,853,692.89	\$4,595,447.69	\$258,245.20	5.6%
5-0000	Cost Of Sales				
5-6000	Rent - NH Hospital Plant Lease	\$101,911.65	\$96,643.50	\$5,268.15	5.5%
5-6006	Diesel Fuel	\$1,701.54	\$3,088.17	(\$1,386.63)	(44.9%)
5-6009	Fuel Oil				
5-6010	#6 Fuel Oil	\$127,416.80	\$186,528.47	(\$59,111.67)	(31.7%)
5-6012	Wood Fuel				
5-6013	Whole Tree Chips	\$1,034,134.15	\$1,204,725.28	(\$170,591.13)	(14.2%)
5-6015	Wood Procurement	\$35,000.04	\$35,125.04	(\$125.00)	(0.4%)
5-6016	Gas				
5-6017	Main Gas	\$732,960.15	\$425,841.42	\$307,118.73	72.1%
5-6018	Pilot Gas	\$734.41	\$652.83	\$81.58	12.5%
5-6020	Ash Disposal	\$22,807.74	\$30,633.47	(\$7,825.73)	(25.5%)
5-6025	Water/Sewer	\$212,518.84	\$157,455.84	\$55,063.00	35.0%
5-6026	Calibration Gases (CEM)	\$456.74	\$1,194.67	(\$737.93)	(61.8%)
5-6030	Chemicals				
5-6031	Treatment Chemicals	\$5,091.08	\$8,651.62	(\$3,560.54)	(41.2%)
5-6032	Reagents	\$12.65	\$48.06	(\$35.41)	(73.7%)
5-6035	Salt (Boiler)	\$31,561.00	\$23,423.03	\$8,137.97	34.7%
5-6036	Fuel Additives	\$150.80	\$0.00	\$150.80	NA
5-6040	Lubricants	\$1,180.80	\$449.42	\$731.38	162.7%
5-6045	Gases (Welding)	\$9,169.78	\$4,800.22	\$4,369.56	91.0%
5-6050	Consumables				
5-6051	Mechanical	\$5,786.99	\$8,246.46	(\$2,459.47)	(29.8%)
5-6052	Pipe Fittings	\$3,802.93	\$5,994.13	(\$2,191.20)	(36.6%)
5-6053	Valves (Gaskets, Packing etc)	\$1,793.74	\$1,806.02	(\$12.28)	(0.7%)
5-6055	Misc. Small Tools	\$4,528.41	\$5,342.47	(\$814.06)	(15.2%)
5-6060	Consumables/Electrical	\$1,581.62	\$4,335.71	(\$2,754.09)	(63.5%)
5-6065	Consumables/Building & Struct.	\$960.37	\$848.96	\$111.41	13.1%
5-6070	Misc. Production Supplies/Exp.	\$690.58	\$373.85	\$316.73	84.7%
5-6075	Electricity Purchased	\$87,292.94	\$79,151.92	\$8,141.02	10.3%
5-6080	Maintenance of Structures	\$43.96	\$2,855.13	(\$2,811.17)	(98.5%)
5-6085	Rental Fees/Plant Maintenance	\$1,536.30	\$1,907.34	(\$371.04)	(19.5%)
5-6090	Rental Fees/Distribution	\$518.76	\$1,219.35	(\$700.59)	(57.5%)
5-6095	Repair Parts/Mechanical Plant	\$24,112.44	\$20,064.46	\$4,047.98	20.2%
5-6100	Repair Parts Electrical	\$3,317.77	\$3,406.64	(\$88.87)	(2.6%)
5-6102	Repairs Distribution				
5-6105	RepairParts Distribution	\$4,073.84	\$986.08	\$3,087.76	313.1%
5-6106	Pipe	\$4,801.83	\$4,686.77	\$115.06	2.5%
5-6107	Insulation	\$3,137.40	\$366.40	\$2,771.00	756.3%
5-6108	Road Materials	\$1,310.47	\$2,441.81	(\$1,131.34)	(46.3%)
5-6109	Valves	\$3,978.48	\$13,695.17	(\$9,716.69)	(70.9%)
5-6110	Contracts Maint.&Repair/Plant	\$45,339.35	\$17,790.55	\$27,548.80	154.9%
5-6114	Contracts Main/Repairs Road	\$5,035.00	\$2,200.00	\$2,835.00	128.9%
5-6115	Contracts Maint.&Repair Distri	\$90.00	\$15,993.00	(\$15,903.00)	(99.4%)
5-6116	C.E.M. System	\$10,892.81	\$5,283.13	\$5,609.68	106.2%

Concord Steam Corp.

Profit & Loss [Last Year Analysis]

January 2011 through 13th Period 2011

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	This Year	Last Year	\$ Difference	Difference
5-6117 Instrumentation/Elect	\$6,912.04	\$1,731.69	\$5,180.35	299.1%
5-6120 Customer Parts/Supplies	\$362,048.58	\$39,585.00	\$322,463.58	814.6%
5-6125 Inventory Adjustments	\$0.00	\$2,530.00	(\$2,530.00)	(100.0%)
5-7000 Turbines-C				
5-7040 Lubricants-C	\$0.00	\$17.68	(\$17.68)	(100.0%)
5-7051 Mechanical Turbines	\$98.66	\$332.45	(\$233.79)	(70.3%)
5-7052 Pipe Fittings Turbines	\$0.00	\$350.14	(\$350.14)	(100.0%)
5-7053 Valves (Gaskets, etc. turbines	\$0.00	\$605.46	(\$605.46)	(100.0%)
5-7055 Misc. Small Tools Turbines	\$3.00	\$0.00	\$3.00	NA
5-7060 Consumables/turbines	\$183.29	\$0.00	\$183.29	NA
5-7065 Consumables/Turbines Building	\$52.86	\$0.00	\$52.86	NA
5-7095 Repair Parts/Mech. Turbine	\$819.68	\$971.47	(\$151.79)	(15.6%)
5-7100 Repair Parts/Elect. Turbines	\$1,579.66	\$0.00	\$1,579.66	NA
5-7110 Contracts Maint/RepairTurbine	\$5,010.00	\$0.00	\$5,010.00	NA
5-8000 New Yard Expenses				
5-8005 Yard Rental	\$141,792.00	\$141,792.00	\$0.00	0.0%
5-8006 Loader Fuel	\$7,710.77	\$6,861.75	\$849.02	12.4%
5-8010 Utilities	\$3,453.05	\$4,321.29	(\$868.24)	(20.1%)
5-8015 Heat Yard	\$4,788.93	\$4,762.69	\$26.24	0.6%
5-8051 Mechanical Repairs/Yard	\$925.95	\$733.64	\$192.31	26.2%
5-8055 Small Tools Yard	\$910.93	\$9.23	\$901.70	9,769.2%
5-8060 Contracts-Hauling	\$19,550.00	\$9,600.00	\$9,950.00	103.6%
5-8085 Loader rental	\$51,912.12	\$51,596.76	\$315.36	0.6%
Total Cost Of Sales	\$3,139,185.68	\$2,644,057.64	\$495,128.04	18.7%
Gross Profit	\$1,714,507.21	\$1,951,390.05	(\$236,882.84)	(12.1%)
6-0000 Expenses				
6-2100 Discounts Taken	(\$564.33)	\$879.71	(\$1,444.04)	(164.1%)
6-2200 Freight Paid	\$0.00	\$264.79	(\$264.79)	(100.0%)
5-2300 Interest Paid	\$8,070.83	\$2,153.47	\$5,917.36	274.8%
6-5200 Employer FICA	\$66,445.59	\$63,410.67	\$3,034.92	4.8%
6-5201 Employer SEP/IRA	\$12,860.12	\$10,919.08	\$1,941.04	17.8%
6-5202 SUTA	\$12,037.57	\$6,799.07	\$5,238.50	77.0%
6-5203 FUTA	\$1,177.35	\$1,005.95	\$171.40	17.0%
6-5204 SUTA Admin. Contrib.	\$492.85	\$338.48	\$154.37	45.6%
6-5700 Steam Plant Labor				
6-5701 Superintendence/Plant-11%	\$97,829.99	\$92,213.13	\$5,616.86	6.1%
6-5702 Boiler Labor-55%	\$455,174.63	\$461,065.68	(\$5,891.05)	(1.3%)
6-5725 Plant Equip. Maint. Labor-9%	\$81,559.06	\$75,447.09	\$6,111.97	8.1%
6-5756 Superintendence/Distrib. - 6%	\$44,798.82	\$50,298.07	(\$5,499.25)	(10.9%)
6-5761 O&M Distribution Lines Lab-3%	\$34,129.13	\$25,149.01	\$8,980.12	35.7%
6-5762 Meter Operating Labor-6%	\$58,538.60	\$50,298.07	\$8,240.53	16.4%
6-5780 Meter Rding/Collection Lab-2%	\$25,167.10	\$16,766.02	\$8,401.08	50.1%
6-5781 Customer Billing Labor-3%	\$15,334.41	\$25,149.02	(\$9,814.61)	(39.0%)
6-5791 General Office Labor-5%	\$25,557.34	\$41,915.08	(\$16,357.74)	(39.0%)
6-5799 Contracted Admin. Services	\$0.00	\$14,000.00	(\$14,000.00)	(100.0%)
Total Steam Plant Labor	\$838,089.08	\$852,301.17	(\$14,212.09)	(1.7%)
6-6130 Depreciation	\$250,326.91	\$251,062.55	(\$735.64)	(0.3%)
6-6135 Amortization	(\$6,874.86)	(\$6,874.86)	\$0.00	0.0%
6-6140 Property Tax-City	\$96,831.39	\$92,952.91	\$3,878.48	4.2%
6-6141 Property Tax-Utility	\$24,109.40	\$25,407.25	(\$1,297.85)	(5.1%)
6-6166 State BET Taxes	\$0.00	\$7,010.00	(\$7,010.00)	(100.0%)
6-6170 Contributions/Donations	\$15,763.00	\$12,100.00	\$3,663.00	30.3%
6-6171 State Fees	\$38,986.98	\$44,799.10	(\$5,812.12)	(13.0%)
6-6172 City Fees	\$6,415.25	\$8,458.80	(\$2,043.55)	(24.2%)
6-6173 Assoc. Dues/ Fees/Memberships	\$1,242.82	\$12,085.58	(\$10,842.76)	(89.7%)
6-6175 Uncollectable Steam Sales	\$17,789.79	\$688.17	\$17,101.62	2,485.1%
6-6180 Uncollectable Service Sales	\$235.00	\$217.91	\$17.09	7.8%
6-6190 Marketing/Promotions/Adv.	\$3,137.00	\$3,150.00	(\$13.00)	(0.4%)
6-6500 Postage	\$2,003.42	\$832.92	\$1,170.50	140.5%
6-6505 Office Equipment Exp.	\$0.00	\$1,047.79	(\$1,047.79)	(100.0%)
6-6510 Telephone	\$13,076.60	\$10,527.51	\$2,549.09	24.2%
6-6515 Employee Recruiting	\$4,657.87	\$3,270.38	\$1,387.49	42.4%
6-6516 Employee Appreciation	\$6,748.47	\$5,000.00	\$1,748.47	35.0%
6-6517 Employee Training/Education	\$0.00	\$133.00	(\$133.00)	(100.0%)
6-6518 Employee Med. Testing Expense	\$345.00	\$426.00	(\$81.00)	(19.0%)
6-6520 Leases/Rentals Equipment	\$4,077.50	\$4,036.08	\$41.42	1.0%
6-6523 Travel Meals etc.	\$541.33	\$124.38	\$416.95	335.2%
6-6525 Travel Expenses	\$2,226.09	\$2,094.15	\$131.94	6.3%
6-6530 Cleaning Supplies/Expense	\$4,263.47	\$3,520.37	\$743.10	21.1%

Concord Steam Corp.

Profit & Loss [Last Year Analysis]

January 2011 through 13th Period 2011

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		This Year	Last Year	\$ Difference	Difference
6-6535	Misc. Office Expense/Supplies	\$5,949.70	\$7,281.39	(\$1,331.69)	(18.3%)
6-6540	Maintenance Office Equipment	\$0.00	\$617.46	(\$617.46)	(100.0%)
6-6545	Attorneys	(\$38,025.55)	\$70,057.21	(\$108,082.76)	(154.3%)
6-6550	Accountants	\$21,012.47	\$14,176.00	\$6,836.47	48.2%
6-6555	Engineering Consultants	\$7,757.21	\$10,211.77	(\$2,454.56)	(24.0%)
6-6560	Management Fees	\$82,620.00	\$82,620.00	\$0.00	0.0%
6-6565	Other Consultants	\$26,321.38	(\$32.37)	\$26,353.75	81,414.1%
6-6570	PUC Tax	\$15,788.00	\$15,493.50	\$294.50	1.9%
6-6575	Insurance				
6-6576	Liability / Auto Insurance	\$79,952.51	\$68,298.82	\$11,653.69	17.1%
6-6577	Workmen's Comp.	\$25,738.71	\$33,698.00	(\$7,959.29)	(23.6%)
6-6585	Employee Med, Dental etc. Ins.	\$128,877.02	\$138,889.36	(\$10,012.34)	(7.2%)
6-6590	Uniforms	\$11,539.03	\$10,753.14	\$785.89	7.3%
6-6600	Safety Equipment	\$12,526.42	\$10,414.27	\$2,112.15	20.3%
6-6610	Federal Fines	\$0.00	\$60,000.00	(\$60,000.00)	(100.0%)
6-6615	Misc. General Expense	\$17,716.07	\$7,310.70	\$10,405.37	142.3%
6-6620	Vehicle Registrations	\$1,398.00	\$1,441.00	(\$43.00)	(3.0%)
6-6625	Truck & Loader Maintenance	\$6,266.22	\$5,347.29	\$918.93	17.2%
6-6630	Gasoline	\$19,260.64	\$8,573.08	\$10,687.56	124.7%
6-6635	Interest				
6-6636	Credit Line Interest	\$36,116.56	\$33,378.57	\$2,737.99	8.2%
6-6637	Term Loan Interest	\$30,408.54	\$37,014.12	(\$6,605.58)	(17.8%)
6-6638	Truck Loan Interest	\$348.12	\$281.25	\$66.87	23.8%
6-6639	Interest Customer Deposits	\$0.00	\$824.83	(\$824.83)	(100.0%)
6-6640	Interest ST Loan 2009	\$0.00	\$4,010.42	(\$4,010.42)	(100.0%)
6-6641	Vendor Interest	\$0.00	\$3,108.06	(\$3,108.06)	(100.0%)
	Total Interest	<u>\$66,873.22</u>	<u>\$78,617.25</u>	<u>(\$11,744.03)</u>	<u>(14.9%)</u>
6-6680	Special Payroll/ Retired	\$31,651.30	\$12,000.00	\$19,651.30	163.8%
6-6710	Bank Charges	\$6,378.20	\$0.00	\$6,378.20	NA
6-7050	Deferred Tax Provision	(\$42,868.19)	(\$2,175.50)	(\$40,692.69)	(1,870.5%)
6-8000	Expense-C				
6-8565	Other Consultants Turbines	\$6.84	\$0.00	\$6.84	NA
6-9100	Misc. Exp. Office, etc.	\$404.50	\$620.41	(\$215.91)	(34.8%)
6-9200	Truck/ Loader Expense	\$5,481.15	\$11,058.16	(\$5,577.01)	(50.4%)
6-9205	Tractor Trailer Fuel	\$7,527.55	\$7,318.39	\$209.16	2.9%
6-9220	Yard heat expense	\$955.07	\$16.69	\$938.38	5,622.4%
6-9230	Veh. Registrations	\$1,340.16	\$1,522.16	(\$182.00)	(12.0%)
6-9240	State & Town Fees	\$180.00	\$240.00	(\$60.00)	(25.0%)
6-9560	Highway Use Tax	\$550.00	\$550.00	\$0.00	0.0%
6-9600	Property Tax Yard	\$24,168.01	\$23,493.04	\$674.97	2.9%
	Total Expenses	<u>\$1,951,857.13</u>	<u>\$2,098,553.60</u>	<u>(\$146,696.47)</u>	<u>(7.0%)</u>
	Operating Profit	<u>(\$237,349.92)</u>	<u>(\$147,163.55)</u>	<u>(\$90,186.37)</u>	<u>(61.3%)</u>
8-0000	Other Income				
8-1000	BCAP Savings	\$0.00	\$94,699.00	(\$94,699.00)	(100.0%)
	Total Other Income	<u>\$0.00</u>	<u>\$94,699.00</u>	<u>(\$94,699.00)</u>	<u>(100.0%)</u>
9-0000	Non-Operating Expense				
9-9500	Ins. Claims	\$429.84	\$14,745.00	(\$14,315.16)	(97.1%)
9-9555	Off Book Rent Expense	\$26,208.00	\$26,208.00	\$0.00	0.0%
9-9560	Service/ Late Fees	\$358.12	\$4,868.13	(\$4,510.01)	(92.6%)
9-9570	Checking acct. reconciliation	\$0.02	\$1.03	(\$1.01)	(98.1%)
	Total Non-Operating Expense	<u>\$26,995.98</u>	<u>\$45,822.16</u>	<u>(\$18,826.18)</u>	<u>(41.1%)</u>
	Net Profit/(Loss)	<u>(\$264,345.90)</u>	<u>(\$98,286.71)</u>	<u>(\$166,059.19)</u>	<u>(169.0%)</u>

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

2. Audited report to stockholders, last five years.

Attached hereto.

