

Pittsfield Aqueduct Company, Inc.
Overall Rate of Return
For the Twelve Months Ended December 31, 2009

Schedule 1

<u>Capital Component</u>	<u>Pro Forma Test Year</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
Long-term Debt	776,850	37.23%	7.00%	2.61%
Short-term Debt	255,038	12.22%	0.50% (2)	0.06%
Preferred Stock	-	0.00%	0.00%	0.00%
Common Equity	<u>1,054,459</u>	<u>50.54%</u>	9.75% (1)	<u>4.93%</u>
Overall Rate of Return	<u>\$ 2,086,347</u>	<u>100.00%</u>		<u>7.60%</u>

Notes:

(1) The return on equity based on the settlement agreement in Pittsfield Aqueduct Company, Inc. (DW 08-052).

(2) The interest rate reflected is the short term borrowing rate utilized during 2009.

Pittsfield Aqueduct Company, Inc.
Capital Structure for Ratemaking Purposes
For the Twelve Months Ended December 31, 2009

Schedule 2

	<u>Test Year</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Test Year</u>	<u>Component Ratio</u>
Long-term Debt	776,850	-	\$776,850	37.23%
Common Equity:				
Common Stock	100		100	
Paid In Capital	237,129	-	237,129	
Retained Earnings	817,231		817,231	
Total Common Equity	<u>1,054,459</u>		<u>1,054,459</u>	50.54%
Short-term Debt	\$ 255,038	-	255,038	12.22%
Total Capital	<u>\$ 2,086,347</u>	-	<u>\$ 2,086,347</u>	100.00%

Pittsfield Aqueduct Company, Inc.
Historical Capital Structure
For the Twelve Months Ending December 31, 2009

Schedule 3

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Intercompany Notes	\$ 3,225,389	\$ 1,089,281	\$ 1,610,259	\$ -	\$ -
Long-term Debt	<u>3,225,389</u>	<u>1,089,281</u>	<u>1,610,259</u>	<u>-</u>	<u>-</u>
Common Equity:					
Common Stock	100	100	100	100	100
Paid In Capital	2,237,129	2,237,129	237,129	237,129	237,129
Retained Earnings	491,317	547,343	768,407	912,077	908,913
Total Common Equity	<u>2,728,546</u>	<u>2,784,572</u>	<u>1,005,635</u>	<u>1,149,306</u>	<u>1,146,142</u>
Short-term Debt	<u>-</u>	<u>-</u>	<u>1,580,877</u>	<u>1,008,052</u>	<u>815,253</u>
Total Capital	<u>\$ 5,953,935</u>	<u>\$ 3,873,853</u>	<u>\$ 4,196,771</u>	<u>\$ 2,157,358</u>	<u>\$ 1,961,395</u>

Notes:

- (1) Prior to 2006, the intercompany notes were not in separate accounts but included in the intercompany advance account (short term debt).
- (2) Prior to 2009, the equity and long term debt, including the intercompany accounts, were reconciled and balanced at the entity/consolidated level (Pittsfield and North Country combined). Therefore, the split out of debt/equity in 2008 and 2007 by 001 (Pittsfield) and 002 (North Country) sub accounts do not necessarily create an amount of assets equal to the amount of equity/liabilities at the sub account level. Additionally, in 2006, the debt/equity amounts were recorded on a combined basis in the 001 sub accounts (Pittsfield).

Pittsfield Aqueduct Company, Inc.
Historical Capitalization Ratios
For the Twelve Months Ending December 31, 2009

Schedule 4

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Long-term Debt	54.17%	28.12%	38.37%	0.00%	0.00%
Total Common Equity	45.83%	71.88%	23.96%	53.27%	58.44%
Short-term Debt	<u>0.00%</u>	<u>0.00%</u>	<u>37.67%</u>	<u>46.73%</u>	<u>41.56%</u>
Total Capital	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Notes:

- (1) Prior to 2006, the intercompany notes were not in separate accounts but included in the intercompany advance account (short term debt).
- (2) Prior to 2009, the equity and long term debt, including the intercompany accounts, were reconciled and balanced at the entity/consolidated level (Pittsfield and North Country combined). Therefore, the split out of debt/equity in 2008 and 2007 by 001 (Pittsfield) and 002 (North Country) sub accounts do not necessarily create an amount of assets equal to the amount of equity/liabilities at the sub account level. Additionally, in 2006, the debt/equity amounts were recorded on a combined basis in the 001 sub accounts (Pittsfield).

