

September 18, 2007

Phase III — Water Ban Update

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We entered Phase I – Voluntary Restrictions on July 17, 2007. At that time the average daily pumpage was over 5 million gallons/day (MGD) and we experienced a maximum day demand that exceeded 5.5 MGD.

Since we did not have the reduction in demand that we had hoped for -- at least 250,000 or more gallons per day during Phase I -- we announced Phase II - Mandatory Restrictions on August 1, 2007, which restricted watering to an odd / even system by hand held hoses from 6pm-9pm only. Lawn irrigation systems were not allowed, nor were unattended sprinklers.

We entered Phase II because of the following:

- Minimal reduction in daily average demand since announcement of Phase I, of about 0.2 MGD on average
- We were within the buffer of the MA DEP Water Management Act allowable withdrawal volume based on our statistical prediction model through year end 2007
- July rainfall was down by 46% compared to 50-year monthly average
- The 3 Month period (May-July) rainfall was down 31%
- 3 month pumpage (May-July) was up 16%
- The Accord Pond and well levels were below normal levels
- The extended long term forecast consisted of hot and dry weather patterns

On August 30, 2007, we announced Phase III - Mandatory Water Ban with no outdoor water usage allowed. We continued to be within the buffer of the MA DEP Water Management Act allowable volume based on the statistical prediction model.

Factors in the decision for the mandatory water ban were:

- While the average daily pumpage was down by 0.7 MGD, the August rainfall was down by 85% compared to 50-year monthly average.
- The 4-month period (May - Aug.) rainfall was down by 45% or 7.5" for Hingham.
- The Accord Pond was about 45% full compared to the average for this time of year of about 60% full and the well levels are still below normal.
- The extended long-term forecast consisted of hot and dry weather patterns.

During the Phase III, the average daily pumpage is down through mid-September to 3.0 MGD. To date the rainfall for September has been equal to the 50-yr. average for the first half of the month due to the substantial rainfall event on Sept 10th of more than 2".

To date, there have been 347 first violations, 25 second violations, and 2 third violations of all the various water ban phases.

Lifting the current Phase III ban is dependent on two factors – (1) weather (cooler temperatures and a couple more rainfalls of 1.0+ inches) and (2) continued reduced demand so as not to exceed our MA DEP Water Management Act registered annual average volume of 3.51 MGD.

We are hopeful that we can lift the Phase III ban by early to mid-October. This should be possible with the schools back in session, the summer residences and visitors season ending and the typical cooler, wetter weather patterns that occur this time of the year.

By continuing to work together in the conservation of water, our supply will remain more than adequate for our needs.

If you have any questions please contact Aquarion Customer Service Department at 1-800-Water 34 (1-800-928-3734).