CONCORD STEAM CORPORATION

FINANCIAL REPORT
(Reviewed)

DECEMBER 31, 2007

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NATHAN WECHSLER & COMPANY
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
Concord Steam Corporation
Concord, New Hampshire 03301

We have reviewed the accompanying balance sheets of Concord Steam Corporation as of December 31, 2007 and 2006, and the related statements of income and retained earnings, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All of the information included in these financial statements is the representation of the management of Concord Steam Corporation.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Nathan Wechsler & Company
Concord, New Hampshire
March 17, 2008

CONCORD STEAM CORPORATION

BALANCE SHEETS

December 31, 2007 and 2006

See Accountants' Review Report

ASSETS		2007	2006
PROPERTY AND EQUIPMENT, net of contributions			
in aid of construction 2007 and 2006 \$171,975		\$ 5,197,302	\$ 5,362,473
<hr/>			
CURRENT ASSETS			
Trade accounts receivable, net of allowance for doubtful accounts 2007 and 2006 \$35,161		895,088	791,665
Due from stockholder		-	3,868
Employee receivables		2,127	10,082
Due from affiliate		51,274	-
Materials and supplies		326,339	320,690
Prepaid expenses		70,278	58,896
Income tax refund claim		2,402	18,433
Deferred income tax benefit		226,829	299,208
<i>Total current assets</i>		<u>1,574,337</u>	<u>1,502,842</u>
<hr/>			
OTHER ASSETS			
Costs of obtaining financing, net of accumulated amortization 2007 \$3,981; 2006 \$3,044		702	1,639
Uncompleted construction		67,203	57,247
		<u>67,905</u>	<u>58,886</u>
		<u>\$ 6,839,544</u>	<u>\$ 6,924,201</u>
<hr/>			
CAPITALIZATION AND LIABILITIES		2007	2006
<hr/>			
CAPITALIZATION			
Common stock, par value \$100; authorized 1,000 shares; issued 912 shares; outstanding 2007 and 2006 480 shares		\$ 48,000	\$ 48,000
Additional paid-in capital		220,653	220,653
Retained earnings		3,451,216	3,259,543
		<u>3,719,869</u>	<u>3,528,196</u>
<hr/>			
COMMITMENTS AND CONTINGENCIES (See Notes)			
<hr/>			
CURRENT LIABILITIES			
Excess of outstanding checks over bank balance		70,668	53,530
Note payable		482,500	504,500
Current maturities of long-term debt		74,063	71,404
Trade accounts payable		477,835	740,116
Due to stockholder		2,251	-
Accrued expenses		40,059	29,255
<i>Total current liabilities</i>		<u>1,147,376</u>	<u>1,398,805</u>
<hr/>			
LONG-TERM DEBT, less current maturities		847,018	918,206
<hr/>			
DEFERRED INCOME TAX LIABILITIES		1,125,281	1,078,994
		<u>\$ 6,839,544</u>	<u>\$ 6,924,201</u>
<hr/>			

CONCORD STEAM CORPORATION

STATEMENTS OF INCOME AND RETAINED EARNINGS

Years Ended December 31, 2007 and 2006

See Accountants' Review Report

	2007	2006
Operating revenue	\$ 5,216,730	\$ 4,255,707
Operating expenses:		
Operation and maintenance	3,618,329	3,549,956
Other operating expenses	707,586	658,309
Depreciation and amortization	243,839	217,857
Property tax	237,232	209,339
	<u>4,806,986</u>	<u>4,635,461</u>
<i>Operating income (loss)</i>	<u>409,744</u>	<u>(379,754)</u>
Nonoperating income (expense):		
Interest income	16	14
Loss on disposal of assets	(2,898)	-
Interest on long-term debt	(94,492)	(46,810)
	<u>(97,374)</u>	<u>(46,796)</u>
<i>Income (loss) before income taxes (benefit)</i>	<u>312,370</u>	<u>(426,550)</u>
Provision for income tax expense (benefit):		
Current tax expense	2,031	1,599
Deferred income tax expense (benefit)	118,666	(126,634)
	<u>120,697</u>	<u>(125,035)</u>
<i>Net income (loss)</i>	<u>191,673</u>	<u>(301,515)</u>
Retained earnings, beginning of year	<u>3,259,543</u>	<u>3,561,058</u>
Retained earnings, end of year	<u>\$ 3,451,216</u>	<u>\$ 3,259,543</u>

CONCORD STEAM CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2007 and 2006

See Accountants' Review Report

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 191,673	\$ (301,515)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation	242,903	216,400
Amortization	937	1,457
Bad debt expense	33,311	75,000
Deferred income tax expense (benefit)	118,666	(126,634)
Loss on disposal of assets	2,898	-
(Increase) decrease in trade accounts receivables	(136,734)	61,046
(Increase) decrease in employee receivables	7,955	(9,368)
(Increase) decrease in materials and supplies	(5,649)	5,929
(Increase) decrease in prepaid expenses	(11,382)	15,770
Decrease in income tax refund claim	16,031	1,599
Increase (decrease) in trade accounts payable and accrued expenses	(251,475)	188,841
	<u>209,134</u>	<u>128,525</u>
<i>Net cash provided by operating activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(67,096)	(860,928)
(Increase) decrease in due from stockholder	3,868	(3,868)
Increase in due from affiliate	(51,274)	-
Increase in uncompleted construction	(9,956)	(36,418)
	<u>(124,458)</u>	<u>(901,214)</u>
<i>Net cash used in investing activities</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings (repayments) on note payable	(22,000)	114,000
Increase (decrease) in excess of outstanding checks over bank balance	17,138	(35,780)
Increase in due to stockholder	2,251	-
Proceeds from long-term debt	-	784,725
Payments on long-term debt	(82,065)	(90,256)
	<u>(84,676)</u>	<u>772,689</u>
<i>Net cash provided by (used in) financing activities</i>		
<i>Net change in cash</i>		
	-	-
Cash, beginning of year	-	-
	<u>\$ -</u>	<u>\$ -</u>
<i>Cash, end of year</i>		

CONCORD STEAM CORPORATION

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended December 31, 2007 and 2006

See Accountants' Review Report

	2007	2006
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash used in operating activities:		
Interest	\$ 99,869	\$ 42,223
Income taxes (refund)	\$ (14,000)	\$ -

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Acquisition of property and equipment:		
Cost of property and equipment	\$ 80,633	\$ 860,928
Amount financed	13,537	-
<i>Cash paid for equipment and property</i>	<u>\$ 67,096</u>	<u>\$ 860,928</u>
Proceeds from long-term debt:		
Proceeds from new long-term debt	\$ -	\$ 1,000,000
Payoff of existing long-term debt	-	215,275
<i>Net long-term debt borrowings</i>	<u>\$ -</u>	<u>\$ 784,725</u>

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Note 1. Nature of Business

The Company's operations are principally in the generation of steam as a public utility and in the cogeneration of electricity as a by-product of the steam production process, which are subject to regulation by the Public Utility Commission ("PUC"), with sales to customers in the Concord, New Hampshire area on credit terms the Company establishes for individual customers.

Note 2. Significant Accounting Policies

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from those estimates.

Basis of presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The balance sheet has been presented following the industry practice for utility companies.

Depreciation: For financial statement purposes, depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Utility plant	29 1/3-75
Office and shop equipment	10-33 1/3
Vehicles	5-10
Building	15
Machinery and equipment	5-20

Amortization: Contribution in aid of construction is being amortized over 75 years as discussed in Note 10.

Income taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. The deferred tax assets and liabilities represent future tax return consequences, which will either be taxable or deductible when the related assets and liabilities are recovered or settled.

Deferred tax assets arising from future deductible items are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Materials and supplies: Materials and supplies consist of parts and supplies, wood inventory, oil inventory and chemical inventory. Parts and supplies are valued at the lower of cost (first in, first out) or market. Wood, oil and chemical inventories are valued at average cost.

Cash and cash equivalents: For purposes of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2007 and 2006, the Company had no cash equivalents.

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CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Advertising costs: The Company follows the policy of charging the costs of advertising to expense as incurred.

Trade accounts receivable: Accounts receivables are recorded when invoices are issued and are presented in the balance sheet net of the allowance for doubtful accounts. Accounts receivables are written off when they are determined to be uncollectible. The allowance for doubtful accounts is estimated based on the Company's historical losses, the financial stability of its customers and the existing economic conditions. The allowance for doubtful accounts amounted to \$35,161 at December 31, 2007 and 2006.

Note 3. Materials and Supplies

<u>Materials and supplies, December 31,</u>	<u>2007</u>	<u>2006</u>
Parts and supplies	\$ 51,618	\$ 53,692
Wood	198,106	182,103
Oil	72,175	79,234
Chemicals	4,440	5,661
<i>Total</i>	<u>\$ 326,339</u>	<u>\$ 320,690</u>

Note 4. Property and Equipment

<u>Property and equipment, at cost, December 31,</u>	<u>2007</u>	<u>2006</u>
Power plant equipment	\$ 6,362,297	\$ 6,309,966
Distribution equipment	2,764,173	2,755,211
Building and improvements	773,185	773,185
Office equipment	31,023	34,063
Transportation equipment	304,541	298,831
Other equipment	134,836	118,124
<i>Total property and equipment</i>	10,370,055	10,289,380
Less accumulated depreciation	5,172,753	4,926,907
	<u>\$ 5,197,302</u>	<u>\$ 5,362,473</u>

Note 5. Income Tax Matters

Current income tax expense for the years ended December 31, 2007 and 2006 was comprised primarily of the New Hampshire Business Enterprise Tax, a tax imposed by the state on wages and interest expense paid or accrued by the Company and dividends paid to stockholders.

At December 31, 2007, the Company has approximately \$400,000 in federal net operating loss carryovers which may be used to offset otherwise future taxable income. These federal carryovers expire in 2026. The Company has energy credits in the amount of \$71,799 that can be used to offset future federal income taxes. These credits expire between 2015 and 2017.

(continued on next page)

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

At December 31, 2007, the Company had \$7,413 of New Hampshire Business Enterprise Tax credits available to offset future New Hampshire Business Profits Tax through 2008 and 2012. The Company has approximately \$430,000 in New Hampshire net operating loss carryovers which may be used to reduce New Hampshire taxable income in future years through 2016.

Deferred tax assets, arising from federal and state net operating losses, accrued officer wages, charitable contributions, energy credits and allowance for doubtful accounts amounted to \$298,628 and \$349,144 for the years ended December 31, 2007 and 2006, respectively. These deferred tax assets have been reduced by a valuation allowance of \$71,799 and \$49,936 for the years ended December 31, 2007 and 2006, respectively, for a net deferred tax asset of \$226,829 and \$299,208 at December 31, 2007 and 2006, respectively.

Deferred tax liabilities, arising from temporary differences relating to depreciation, amounted to \$1,125,281 and \$1,078,994 for the years ended December 31, 2007 and 2006, respectively.

Note 6. Note Payable, Long-Term Debt and Pledged Assets

Details of the Company's note payable and long-term debt are as follows:

<u>Notes Payable, December 31,</u>	<u>2007</u>	<u>2006</u>
Note payable, bank line of credit, \$700,000 maximum, with interest at prime (7.25% at December 31, 2007), collateralized by all business assets and personally guaranteed by the Company's stockholders, expiring September 30, 2008	\$ 482,500	\$ 504,500

The loan agreement for the note payable requires that the borrower meet a certain debt coverage ratio.

<u>Long-term debt, December 31,</u>	<u>2007</u>	<u>2006</u>
Note payable, with interest at the one-month LIBOR plus 2% (7.24% at December 31, 2007), due in monthly principal and interest payments of \$11,752 through October 2009, with balloon payment of remaining principal, collateralized by all business assets and personally guaranteed by the Company's stockholders	\$ 911,984	\$ 989,610
Note payable, with interest at 9.75%, due in monthly principal and interest payments of \$435 through February 2010, collateralized by certain equipment	9,097	-
	921,081	989,610
Portion payable within one year	74,063	71,404
<i>Long-term debt</i>	\$ 847,018	\$ 918,206

(continued on next page)

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Maturities of long-term debt are as follows:

2008	\$	74,063
2009		846,158
2010		860
Total	\$	<u>921,081</u>

Note 7. Lease Commitment, Rent Expense and Major Customers

The Company leases its steam utility plant under a noncancelable agreement which expires in 2010 and requires annual rentals of \$83,763 plus payment of property taxes, maintenance and insurance.

The total minimum rental commitment at December 31, 2007 is \$223,368, which is due as follows:

2008	\$	83,763
2009		83,763
2010		55,842

The Company derived approximately 47% of its revenue from the sale of steam to two major customers for each of the years ended December 31, 2007 and 2006, respectively. These major customers comprised 39% and 51% of trade accounts receivable at December 31, 2007 and 2006, respectively. One of these major customers is the landlord of the Company.

Note 8. Seasonality of Operations

The Company derives the bulk of its revenue from the sale of steam for heating purposes. Accordingly, revenue in the period December to March is historically higher than the balance of the year due to customers' heating requirements during that period.

Note 9. Related Party Transactions

A related party, which is owned in part by one of the stockholders of the Company, provides engineering and administrative services for the Company. The fees for these services amounted to \$72,000 for each of the years ended December 31, 2007 and 2006, respectively. The balance due to this related party at December 31, 2007 and 2006 amounted to \$26,609 and \$101,707, respectively, and is included in accounts payable on the accompanying balance sheets. Included in accounts receivable on the accompanying balance sheets from this related party is \$4 and \$- at December 31, 2007 and 2006, respectively.

The Company advanced \$13,824 and \$5,148 to a stockholder and received payments of \$19,943 and \$1,280 from this stockholder during the years ended December 31, 2007 and 2006, respectively. The unpaid balance of the advances amounted to \$- and \$3,868 at December 31, 2007 and 2006, respectively. The balance due to the stockholder at December 31, 2007 and 2006 amounted to \$2,251 and \$-, respectively.

(continued on next page)

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

A related party, which is owned by the stockholders of the Company, rents yard space for its wood chip inventory to the Company. The monthly rent for this space amounts to \$14,000 per month. The term of this lease expires on July 31, 2016, with an option for another ten-year period. The balance due to this related party at December 31, 2007 and 2006 amounted to \$42,000 and \$58,014, respectively, and is included in accounts payable on the accompanying balance sheets.

The company advanced \$51,274 during 2007 to a related entity owned by one of the stockholders of the Company. This balance remained outstanding at December 31, 2007.

The total minimum rental commitment at December 31, 2007 was \$1,442,000 which is due as follows:

2008	\$	168,000
2009		168,000
2010		168,000
2011		168,000
2012		168,000
Thereafter		602,000

Note 10. Other Asset - Contribution in Aid of Construction

In prior years, the Company paid \$31,000 for contribution in aid of construction under a contract for interruptible gas service. The Company began utilizing the gas service in November 1993 and began amortizing the contribution using the straight-line method over a period of 75 years. Amortization expense for the years ended December 31, 2007 and 2006 amounted to \$520 in each year and is included in property and equipment.

Note 11. Pension Plan

The Company has a SEP/IRA pension plan for all eligible employees who are at least 21 years of age and have been employed three of the previous five years. The plan provides for contributions by the Company in such amounts as the Board of Directors may determine annually. The Company's contributions charged to expense was \$6,201 and \$6,432 for the years ended December 31, 2007 and 2006, respectively.

Note 12. Concentration of Credit Risk

The Company maintains cash accounts at one bank. These accounts are insured by the FDIC up to \$100,000 per depositor. At certain times during the year the Company had balances in excess of the insured limit.

Note 13. Advertising

Advertising expense for the years ended December 31, 2007 and 2006 amounted to \$4,965 and \$6,209, respectively.

CONCORD STEAM CORPORATION

FINANCIAL REPORT
(Reviewed)

DECEMBER 31, 2008

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CONCORD STEAM CORPORATION

BALANCE SHEETS

December 31, 2008 and 2007

See Accountants' Review Report

<i>ASSETS</i>		2008	2007
PROPERTY AND EQUIPMENT, net of contributions			
in aid of construction 2008 and 2007 \$171,975		\$ 4,997,915	\$ 5,197,302
CURRENT ASSETS			
Trade accounts receivable, net of allowance for doubtful accounts 2008 and 2007 \$35,161		967,694	895,088
Employee receivables		1,655	2,127
Due from affiliate		-	51,274
Materials and supplies		367,707	326,339
Prepaid expenses		40,296	70,278
Income tax refund claim		-	2,402
Deferred income tax benefit		440,446	226,829
<i>Total current assets</i>		<u>1,817,798</u>	<u>1,574,337</u>
OTHER ASSETS			
Costs of obtaining financing, net of accumulated amortization 2008 \$4,683; 2007 \$3,981		-	702
Uncompleted construction		67,203	67,203
		<u>67,203</u>	<u>67,905</u>
		<u>\$ 6,882,916</u>	<u>\$ 6,839,544</u>
CAPITALIZATION AND LIABILITIES			
		2008	2007
CAPITALIZATION			
Common stock, par value \$100; authorized 1,000 shares; issued 912 shares; outstanding 2008 and 2007 480 shares		\$ 48,000	\$ 48,000
Additional paid-in capital		220,653	220,653
Retained earnings		3,109,958	3,451,216
		<u>3,378,611</u>	<u>3,719,869</u>
COMMITMENTS AND CONTINGENCIES (See Notes)			
CURRENT LIABILITIES			
Excess of outstanding checks over bank balance		250,558	70,668
Note payable		607,000	482,500
Current maturities of long-term debt		101,327	74,063
Trade accounts payable		530,255	477,835
State tax payable		6,138	-
Accrued expenses		49,195	40,059
Due to affiliate		70,248	-
Due to stockholder		4,876	2,251
<i>Total current liabilities</i>		<u>1,619,597</u>	<u>1,147,376</u>
LONG-TERM DEBT, less current maturities		<u>749,673</u>	<u>847,018</u>
DEFERRED INCOME TAX LIABILITIES		<u>1,135,035</u>	<u>1,125,281</u>
		<u>\$ 6,882,916</u>	<u>\$ 6,839,544</u>

See Notes to Financial Statements.

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CONCORD STEAM CORPORATION

STATEMENTS OF INCOME AND RETAINED EARNINGS

Years Ended December 31, 2008 and 2007

See Accountants' Review Report

	2008	2007
Operating revenue	\$ 4,671,620	\$ 5,216,730
Operating expenses:		
Operation and maintenance	4,038,606	3,618,329
Other operating expenses	624,156	707,586
Property tax	284,738	237,232
Depreciation and amortization	246,039	243,839
	<u>5,193,539</u>	<u>4,806,986</u>
<i>Operating income (loss)</i>	<u>(521,919)</u>	<u>409,744</u>
Nonoperating income (expense):		
Interest income	7	16
Gain (loss) on disposal of assets	54,864	(2,898)
Interest on long-term debt	(69,895)	(94,492)
	<u>(15,024)</u>	<u>(97,374)</u>
<i>Income (loss) before income taxes (benefit)</i>	<u>(536,943)</u>	<u>312,370</u>
Provision for income tax expense (benefit):		
Current tax expense	8,178	2,031
Deferred income tax expense (benefit)	(203,863)	118,666
	<u>(195,685)</u>	<u>120,697</u>
<i>Net income (loss)</i>	<u>(341,258)</u>	<u>191,673</u>
Retained earnings, beginning of year	<u>3,451,216</u>	<u>3,259,543</u>
Retained earnings, end of year	<u>\$ 3,109,958</u>	<u>\$ 3,451,216</u>

CONCORD STEAM CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2008 and 2007

See Accountants' Review Report

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (341,258)	\$ 191,673
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation	245,336	242,903
Amortization	703	937
Bad debt expense	722	33,311
Deferred income tax expense (benefit)	(203,863)	118,666
(Gain) loss on disposal of assets	(54,864)	2,898
Increase in trade accounts receivables	(73,328)	(136,734)
Decrease in employee receivables	472	7,955
Increase in materials and supplies	(41,368)	(5,649)
(Increase) decrease in prepaid expenses	29,982	(11,382)
Decrease in income tax refund claim	8,540	16,031
Increase (decrease) in trade accounts payable and accrued expenses	61,554	(251,475)
<i>Net cash provided by (used in) operating activities</i>	<u>(367,372)</u>	<u>209,134</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(82,886)	(67,096)
Decrease in due from stockholder	-	3,868
Proceeds from disposal of equipment	114,864	-
Increase in uncompleted construction	-	(9,956)
<i>Net cash provided by (used in) investing activities</i>	<u>31,978</u>	<u>(73,184)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings (repayments) on note payable	124,500	(22,000)
Increase in excess of outstanding checks over bank balance	179,890	17,138
(Increase) decrease in due from affiliate	51,274	(51,274)
Increase in due to affiliate	70,248	-
Increase in due to stockholder	2,625	2,251
Payments on long-term debt	(93,143)	(82,065)
<i>Net cash provided by (used in) financing activities</i>	<u>335,394</u>	<u>(135,950)</u>
<i>Net change in cash</i>	<u>-</u>	<u>-</u>
Cash, beginning of year	-	-
<i>Cash, end of year</i>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

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CONCORD STEAM CORPORATION

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended December 31, 2008 and 2007

See Accountants' Review Report

	2008	2007
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash used in operating activities:		
Interest	\$ 69,895	\$ 99,869
Income taxes (refund)	\$ -	\$ (14,000)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Acquisition of property and equipment:		
Cost of property and equipment	\$ 105,949	\$ 80,633
Amount financed	23,063	13,537
<i>Cash paid for equipment and property</i>	<u>\$ 82,886</u>	<u>\$ 67,096</u>

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Note 1. Nature of Business

The Company's operations are principally in the generation of steam as a public utility and in the cogeneration of electricity as a by-product of the steam production process, which are subject to regulation by the Public Utility Commission ("PUC"), with sales to customers in the Concord, New Hampshire area on credit terms the Company establishes for individual customers.

Note 2. Significant Accounting Policies

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from those estimates.

Basis of presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The balance sheet has been presented following the industry practice for utility companies.

Depreciation: For financial statement purposes, depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Power plant equipment	29 1/3-75
Distribution equipment	29 1/3-75
Office equipment	10-33 1/3
Transportation equipment	5-10
Building and improvements	15
Other equipment	5-20

Amortization: Contribution in aid of construction is being amortized over 75 years as discussed in Note 10.

Income taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. The deferred tax assets and liabilities represent future tax return consequences, which will either be taxable or deductible when the related assets and liabilities are recovered or settled.