Pittsfield Aqueduct Company, Inc.
 Weighted Average Cost of Long-Term Debt
 For the Twelve Months Ended December 31, 2009

Schedule 5

Holder	Term	Maturity	Rate	Outstanding Balance	Annual Interest	Annual Amortization	All In Annual Cost	Effective Rate
Intercompany Loan North Country	10	5/4/18	7.00%	776,850	54,380	-	54,380	7.00%
Pro Forma Cost of Long Term Debt				776,850	54,380	-	54,380	7.00%

Pittsfield Aqueduct Company, Inc.
Cost of Short-Term Debt
For the Twelve Months Ended December 31, 2009

Schedule 6

	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	13 Month Average
Intercompany cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennichuck Interco Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennichuck Corporation:														
INTERCO ADVANCE: PAC ACQUISITI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERCO DIV PAY/REC: PAC/NC	(6,106,151)	(6,128,978)	(6,164,817)	(6,178,788)	(6,217,082)	(6,274,345)	(6,488,881)	(6,521,993)	(6,535,562)	(6,583,364)	(5,952,388)	(6,136,547)	(4,959,460)	
INTERCO PAY/REC: PAC/TSC	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	349	
INTERCO PAY/REC: PAC/PWS	10,866	10,944	11,019	11,092	11,207	11,343	11,458	11,574	11,690	11,677	11,762	11,857	11,942	
INTERCO PAY/REC: PAC/PWW	-	-	-	-	-	-	-	-	-	-	-	-	-	
INTERCO PAY/REC: PAC/PWW	1,967,201	2,014,067	2,055,188	2,100,472	2,144,166	2,185,475	2,232,989	2,275,664	2,330,839	2,406,699	2,455,325	2,476,168	2,509,009	
INTERCO PAY/REC: PAC/PEU	(15,313)	(15,322)	(15,330)	(15,338)	(15,346)	(15,354)	(15,362)	(15,371)	(15,018)	(15,387)	(15,395)	(15,383)	(2,483)	
INTERCO PAY/REC: PAC/PCP	(1,501,160)	(1,486,553)	(1,513,953)	(1,548,461)	(1,565,787)	(1,552,712)	(1,382,375)	(1,387,797)	(1,406,396)	(1,522,118)	(1,470,126)	2,746,348	2,695,681	
Intercompany advances	(5,644,591)	(5,605,875)	(5,627,926)	(5,631,055)	(5,642,875)	(5,645,627)	(5,642,204)	(5,637,956)	(5,614,481)	(5,702,526)	(4,970,854)	(917,590)	255,038	(4,771,425)
Pennichuck Interco Net Liability	<u>5,644,591</u>	<u>5,605,875</u>	<u>5,627,926</u>	<u>5,631,055</u>	<u>5,642,875</u>	<u>5,645,627</u>	<u>5,642,204</u>	<u>5,637,956</u>	<u>5,614,481</u>	<u>5,702,526</u>	<u>4,970,854</u>	<u>917,590</u>	<u>(255,038)</u>	<u>4,771,425</u>

**Pittsfield Aqueduct Company, Inc.
Weighted Average Cost of Preferred Stock
For the Twelve Months Ended December 31, 2009**

Schedule 7

Security	Term	Maturity	Rate	Outstanding Balance	Annual Dividends	Annual Amortization	All In Annual Cost	Effective Rate
----------	------	----------	------	------------------------	---------------------	------------------------	-----------------------	-------------------

NOT APPLICABLE

Pittsfield Aqueduct Company, Inc.
Return on Common Equity for Small Water Utility Companies
For the Twelve Months Ended December 31, 2007

Schedule 8

NOT APPLICABLE

Pittsfield Aqueduct Company, Inc.
Report of Proposed Rate Changes
For the Twelve Months Ended December 31, 2009

Pro Forma
Schedule 9
Temporary

DOCKET NO:	DW 10-090		DATE FILED:	5/6/2010
TARIFF NO.:	5	or PAGE NOS. 38-40 and 44	EFF. DATE:	6/6/2010

<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Proposed Change</u>				
			<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Amount</u>	<u>%</u>	
G-M	Increase	636	\$ 463,908	\$ 541,802	\$ 77,894	16.79%	
Private FP	Increase	11	\$ 21,930	\$ 24,203	\$ 2,273	10.37%	
FP - Hydrants	Increase	1	\$ 121,295	\$ 156,417	\$ 35,122	28.96%	
TOTALS		648	\$ 607,133	\$ 722,422	\$115,289	18.99%	

Note:

The Proposed rates and the amount of the increase is based on the Cost of Service Study. In the Study, a slight difference is noted in the allocation of the proposed revenue vs. the revenue requirement reflected in the rate filing schedules.

