

PENNICHUCK WATERWORKS
QUARTERLY STATEMENTS OF INCOME
CY 2005

	3 Months Ended <u>3/31/2005</u>	3 Months Ended <u>6/30/2005</u>	6 Months Ended <u>6/30/2005</u>	3 Months Ended <u>9/30/2005</u>	9 Months Ended <u>9/30/2005</u>	3 Months Ended <u>12/31/2005</u>	12 Months Ended <u>12/31/2005</u>
Water Revenues	\$ 3,413,010	\$ 4,629,437	\$ 8,042,448	4,951,769	12,994,217	\$ 3,700,069	\$ 16,694,286
Other	<u>123,529</u>	<u>94,218</u>	<u>217,748</u>	<u>147,478</u>	<u>365,226</u>	<u>210,409</u>	<u>575,634</u>
Total Revenues	3,536,540	4,723,656	8,260,196	5,099,247	13,359,442	3,910,478	17,269,920
Operating Expenses:							
Production	666,622	719,026	1,385,649	1,039,403	2,425,051	750,452	3,175,503
Trans & Distrib	341,599	165,009	506,608	151,475	658,083	270,456	928,539
Customer Accting	92,113	268,212	360,325	186,800	547,125	195,833	742,959
Admin & General	1,223,493	1,104,514	2,328,007	1,088,616	3,416,623	1,406,145	4,822,768
Interdiv Mgt Fee	<u>(175,000)</u>	<u>(97,000)</u>	<u>(272,000)</u>	<u>(55,000)</u>	<u>(327,000)</u>	<u>(144,000)</u>	<u>(471,000)</u>
	2,148,828	2,159,761	4,308,589	2,411,294	6,719,883	2,478,886	9,198,769
Depreciation/Amort	795,749	628,511	1,424,260	690,332	2,114,592	657,038	2,771,630
Amort Exp: CIAC	(78,315)	(77,550)	(155,865)	(79,438)	(235,303)	(87,911)	(323,214)
Taxes other than Income	483,679	455,176	938,856	454,325	1,393,181	27,142	1,420,323
Income Taxes	<u>(84,040)</u>	<u>474,043</u>	<u>390,003</u>	<u>458,730</u>	<u>848,733</u>	<u>251,296</u>	<u>1,100,029</u>
	3,265,902	3,639,941	6,905,842	3,935,244	10,841,086	3,326,452	14,167,537
Operating Income	270,638	1,083,715	1,354,353	1,164,003	2,518,356	584,027	3,102,383
Other Income (Exp)	13,609	17,019	30,628	8,724	39,351	62,600	101,952
AFDUC	(51,398)	(62,935)	(114,333)	(61,248)	(175,581)	(102,539)	(278,120)
Interest on LTD	361,754	354,089	715,844	357,173	1,073,017	559,246	1,632,264
Interest on Customer Deposits	12,724	-	12,724	0	12,724	(130,116)	12,724
Interest on STD	52,467	42,229	94,696	42,070	136,766	6,940	6,650
Amortization	<u>15,978</u>	<u>23,765</u>	<u>39,743</u>	<u>23,609</u>	<u>63,353</u>		<u>70,292</u>
	391,525	357,149	748,674	361,605	1,110,279	333,531	1,443,810
Net Income	\$ <u>(107,278)</u>	<u>743,585</u>	<u>636,307</u>	<u>811,122</u>	<u>1,447,429</u>	\$ <u>313,096</u>	\$ <u>1,760,525</u>

PENNICHUCK WATER WORKS
BALANCE SHEET
CY 2005

	<u>12/31/2004</u>	<u>3/31/2005</u>	<u>6/30/2005</u>	<u>9/30/2005</u>	<u>12/31/2005</u>
<u>ASSETS</u>					
Plant in Service	\$ 97,163,085	\$ 97,776,969	\$ 99,534,564	\$ 100,961,049	\$ 103,612,791
Accumulated Depreciation	(28,779,920)	(29,486,827)	(30,057,296)	(30,695,827)	(30,260,799)
	68,383,165	68,290,141	69,477,268	70,265,222	73,351,991
CWIP	2,580,237	3,298,845	3,720,609	4,577,148	6,836,957
Total Plant	70,963,403	71,588,987	73,197,877	74,842,370	80,188,948
Cash	900	1,414	1,111	1,111	2,642
Restricted Cash	-	832,000	832,000	832,000	6,276,627
SRF Account - Cash	-	-	-	-	-
Interco Cash	-	229,320	(1,326,429)	(1,477,278)	-
Interco Receivable	-	-	-	-	-
A/R	2,578,674	2,464,245	3,427,556	3,878,576	3,010,229
Inventory	788,209	788,628	934,222	555,643	562,481
Prepays	166,516	255,438	239,746	260,156	75,409
Total Current Assets	3,534,299	4,571,046	4,108,206	4,050,208	9,927,389
Unamort Debt Expense	532,803	1,468,570	1,456,077	1,471,072	2,329,861
Miscellaneous Investments	-	-	-	-	-
Abandoned Property	51,768	49,246	46,725	44,204	44,775
Other Assets	1,526,407	1,739,545	1,781,445	1,888,161	1,968,466
Total Assets	\$ 76,608,679	\$ 79,417,394	\$ 80,590,330	\$ 82,296,015	\$ 94,459,438