Deferred tax assets arising from future deductible items are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Materials and supplies: Materials and supplies consist of parts and supplies, wood inventory, oil inventory and chemical inventory. Parts and supplies are valued at the lower of cost (first in, first out) or market. Wood, oil and chemical inventories are valued at average cost.

Cash and cash equivalents: For purposes of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2008 and 2007, the Company had no cash equivalents.

(continued on next page)

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Advertising costs: The Company follows the policy of charging the costs of advertising to expense as incurred.

Trade accounts receivable: Trade accounts receivable are recorded when invoices are issued and are presented on the accompanying balance sheets net of the allowance for doubtful accounts. Trade accounts receivable are written off when they are determined to be uncollectible. The allowance for doubtful accounts is estimated based on the Company's historical losses, the financial stability of its customers and the existing economic conditions. The allowance for doubtful accounts amounted to \$35,161 at December 31, 2008 and 2007.

Note 3. Materials and Supplies

Materials and supplies, December 31,	2008	2007
Parts and supplies	\$ 41,655	\$ 51,618
Wood	236,831	198,106
Oil	82,532	72,175
Chemicals	6,689	4,440
<i>Total</i>	<u>\$ 367,707</u>	<u>\$ 326,339</u>

Note 4. Property and Equipment

Property and equipment, at cost, December 31,	2008	2007
Power plant equipment	\$ 6,390,349	\$ 6,362,297
Distribution equipment	2,799,548	2,764,173
Building and improvements	773,185	773,185
Office equipment	33,624	31,023
Transportation equipment	247,659	304,541
Other equipment	151,639	134,836
<i>Total property and equipment</i>	10,396,004	10,370,055
Less accumulated depreciation	5,398,089	5,172,753
	<u>\$ 4,997,915</u>	<u>\$ 5,197,302</u>

Note 5. Income Tax Matters

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's current deferred tax assets are as follows:

December 31,	2008	2007
Deferred tax assets:		
Accrued liabilities	\$ 33,449	\$ 26,620
Trade accounts receivable reserve	13,284	13,284
Net operating losses	368,129	152,717
Tax credit carryforwards	120,487	106,007
<i>Total current-term deferred tax assets</i>	535,349	298,628
Deferred tax asset valuation allowance	(94,903)	(71,799)
<i>Total current deferred tax assets</i>	<u>\$ 440,446</u>	<u>\$ 226,829</u>

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CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Significant components of the Company's long-term deferred tax liabilities are as follows:

December 31,	2008	2007
Deferred tax liabilities:		
Depreciation	<u>\$ 1,135,035</u>	<u>\$ 1,125,281</u>

SFAS No. 109, Accounting for Income Taxes, requires a valuation allowance to reduce the deferred tax reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance of \$94,903 and \$71,799 at December 31, 2008 and 2007, respectively, is necessary to reduce the deferred tax assets to the amount that will more likely than not be realized. The total valuation allowance for the year ended December 31, 2008 increased by \$23,104.

Current income tax expense for the years ended December 31, 2008 and 2007 was comprised of the New Hampshire Business Enterprise Tax, a tax imposed by the state on wages and interest expense paid or accrued by the Company and dividends paid to stockholders.

At December 31, 2008, the Company has approximately \$960,000 in federal net operating loss carryovers which may be used to offset otherwise future taxable income. These federal carryovers expire in 2027. The Company has energy credits in the amount of \$94,903 that can be used to offset future federal income taxes. These credits expire between 2015 and 2018.

At December 31, 2008, the Company had \$10,209 of New Hampshire Business Enterprise Tax credits available to offset future New Hampshire Business Profits Tax expiring between 2009 and 2013. The Company has approximately \$1,000,000 in New Hampshire net operating loss carryovers, which may be used to reduce New Hampshire taxable income in future years through 2017.

Note 6. Note Payable, Long-Term Debt and Pledged Assets

Details of the Company's note payable and long-term debt are as follows:

Notes Payable, December 31,	2008	2007
Note payable, bank line of credit, \$1,200,000 maximum, with interest at prime (3.25% at December 31, 2008), collateralized by all business assets and personally guaranteed by the Company's stockholders, expiring September 30, 2009	<u>\$ 607,000</u>	<u>\$ 482,500</u>

The loan agreement for the note payable requires that the borrower meet a certain debt coverage ratio. The Company was not in compliance with this covenant. The Company has obtained a waiver of this covenant violation from the bank.

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CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Long-term debt, December 31,	2008	2007
Note payable, with interest at the one-month LIBOR plus 2% (6.36% at December 31, 2008), due in monthly principal and interest payments of \$11,752 through October 2016, with balloon payment of remaining principal, collateralized by all business assets and personally guaranteed by the Company's stockholders	\$ 826,231	\$ 911,984
Note payable, with interest at 9.75%, due in monthly principal and interest payments of \$435 through February 2010, collateralized by certain equipment	4,957	9,097
Note payable, with interest at 2.9%, due in monthly principal and interest payments of \$413 through April 2013, collateralized by certain equipment	19,812	-
	<u>851,000</u>	<u>921,081</u>
Portion payable within one year	<u>101,327</u>	<u>74,063</u>
<i>Long-term debt</i>	<u>\$ 749,673</u>	<u>\$ 847,018</u>

Maturities of long-term debt are as follows:

2009	\$ 101,327
2010	102,274
2011	105,384
2012	109,509
2013	110,461
Later	<u>322,045</u>
<i>Total</i>	<u>\$ 851,000</u>

Note 7. Lease Commitment, Rent Expense and Major Customers

The Company leases its steam utility plant under a noncancelable agreement which expires in 2010 and requires annual rentals of \$83,763 plus payment of property taxes, maintenance and insurance.

The total minimum rental commitment at December 31, 2008 is \$139,605, which is due as follows:

2009	\$ 83,763
2010	55,842

The Company derived approximately 34% and 47% of its revenue from the sale of steam to one major customer for the year ended December 31, 2008 and two major customers for the year ended December 31, 2007, respectively. These major customers comprised 34% and 39% of trade accounts receivable at December 31, 2008 and 2007, respectively. One of these major customers is the landlord of the Company.

Note 8. Seasonality of Operations

The Company derives the bulk of its revenue from the sale of steam for heating purposes. Accordingly, revenue in the period December to March is historically higher than the balance of the year due to customers' heating requirements during that period.

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Note 9. Related Party Transactions

A related party, which is owned in part by one of the stockholders of the Company, provides engineering and administrative services for the Company. The fees for these services amounted to \$66,523 and \$72,000 for the years ended December 31, 2008 and 2007, respectively. The balance due to this related party at December 31, 2008 and 2007 amounted to \$41,300 and \$26,609, respectively, and is included in trade accounts payable on the accompanying balance sheets.

The Company advanced \$13,555 and \$13,824 to a stockholder and received payments of \$16,180 and \$19,943 from this stockholder during the years ended December 31, 2008 and 2007, respectively. The balance due to the stockholder at December 31, 2008 and 2007 amounted to \$4,876 and \$2,251, respectively.

A related party, which is 100% owned by the stockholders of the Company, rents yard space for its wood chip inventory to the Company. The rent for this space is \$14,000 per month. The lease expires on July 31, 2016, with an option for another ten-year period. The balance due to this related party at December 31, 2008 and 2007 amounted to \$44,300 and \$42,000, respectively, and is included in accounts payable on the accompanying balance sheets.

The Company advanced \$67,071 and \$51,274 during the years ended December 31, 2008 and 2007 to a related party owned by one of the stockholders of the Company. The balance outstanding at December 31, 2008 and 2007 amounted to \$- and \$51,274, respectively. The Company received advances of \$200,000 and \$- during the years ended December 31, 2008 and 2007 from a related party owned by one of the stockholders of the Company. The balance outstanding at December 31, 2008 and 2007 amounted to \$70,248 and \$-, respectively.

The total minimum rental commitment at December 31, 2008 was \$1,274,000, which is due as follows:

2009	\$	168,000
2010		168,000
2011		168,000
2012		168,000
2013		168,000
Thereafter		434,000

Note 10. Other Asset - Contribution in Aid of Construction

In prior years, the Company paid \$31,000 for contribution in aid of construction under a contract for interruptible gas service. The Company began utilizing the gas service in November 1993 and began amortizing the contribution using the straight-line method over a period of 75 years. Amortization expense for the years ended December 31, 2008 and 2007 amounted to \$520 in each year and is included in property and equipment on the accompanying balance sheets.

Note 11. Pension Plan

The Company has a SEP/IRA pension plan for all eligible employees who are at least 21 years of age and have been employed three of the previous five years. The plan provides for contributions by the Company in such amounts as the Board of Directors may determine annually. The Company's contributions charged to expense was \$8,272 and \$6,201 for the years ended December 31, 2008 and 2007, respectively.

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Note 12. Concentration of Credit Risk

The Company maintains cash accounts at one bank. On October 3, 2008, Congress temporarily increased the deposit amount FDIC insures from \$100,000 to \$250,000 per depositor through December 31, 2009. At certain times during the year the Company had balances in excess of the insured limit.

Note 13. Advertising

Advertising expense for the years ended December 31, 2008 and 2007 amounted to \$4,933 and \$4,965, respectively.

Note 14. Accounting for Uncertainty in Income Taxes

In July 2006, the FASB (Financial Accounting Standards Board) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 is an interpretation of FASB Statement No. 109, "Accounting for Income Taxes", and it seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition, classification, interest and penalties, and accounting in interim periods and requires expanded disclosure with respect to the uncertainty in income taxes and was effective for fiscal years beginning after December 31, 2006. Since then, the FASB has delayed the effective date of Interpretation No. 48 for nonpublic entities.

On December 30, 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3, which defers the effective date by one additional year of FASB Interpretation 48 for certain nonpublic enterprises that are not (1) a consolidated subsidiary of a public company that has previously applied FIN 48, or (2) has already issued a full set of annual statements that included application of FIN No. 48.

The Company has elected to defer the application of Interpretation No. 48 in accordance with FSP FIN 48-3. In addition, the Company's accounting policy for evaluating uncertain tax positions will include a review of all material tax positions for all types of taxes in all jurisdictions and for all open years in accordance with the recognition and measurement requirement of FIN 48. The most common form of tax position for nonpublic entities is a position taken in deciding whether to claim a deduction for income tax reporting and, if so, when to claim the deduction. However FIN 48 also looks at other forms of tax positions, including a decision not to file a return based on lack of nexus, state apportionment of income, and characterization of income in a way that enables taxation at a lower rate. Once this process is completed, the positions need to be evaluated in terms of their likelihood to succeed. For positions that are not more likely than not to succeed, no tax benefit should be considered. For those that are, only the amount that has a greater-than-50% chance of being sustained on audit by a knowledgeable agent can be included in valuing the benefit. This analysis is done using all relevant authorities.

Management believes the effect of applying FIN 48 will not have a material impact on the financial statements.

Note 15. Subsequent Event

During July 2009, the Company was cited for several violations by the Occupational Safety and Health Administration (OSHA) related to a fire that occurred in January 2009. The Company is currently negotiating with OSHA and a settlement on penalties in the range of \$25,000-\$35,000 is expected by the end of 2009.

CONCORD STEAM CORPORATION

FINANCIAL REPORT
(Reviewed)

DECEMBER 31, 2009

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NATHAN WECHSLER & COMPANY
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
Concord Steam Corporation
Concord, New Hampshire 03301

We have reviewed the accompanying balance sheets of Concord Steam Corporation as of December 31, 2009 and 2008, and the related statements of operations and retained earnings, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All of the information included in these financial statements is the representation of the management of Concord Steam Corporation.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Nathan Wechsler & Company
Concord, New Hampshire
March 25, 2010
(Except for Note 6, as to
which the date is August 24, 2010)

CONCORD STEAM CORPORATION

BALANCE SHEETS

December 31, 2009 and 2008

See Accountants' Review Report

ASSETS		
	2009	2008
PROPERTY AND EQUIPMENT, net of contributions		
in aid of construction 2009 and 2008 \$171,975	\$ 5,558,703	\$ 4,997,915
<hr/>		
CURRENT ASSETS		
Trade accounts receivable, net of allowance for doubtful		
accounts 2009 and 2008 \$35,161	980,680	967,694
Employee receivables	4,455	1,655
Materials and supplies	493,342	367,707
Prepaid expenses	25,807	40,296
Deferred income tax benefit	565,323	440,446
<i>Total current assets</i>	<u>2,069,607</u>	<u>1,817,798</u>
<hr/>		
OTHER ASSETS		
Costs of obtaining financing, net of accumulated amortization		
2009 \$698; 2008 \$4,683	9,543	-
Uncompleted construction	88,710	67,203
	<u>98,253</u>	<u>67,203</u>
	<u>\$ 7,726,563</u>	<u>\$ 6,882,916</u>
<hr/>		
CAPITALIZATION AND LIABILITIES		
	2009	2008
CAPITALIZATION		
Common stock, par value \$100; authorized 1,000 shares;		
issued 912 shares; outstanding 2009 and 2008 480 shares	\$ 48,000	\$ 48,000
Additional paid-in capital	220,653	220,653
Retained earnings	2,829,709	3,109,958
	<u>3,098,362</u>	<u>3,378,611</u>
<hr/>		
COMMITMENTS AND CONTINGENCIES (See Notes)		
CURRENT LIABILITIES		
Excess of outstanding checks over bank balance	18,065	250,558
Note payable	1,571,199	607,000
Current maturities of long-term debt	106,726	101,327
Trade accounts payable	908,445	530,255
Deferred income	194,214	-
State tax payable	1,738	6,138
Accrued expenses	14,642	49,195
Due to affiliate	28,160	70,248
Due to stockholder	-	4,876
<i>Total current liabilities</i>	<u>2,843,189</u>	<u>1,619,597</u>
LONG-TERM DEBT, less current maturities	<u>647,399</u>	<u>749,673</u>
DEFERRED INCOME TAX LIABILITIES	<u>1,137,613</u>	<u>1,135,031</u>
	<u>\$ 7,726,563</u>	<u>\$ 6,882,916</u>
<hr/>		

See Notes to Financial Statements.

CONCORD STEAM CORPORATION

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Years Ended December 31, 2009 and 2008

See Accountants' Review Report

	2009	2008
Operating revenue	\$ 5,063,980	\$ 4,671,620
Operating expenses:		
Operation and maintenance	4,232,009	4,038,606
Other operating expenses	640,185	624,156
Property tax	274,265	284,738
Depreciation and amortization	245,744	246,039
	<u>5,392,203</u>	<u>5,193,539</u>
<i>Operating loss</i>	<u>(328,223)</u>	<u>(521,919)</u>
Nonoperating income (expense):		
Interest income	3	7
Gain on disposal of assets	-	54,864
Interest on long-term debt	(66,450)	(69,895)
	<u>(66,447)</u>	<u>(15,024)</u>
<i>Loss before income taxes (benefit)</i>	<u>(394,670)</u>	<u>(536,943)</u>
Provision for income tax expense (benefit):		
Current tax expense	7,877	8,178
Deferred income tax benefit	(122,298)	(203,863)
	<u>(114,421)</u>	<u>(195,685)</u>
<i>Net loss</i>	<u>(280,249)</u>	<u>(341,258)</u>
Retained earnings, beginning of year	<u>3,109,958</u>	<u>3,451,216</u>
Retained earnings, end of year	<u>\$ 2,829,709</u>	<u>\$ 3,109,958</u>

CONCORD STEAM CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2009 and 2008

See Accountants' Review Report

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (280,249)	\$ (341,258)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	245,046	245,336
Amortization	699	703
Bad debt expense	1,069	722
Deferred income tax benefit	(122,298)	(203,863)
Gain on disposal of assets	-	(54,864)
Increase in trade accounts receivables	(14,055)	(73,328)
(Increase) decrease in employee receivables	(1,611)	472
Increase in materials and supplies	(125,635)	(41,368)
Decrease in prepaid expenses	14,489	29,982
Increase in deferred revenue	194,214	-
Increase (decrease) in income tax payable	(4,401)	8,540
Increase in trade accounts payable and accrued expenses	343,637	61,554
<i>Net cash provided by (used in) operating activities</i>	<u>250,905</u>	<u>(367,372)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(805,834)	(82,886)
Increase in due from stockholder	(1,189)	-
Proceeds from disposal of equipment	-	114,864
Increase in uncompleted construction	(21,507)	-
<i>Net cash provided by (used in) investing activities</i>	<u>(828,530)</u>	<u>31,978</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on note payable	964,199	124,500
Increase (decrease) in excess of outstanding checks over bank balance	(232,493)	179,890
Decrease in due from affiliate	-	51,274
Increase (decrease) in due to affiliate	(42,088)	70,248
Increase (decrease) in due to stockholder	(4,876)	2,625
Increase in financing costs	(10,242)	-
Payments on long-term debt	(96,875)	(93,143)
<i>Net cash provided by financing activities</i>	<u>577,625</u>	<u>335,394</u>
<i>Net change in cash</i>	<u>-</u>	<u>-</u>
Cash, beginning of year	-	-
<i>Cash, end of year</i>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

CONCORD STEAM CORPORATION

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended December 31, 2009 and 2008

See Accountants' Review Report

	2009		2008
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash used in operating activities:			
Interest	\$ 66,450	\$	69,895
Income taxes (refund)	\$ 12,278	\$	(362)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Acquisition of property and equipment:			
Cost of property and equipment	\$ 805,834	\$	105,949
Amount financed	-		23,063
<i>Cash paid for equipment and property</i>	<u>\$ 805,834</u>	<u>\$</u>	<u>82,886</u>

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Note 1. Nature of Business

Concord Steam Corporation (the "Company") operations are principally in the generation of steam as a public utility and in the cogeneration of electricity as a by-product of the steam production process, which are subject to regulation by the Public Utility Commission ("PUC"), with sales to customers in the Concord, New Hampshire area on credit terms the Company establishes for individual customers.

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Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from those estimates.

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Depreciation: For financial statement purposes, depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Power plant equipment	29 1/3-75
Distribution equipment	29 1/3-75
Office equipment	10-33 1/3
Transportation equipment	5-10
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Other equipment	5-20

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CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

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Note 3. Materials and Supplies

<u>Materials and supplies, December 31,</u>	<u>2009</u>	<u>2008</u>
Parts and supplies	\$ 80,880	\$ 41,655
Wood	329,655	236,831
Oil	80,193	82,532
Chemicals	2,614	6,689
<i>Total</i>	<u>\$ 493,342</u>	<u>\$ 367,707</u>

Note 4. Property and Equipment

<u>Property and equipment, at cost, December 31,</u>	<u>2009</u>	<u>2008</u>
Power plant equipment	\$ 6,431,331	\$ 6,390,349
Distribution equipment	3,562,856	2,799,548
Building and improvements	773,185	773,185
Office equipment	33,624	33,624
Transportation equipment	247,659	247,659
Other equipment	151,639	151,639
<i>Total property and equipment</i>	11,200,294	10,396,004
Less accumulated depreciation	5,641,591	5,398,089
	<u>\$ 5,558,703</u>	<u>\$ 4,997,915</u>

Note 5. Income Tax Matters

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's current deferred tax assets are as follows:

<u>December 31,</u>	<u>2009</u>	<u>2008</u>
Deferred tax assets:		
Accrued liabilities	\$ 32,899	\$ 33,449
Trade accounts receivable reserve	13,284	13,284
Net operating losses	484,549	368,129
Tax credit carryforwards	156,528	120,487
<i>Total current-term deferred tax assets</i>	687,260	535,349
Deferred tax asset valuation allowance	(121,937)	(94,903)
<i>Total current deferred tax assets</i>	<u>\$ 565,323</u>	<u>\$ 440,446</u>

(continued on next page)

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Significant components of the Company's long-term deferred tax liabilities are as follows:

December 31,	2009	2008
Deferred tax liabilities:		
Depreciation	\$ 1,137,613	\$ 1,135,035

FASB ASC 740-10-30-17, Accounting for Income Taxes, requires a valuation allowance to reduce the deferred tax reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance of \$121,937 and \$94,903 at December 31, 2009 and 2008, respectively, is necessary to reduce the deferred tax assets to the amount that will more likely than not be realized. The total valuation allowance for the year ended December 31, 2009, increased by \$27,034.