Signed by:

Bonalyn J. Hartley

Title:

Vice President - Administration

**Pittsfield Aqueduct Company, Inc.
Report of Proposed Rate Changes
For the Twelve Months Ended December 31, 2009**

**Pro Forma
Schedule 9
Permanent**

DOCKET NO:	<u>DW 10-090</u>	DATE FILED:	<u>5/6/2010</u>
TARIFF NO.:	<u>5</u> or PAGE NOS. <u>38-40 and 44</u>	EFF. DATE:	<u>6/6/2010</u>

<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Proposed Change</u>				
			<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Amount</u>	<u>%</u>	
G-M	Increase	636	\$ 463,908	\$ 546,340	\$ 82,432	17.77%	
Private FP	Increase	11	\$ 21,930	\$ 24,433	\$ 2,503	11.41%	
FP - Hydrants	Increase	1	\$ 121,295	\$ 157,684	\$ 36,389	30.00%	
TOTALS		648	\$ 607,133	\$ 728,456	\$121,323	19.98%	

Note:

The Proposed rates and the amount of the increase is based on the Cost of Service Study. In the Study, a slight difference is noted in the allocation of the proposed revenue vs. the revenue requirement reflected in the rate filing schedules.

Signed by:

Title: Bonalyn J. Hartley
Vice President - Administration

Pittsfield Aqueduct Company, Inc.
Report of Proposed Rate Changes
For the Twelve Months Ended December 31, 2009

Pro Forma
Schedule 9
Step

DOCKET NO:	<u>DW 10-090</u>	DATE FILED:	<u>5/6/2010</u>
TARIFF NO.:	<u>5</u> or PAGE NOS. <u>38-40 and 44</u>	EFF. DATE:	<u>6/6/2010</u>

<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Proposed Change</u>			
			<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Amount</u>	<u>%</u>
G-M	Increase	636	\$ 463,908	\$ 488,136	\$24,228	5.22%
Private FP	Increase	11	\$ 21,930	\$ 22,980	\$1,050	4.79%
FP - Hydrants	Increase	1	\$ 121,295	\$ 128,302	\$7,007	5.78%
TOTALS		648	\$ 607,133	\$ 639,419	\$32,286	5.32%

Note:

The Proposed rates and the amount of the increase is based on the Cost of Service Study. In the Study, a slight difference is noted in the allocation of the proposed revenue vs. the revenue requirement reflected in the rate filing schedules.

Signed by:

Title:	<u>Bonalyn J. Hartley</u> <u>Vice President - Administration</u>
--------	---

**Pittsfield Aqueduct Company, Inc.
Report of Proposed Rate Changes
For the Twelve Months Ended December 31, 2009**

**Pro Forma
Schedule 9
Combined**

DOCKET NO:	<u>DW 10-090</u>	DATE FILED:	<u>5/6/2010</u>
TARIFF NO.:	<u>5</u> or PAGE NOS. <u>38-40 and 44</u>	EFF. DATE:	<u>6/6/2010</u>

<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Proposed Change</u>			
			<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Amount</u>	<u>%</u>
G-M	Increase	636	\$ 463,908	\$ 570,568	\$ 106,660	22.99%
Private FP	Increase	11	\$ 21,930	\$ 25,483	\$ 3,553	16.20%
FP - Hydrants	Increase	1	\$ 121,295	\$ 164,691	\$ 43,396	35.78%
TOTALS		648	\$ 607,133	\$ 760,742	\$153,609	25.30%

Note:

The Proposed rates and the amount of the increase is based on the Cost of Service Study. In the Study, a slight difference is noted in the allocation of the proposed revenue vs. the revenue requirement reflected in the rate filing schedules.

Signed by:

Title: Bonalyn J. Hartley
Vice President - Administration

Pittsfield Aqueduct Company, Inc.
ROI Trends
For the Twelve Months Ended December 31, 2009

Schedule 10

	<u>TEST YEAR</u>	<u>PRO FORMA TEST YEAR</u>	<u>1/31/2010</u>	<u>2/28/2010</u>
Consolidated Rate Base	\$ 1,747,989	\$ 1,962,038	\$ 2,021,956	\$ 2,013,808
Net Operating Income	\$ 72,033	\$ 75,753	\$ 61,889	\$ 59,451
Rate of Return	4.12%	3.86%	3.06%	2.95%