PENNICHUCK WATER WORKS
BALANCE SHEET
CY 2005

	<u>12/31/2004</u>	<u>3/31/2005</u>	<u>6/30/2005</u>	<u>9/30/2005</u>	<u>12/31/2005</u>
<u>EQUITY & LIABILITIES</u>					
Preferred Stock	-	-	-	-	-
Common Stock	30,000	30,000	30,000	30,000	30,000
Paid in Capital	12,056,141	12,056,141	12,056,141	12,056,141	27,056,141
Other Comprehensive Income	(605,581)	(649,676)	(649,676)	(649,676)	(808,533)
Retained Earnings	8,889,844	8,782,565	9,526,151	10,301,273	10,650,369
	<u>20,370,404</u>	<u>20,219,031</u>	<u>20,962,616</u>	<u>21,737,738</u>	<u>36,927,977</u>
Long Term Debt	16,130,767	22,960,142	22,894,517	23,141,392	34,924,256
Capital Lease Obligation-Backhoe	18,608	18,608	18,608	-	-
Long Term Debt: SRF/Hubbard	468,849	459,915	450,962	441,989	432,996
Advances from Parent	<u>5,429,671</u>	<u>5,429,671</u>	<u>5,429,671</u>	<u>5,429,671</u>	<u>(14,101,129)</u>
	<u>22,047,895</u>	<u>28,868,337</u>	<u>28,793,758</u>	<u>29,013,052</u>	<u>21,256,124</u>
Current Portion LTD	3,871,936	371,936	371,936	119,436	100,853
Accounts Payable & Accruals	1,841,732	1,826,047	1,452,629	1,550,814	2,444,674
Income Taxes	-	-	-	-	-
Customer Deposits	179,245	150,818	219,010	242,245	156,198
Intercompany Payable	-	(717,629)	(877,764)	(1,209,088)	-
	<u>5,892,913</u>	<u>1,631,172</u>	<u>1,165,811</u>	<u>703,407</u>	<u>2,701,725</u>
Other Long-term Liabilities	649,278	866,329	892,228	1,781,805	1,930,345
Accrued Liability Pension	532,514	668,601	677,513	669,205	1,057,381
Customer Advances	-	-	-	-	-
Unamortized ITC	933,102	924,843	916,584	908,325	900,066
Deferred Taxes	6,694,193	6,687,297	7,009,797	7,122,297	8,562,356
Regulatory Liability	1,118,898	1,118,898	1,118,898	1,118,898	971,402
CIAC	<u>18,369,483</u>	<u>18,432,888</u>	<u>19,053,124</u>	<u>19,241,288</u>	<u>20,152,062</u>
	<u>28,297,467</u>	<u>28,698,855</u>	<u>29,668,144</u>	<u>30,841,819</u>	<u>33,573,612</u>
Total Equity & Liabilities	<u>\$ 76,608,679</u>	<u>\$ 79,417,394</u>	<u>\$ 80,590,330</u>	<u>\$ 82,296,015</u>	<u>\$ 94,459,438</u>