Current income tax expense for the years ended December 31, 2009 and 2008 was comprised of the New Hampshire Business Enterprise Tax, a tax imposed by the state on wages and interest expense paid or accrued by the Company and dividends paid to stockholders.

At December 31, 2009, the Company has approximately \$1,334,000 in federal net operating loss carryovers which may be used to offset otherwise future taxable income. These federal carryovers expire in 2027. The Company has energy credits in the amount of \$121,937 that can be used to offset future federal income taxes. These credits expire between 2015 and 2018.

At December 31, 2009, the Company had \$18,086 of New Hampshire Business Enterprise Tax credits available to offset future New Hampshire Business Profits Tax expiring between 2009 and 2013. The Company has \$1,000,000 in New Hampshire net operating loss carryovers, which may be used to reduce New Hampshire taxable income in future years through 2017.

Note 6. Note Payable, Long-Term Debt and Pledged Assets

Details of the Company's note payable and long-term debt are as follows:

Notes Payable, December 31,	2009	2008
Note payable, bank line of credit, \$1,200,000 maximum, with interest at prime (3.25% at December 31, 2009), collateralized by all business assets and personally guaranteed by the Company's stockholders, expiring September 30, 2010	\$ 1,021,199	\$ 607,000
Note payable, term loan, \$550,000, with interest at prime plus 2% (5.25% at December 31, 2009), collateralized by all business assets, due on demand	550,000	-
<i>Total notes payable</i>	<u>\$ 1,571,199</u>	<u>\$ 607,000</u>

The loan agreement for the note payable requires that the borrower meet a certain debt coverage ratio. The Company was not in compliance with this covenant. The Company has obtained a waiver of this covenant violation from the bank.

(continued on next page)

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

<u>Long-term debt, December 31,</u>	<u>2009</u>	<u>2008</u>
Note payable, with interest at the one-month LIBOR plus 2% (5.25% at December 31, 2009), due in monthly principal and interest payments of \$11,752 through October 2016, with balloon payment of remaining principal, collateralized by all business assets and personally guaranteed by the Company's stockholders	\$ 738,382	\$ 826,231
Note payable, with interest at 9.75%, due in monthly principal and interest payments of \$435, collateralized by certain equipment	-	4,958
Note payable, with interest at 2.9%, due in monthly principal and interest payments of \$413 through April 2013, collateralized by certain equipment	<u>15,743</u>	<u>19,812</u>
	754,125	851,001
Portion payable within one year	<u>106,726</u>	<u>101,327</u>
<i>Long-term debt</i>	<u>\$ 647,399</u>	<u>\$ 749,673</u>

Maturities of long-term debt are as follows:

2010	\$ 106,726
2011	105,384
2012	109,509
2013	110,461
2014	113,127
Later	<u>208,918</u>
<i>Total</i>	<u>\$ 754,125</u>

Note 7. Lease Commitment, Rent Expense and Major Customers

The Company leases its steam utility plant under a noncancelable agreement which expires in 2010 and requires annual rentals of \$83,763 plus payment of property taxes, maintenance and insurance.

The total minimum rental commitment at December 31, 2009 is \$55,842, which is due as follows:

2010	\$ 55,842
------	-----------

The Company derived approximately 33% and 34% of its revenue from the sale of steam to one major customer for the years ended December 31, 2009 and 2008 respectively. This major customer comprised 42% and 34% of trade accounts receivable at December 31, 2009 and 2008, respectively.

Note 8. Seasonality of Operations

The Company derives the bulk of its revenue from the sale of steam for heating purposes. Accordingly, revenue in the period December to March is historically higher than the balance of the year due to customers' heating requirements during that period.

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Note 9. Related Party Transactions

A related party, which is owned in part by one of the stockholders of the Company, provides engineering and administrative services for the Company. The fees for these services amounted to \$20,655 and \$66,523 for the years ended December 31, 2009 and 2008, respectively. The balance due to this related party at December 31, 2009 and 2008 amounted to \$77,731 and \$41,300, respectively, and is included in trade accounts payable on the accompanying balance sheets.

The Company advanced \$7,228 and \$13,555 to a stockholder and received payments of \$1,163 and \$16,180 from this stockholder during the years ended December 31, 2009 and 2008, respectively. The balance due from the stockholder at December 31, 2009 amounted to \$1,189. The balance due to the stockholder at December 31, 2008 was \$4,876.

A related party, which is 100% owned by the stockholders of the Company, rents yard space for its wood chip inventory to the Company. The rent for this space is \$14,000 per month. The lease expires on July 31, 2016, with an option for another ten-year period. The balance due to this related party at December 31, 2009 and 2008 amounted to \$40,000 and \$44,300, respectively, and is included in accounts payable on the accompanying balance sheets.

The Company received advances of \$404,912 and \$200,000 during the years ended December 31, 2009 and 2008, respectively, from a related party owned by one of the stockholders of the Company. The Company repaid advances of \$447,000 and \$129,752 during the years ended December 31, 2009 and 2008, respectively. The balance outstanding at December 31, 2009 and 2008 amounted to \$28,160 and \$70,248, respectively.

The total minimum rental commitment at December 31, 2008 was \$1,106,000, which is due as follows:

2010	\$	168,000
2011		168,000
2012		168,000
2013		168,000
2014		168,000
Thereafter		266,000

Note 10. Other Asset - Contribution in Aid of Construction

In prior years, the Company paid \$31,000 for contribution in aid of construction under a contract for interruptible gas service. The Company began utilizing the gas service in November 1993 and began amortizing the contribution using the straight-line method over a period of 75 years. Amortization expense for the years ended December 31, 2009 and 2008 amounted to \$520 in each year and is included in property and equipment on the accompanying balance sheets.

Note 11. Pension Plan

The Company has a SEP/IRA pension plan for all eligible employees who are at least 21 years of age and have been employed three of the previous five years. The plan provides for contributions by the Company in such amounts as the Board of Directors may determine annually. The Company's contributions charged to expense was \$7,213 and \$8,272 for the years ended December 31, 2009 and 2008, respectively.

CONCORD STEAM CORPORATION

NOTES TO FINANCIAL STATEMENTS

See Accountants' Review Report

Note 12. Concentration of Credit Risk

The Company maintains cash accounts at one bank. At certain times during the year the Company had balances in excess of the federally insured limit.

Note 13. Advertising

Advertising expense for the years ended December 31, 2009 and 2008 amounted to \$4,371 and \$4,933, respectively.

Note 14. Accounting for Uncertainty in Income Taxes

The Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740), on January 1, 2009. FASB ASC 740 seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. In addition, FASB ASC 740 provides guidance on derecognition, classification, interest and penalties, and accounting in interim periods and requires expanded disclosure with respect to the uncertainty in income taxes.

The Company's accounting policy for evaluating uncertain tax positions includes a review of all material tax positions for all types of taxes in all jurisdictions and for all open years in accordance with the recognition and measurement requirements of FASB ASC 740. The most common form of tax positions for nonpublic entities is a position taken in deciding whether to claim a deduction for income tax reporting and, if so, when to claim the deduction. However, FASB ASC 740 also looks at other forms of tax positions, including a decision not to file a return based on lack of nexus, state apportionment of income, and characterization of income in a way that enables taxation at a lower rate. Once this process is completed, the positions are evaluated in terms of their likelihood to succeed. For tax positions that do not meet the definition of more likely than not to succeed, no tax benefit is considered. Only those tax positions that have a greater-than-50% chance of being sustained on audit by a knowledgeable agent are included in valuing the benefit. This analysis is performed using all relevant authorities.

The Committee files income tax returns in the U.S. federal jurisdiction, and the state of New Hampshire jurisdiction. With few exceptions the Committee is no longer subject to U.S. federal, state and local, income tax examinations by tax authorities for years before 2005. Management of the Committee believes it has no material uncertain tax positions and, accordingly it will not recognize any liabilities for unrecognized tax benefits.

Note 15. Subsequent Event

The Company has evaluated subsequent events through March 24, 2010, except for Note 6, as to which the date is August 24, 2010; the Company has obtained a waiver for the covenant violation from the bank and the date which the financial statements were available to be issued. The Company has not evaluated subsequent events after that date. No additional subsequent events were identified that would require disclosure in the financial statements for the year ended December 31, 2009.

CONCORD STEAM CORPORATION AND AFFILIATES

FINANCIAL REPORT
(Reviewed)

DECEMBER 31, 2010

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NATHAN WECHSLER & COMPANY
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Concord Steam Corporation and Affiliates
Concord, New Hampshire 03301

We have reviewed the accompanying consolidating balance sheet of Concord Steam Corporation and Affiliates as of December 31, 2010, and the related consolidating statements of operations and retained earnings, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidating financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, at the request of its lender, the Company has consolidated Bloomfield Associates Professional Corp. Bloomfield Associates Professional Corp. is not a VIE in which Concord Steam Corporation is the primary beneficiary and therefore should not be consolidated under generally accepted accounting principles. The impact of this departure is to increase total assets, total equity and net income by \$157,395, \$144,276 and \$71,799, respectively. Further, the reported liabilities does not include net deferred income tax liabilities relating to temporary differences arising from use of the cash basis of accounting for income tax purposes.

Nathan Wechsler & Company
Concord, New Hampshire
June 15, 2011

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING BALANCE SHEET

December 31, 2010

See Accountants' Review Report

ASSETS

	Concord Steam Corporation	Bloomfield Associates Prof. Corp.	BS & Chips, LLC	Eliminations	Consolidated
PROPERTY AND EQUIPMENT , net of contributions in aid of construction \$671,975	\$ 5,005,208	\$ 3,271	\$ 1,792,069	\$ -	\$ 6,800,548
CURRENT ASSETS					
Cash	-	4,199	20,563	-	24,762
Trade accounts receivable, net of allowance for doubtful accounts \$35,161	852,643	149,925	40,460	(189,925)	853,103
Due from member	-	-	13,301	-	13,301
Materials and supplies	297,665	-	-	-	297,665
Prepaid expenses	33,835	-	-	-	33,835
Income tax refund claim	870	-	-	-	870
Deferred income tax benefit	586,294	-	-	-	586,294
<i>Total current assets</i>	<u>1,771,307</u>	<u>154,124</u>	<u>74,324</u>	<u>(189,925)</u>	<u>1,809,830</u>
OTHER ASSETS					
Costs of obtaining financing, net of accumulated amortization of \$3,491	6,750	-	-	-	6,750
Uncompleted construction	90,639	-	-	-	90,639
	<u>97,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,389</u>
	<u>\$ 6,873,904</u>	<u>\$ 157,395</u>	<u>\$ 1,866,393</u>	<u>\$ (189,925)</u>	<u>\$ 8,707,767</u>

CAPITALIZATION AND LIABILITIES

CAPITALIZATION

Common stock, par value \$100; authorized 1,000 shares; issued 912 shares; outstanding 480 shares	\$ 48,000	\$ 1,000	\$ -	\$ (1,000)	\$ 48,000
Additional paid-in capital	220,653	-	-	-	220,653
Members capital	-	-	193,536	(193,536)	-
Retained earnings	2,806,786	143,276	-	(143,276)	2,806,786
<i>Total capitalization</i>	<u>3,075,439</u>	<u>144,276</u>	<u>193,536</u>	<u>(337,812)</u>	<u>3,075,439</u>
Non-controlling interest in affiliates	-	-	-	337,812	337,812
	<u>3,075,439</u>	<u>144,276</u>	<u>193,536</u>	<u>-</u>	<u>3,413,251</u>

COMMITMENTS AND CONTINGENCIES (See Notes)

CURRENT LIABILITIES

Excess of outstanding checks over bank balance	2,808	-	-	-	2,808
Note payable	983,786	-	-	-	983,786
Current maturities of long-term debt	103,677	-	61,686	-	165,363
Trade accounts payable	742,925	-	-	(189,925)	553,000
Deferred income	-	-	400	-	400
Accrued expenses	56,058	-	-	-	56,058
Due to affiliate	200,000	-	-	-	200,000
Due to stockholder	-	13,119	-	-	13,119
<i>Total current liabilities</i>	<u>2,089,254</u>	<u>13,119</u>	<u>62,086</u>	<u>(189,925)</u>	<u>1,974,534</u>

LONG-TERM DEBT, less current maturities

552,802 - 1,610,771 2,163,573

DEFERRED INCOME TAX LIABILITIES

1,156,409 - - 1,156,409

\$ 6,873,904 \$ 157,395 \$ 1,866,393 \$ (189,925) \$ 8,707,767

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31, 2010

See Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Eliminations	Consolidated
Operating revenue	\$ 4,650,471	\$ 202,212	\$ 267,873	\$ (168,000)	\$ 4,952,556
Operating expenses:					
Operation and maintenance	3,331,861	86,877	60,794	(168,000)	3,311,532
Other operating expenses	661,664	33,995	6,549	-	702,208
Property tax	333,940	6,978	13,830	-	354,748
Depreciation and amortization	255,139	2,126	61,815	-	319,080
	<u>4,582,604</u>	<u>129,976</u>	<u>142,988</u>	<u>(168,000)</u>	<u>4,687,568</u>
Operating income	<u>67,867</u>	<u>72,236</u>	<u>124,885</u>	<u>-</u>	<u>264,988</u>
Nonoperating income (expense):					
Gain on disposal of assets	(317)	-	-	-	(317)
Interest on long-term debt	(85,639)	(437)	(115,157)	-	(201,233)
	<u>(85,956)</u>	<u>(437)</u>	<u>(115,157)</u>	<u>-</u>	<u>(201,550)</u>
Income (loss) before income taxes (benefit)	<u>(18,089)</u>	<u>71,799</u>	<u>9,728</u>	<u>-</u>	<u>63,438</u>
Provision for income tax expense (benefit):					
Current tax expense	7,010	-	1,950	-	8,960
Deferred income tax benefit	(2,176)	-	-	-	(2,176)
	<u>4,834</u>	<u>-</u>	<u>1,950</u>	<u>-</u>	<u>6,784</u>
Net income (loss)	<u>(22,923)</u>	<u>71,799</u>	<u>7,778</u>	<u>-</u>	<u>56,654</u>
Less income attributed to non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,577)</u>	<u>(79,577)</u>
Net income (loss)	<u>(22,923)</u>	<u>71,799</u>	<u>7,778</u>	<u>(79,577)</u>	<u>(22,923)</u>
Retained earnings and members' equity, beginning of year	<u>2,829,709</u>	<u>71,477</u>	<u>185,758</u>	<u>(257,235)</u>	<u>2,829,709</u>
Retained earnings and members' equity, end of year	<u>\$ 2,806,786</u>	<u>\$ 143,276</u>	<u>\$ 193,536</u>	<u>\$ (336,812)</u>	<u>\$ 2,806,786</u>

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2010

See Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	\$ (22,923)	\$ 71,799	\$ 7,778	\$ 56,654
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation	252,346	2,126	61,815	316,287
Amortization	2,793	-	-	2,793
Bad debt expense	906	-	-	906
Deferred income tax benefit	(2,176)	-	-	(2,176)
Gain on disposal of assets	317	-	-	317
(Increase) decrease in trade accounts receivables	127,131	(72,194)	920	55,857
Decrease in employee receivables	-	4,743	-	4,743
Decrease in materials and supplies	195,677	-	-	195,677
Increase in prepaid expenses	(5,578)	-	-	(5,578)
Increase in income tax receivable	(870)	-	-	(870)
Increase (decrease) in deferred revenue	(194,214)	-	400	(193,814)
Decrease in income tax payable	(1,737)	-	-	(1,737)
Decrease in trade accounts payable and accrued expenses	(124,103)	(112)	-	(124,215)
<i>Net cash provided by operating activities</i>	227,569	6,362	70,913	304,844
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditures	(148,353)	(1,283)	-	(149,636)
(Increase) decrease in due from stockholder	1,189	-	(11,801)	(10,612)
Increase in uncompleted construction	(1,929)	-	-	(1,929)
<i>Net cash used in investing activities</i>	(149,093)	(1,283)	(11,801)	(162,177)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net repayments on note payable	(587,413)	-	-	(587,413)
Decrease in excess of outstanding checks over bank balance	(15,257)	-	-	(15,257)
Increase in due to affiliate	171,840	-	-	171,840
Decrease in due to stockholder	-	(11,881)	-	(11,881)
Increase in contributions in aid of construction	450,000	-	-	450,000
Payments on long-term debt	(97,646)	-	(57,146)	(154,792)
<i>Net cash used in financing activities</i>	(78,476)	(11,881)	(57,146)	(147,503)
<i>Net change in cash</i>	-	(6,802)	1,966	(4,836)
Cash, beginning of year	-	11,001	18,597	29,598
<i>Cash, end of year</i>	\$ -	\$ 4,199	\$ 20,563	\$ 24,762

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended December 31, 2010

See Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Consolidated
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash used in operating activities:				
Interest	\$ 85,308	\$ 437	\$ 115,157	\$ 200,902
Income taxes	\$ 9,617	\$ -	\$ 1,000	\$ 10,617

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Accountants' Review Report

Note 1. Nature of Business

Concord Steam Corporation (the "Company") operations are principally in the generation of steam as a public utility and in the cogeneration of electricity as a by-product of the steam production process, which are subject to regulation by the Public Utility Commission ("PUC"), with sales to customers in the Concord, New Hampshire area on credit terms the Company establishes for individual customers. Bloomfield Associates Professional Corp. is an engineering company which provides engineering and management services, primarily to the Company. BS & Chips, LLC provides for the rental of yard space to the Company for its wood chip inventory as well as residential rental property.

Note 2. Significant Accounting Policies

Basis of presentation: The Consolidation of variable interest entities topic of FASB Accounting Standards Codification (FASB ASC 810) requires Variable Interest Entities (VIE's) to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated support. The Company has adopted these provisions and has determined that BS & Chips, LLC is a variable interest entity and that Concord Steam Corporation is the primary beneficiary of this entity. The Company does not have any other material variable interest entities. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The balance sheet has been presented following the industry practice for utility companies

Principles of consolidation: The consolidated financial statements include the financial statements of the Company and BS & Chips, LLC and Bloomfield Associates Professional Corp. At the request of the lender the Company has not consolidated Bloomfield Associates Professional Corp., an entity in which it has no direct ownership interest nor is it a VIE. This presentation is not in conformity with generally accepted accounting principles. All transactions and balances between the Company, Bloomfield Associates Professional Corp and BS & Chips, LLC have been eliminated upon consolidation.

Estimates and assumptions: Management of the Company and affiliates use estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from those estimates.

Depreciation: For financial statement purposes, depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Power plant equipment	29 1/3-75
Distribution equipment	29 1/3-75
Office equipment	10-33 1/3
Transportation equipment	5-10
Building and improvements	15
Other equipment	5-20

Amortization: Contribution in aid of construction is being amortized over 75 years as discussed in Note 10.

(continued on next page)

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Accountants' Review Report

Income taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. The deferred tax assets and liabilities represent future tax return consequences, which will either be taxable or deductible when the related assets and liabilities are recovered or settled.

Deferred tax assets arising from future deductible items are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Materials and supplies: Materials and supplies consist of parts and supplies, wood inventory, oil inventory and chemical inventory. Parts and supplies are valued at the lower of cost (first in, first out) or market. Wood, oil and chemical inventories are valued at the lower of average cost or market.

Cash and cash equivalents: For purposes of reporting cash flows, the Company and affiliates consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2010, the Company and affiliates had no cash equivalents.

Advertising costs: The Company and affiliates follow the policy of charging the costs of advertising to expense as incurred.

Trade accounts receivable: Trade accounts receivable are recorded when invoices are issued and are presented on the accompanying balance sheets net of the allowance for doubtful accounts. Trade accounts receivable are written off when they are determined to be uncollectible. The allowance for doubtful accounts is estimated based on the Company's historical losses, the financial stability of its customers and the existing economic conditions. The allowance for doubtful accounts amounted to \$35,161 at December 31, 2010.

Note 3. Materials and Supplies

<u>Materials and supplies, December 31,</u>	<u>2010</u>
Parts and supplies	\$ 78,350
Wood	155,305
Oil	59,162
Chemicals	4,848
<i>Total</i>	<u>\$ 297,665</u>

Note 4. Property and Equipment

<u>Property and equipment, at cost, December 31,</u>	<u>2010</u>
Power plant equipment	\$ 6,479,393
Land	1,437,999
Distribution equipment	3,211,763
Building and improvements	1,431,307
Office equipment	140,514
Transportation equipment	249,859
Other equipment	168,746
<i>Total property and equipment</i>	13,119,581
Less accumulated depreciation	6,319,033
	<u>\$ 6,800,548</u>

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Accountants' Review Report

Note 5. Income Tax Matters

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's current deferred tax assets are as follows:

<u>December 31,</u>	<u>2010</u>
Deferred tax assets:	
Accrued liabilities	\$ 72,453
Trade accounts receivable reserve	13,284
Net operating losses	317,552
Contributions in aid of construction	170,010
Tax credit carryforwards	147,033
Total current-term deferred tax assets	<u>720,332</u>
Deferred tax asset valuation allowance	<u>(134,038)</u>
Total current deferred tax assets	<u>\$ 586,294</u>

Significant components of the Company's long-term deferred tax liabilities are as follows:

<u>December 31,</u>	<u>2010</u>
Deferred tax liabilities:	
Depreciation	<u>\$ 1,156,409</u>

FASB ASC 740-10-30-17, Accounting for Income Taxes, requires a valuation allowance to reduce the deferred tax reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance of \$121,937 and \$94,903 at December 31, 2010 and 2009, respectively, is necessary to reduce the deferred tax assets to the amount that will more likely than not be realized. The total valuation allowance for the year ended December 31, 2010, increased by \$27,034.

Current income tax expense for the years ended December 31, 2010 was comprised of the New Hampshire Business Enterprise Tax, a tax imposed by the state on wages and interest expense paid or accrued by the Company and dividends paid to stockholders.

At December 31, 2010, the Company has approximately \$809,000 in federal net operating loss carryovers which may be used to offset otherwise future taxable income. These federal carryovers expire in 2027. The Company has energy credits in the amount of \$121,937 that can be used to offset future federal income taxes. These credits expire between 2015 and 2018.

At December 31, 2010, the Company had \$25,096 of New Hampshire Business Enterprise Tax credits available to offset future New Hampshire Business Profits Tax expiring between 2013 and 2016. The Company has \$969,000 in New Hampshire net operating loss carryovers, which may be used to reduce New Hampshire taxable income in future years through 2017.

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Accountants' Review Report

Note 6. Note Payable, Long-Term Debt and Pledged Assets

Details of the Company's note payable and long-term debt are as follows:

<u>Notes Payable, December 31,</u>	<u>2010</u>
<u>Concord Steam Corporation</u>	
Note payable, bank line of credit, \$1,200,000 maximum, with interest at prime plus two percent (5.25% at December 31, 2010), collateralized by all business assets and personally guaranteed by the Company's stockholders, expiring September 30, 2011	<u>\$ 983,786</u>

The loan agreement for the note payable requires that the borrower meet a certain debt coverage ratio.

<u>Long-term debt, December 31,</u>	<u>2010</u>
<u>Concord Steam Corporation</u>	
Note payable, with interest at the one-month LIBOR plus 2% (5.25% at December 31, 2010), due in monthly principal and interest payments of \$11,752 through October 2016, with balloon payment of remaining principal, collateralized by all business assets and personally guaranteed by the Company's stockholders	\$ 644,915
Note payable, with interest at 2.9%, due in monthly principal and interest payments of \$413 through April 2013, collateralized by certain equipment	11,564
<u>BS & Chips, LLC</u>	
Note payable, with interest at one-month LIBOR rate (currently 2.25%), due in monthly principal and interest payments of \$2,265 through November 2015, collateralized by certain real property and guaranteed by the two members	455,265
Note payable, with interest at 5%, due in monthly principal and interest payments of \$3,300 through December 2016, collateralized by certain equipment	415,703
Note payable, with interest at the prime rate and adjusted every five years (currently 7.69%, due in monthly principal and interest payments of \$4,698 through November 2015, collateralized by certain real property and guaranteed by the two members	522,353
Note payable, with interest at 6.7%, due in monthly principal and interest payments of \$2,249 through August 2028, collateralized by real property	<u>279,136</u>
	<u>2,328,936</u>
Portion payable within one year	<u>165,363</u>
<i>Long-term debt</i>	<u>\$ 2,163,573</u>

(continued on next page)

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Accountants' Review Report

Maturities of long-term debt are as follows:

2011	\$	165,363
2012		174,128
2013		180,182
2014		187,763
2015		988,099
Later		<u>633,401</u>
Total	\$	<u>2,328,936</u>

Note 7. Lease Commitment, Rent Expense and Major Customers

The Company leases its steam utility plant under a noncancelable agreement which expires in 2013 and requires annual rentals of \$100,516 plus payment of property taxes, maintenance and insurance.

The total minimum rental commitment at December 31, 2010 is \$268,042, which is due as follows:

2011	\$	100,516
2012		100,516
2013		<u>67,010</u>
Total	\$	<u>268,042</u>

The Company derived approximately 57% of its revenue from the sale of steam to two major customers for the year ended December 31, 2010. These major customers comprised 45% of trade accounts receivable at December 31, 2010.

The Company entered into a ten year contract that ends in November 2019 with one of the major customers. This customer contributed \$500,000 toward construction costs to the Company. This customer will pay the Company a monthly rate based on the current cost of energy plus \$5 multiplied by the monthly usage plus the applicable tariff meter charge. The base rate shall be increased annually by a mutually acceptable CPI inflator. This base rate shall be no more than 80% of the lowest tier base rate of the Company's tariff. The Company is amortizing this contribution over the ten year period of the contract. Amortization for the current year amounted to \$50,000.

Note 8. Seasonality of Operations

The Company derives the bulk of its revenue from the sale of steam for heating purposes. Accordingly, revenue in the period December to March is historically higher than the balance of the year due to customers' heating requirements during that period.

Note 9. Related Party Transactions

The Company received payments of \$1,189 from a stockholder during the year ended December 31, 2010. The balance due from the stockholder at December 31, 2010 amounted to \$-.

(continued on next page)

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Accountants' Review Report

The Company received advances of \$200,000 during the year ended December 31, 2010, from a related party owned by one of the stockholders of the Company and his spouse. The balance outstanding at December 31, 2010 amounted to \$200,000.

Bloomfield Associates repaid \$11,881 during the year ended December 31, 2010 to a stockholder. The balance outstanding to this stockholder at December 31, 2010 amounted to \$13,119.

Bloomfield Associates provides engineering and administrative services to a related entity owned 50% by one of the stockholders of the Company. The fees for these services amounted to \$110,000 for the year ended December 31, 2010. These fees were paid during the year ended December 31, 2010.

The total minimum rental commitment at December 31, 2008 was \$1,106,000, which is due as follows:

2010	\$	168,000
2011		168,000
2012		168,000
2013		168,000
2014		168,000
Thereafter		266,000

Note 10. Other Asset - Contribution in Aid of Construction

In prior years, the Company paid \$31,000 for contribution in aid of construction under a contract for interruptible gas service. The Company began utilizing the gas service in November 1993 and began amortizing the contribution using the straight-line method over a period of 75 years. Amortization expense for the year ended December 31, 2010 amounted to \$520 and is included in property and equipment on the accompanying balance sheet.

Note 11. Pension Plan

The Company has a SEP/IRA pension plan for all eligible employees who are at least 21 years of age and have been employed three of the previous five years. The plan provides for contributions by the Company in such amounts as the Board of Directors may determine annually. The Company's contributions charged to expense were \$10,919 for the year ended December 31, 2010.

Note 12. Concentration of Credit Risk

The Company maintains cash accounts at one bank. The Company's non-interest bearing cash balances were fully insured at December 31, 2010 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012.

Under the program, there is no limit to the amount of insurance for eligible accounts. The Company's interest-bearing accounts are insured up to \$250,000, per depositor at each financial institution. The Company had no interest-bearing amounts on deposit in excess of federally insured limits at December 31, 2010.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Accountants' Review Report

Note 13. Advertising

Advertising expense for the year ended December 31, 2010 amounted to \$3,150.

Note 14. Accounting for Uncertainty in Income Taxes

The Company and affiliates adopted the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*, on January 1, 2009. FASB ASC 740 seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. In addition, FASB ASC 740 provides guidance on derecognition, classification, interest and penalties, and accounting in interim periods and requires expanded disclosure with respect to the uncertainty in income taxes.

The Company and affiliates' accounting policy for evaluating uncertain tax positions includes a review of all material tax positions for all types of taxes in all jurisdictions and for all open years in accordance with the recognition and measurement requirements of FASB ASC 740. The most common form of tax positions for nonpublic entities is a position taken in deciding whether to claim a deduction for income tax reporting and, if so, when to claim the deduction. However, FASB ASC 740 also looks at other forms of tax positions, including a decision not to file a return based on lack of nexus, state apportionment of income, and characterization of income in a way that enables taxation at a lower rate. Once this process is completed, the positions are evaluated in terms of their likelihood to succeed. For tax positions that do not meet the definition of more likely than not to succeed, no tax benefit is considered. Only those tax positions that have a greater-than-50% chance of being sustained on audit by a knowledgeable agent are included in valuing the benefit. This analysis is performed using all relevant authorities.

The Company and affiliates file income tax returns in the U.S. federal jurisdiction, and the state of New Hampshire jurisdiction. With few exceptions the Company and affiliates are no longer subject to U.S. federal, state and local, income tax examinations by tax authorities for years before 2007. Management of the Company and affiliates believes it has no material uncertain tax positions and, accordingly it will not recognize any liabilities for unrecognized tax benefits.

Note 15. Subsequent Event

The Company and affiliates have evaluated subsequent events through June 15, 2011, the date which the financial statements were available to be issued. The Company and affiliates have not evaluated subsequent events after that date. No additional subsequent events were identified that would require disclosure in the financial statements for the year ended December 31, 2010.

CONCORD STEAM CORPORATION AND AFFILIATES

FINANCIAL REPORT
(Reviewed)

DECEMBER 31, 2011

PRELIMINARY

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Concord Steam Corporation and Affiliates
Concord, New Hampshire 03301

We have reviewed the accompanying consolidating balance sheets of Concord Steam Corporation and Affiliates as of December 31, 2011 and 2010, and the related consolidating statements of operations and retained earnings, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidating financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, at the request of its lender, the Company has consolidated Bloomfield Associates Professional Corp. Bloomfield Associates Professional Corp. is not a variable interest entity in which Concord Steam Corporation is the primary beneficiary and therefore should not be consolidated under generally accepted accounting principles. The impact of this departure is to increase total assets, total equity and net income for the years ended December 31, 2011 and 2010 by \$225,537 and \$157,395, \$212,362 and \$144,276, and \$68,086 and \$71,799, respectively. Further, the reported liabilities does not include net deferred income tax liabilities relating to temporary differences arising from use of the cash basis of accounting for income tax purposes.

Concord, New Hampshire
March 16, 2012

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING BALANCE SHEET

December 31, 2011

See Independent Accountants' Review Report

ASSETS

	Concord Steam Corporation	Bloomfield Associates Prof. Corp.	BS & Chips, LLC	Eliminations	Consolidated
PROPERTY AND EQUIPMENT, net of contributions in aid of construction \$671,975	\$ 5,095,175	\$ 2,876	\$ 1,734,330	\$ -	\$ 6,832,381

CURRENT ASSETS

Cash	-	6,383	22,126	-	28,509
Trade accounts receivable, net of allowance for doubtful accounts \$35,161	659,605	216,278	40,920	(239,322)	677,481
Due from member	-	-	20,194	-	20,194
Materials and supplies	210,811	-	-	-	210,811
Prepaid expenses	17,741	-	-	-	17,741
Deposits	12,250	-	-	-	12,250
Income tax refund claim	7,040	-	-	-	7,040
Deferred income tax benefit	641,131	-	-	-	641,131
<i>Total current assets</i>	<u>1,548,578</u>	<u>222,661</u>	<u>83,240</u>	<u>(239,322)</u>	<u>1,615,157</u>

OTHER ASSETS

Costs of obtaining financing, net of accumulated amortization of \$6,285	3,957	-	-	-	3,957
Uncompleted construction	88,710	-	-	-	88,710
	<u>92,667</u>				<u>92,667</u>

\$ 6,736,420 \$ 225,537 \$ 1,817,570 \$ (239,322) \$ 8,540,205

CAPITALIZATION AND LIABILITIES

CAPITALIZATION

Common stock, par value \$100; authorized 1,000 shares; issued 912 shares; outstanding 480 shares	\$ 48,000	\$ 1,000	\$ -	\$ (1,000)	\$ 48,000
Additional paid-in capital	220,653	-	-	-	220,653
Members capital	-	-	204,767	(204,767)	-
Retained earnings	2,570,990	211,362	-	(211,362)	2,570,990
<i>Total capitalization</i>	<u>2,839,643</u>	<u>212,362</u>	<u>204,767</u>	<u>(417,129)</u>	<u>2,839,643</u>
Non-controlling interest in affiliates	-	-	-	417,129	417,129
	<u>2,839,643</u>	<u>212,362</u>	<u>204,767</u>	<u>-</u>	<u>3,256,772</u>

COMMITMENTS AND CONTINGENCIES (See Notes)

CURRENT LIABILITIES

Excess of outstanding checks over bank balance	123,236	-	-	-	123,236
Note payable	862,642	-	-	-	862,642
Current maturities of long-term debt	111,611	-	68,268	-	179,879
Trade accounts payable	955,878	-	557	(239,322)	717,113
Deferred income	-	-	800	-	800
Accrued expenses	33,882	56	-	-	33,938
Due to affiliate	200,000	-	-	-	200,000
Due to stockholder	-	13,119	-	-	13,119
<i>Total current liabilities</i>	<u>2,287,249</u>	<u>13,175</u>	<u>69,625</u>	<u>(239,322)</u>	<u>2,130,727</u>

LONG-TERM DEBT, less current maturities

441,151 - 1,543,178 1,984,329

DEFERRED INCOME TAX LIABILITIES

1,168,377 - - 1,168,377

\$ 6,736,420 \$ 225,537 \$ 1,817,570 \$ (239,322) \$ 8,540,205

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING BALANCE SHEET

December 31, 2010

See Independent Accountants' Review Report

ASSETS					
	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Eliminations	Consolidated
PROPERTY AND EQUIPMENT, net of contributions in aid of construction \$671,975	\$ 5,005,208	\$ 3,271	\$ 1,792,069	\$ -	\$ 6,800,548
CURRENT ASSETS					
Cash	-	4,199	20,563	-	24,762
Trade accounts receivable, net of allowance for doubtful accounts \$35,161	852,643	149,925	40,460	(189,925)	853,103
Due from member	-	-	13,301	-	13,301
Materials and supplies	297,665	-	-	-	297,665
Prepaid expenses	33,835	-	-	-	33,835
Income tax refund claim	870	-	-	-	870
Deferred income tax benefit	586,294	-	-	-	586,294
<i>Total current assets</i>	<u>1,771,307</u>	<u>154,124</u>	<u>74,324</u>	<u>(189,925)</u>	<u>1,809,830</u>
OTHER ASSETS					
Costs of obtaining financing, net of accumulated amortization of \$3,491	6,750	-	-	-	6,750
Uncompleted construction	90,639	-	-	-	90,639
<i>Total other assets</i>	<u>97,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,389</u>
	<u>\$ 6,873,904</u>	<u>\$ 157,395</u>	<u>\$ 1,866,393</u>	<u>\$ (189,925)</u>	<u>\$ 8,707,767</u>
CAPITALIZATION AND LIABILITIES					
CAPITALIZATION					
Common stock, par value \$100; authorized 1,000 shares; issued 912 shares; outstanding 480 shares	\$ 48,000	\$ 1,000	\$ -	\$ (1,000)	\$ 48,000
Additional paid-in capital	220,653	-	-	-	220,653
Members capital	-	-	193,536	(193,536)	-
Retained earnings	2,806,786	143,276	-	(143,276)	2,806,786
<i>Total capitalization</i>	<u>3,075,439</u>	<u>144,276</u>	<u>193,536</u>	<u>(337,812)</u>	<u>3,075,439</u>
Non-controlling interest in affiliates	-	-	-	337,812	337,812
	<u>3,075,439</u>	<u>144,276</u>	<u>193,536</u>	<u>-</u>	<u>3,413,251</u>
COMMITMENTS AND CONTINGENCIES (See Notes)					
CURRENT LIABILITIES					
Excess of outstanding checks over bank balance	2,808	-	-	-	2,808
Note payable	983,786	-	-	-	983,786
Current maturities of long-term debt	103,677	-	61,686	-	165,363
Trade accounts payable	742,925	-	-	(189,925)	553,000
Deferred income	-	-	400	-	400
Accrued expenses	56,058	-	-	-	56,058
Due to affiliate	200,000	-	-	-	200,000
Due to stockholder	-	13,119	-	-	13,119
<i>Total current liabilities</i>	<u>2,089,254</u>	<u>13,119</u>	<u>62,086</u>	<u>(189,925)</u>	<u>1,974,534</u>
LONG-TERM DEBT, less current maturities	552,802	-	1,610,771	-	2,163,573
DEFERRED INCOME TAX LIABILITIES	1,156,409	-	-	-	1,156,409
	<u>\$ 6,873,904</u>	<u>\$ 157,395</u>	<u>\$ 1,866,393</u>	<u>\$ (189,925)</u>	<u>\$ 8,707,767</u>

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31, 2011

See Independent Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Eliminations	Consolidated
Operating revenue	\$ 4,900,419	\$ 131,343	\$ 256,917	\$ (250,620)	\$ 5,038,059
Operating expenses:					
Operation and maintenance	3,949,037	19,691	60,907	(168,000)	3,861,635
Other operating expenses	612,899	40,991	6,103	(82,620)	577,373
Property tax	280,214	1,694	8,816	-	290,724
Depreciation and amortization	254,404	395	57,740	-	312,539
	<u>5,096,554</u>	<u>62,771</u>	<u>133,566</u>	<u>(250,620)</u>	<u>5,042,271</u>
Operating income (loss)	(196,135)	68,572	123,351	-	(4,212)
Nonoperating income (expense):					
Interest income	256	-	-	-	256
Loss on disposal of assets	(7,483)	-	-	-	(7,483)
Interest on long-term debt	(75,302)	(156)	(111,274)	-	(186,732)
	<u>(82,529)</u>	<u>(156)</u>	<u>(111,274)</u>	<u>-</u>	<u>(193,959)</u>
Income (loss) before income taxes (benefit)	(278,664)	68,416	12,077	-	(198,171)
Provision for income tax expense (benefit):					
Current tax expense	-	330	846	-	1,176
Deferred income tax benefit	(42,868)	-	-	-	(42,868)
	<u>(42,868)</u>	<u>330</u>	<u>846</u>	<u>-</u>	<u>(41,692)</u>
Net income (loss)	(235,796)	68,086	11,231	-	(156,479)
Less income attributed to non-controlling interest	-	-	-	(79,317)	(79,317)
Net income (loss)	(235,796)	68,086	11,231	(79,317)	(235,796)
Retained earnings and members' equity, beginning of year	2,806,786	143,276	193,536	(336,812)	2,806,786
Retained earnings and members' equity, end of year	\$ 2,570,990	\$ 211,362	\$ 204,767	\$ (416,129)	\$ 2,570,990

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31, 2010

See Independent Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Eliminations	Consolidated
Operating revenue	\$ 4,650,471	\$ 202,212	\$ 267,873	\$ (168,000)	\$ 4,952,556
Operating expenses:					
Operation and maintenance	3,331,861	86,877	60,794	(168,000)	3,311,532
Other operating expenses	661,664	33,995	6,549		702,208
Property and other taxes	333,940	6,978	13,830		354,748
Depreciation and amortization	255,139	2,126	61,815		319,080
	<u>4,582,604</u>	<u>129,976</u>	<u>142,988</u>	<u>(168,000)</u>	<u>4,687,568</u>
<i>Operating income</i>	<u>67,867</u>	<u>72,236</u>	<u>124,885</u>	<u>-</u>	<u>264,988</u>
Nonoperating expense:					
Loss on disposal of assets	(317)	-	-	-	(317)
Interest on long-term debt	(85,639)	(437)	(115,157)		(201,233)
	<u>(85,956)</u>	<u>(437)</u>	<u>(115,157)</u>	<u>-</u>	<u>(201,550)</u>
<i>Income (loss) before income taxes (benefit)</i>	<u>(18,089)</u>	<u>71,799</u>	<u>9,728</u>	<u>-</u>	<u>63,438</u>
Provision for income tax expense (benefit):					
Current tax expense	7,010	-	1,950		8,960
Deferred income tax benefit	(2,176)	-	-		(2,176)
	<u>4,834</u>	<u>-</u>	<u>1,950</u>	<u>-</u>	<u>6,784</u>
<i>Net income (loss)</i>	<u>(22,923)</u>	<u>71,799</u>	<u>7,778</u>	<u>-</u>	<u>56,654</u>
Less income attributed to non-controlling interest	-	-	-	(79,577)	(79,577)
<i>Net income (loss)</i>	<u>(22,923)</u>	<u>71,799</u>	<u>7,778</u>	<u>(79,577)</u>	<u>(22,923)</u>
Retained earnings, beginning of year	2,829,709	71,477	185,758	(257,235)	2,829,709
Retained earnings, end of year	<u>\$ 2,806,786</u>	<u>\$ 143,276</u>	<u>\$ 193,536</u>	<u>\$ (336,812)</u>	<u>\$ 2,806,786</u>

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2011

See Independent Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS. & Chips, LLC	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	\$ (235,796)	\$ 68,086	\$ 11,231	\$ (156,479)
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation	251,611	395	57,740	309,746
Amortization	2,793	-	-	2,793
Bad debt expense	18,025	-	-	18,025
Deferred income tax benefit	(42,868)	-	-	(42,868)
Loss on disposal of assets	7,483	-	-	7,483
Decrease (increase) in trade accounts receivables	175,013	(66,353)	(460)	108,200
Increase in amount due from member	-	-	(6,893)	(6,893)
Decrease in materials and supplies	86,854	-	-	86,854
Decrease in prepaid expenses	16,094	-	-	16,094
Increase in deposits	(12,250)	-	-	(12,250)
Increase in income tax refund claim	(6,170)	-	-	(6,170)
Increase in deferred revenue	-	-	400	400
Increase in trade accounts payable and accrued expenses	190,777	56	557	191,390
<i>Net cash provided by operating activities</i>	451,566	2,184	62,575	516,325
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditures	(349,062)	-	-	(349,062)
Decrease in uncompleted construction	1,929	-	-	1,929
<i>Net cash used in investing activities</i>	(347,133)	-	-	(347,133)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net repayments on note payable	(121,144)	-	-	(121,144)
Increase in excess of outstanding checks over bank balance	120,428	-	-	120,428
Payments on long-term debt	(103,717)	-	(61,012)	(164,729)
<i>Net cash used in financing activities</i>	(104,433)	-	(61,012)	(165,445)
<i>Net change in cash</i>	-	2,184	1,563	3,747
Cash, beginning of year	-	4,199	20,563	24,762
<i>Cash, end of year</i>	\$ -	\$ 6,383	\$ 22,126	\$ 28,509

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2010

See Independent Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	\$ (22,923)	\$ 71,799	\$ 7,778	\$ 56,654
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation	252,346	2,126	61,815	316,287
Amortization	2,793	-	-	2,793
Bad debt expense	906	-	-	906
Deferred income tax benefit	(2,176)	-	-	(2,176)
Loss on disposal of assets	317	-	-	317
Decrease (increase) in trade accounts receivables	127,131	(72,194)	920	55,857
Decrease in employee receivables	-	4,743	-	4,743
Decrease in materials and supplies	195,677	-	-	195,677
Increase in prepaid expenses	(5,578)	-	-	(5,578)
Increase in income tax refund claim	(870)	-	-	(870)
Increase (decrease) in deferred revenue	(194,214)	-	400	(193,814)
Decrease in income tax payable	(1,737)	-	-	(1,737)
Decrease in trade accounts payable and accrued expenses	(124,103)	(112)	-	(124,215)
<i>Net cash provided by operating activities</i>	227,569	6,362	70,913	304,844
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditures	(148,353)	(1,283)	-	(149,636)
(Increase) decrease in due from stockholder	1,189	-	(11,801)	(10,612)
Increase in uncompleted construction	(1,929)	-	-	(1,929)
<i>Net cash used in investing activities</i>	(149,093)	(1,283)	(11,801)	(162,177)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net repayments on note payable	(587,413)	-	-	(587,413)
Decrease in excess of outstanding checks over bank balance	(15,257)	-	-	(15,257)
Increase in due to affiliate	171,840	-	-	171,840
Decrease in due to stockholder	-	(11,881)	-	(11,881)
Increase in contributions in aid of construction	450,000	-	-	450,000
Payments on long-term debt	(97,646)	-	(57,146)	(154,792)
<i>Net cash used in financing activities</i>	(78,476)	(11,881)	(57,146)	(147,503)
<i>Net change in cash</i>	-	(6,802)	1,966	(4,836)
Cash, beginning of year	-	11,001	18,597	29,598
<i>Cash, end of year</i>	\$ -	\$ 4,199	\$ 20,563	\$ 24,762

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended December 31, 2011

See Independent Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Consolidated
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash used in operating activities:				
Interest	\$ 75,302	\$ 156	\$ 111,274	\$ 186,732
Income taxes	\$ -	\$ 330	\$ 846	\$ 1,176

PRELIMINARY

CONCORD STEAM CORPORATION AND AFFILIATES

CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended December 31, 2010

See Independent Accountants' Review Report

	Concord Steam Corporation	Bloomfield Associates Prof Corp.	BS & Chips, LLC	Consolidated
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash used in operating activities:				
Interest	\$ 85,308	\$ 437	\$ 115,157	\$ 200,902
Income taxes	\$ 7,010	\$ -	\$ 1,950	\$ 8,960

PRELIMINARY

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

Note 1. Nature of Business

Concord Steam Corporation's (the "Company") operations are principally in the generation of steam as a public utility and in the cogeneration of electricity as a by-product of the steam production process, which are subject to regulation by the Public Utility Commission ("PUC"), with sales to customers in the Concord, New Hampshire area on credit terms the Company establishes for individual customers. Bloomfield Associates Professional Corp. is an engineering company which provides engineering and management services, primarily to the Company. BS & Chips, LLC provides for the rental of yard space to the Company for its wood chip inventory as well as residential rental property.

Note 2. Significant Accounting Policies

Basis of presentation: The Consolidation of variable interest entities topic of FASB Accounting Standards Codification (FASB ASC 810) requires Variable Interest Entities (VIE's) to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated support. The Company has adopted these provisions and has determined that BS & Chips, LLC is a variable interest entity and that Concord Steam Corporation is the primary beneficiary of this entity. The Company does not have any other material variable interest entities. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The balance sheet has been presented following the industry practice for utility companies

Principles of consolidation: The consolidated financial statements include the financial statements of the Company and BS & Chips, LLC and Bloomfield Associates Professional Corp. At the request of the lender the Company has consolidated Bloomfield Associates Professional Corp., an entity in which it has no direct ownership interest nor is it a VIE. This presentation is not in conformity with generally accepted accounting principles. All transactions and balances between the Company, Bloomfield Associates Professional Corp. and BS & Chips, LLC have been eliminated upon consolidation.

Estimates and assumptions: Management of the Company and affiliates uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from those estimates.

Depreciation: For financial statement purposes, depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Power plant equipment	29 1/3-75
Distribution equipment	29 1/3-75
Office equipment	10-33 1/3
Transportation equipment	5-10
Building and improvements	15
Other equipment	5-20

Amortization: Contribution in aid of construction is being amortized over 75 years as discussed in Note 10.

(continued on next page)

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

Income taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due and deferred taxes. The deferred tax assets and liabilities represent future tax return consequences, which will either be taxable or deductible when the related assets and liabilities are recovered or settled.

Deferred tax assets arising from future deductible items are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Materials and supplies: Materials and supplies consist of parts and supplies, wood inventory, oil inventory and chemical inventory. Parts and supplies are valued at the lower of cost (first in, first out) or market. Wood, oil and chemical inventories are valued at the lower of average cost or market.

Cash and cash equivalents: For purposes of reporting cash flows, the Company and affiliates consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2011 and 2010, the Company and affiliates had no cash equivalents.

Advertising costs: The Company and affiliates follow the policy of charging the costs of advertising to expense as incurred.

Trade accounts receivable: Trade accounts receivable are recorded when invoices are issued and are presented on the accompanying balance sheets net of the allowance for doubtful accounts. Trade accounts receivable are written off when they are determined to be uncollectible. The allowance for doubtful accounts is estimated based on the Company's historical losses, the financial stability of its customers and the existing economic conditions. The allowance for doubtful accounts amounted to \$35,161 at December 31, 2011 and 2010.

Note 3. Materials and Supplies

Materials and supplies, December 31,	2011	2010
Parts and supplies	\$ 78,350	\$ 78,350
Wood	9,983	155,305
Oil	119,569	59,162
Chemicals	2,909	4,848
<i>Total</i>	<u>\$ 210,811</u>	<u>\$ 297,665</u>

Note 4. Property and Equipment

Property and equipment, at cost, December 31,	2011	2010
Power plant equipment	\$ 6,623,090	\$ 6,479,393
Land	1,437,999	1,437,999
Distribution equipment	3,353,759	3,211,763
Building and improvements	1,434,006	1,431,307
Office equipment	137,492	140,514
Transportation equipment	249,859	249,859
Other equipment	218,031	168,746
<i>Total property and equipment</i>	<u>13,454,236</u>	<u>13,119,581</u>
Less accumulated depreciation	<u>6,621,855</u>	<u>6,319,033</u>
	<u>\$ 6,832,381</u>	<u>\$ 6,800,548</u>

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

Note 5. Income Tax Matters

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's current deferred tax assets are as follows:

December 31,	2011	2010
Deferred tax assets:		
Accrued liabilities	\$ 72,453	\$ 72,453
Trade accounts receivable reserve	13,284	13,284
Net operating losses	429,086	317,552
Contributions in aid of construction	151,120	170,010
Charitable contributions carryforwards	6,679	-
Tax credit carryforwards	144,100	147,033
<i>Total current-term deferred tax assets</i>	<u>816,722</u>	<u>720,332</u>
Deferred tax asset valuation allowance	(175,591)	(134,038)
<i>Total current deferred tax assets</i>	<u>\$ 641,131</u>	<u>\$ 586,294</u>

Significant components of the Company's long-term deferred tax liabilities are as follows:

December 31,	2011	2010
Deferred tax liabilities:		
Depreciation	\$ 1,168,377	\$ 1,156,409

FASB ASC 740-10-30-17, Accounting for Income Taxes, requires a valuation allowance to reduce the deferred tax reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. After consideration of all the evidence, both positive and negative, management has determined that a valuation allowance of \$175,591 and \$134,038 at December 31, 2011 and 2010, respectively were necessary to reduce the deferred tax assets to the amount that will more likely than not be realized. The total valuation allowance for the years ended December 31, 2011 and 2010, increased by \$41,553 and \$27,034, respectively.

Current income tax expense for the years ended December 31, 2011 and 2010 were comprised of the New Hampshire Business Enterprise Tax, a tax imposed by the state on wages and interest expense paid or accrued by the Company and dividends paid to stockholders.

At December 31, 2011, the Company has approximately \$1,113,000 in federal net operating loss carryovers which may be used to offset otherwise future taxable income. These federal carryovers begin to expire in 2023. The Company has energy credits in the amount of \$121,937 that can be used to offset future federal income taxes. These credits expire between 2015 and 2018.

At December 31, 2011, the Company had \$32,277 of New Hampshire Business Enterprise Tax credits available to offset future New Hampshire Business Profits Tax expiring between 2013 and 2017. The Company has \$1,262,000 in New Hampshire net operating loss carryovers, which may be used to reduce New Hampshire taxable income in future years. The New Hampshire net operating loss carryovers begin to expire in 2018.

(continued on next page)

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

At December 31, 2010, the Company has approximately \$809,000 in federal net operating loss carryovers which may be used to offset otherwise future taxable income. These federal carryovers begin to expire in 2017. The Company has energy credits in the amount of \$121,937 that can be used to offset future federal income taxes. These credits expire between 2015 and 2018.

At December 31, 2010, the Company had \$25,096 of New Hampshire Business Enterprise Tax credits available to offset future New Hampshire Business Profits Tax expiring between 2013 and 2016. The Company has \$969,000 in New Hampshire net operating loss carryovers, which may be used to reduce New Hampshire taxable income in future years. The New Hampshire net operating loss carryovers begin to expire in 2017.

Note 6. Note Payable, Long-Term Debt and Pledged Assets

Details of the Company's note payable and long-term debt are as follows:

Notes Payable, December 31,	2011	2010
<u>Concord Steam Corporation</u>		
Note payable, bank line of credit, \$1,200,000 maximum, with interest at prime plus two percent (5.25% at December 31, 2011), collateralized by all business assets and personally guaranteed by the Company's stockholders, expiring September 30, 2012	\$ 862,642	\$ 983,786

The loan agreement for the note payable requires that the borrower meet a certain debt coverage ratio. The Company was not in compliance with this covenant. The Company has obtained a waiver of this covenant violation from the bank.

Long-term debt, December 31,	2011	2010
<u>Concord Steam Corporation</u>		
Note payable, with interest at the one-month LIBOR plus 2% (4.07% at December 31, 2011), due in monthly principal and interest payments of \$10,552 through October 2016, with balloon payment of remaining principal, collateralized by all business assets and personally guaranteed by the Company's stockholders	\$ 545,810	\$ 644,915
Note payable, with interest at 2.9%, due in monthly principal and interest payments of \$413 through April 2013, collateralized by certain equipment	6,952	11,564
<u>BS & Chips, LLC</u>		
Note payable, with interest at one-month LIBOR rate (currently 2.29%), due in monthly principal and interest payments of \$2,370 through November 2015, with balloon payment of remaining principal, collateralized by certain real property and guaranteed by the two members	438,283	455,265

(continued on next page)

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

Note payable, with interest at 5%, due in monthly principal and interest payments of \$3,300 through December 2016, with balloon payment of remaining principal, collateralized by certain equipment	396,451	415,703
Note payable, with interest at the prime rate and adjusted every five years (currently 7.69%), due in monthly principal and interest payments of \$4,698 through November 2015, with balloon payment of remaining principal, collateralized by certain real property and guaranteed by the two members	506,126	522,353
Note payable, with interest at 6.7%, due in monthly principal and interest payments of \$2,249 through August 2028, collateralized by real property	<u>270,586</u>	<u>279,136</u>
	2,164,208	2,328,936
Portion payable within one year	<u>179,879</u>	<u>165,363</u>
<i>Long-term debt</i>	<u>\$ 1,984,329</u>	<u>\$ 2,163,573</u>

Maturities of long-term debt are as follows:

2012	\$ 179,879
2013	180,269
2014	186,782
2015	981,042
2016	418,717
Later	<u>217,519</u>
Total	<u>\$ 2,164,208</u>

Note 7. Lease Commitment, Rent Expense and Major Customers

The Company leases its steam utility plant under a noncancelable agreement which expires in 2013 and requires annual rentals of \$100,516 plus payment of property taxes, maintenance and insurance.

The total minimum rental commitment at December 31, 2011 is \$167,526, which is due as follows:

2012	\$ 100,516
2013	<u>67,010</u>
Total	<u>\$ 167,526</u>

The Company derived approximately 54% and 57% of its revenue from the sale of steam to two major customers for the year ended December 31, 2011. These major customers comprised 51% and 45% of trade accounts receivable at December 31, 2011.

The Company entered into a ten year contract that ends in November 2019 with one of the major customers. This customer contributed \$500,000 toward construction costs to the Company. This customer will pay the Company a monthly rate based on the current cost of energy plus \$5 multiplied by the monthly usage plus the applicable tariff meter charge. The base rate shall be increased annually by a mutually acceptable CPI inflator. This base rate shall be no more than 80% of the lowest tier base rate of the Company's tariff. The Company is amortizing this contribution over the ten year period of the contract. Amortization for the current year amounted to \$50,000.

CONCORD STEAM CORPORATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

Note 8. Seasonality of Operations

The Company derives the bulk of its revenue from the sale of steam for heating purposes. Accordingly, revenue in the period December to March is historically higher than the balance of the year due to customers' heating requirements during that period.

Note 9. Related Party Transactions

The Company received advances of \$200,000 during the year ended December 31, 2010, from a related party owned by one of the stockholders of the Company and his spouse. The balance outstanding at December 31, 2011 and 2010 on this advance amounted to \$200,000.

The Company received payments of \$1,189 from a stockholder during the year ended December 31, 2010. The balance due from the stockholder at December 31, 2010 amounts to \$-.

Bloomfield Associates repaid \$11,881 during the year ended December 31, 2010 to a stockholder. The balance outstanding to this stockholder at December 31, 2010 amounts to \$13,119.

Bloomfield Associates made no repayments of the advance received from a stockholder during the year ended December 31, 2011. The balance owed to this stockholder at December 31, 2011 amounted to \$13,119.

Bloomfield Associates provides engineering and administrative services to the Company. The fees for these services amounted to \$82,620 and \$110,000 for the years ended December 31, 2011 and 2010, respectively. The balance outstanding to Bloomfield Associates amounted to \$216,278 and \$149,925 at December 31, 2011 and 2010, respectively.

The Company leases the yard space used to hold its wood chip inventory from BS & Chips, LLC. Total rental payments made between the related entities during the year ended December 31, 2011 amounted to \$168,000.

The total minimum rental commitment required under the terms of the lease between the Company and BS & Chips, LLC at December 31, 2011 was \$770,000, which is due as follows:

2012	\$ 168,000
2013	168,000
2014	168,000
2015	168,000
2016	98,000
Total	<u>\$ 770,000</u>

Note 10. Other Asset - Contribution in Aid of Construction

In prior years, the Company paid \$31,000 for contribution in aid of construction under a contract for interruptible gas service. The Company began utilizing the gas service in November 1993 and began amortizing the contribution using the straight-line method over a period of 75 years. Amortization expense for the year ended December 31, 2011 amounted to \$520 and is included in property and equipment on the accompanying balance sheet.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

Note 11. Pension Plan

The Company has a SEP/IRA pension plan for all eligible employees who are at least 21 years of age and have been employed three of the previous five years. The plan provides for contributions by the Company in such amounts as the Board of Directors may determine annually. The Company's contributions charged to expense were \$12,860 and \$10,919 for the years ended December 31, 2011 and 2010, respectively.

Note 12. Concentration of Credit Risk

The Company maintains cash accounts at one bank. The Company's non-interest bearing cash balances were fully insured at December 31, 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012.

Under the program, there is no limit to the amount of insurance for eligible accounts. The Company's interest-bearing accounts are insured up to \$250,000, per depositor at each financial institution. The Company had no interest-bearing amounts on deposit in excess of federally insured limits at December 31, 2011.

Note 13. Advertising

Advertising expense for the years ended December 31, 2011 and 2010 amounted to \$3,137 and \$3,150, respectively.

Note 14. Accounting for Uncertainty in Income Taxes

The Company and affiliates adopted the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*, on January 1, 2009. FASB ASC 740 seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. In addition, FASB ASC 740 provides guidance on derecognition, classification, interest and penalties, and accounting in interim periods and requires expanded disclosure with respect to the uncertainty in income taxes.

The Company and affiliates' accounting policy for evaluating uncertain tax positions includes a review of all material tax positions for all types of taxes in all jurisdictions and for all open years in accordance with the recognition and measurement requirements of FASB ASC 740. The most common form of tax positions for nonpublic entities is a position taken in deciding whether to claim a deduction for income tax reporting and, if so, when to claim the deduction. However, FASB ASC 740 also looks at other forms of tax positions, including a decision not to file a return based on lack of nexus, state apportionment of income, and characterization of income in a way that enables taxation at a lower rate. Once this process is completed, the positions are evaluated in terms of their likelihood to succeed. For tax positions that do not meet the definition of more likely than not to succeed, no tax benefit is considered. Only those tax positions that have a greater-than-50% chance of being sustained on audit by a knowledgeable agent are included in valuing the benefit. This analysis is performed using all relevant authorities.

(continued on next page)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

See Independent Accountants' Review Report

The Company and affiliates file income tax returns in the U.S. federal jurisdiction, and the state of New Hampshire jurisdiction. With few exceptions the Company and affiliates are no longer subject to U.S. federal, state and local, income tax examinations by tax authorities for years before 2008. Management of the Company and affiliates believes it has no material uncertain tax positions and, accordingly it will not recognize any liabilities for unrecognized tax benefits.

Note 15. Subsequent Event

The Company and affiliates have evaluated subsequent events through March 16, 2012, the date which the financial statements were available to be issued. The Company and affiliates have not evaluated subsequent events after that date. No additional subsequent events were identified that would require disclosure in the financial statements for the year ended December 31, 2011.

PRELIMINARY

Concord Steam
DG 12 - 242

Schedule 1D

FEDERAL AND STATE INCOME TAXES
Test Year Ending December 31, 2011

	Total 2011
Federal and state income tax	-
Deferred income taxes	<u>(42,868)</u>
Total taxes	<u>\$ (42,868)</u>

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

4. Detailed computation of State and Federal income tax factors on the increment of revenue needed to produce a given increment of net operating income.

Requested revenue		\$ 272,535
Gross revenue required	=	272,535/[1-(0.34+(0.66)x(0.085))]
	=	272,535/0.6039
	=	451,292
State tax @ 8.5%	=	451,292 x .085
	=	38,360
Federal Income @34%	=	(451,292 - 38,360) x .34
	=	140,397

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

5. Detailed list of charitable contributions in the test year with donee and amount.

Attached hereto.

**Concord Steam Corporation
Charitable Giving 2011**

Contributions

1. Friends of the Bridges House	\$10,000	*Eligible for CDFA Tax Credits
2. Concord Coalition for the Homeless	\$ 5,763	

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

6. Advertising charged in the test year.

Attached hereto.

Concord Steam Corp.

PO Box 2520
Concord, NH 03302-2520

Detail Trial Balance

1/1/11 To 12/31/11

8/1/12
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Page 1

ID#	Src	Date	Memo	Debit	Credit	Net Activity
6-6190			Marketing/Promotions/Adv.			
			Beginning Balance:		\$0.00	
MES	PJ	2/17/11	Purchase; CHS Girl's Lacrosse Booster Club	\$25.00		
MES	PJ	2/24/11	Purchase; Liturgical Publications, Inc.	\$587.00		
MES	PJ	3/23/11	Purchase; Liturgical Publications, Inc.	\$554.00		
PGB	PJ	9/12/11	Purchase; Concord Monitor	\$1,620.00		
9/21/11	PJ	9/21/11	Purchase; Concord Monitor	\$351.00		
			Total:	\$3,137.00	\$0.00	\$3,137.00
Grand Total:				\$3,137.00	\$0.00	

Concord Steam
 DG 12 - 242
 Construction/Capital Budget

8. Concord Steam Construction/Capital Budget

	2013	2014	2015
2515 Production equipment			
New gas boilers	\$ 1,200,000		
2510 Structures			
Close Pleasant St plant	\$ 50,000	\$ 80,000	
2520 Underground Mains			
Pleasant St manhole	\$ 20,000		
Replace Expansion Joints	\$ 60,000	\$ 20,000	\$ 60,000
2525 Service Mains			
New Meters	\$ 20,000	\$ 20,000	\$ 20,000
Total	\$ 1,350,000	\$ 120,000	\$ 80,000

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

9. Chart of Accounts.

Attached hereto.

Concord Steam Corp.

PO Box 2520

Concord, NH 03302-2520

Accounts List [Detail]

As of 12/31/11

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Account #	Account	Type	Dr/Cr	Header/Detail	Level
1-0000	Assets	Asset	Debit	Header	1
1-1010	General Checking Account	Bank	Debit	Detail	2
1-1011	Money Market Acct.	Bank	Debit	Detail	2
1-1013	Transfer checking account	Bank	Debit	Detail	2
1-1015	Petty Cash	Bank	Debit	Detail	2
1-1100	General Checking Account	Other Asset	Debit	Detail	2
1-1200	Current Assets	Asset	Debit	Header	2
1-1220	Capital Contribution	Other Current A	Debit	Detail	2
1-1225	Loan to New Project	Other Asset	Debit	Detail	2
1-1251	Accounts Receivable	Accounts Receiv	Debit	Detail	2
1-1252	A/R Employees	Other Asset	Debit	Detail	2
1-1253	Employee purchases	Other Asset	Debit	Detail	2
1-1254	Employee Loan	Other Asset	Debit	Detail	2
1-1255	Officer Receivable	Other Asset	Debit	Detail	2
1-1259	Allowance for Doubtfull A/	Other Asset	Debit	Detail	2
1-1304	Employee Reimb.	Other Asset	Debit	Detail	2
1-1500	Black Rock Mutual Funds	Other Asset	Debit	Detail	2
1-1600	Due To/From COGEN	Other Asset	Debit	Detail	2
1-1700	Loaned to Concord Steam C	Other Asset	Debit	Detail	2
1-2000	Oil Inventory	Other Asset	Debit	Detail	2
1-2005	Prepaid Oil Additive/Com	Other Asset	Debit	Detail	2
1-2010	Wood Inventory	Other Asset	Debit	Detail	2
1-2020	Tools Inventory	Other Asset	Debit	Detail	2
1-2030	Parts/Supplies Inventory	Other Asset	Debit	Detail	2
1-2035	Chemical Inventory/Salt	Other Asset	Debit	Detail	2
1-2038	Prepaid Wood	Other Asset	Debit	Detail	2
1-2040	Prepaid Insurance	Other Asset	Debit	Detail	2
1-2041	Prepaid Ins. Yard	Other Asset	Debit	Detail	2
1-2042	Prepaid Empl. Insurances	Other Asset	Debit	Detail	2
1-2043	Unbilled Revenue (GAS)	Other Asset	Debit	Detail	2
1-2045	Prepaid Misc. Expense	Other Asset	Debit	Detail	2
1-2046	Deposits to Vendors	Other Asset	Debit	Detail	2
1-2050	Prepaid Property Tax	Other Asset	Debit	Detail	2
1-2051	Prepaid Utility Property Ta	Other Asset	Debit	Detail	2
1-2052	Prepaid Property Tax Yard	Other Asset	Debit	Detail	2
1-2053	Prepaid yard expense	Other Asset	Debit	Detail	2
1-2055	Deferred Tax Debit	Other Asset	Debit	Detail	2
1-2060	Accrued A/R	Other Asset	Debit	Detail	2
1-2500	Fixed Assets	Asset	Debit	Header	2
1-2502	Organization	Other Asset	Debit	Detail	3
1-2505	Rights of Way	Other Asset	Debit	Detail	3
1-2506	Construction Cont. to Other	Other Asset	Debit	Detail	3
1-2507	Amortization Reserve - CC	Other Asset	Debit	Detail	3
1-2508	LH Improvements	Other Asset	Debit	Detail	3
1-2510	Structures	Other Asset	Debit	Detail	3
1-2512	Wood Yard Equipment	Other Asset	Debit	Detail	3
1-2514	Wood Yard Building	Other Asset	Debit	Detail	3
1-2515	Plant Equipment	Other Asset	Debit	Detail	3
1-2516	Special FA Account	Other Asset	Debit	Detail	3
1-2517	Other Production Equip.	Other Asset	Debit	Detail	3
1-2518	New Plant/CSC	Other Asset	Debit	Detail	3
1-2520	Underground Mains	Other Asset	Debit	Detail	3
1-2521	Thermal Studies	Other Asset	Debit	Detail	3
1-2525	Services-Equip. Main to Me	Other Asset	Debit	Detail	3
1-2530	Customers' Meters	Other Asset	Debit	Detail	3
1-2535	Office Equip/Improvement	Other Asset	Debit	Detail	2

Concord Steam Corp.

Accounts List [Detail]

As of 12/31/11

8/1/12

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Account #	Account	Type	Dr/Cr	Header/Detail	Level
1-2540	Transportation Equipment	Other Asset	Debit	Detail	2
1-2545	Shop Equipment	Other Asset	Debit	Detail	2
1-2550	Laboratory Equipment	Other Asset	Debit	Detail	2
1-2555	Large Tools	Other Asset	Debit	Detail	2
1-2560	Misc. General Equipment	Other Asset	Debit	Detail	2
1-2565	Depreciation	Other Asset	Debit	Detail	2
1-2570	CIAC-Received-Accum. A	Other Asset	Debit	Detail	2
1-2571	CIAC-Received	Other Asset	Debit	Detail	2
1-2572	Amortization CIAC	Other Asset	Debit	Detail	2
1-2575	Turbine Assets	Other Asset	Debit	Detail	2
1-2580	Plant Safety Improvements	Other Asset	Debit	Detail	2
1-2600	Cost of Obtaining Financin	Other Asset	Debit	Detail	2
1-2601	Accum. Amort. Cost of Ob. Fi	Other Asset	Debit	Detail	2
1-2605	Deferred Rate Case Charge	Other Asset	Debit	Detail	2
1-2900	Unfinished Construction	Other Asset	Debit	Detail	2
1-2910	Property Abandoned	Other Asset	Debit	Detail	2
1-2920	Amortization Reserve	Other Asset	Debit	Detail	2
1-3000	Real Estate	Other Asset	Debit	Detail	2
1-3100	Capitalized Closing Costs	Other Asset	Debit	Detail	2
1-3150	Costs for Securing Financin	Other Asset	Debit	Detail	2
1-3500	Project Development	Other Asset	Debit	Detail	2
1-3501	Project Design & Coordinati	Other Asset	Debit	Detail	2
1-3550	Professional Consultants	Other Asset	Debit	Detail	2
1-3551	Architects	Other Asset	Debit	Detail	2
1-3552	Engineering Consultants	Other Asset	Debit	Detail	2
1-3553	Environmental Remediatio	Other Asset	Debit	Detail	2
1-3554	Demolition	Other Asset	Debit	Detail	2
1-3555	Fees & Permits	Other Asset	Debit	Detail	2
1-3556	Project Legal & Accounting	Other Asset	Debit	Detail	2
1-3557	Project Costs Paid by CSC	Other Asset	Debit	Detail	2
1-4000	Equipment - turbine	Other Asset	Debit	Detail	2
1-4001	Equipment Boiler	Other Asset	Debit	Detail	2
1-5001	Site Work/ Construction	Other Asset	Debit	Detail	2
1-8000	A/R Transfer Account	Other Asset	Debit	Detail	2
1-9001	Prepaid Property Tax	Other Asset	Debit	Detail	2
2-0000	Liabilities	Liability	Credit	Header	1
2-0280	Due to BAPCO	Other Liability	Credit	Detail	2
2-0500	Owed to Principals	Other Liability	Credit	Detail	2
2-1000	Mortgages/J. Alosa	Other Liability	Credit	Detail	2
2-1500	TD Banknorth Line	Other Liability	Credit	Detail	2
2-2000	Accounts Payable	Accounts Payabl	Credit	Detail	2
2-3000	Accrued Taxes FICA/Med	Other Liability	Credit	Detail	2
2-3010	Payroll Federal Withholdin	Other Liability	Credit	Detail	2
2-3011	Accrued Empl. Other Ded.	Other Liability	Credit	Detail	2
2-3012	Accrued Payroll	Other Liability	Credit	Detail	2
2-3013	Accrued Child Support	Other Liability	Credit	Detail	2
2-3014	Accr. Med & Dental	Other Liability	Credit	Detail	2
2-3015	Sales Tax	Other Liability	Credit	Detail	2
2-3020	Accrued Taxes FUTA	Other Liability	Credit	Detail	2
2-3025	Accrued Taxes-SUTA	Other Liability	Credit	Detail	2
2-3026	State of Maine Tax	Other Liability	Credit	Detail	2
2-3027	Accrued Interest	Other Liability	Credit	Detail	2
2-3030	Accrued Taxes - 1120 NH	Other Liability	Credit	Detail	2
2-3035	Accrued Taxes Federal	Other Liability	Credit	Detail	2
2-3040	Misc. Current Liabilities	Other Liability	Credit	Detail	2
2-3041	Wood Received before pmt.	Other Current Li	Credit	Detail	2
2-3045	Misc. Current Accruals	Other Liability	Credit	Detail	2

Concord Steam Corp.

Accounts List [Detail]

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Account #	Account	Type	Dr/Cr	Header/Detail	Level
2-3050	SEP/IRA Deposits	Other Liability	Credit	Detail	2
2-3055	AFLAC pre-tax	Other Liability	Credit	Detail	2
2-3056	AFLAC After Tax	Other Liability	Credit	Detail	2
2-3060	Deferred Income Tax Credit	Other Liability	Credit	Detail	2
2-3065	Line of Credit	Other Liability	Credit	Detail	2
2-3500	Long Term Liabilities	Liability	Credit	Header	2
2-3501	Current Maturity Offset	Other Liability	Credit	Detail	3
2-3502	Current Maturity LTD	Other Liability	Credit	Detail	3
2-3504	ST Loan 2009	Other Current Li	Credit	Detail	3
2-3505	Term Loan	Other Liability	Credit	Detail	3
2-3506	Long Term Loan TD Bankn	Other Liability	Credit	Detail	3
2-3507	Truck Loan	Other Liability	Credit	Detail	3
2-3508	CNH Capital/Skid Steer	Other Liability	Credit	Detail	3
2-3509	Loan from Officer	Other Liability	Credit	Detail	3
2-3510	Miscellaneous Debt	Other Liability	Credit	Detail	3
2-3511	Loan from P&M Realty	Other Liability	Credit	Detail	3
2-3530	Contribution Aid to Constr.	Other Liability	Credit	Detail	3
2-3535	Deferred Revenue - School	Other Liability	Credit	Detail	3
2-4000	Customer Deposits/Overpa	Other Liability	Credit	Detail	2
2-4010	Customer Budgets	Other Liability	Credit	Detail	2
2-5000	Payroll Withholdings	Other Liability	Credit	Detail	2
2-5001	Employee escrow	Other Liability	Credit	Detail	2
2-6000	BCAP	Other Liability	Credit	Detail	2
2-9000	A/P Transfer Account	Other Liability	Credit	Detail	2
3-0000	Equity	Equity	Credit	Header	1
3-1000	Capital Contributions	Equity	Credit	Detail	2
3-4000	Common Stock	Equity	Credit	Detail	2
3-4010	Capital Surplus	Equity	Credit	Detail	2
3-4020	Earned Surplus	Equity	Credit	Detail	2
3-4022	Treasury stock	Equity	Credit	Detail	2
3-4025	Dividends	Equity	Credit	Detail	2
3-4500	Retained Earnings	Equity	Credit	Detail	2
3-8000	Retained Earnings	Equity	Credit	Detail	2
3-9000	Current Earnings	Equity	Credit	Detail	2
3-9999	Historical Balancing Accou	Equity	Credit	Detail	2
4-0000	Income	Income	Credit	Header	1
4-2100	Freight Collected	Income	Credit	Detail	2
4-2200	Service Late Fees Collected	Income	Credit	Detail	2
4-5000	Base Steam Income	Income	Credit	Header	2
4-5005	Residential Base Income	Income	Credit	Detail	3
4-5010	Commercial/Ind. Base Inc	Income	Credit	Detail	3
4-5020	Public Authority Base Inco	Income	Credit	Detail	3
4-5025	Sales Discount	Income	Credit	Detail	2
4-5027	Energy Income	Income	Credit	Header	2
4-5028	Commercial Energy Income	Income	Credit	Detail	3
4-5029	Public Auth. Energy Incom	Income	Credit	Detail	3
4-5030	Residential Energy Income	Income	Credit	Detail	3
4-5031	Cogen Energy Income	Income	Credit	Detail	2
4-5040	Customer Penalties	Income	Credit	Detail	2
4-5045	Meter Charges	Income	Credit	Detail	2
4-5048	Sale of Electricity	Income	Credit	Detail	2
4-5049	Demand Response Income	Income	Credit	Detail	2
4-5060	Customer Service	Income	Credit	Header	2
4-5061	Customer Service Parts	Income	Credit	Detail	3
4-5062	Customer Service Revenue	Income	Credit	Detail	3
4-5070	Interest Income	Income	Credit	Detail	2

Concord Steam Corp.

Accounts List [Detail]

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Account #	Account	Type	Dr/Cr	Header/Detail	Level
4-5080	Income - Special Funds/Ot	Income	Credit	Detail	2
4-5085	Sale of Parts/Supplies Inve	Income	Credit	Detail	2
4-5090	Sales of Rebuilt Valves	Income	Credit	Detail	2
4-5100	Rental Income (BAPCO)	Income	Credit	Detail	2
4-5102	Rental Income Stack	Income	Credit	Detail	2
4-5103	Gain/Loss Sale of Assets	Income	Credit	Detail	2
4-5105	Customer Budgets/ Advanc	Income	Credit	Detail	2
4-5110	Unbilled Gas Revenue	Income	Credit	Detail	2
4-5115	Misc. Income	Income	Credit	Detail	2
4-5120	Service Connections/Custo	Income	Credit	Detail	2
5-0000	Cost Of Sales	Cost of Sales	Debit	Header	1
5-2100	Discounts Given	Cost of Sales	Debit	Detail	2
5-6000	Rent - NH Hospital Plant L	Cost of Sales	Debit	Detail	2
5-6006	Diesel Fuel	Cost of Sales	Debit	Detail	2
5-6009	Fuel Oil	Cost of Sales	Debit	Header	2
5-6010	#6 Fuel Oil	Cost of Sales	Debit	Detail	3
5-6011	Waste Oil	Cost of Sales	Debit	Detail	3
5-6012	Wood Fuel	Cost of Sales	Debit	Header	2
5-6013	Whole Tree Chips	Cost of Sales	Debit	Detail	3
5-6014	Pile Wood	Cost of Sales	Debit	Detail	3
5-6015	Wood Procurement	Cost of Sales	Debit	Detail	3
5-6016	Gas	Cost of Sales	Debit	Header	2
5-6017	Main Gas	Cost of Sales	Debit	Detail	3
5-6018	Pilot Gas	Cost of Sales	Debit	Detail	3
5-6019	Gas Meter Charges	Cost of Sales	Debit	Detail	3
5-6020	Ash Disposal	Cost of Sales	Debit	Detail	2
5-6025	Water/Sewer	Cost of Sales	Debit	Detail	2
5-6026	Calibration Gases (CEM)	Cost of Sales	Debit	Detail	2
5-6030	Chemicals	Cost of Sales	Debit	Header	2
5-6031	Treatment Chemicals	Cost of Sales	Debit	Detail	3
5-6032	Reagents	Cost of Sales	Debit	Detail	3
5-6035	Salt (Boiler)	Cost of Sales	Debit	Detail	3
5-6036	Fuel Additives	Cost of Sales	Debit	Detail	3
5-6040	Lubricants	Cost of Sales	Debit	Detail	2
5-6045	Gases (Welding)	Cost of Sales	Debit	Detail	2
5-6050	Consumables	Cost of Sales	Debit	Header	2
5-6051	Mechanical	Cost of Sales	Debit	Detail	3
5-6052	Pipe Fittings	Cost of Sales	Debit	Detail	3
5-6053	Valves (Gaskets, Packing et	Cost of Sales	Debit	Detail	3
5-6055	Misc. Small Tools	Cost of Sales	Debit	Detail	3
5-6060	Consumables/Electrical	Cost of Sales	Debit	Detail	2
5-6065	Consumables/Building & S	Cost of Sales	Debit	Detail	2
5-6070	Misc. Production Supplies/	Cost of Sales	Debit	Detail	2
5-6075	Electricity Purchased	Cost of Sales	Debit	Detail	2
5-6080	Maintenance of Structures	Cost of Sales	Debit	Detail	2
5-6085	Rental Fees/Plant Maintena	Cost of Sales	Debit	Detail	2
5-6090	Rental Fees/Distribution	Cost of Sales	Debit	Detail	2
5-6095	Repair Parts/Mechanical Pl	Cost of Sales	Debit	Detail	2
5-6100	Repair Parts Electrical	Cost of Sales	Debit	Detail	2
5-6102	Repairs Distribution	Cost of Sales	Debit	Header	2
5-6105	RepairParts Distribution	Cost of Sales	Debit	Detail	3
5-6106	Pipe	Cost of Sales	Debit	Detail	3
5-6107	Insulation	Cost of Sales	Debit	Detail	3
5-6108	Road Materials	Cost of Sales	Debit	Detail	3
5-6109	Valves	Cost of Sales	Debit	Detail	3
5-6110	Contracts Maint.&Repair/P	Cost of Sales	Debit	Detail	2
5-6112	Asbestos Remediation	Cost of Sales	Debit	Detail	2

Concord Steam Corp.

Accounts List [Detail]

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Account #	Account	Type	Dr/Cr	Header/Detail	Level
5-6114	Contracts Main/Repairs Ro	Cost of Sales	Debit	Detail	2
5-6115	Contracts Maint.&Repair Di	Cost of Sales	Debit	Detail	2
5-6116	C.E.M. System	Cost of Sales	Debit	Detail	2
5-6117	Instrumentation/Elect	Cost of Sales	Debit	Detail	2
5-6118	Mechanical	Cost of Sales	Debit	Detail	2
5-6120	Customer Parts/Supplies	Cost of Sales	Debit	Detail	2
5-6125	Inventory Adjustments	Cost of Sales	Debit	Detail	2
5-7000	Turbines-C	Cost of Sales	Debit	Header	2
5-7040	Lubricants-C	Cost of Sales	Debit	Detail	3
5-7051	Mechanical Turbines	Cost of Sales	Debit	Detail	3
5-7052	Pipe Fittings Turbines	Cost of Sales	Debit	Detail	3
5-7053	Valves (Gaskets, etc. turbine	Cost of Sales	Debit	Detail	3
5-7055	Misc. Small Tools Turbines	Cost of Sales	Debit	Detail	3
5-7060	Consumables/turbines	Cost of Sales	Debit	Detail	3
5-7065	Consumables/Turbines Bui	Cost of Sales	Debit	Detail	3
5-7070	Misc. Production Supplies	Cost of Sales	Debit	Detail	3
5-7085	Rental Fees/Turbines	Cost of Sales	Debit	Detail	3
5-7095	Repair Parts/Mech. Turbin	Cost of Sales	Debit	Detail	3
5-7100	Repair Parts/Elect. Turbine	Cost of Sales	Debit	Detail	3
5-7110	Contracts Maint/RepairTur	Cost of Sales	Debit	Detail	3
5-8000	New Yard Expenses	Cost of Sales	Debit	Header	2
5-8005	Yard Rental	Cost of Sales	Debit	Detail	3
5-8006	Loader Fuel	Cost of Sales	Debit	Detail	3
5-8010	Utilities	Cost of Sales	Debit	Detail	3
5-8015	Heat Yard	Cost of Sales	Debit	Detail	3
5-8020	Water & Sewer	Cost of Sales	Debit	Detail	3
5-8051	Mechanical Repairs/Yard	Cost of Sales	Debit	Detail	3
5-8055	Small Tools Yard	Cost of Sales	Debit	Detail	3
5-8056	Truck/Loader repairs	Cost of Sales	Debit	Detail	3
5-8060	Contracts-Hauling	Cost of Sales	Debit	Detail	3
5-8085	Loader rental	Cost of Sales	Debit	Detail	3
6-0000	Expenses	Expense	Debit	Header	1
6-2100	Discounts Taken	Expense	Debit	Detail	2
6-2200	Freight Paid	Expense	Debit	Detail	2
6-2300	Interest Paid	Expense	Debit	Detail	2
6-5100	Wages & Salaries	Expense	Debit	Detail	2
6-5150	Temporary OT/Payroll	Expense	Debit	Detail	2
6-5200	Employer FICA	Expense	Debit	Detail	2
6-5201	Employer SEP/IRA	Expense	Debit	Detail	2
6-5202	SUTA	Expense	Debit	Detail	2
6-5203	FUTA	Expense	Debit	Detail	2
6-5204	SUTA Admin. Contrib.	Expense	Debit	Detail	2
6-5700	Steam Plant Labor	Expense	Debit	Header	2
6-5701	Superintendence/Plant-11	Expense	Debit	Detail	3
6-5702	Boiler Labor-55%	Expense	Debit	Detail	3
6-5725	Plant Equip. Maint. Labor-9	Expense	Debit	Detail	3
6-5756	Superintendence/Distrib. -	Expense	Debit	Detail	3
6-5761	O&M Distribution Lines La	Expense	Debit	Detail	3
6-5762	Meter Operating Labor-6%	Expense	Debit	Detail	3
6-5780	Meter Rding/Collection La	Expense	Debit	Detail	3
6-5781	Customer Billing Labor-3%	Expense	Debit	Detail	3
6-5791	General Office Labor-5%	Expense	Debit	Detail	3
6-5792	Capitalized labor	Expense	Debit	Detail	3
6-5799	Contracted Admin. Services	Expense	Debit	Detail	3
6-6100	Property Tax	Expense	Debit	Detail	2
6-6130	Depreciation	Expense	Debit	Detail	2
6-6135	Amortization	Expense	Debit	Detail	2

Concord Steam Corp.

Accounts List [Detail]

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Account #	Account	Type	Dr/Cr	Header/Detail	Level
6-6136	Amortizaion - CIAC Receiv	Expense	Debit	Detail	2
6-6140	Property Tax-City	Expense	Debit	Detail	2
6-6141	Property Tax-Utility	Expense	Debit	Detail	2
6-6161	State Franchise Tax	Expense	Debit	Detail	2
6-6164	Taxes (1120 Federal)	Expense	Debit	Detail	2
6-6165	1120 NH Tax (NH Bus. Profi	Expense	Debit	Detail	2
6-6166	State BET Taxes	Expense	Debit	Detail	2
6-6170	Contributions/Donations	Expense	Debit	Detail	2
6-6171	State Fees	Expense	Debit	Detail	2
6-6172	City Fees	Expense	Debit	Detail	2
6-6173	Assoc. Dues/ Fees/ Member	Expense	Debit	Detail	2
6-6174	Contributions	Expense	Debit	Detail	2
6-6175	Uncollectable Steam Sales	Expense	Debit	Detail	2
6-6180	Uncollectable Service Sales	Expense	Debit	Detail	2
6-6182	Uncollectables A/R Other	Expense	Debit	Detail	2
6-6185	Shipping & Handling	Expense	Debit	Detail	2
6-6190	Marketing/Promotions/ Ad	Expense	Debit	Detail	2
6-6200	Hydrant & Fire Line Fees	Expense	Debit	Detail	2
6-6310	Legal & Accounting	Expense	Debit	Detail	2
6-6500	Postage	Expense	Debit	Detail	2
6-6505	Office Equipment Exp.	Expense	Debit	Detail	2
6-6506	Lease/Copier	Expense	Debit	Detail	2
6-6507	Lease/ Telephone system	Expense	Debit	Detail	2
6-6510	Telephone	Expense	Debit	Detail	2
6-6515	Employee Recruiting	Expense	Debit	Detail	2
6-6516	Employee Appreciation	Expense	Debit	Detail	2
6-6517	Employee Training/ Educati	Expense	Debit	Detail	2
6-6518	Employee Med. Testing Exp	Expense	Debit	Detail	2
6-6520	Leases/ Rentals Equipment	Expense	Debit	Detail	2
6-6523	Travel Meals etc.	Expense	Debit	Detail	2
6-6525	Travel Expenses	Expense	Debit	Detail	2
6-6530	Cleaning Supplies/Expense	Expense	Debit	Detail	2
6-6535	Misc. Office Expense/Suppl	Expense	Debit	Detail	2
6-6540	Maintenance Office Equipm	Expense	Debit	Detail	2
6-6545	Attorneys	Expense	Debit	Detail	2
6-6550	Accountants	Expense	Debit	Detail	2
6-6555	Engineering Consultants	Expense	Debit	Detail	2
6-6560	Management Fees	Expense	Debit	Detail	2
6-6565	Other Consultants	Expense	Debit	Detail	2
6-6566	Safety Consultants	Expense	Debit	Detail	2
6-6570	PUC Tax	Expense	Debit	Detail	2
6-6575	Insurance	Expense	Debit	Header	2
6-6576	Liability/ Auto Insurance	Expense	Debit	Detail	3
6-6577	Workmen's Comp.	Expense	Debit	Detail	3
6-6578	Other Insurance	Expense	Debit	Detail	3
6-6580	Special Consultants (Pensio	Expense	Debit	Detail	2
6-6585	Employee Med, Dental etc.	Expense	Debit	Detail	2
6-6590	Uniforms	Expense	Debit	Detail	2
6-6600	Safety Equipment	Expense	Debit	Detail	2
6-6605	State of NH Fines	Expense	Debit	Detail	2
6-6610	Federal Fines	Expense	Debit	Detail	2
6-6615	Misc. General Expense	Expense	Debit	Detail	2
6-6620	Vehicle Registrations	Expense	Debit	Detail	2
6-6625	Truck & Loader Maintenanc	Expense	Debit	Detail	2
6-6630	Gasoline	Expense	Debit	Detail	2
6-6635	Interest	Expense	Debit	Header	2
6-6636	Credit Line Interest	Expense	Debit	Detail	3
6-6637	Term Loan Interest	Expense	Debit	Detail	3

Concord Steam Corp.

Accounts List [Detail]

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Account #	Account	Type	Dr/Cr	Header/Detail	Level
6-6638	Truck Loan Interest	Expense	Debit	Detail	3
6-6639	Interest Customer Deposits	Expense	Debit	Detail	3
6-6640	Interest ST Loan 2009	Expense	Debit	Detail	3
6-6641	Vendor Interest	Expense	Debit	Detail	3
6-6670	(pre2006)Cogen Payroll	Expense	Debit	Detail	2
6-6680	Special Payroll/Retired	Expense	Debit	Detail	2
6-6710	Bank Charges	Expense	Debit	Detail	2
6-6800	Investment Fees	Expense	Debit	Detail	2
6-6900	Miscellaneous	Expense	Debit	Detail	2
6-7000	Current Income Taxes	Expense	Debit	Detail	2
6-7050	Deferred Tax Provision	Expense	Debit	Detail	2
6-8000	Expense-C	Expense	Debit	Header	2
6-8010	Telephone-C	Expense	Debit	Detail	3
6-8565	Other Consultants Turbines	Expense	Debit	Detail	3
6-8615	Misc. General Exp./Turbine	Expense	Debit	Detail	3
6-9100	Misc. Exp. Office, etc.	Expense	Debit	Detail	2
6-9110	Utilities	Expense	Debit	Detail	2
6-9200	Truck/Loader Expense	Expense	Debit	Detail	2
6-9205	Tractor Trailer Fuel	Expense	Debit	Detail	2
6-9210	PP Yard expenses	Expense	Debit	Detail	2
6-9220	Yard heat expense	Expense	Debit	Detail	2
6-9230	Veh. Registrations	Expense	Debit	Detail	2
6-9240	State & Town Fees	Expense	Debit	Detail	2
6-9250	Road/Yard Repairs	Expense	Debit	Detail	2
6-9525	Cleaning Supplies	Expense	Debit	Detail	2
6-9555	Engineering Consultants	Expense	Debit	Detail	2
6-9560	Highway Use Tax	Expense	Debit	Detail	2
6-9600	Property Tax Yard	Expense	Debit	Detail	2
8-0000	Other Income	Other Income	Credit	Header	1
8-1000	BCAP Savings	Other Income	Credit	Detail	2
9-0000	Non-Operating Expense	Other Expense	Debit	Header	1
9-9500	Ins. Claims	Other Expense	Debit	Detail	2
9-9555	Off Book Rent Expense	Other Expense	Debit	Detail	2
9-9560	Service/Late Fees	Other Expense	Debit	Detail	2
9-9570	Checking acct. reconciliatio	Other Expense	Debit	Detail	2

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

11. Membership fees, dues and donations charged in the test year.

Attached hereto.

Concord Steam Corp.

PO Box 2520
Concord, NH 03302-2520

Detail Trial Balance

1/1/11 To 12/31/11

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ID#	Src	Date	Memo	Debit	Credit	Job No.	Net Activity	Ending Balance
6-6173			Assoc. Dues/Fees/Memberships					
			Beginning Balance:		\$0.00cr			
00584859	PJ	2/1/11	Imported Chase Card Service	\$94.32				\$94.32
PWB	PJ	2/25/11	Purchase; Sam's Club #6386	\$175.00				\$269.32
00738361	PJ	3/1/11	Imported Chase Card Service	\$325.00				\$594.32
MES	PJ	3/1/11	Purchase; CMCI	\$100.00				\$694.32
MES	PJ	4/12/11	Purchase; Dig Safe System, In	\$66.00				\$760.32
MES	PJ	4/20/11	Purchase; NNDC/NCDC	\$34.00				\$794.32
00155207	PJ	5/1/11	Imported Chase Card Service	\$10.00				\$804.32
00857680	PJ	6/1/11	Imported Chase Card Service	\$1.50				\$805.82
MES	PJ	7/21/11	Purchase; Dig Safe System, In	\$163.00				\$968.82
MES	PJ	8/1/11	Imported Chase Card Service	\$59.00				\$1,027.82
MES	PJ	10/12/11	Purchase; Dig Safe System, In	\$160.00				\$1,187.82
MES	PJ	11/1/11	Imported Chase Card Service	\$30.00				\$1,217.82
00824169	PJ	12/1/11	Chase VISA	\$25.00				\$1,242.82
Total:				\$1,242.82	\$0.00		\$1,242.82	\$1,242.82
Grand Total:				\$1,242.82	\$0.00			

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items

14. Officers and compensation.

	Position	Compensation	Director
Peter Bloomfield	President	11 \$ 82,620 *	Yes
Mark Saltsman	V. Pres.	11 \$ 101,252	Yes
Pansy Bloomfield	Treasurer	11 \$ 42,000 *	No

- Paid as management fee to Bloomfield Associates

CONCORD STEAM CORPORATION

PUC 1604.01 (a) Required Filing Items.

15. Officers and stock ownership.

	Position	Stock Ownership
Peter Bloomfield	President	384
Mark Saltsman	V. Pres.	96

Concord Steam Corp.
DG 12-242

16. Payments in excess of \$50,000 to individuals (non employees) and corporations

Vendors to whom payments were made total in excess of \$50,000
*Does not include Payroll, City or State taxes

Alfred W. Greymont, Jr.	\$52,386.27
BS & Chips LLC	\$219,596.76
D.H. Hardwick & Sons, Inc.	\$233,783.01
F.L. Merrill Construction, Inc.	\$76,642.51
Goodnow Trucking, Inc.	\$108,511.17
Harvard Pilgrim Health Care	\$132,585.16
Hess Corporation	\$144,681.40
Hopkinton Forestry & Landclearing, Inc.	\$233,646.09
Insulated Piping Systems, Inc.	\$189,496.43
Monadnock Landclearing & Chipping, Inc.	\$202,111.20
National Grid	\$201,352.61
Santa Buckley Energy	\$465,120.83
Sprague	\$188,197.46
TD Bank	\$165,630.22
Unitil	\$86,302.40

CONCORD STEAM CORPORATION

20. Quarterly sales volumes of the past five years attached hereto.

Concord Steam
DG 12-242

Quarterly sales of last 5 years

		Total Energy			<u>Commercial</u>		<u>Public Authority</u>		<u>Residential</u>	
		<u>Total Usage</u>	<u>Total Billed</u>	<u>Billed</u>	<u>Usage Mlbs.</u>	<u>Billed</u>	<u>Usage Mlbs.</u>	<u>Billed</u>	<u>Usage Mlbs.</u>	<u>Billed</u>
1st Quarter	2006	75,835.67	\$1,924,404	\$1,020,493	29,369.44	\$752,234	46,407.83	\$1,170,666	58.40	\$1,504
2nd Quarter	2006	19,698.53	\$517,901	\$281,492	7,606.80	\$201,732	12,084.13	\$315,967	7.60	\$202
3rd Quarter	2006	5,308.79	\$140,095	\$75,863	2,265.33	\$59,805	3,043.46	\$80,291	0.00	\$0
4th Quarter	2006	46,258.63	\$1,331,573	\$788,025	17,260.86	\$503,209	28,967.07	\$827,470	30.70	\$894
1st Quarter	2007	82,511.62	\$2,583,281	\$1,636,205	31,293.02	\$997,441	51,142.70	\$1,583,416	75.90	\$2,424
2nd Quarter	2007	23,143.09	\$604,737	\$330,020	8,490.02	\$223,864	14,638.17	\$380,480	14.90	\$393
3rd Quarter	2007	4,975.39	\$130,896	\$70,949	2,060.70	\$54,341	2,914.69	\$76,555	0.00	\$0
4th Quarter	2007	49,857.23	\$1,430,467	\$716,187	18,422.10	\$535,910	31,399.23	\$893,500	35.90	\$1,057
1st Quarter	2008	76,010.10	\$2,201,958	\$1,093,025	28,683.94	\$841,373	47,286.66	\$1,359,413	39.50	\$1,172
2nd Quarter	2008	18,350.16	\$535,536	\$263,875	7,144.76	\$208,138	11,199.70	\$327,228	5.70	\$169
3rd Quarter	2008	2,862.08	\$85,153	\$41,157	1,762.85	\$51,901	1,099.23	\$33,252	0.00	\$0
4th Quarter	2008	46,817.10	\$1,592,485	\$883,071	18,094.31	\$619,482	28,705.49	\$972,385	17.30	\$617
1st Quarter	2009	73,399.97	\$2,612,822	\$1,517,986	27,013.62	\$974,610	46,338.15	\$1,636,450	48.20	\$1,762
2nd Quarter	2009	14,510.94	\$532,446	\$309,228	5,940.08	\$216,251	8,567.16	\$316,057	3.70	\$138
3rd Quarter	2009	3,046.07	\$110,858	\$64,912	1,976.30	\$71,084	1,069.77	\$39,774	0.00	\$0
4th Quarter	2009	45,064.11	\$1,605,101	\$834,132	16,633.80	\$596,336	28,428.01	\$1,008,681	2.30	\$84
1st Quarter	2010	62,603.36	\$2,214,142	\$1,119,974	22,367.79	\$801,338	40,219.07	\$1,412,202	16.50	\$601
2nd Quarter	2010	12,716.69	\$454,546	\$227,502	4,928.33	\$174,469	7,788.36	\$280,077	0.00	\$0
3rd Quarter	2010	2,692.74	\$101,371	\$53,559	1,675.87	\$62,232	1,016.87	\$39,139	0.00	\$0
4th Quarter	2010	44,522.69	\$1,549,403	\$766,846	16,350.29	\$576,195	28,165.90	\$972,980	6.5	\$229

Concord Steam Corp
PUC 1604.01 (a) Required filing items

24. Outstanding short term debt on a monthly basis.

Line of Credit Outstanding balance at end of month:

January-2011	\$806,694.67
February-2011	\$816,097.08
March-2011	\$80,042.26
April-2011	\$303,915.94
May-2011	\$176,154.96
June-2011	\$398,330.36
July-2011	\$528,882.80
August-2011	\$762,906.28
September-2011	\$913,802.83
October-2011	\$1,100,820.80
November-2011	\$939,052.76
December-2011	\$862,642.47