PENNICHUCI WATER WORKS
QUARTERLY STATEMENTS OF INCOME
CY 2004

	3 Months Ended 3/31/2004	3 Months Ended 6/30/2004	6 Months Ended 6/30/2004	3 Months Ended 9/30/2004	9 Months Ended 9/30/2004	3 Months Ended 12/31/2004	12 Months Ended 12/31/2004
Water Revenues	\$ 3,319,100	\$ 3,866,053	\$ 7,185,153	\$ 4,429,283	\$ 11,614,436	\$ 3,820,697	\$ 15,435,133
Other	<u>120,811</u>	<u>92,849</u>	<u>213,660</u>	<u>147,427</u>	<u>361,087</u>	<u>195,369</u>	<u>556,456</u>
Total Revenues	3,439,912	3,958,902	7,398,813	4,576,710	11,975,523	4,016,066	15,991,589
Operating Expenses:							
Production	588,574	622,896	1,211,470	859,605	2,071,075	673,515	2,744,590
Trans & Distrib	276,061	294,771	570,832	330,952	901,784	343,635	1,245,419
Customer Accing	71,083	76,674	147,757	70,072	217,829	72,736	290,565
Admin & General	972,933	962,676	1,935,609	1,044,689	2,980,298	1,034,357	4,014,655
Interdiv Mgt Fee	<u>(123,983)</u>	<u>(193,686)</u>	<u>(317,669)</u>	<u>(233,691)</u>	<u>(551,360)</u>	<u>25,360</u>	<u>(526,000)</u>
	1,784,667	1,763,332	3,547,999	2,071,627	5,619,626	2,149,602	7,769,228
Depreciation/Amort	701,232	722,093	1,423,325	729,944	2,153,269	761,903	2,915,172
Amort Exp: CIAC	<u>(70,706)</u>	<u>-71,941</u>	<u>(142,647)</u>	<u>(73,147)</u>	<u>(215,794)</u>	<u>(80,870)</u>	<u>(296,664)</u>
Taxes other than Income	509,878	473,255	983,133	492,274	1,475,407	303,467	1,778,874
Income Taxes	<u>23,582</u>	<u>261,341</u>	<u>284,923</u>	<u>386,937</u>	<u>671,860</u>	<u>199,531</u>	<u>871,391</u>
	2,948,654	3,148,079	6,096,733	3,607,635	9,704,368	3,333,634	13,038,002
Operating Income	491,258	810,822	1,302,080	969,075	2,271,155	682,432	2,953,587
Other Income (Exp)	(15,965)	10,585	(5,380)	11,650	6,270	11,174	17,444
AFDUC	-	0	0	(33,407)	(33,407)	(31,371)	(64,778)
Interest on LTD	373,093	374,570	747,663	373,285	1,120,948	371,761	1,492,709
Interest on STD	37,370	-21,319	16,051	62,876	78,927	20,132	99,059
Amortization	<u>8,025</u>	<u>48,861</u>	<u>56,886</u>	<u>(32,810)</u>	<u>24,076</u>	<u>8,025</u>	<u>32,101</u>
	418,488	402,112	820,600	369,944	1,190,544	368,547	1,559,091
Net Income	\$ 56,805	\$ 419,295	\$ 476,100	\$ 610,781	\$ 1,086,881	\$ 325,059	\$ 1,411,940

PENNICHUCK WATER WORKS
BALANCE SHEET
CY 2004

	<u>12/31/2003</u>	<u>3/31/2004</u>	<u>6/30/2004</u>	<u>9/30/2004</u>	<u>12/31/2004</u>
<u>ASSETS</u>					
Plant in Service	\$ 92,817,063	\$ 93,096,385	\$ 94,103,787	\$ 94,850,183	\$ 97,163,085
Accumulated Depreciation	(26,701,814)	(27,272,068)	(27,531,284)	(28,189,700)	(28,779,920)
	66,115,249	65,824,316	66,572,503	66,660,483	68,383,165
CWIP	669,060	1,192,106	1,331,359	2,106,148	2,580,237
Total Plant	66,784,309	67,016,423	67,903,862	68,766,631	70,963,403
Cash	11,183	9,714	9,353	(48,693)	900
Restricted Cash	-	-	-	-	-
SRF Account - Cash	-	-	-	-	-
Interco Cash	-	(750,296)	(1,922,560)	(1,859,854)	-
Interco Receivable	-	372,214	1,335,807	1,650,526	-
A/R	2,276,337	2,275,853	2,795,696	2,862,241	2,578,674
Inventory	719,090	733,404	769,576	814,976	788,209
Prepays	99,778	246,094	260,229	239,436	166,516
Total Current Assets	3,106,388	2,886,983	3,248,101	3,658,632	3,534,299
Unamort Debt Expense	488,579	480,554	472,529	495,253	532,803
Miscellaneous Investments	-	-	-	-	-
Abandoned Property	62,197	59,590	56,983	54,375	51,768
Other Assets	1,896,784	1,498,076	1,524,470	1,536,162	1,526,407
Total Assets	\$ 72,338,258	\$ 71,941,625	\$ 73,205,945	\$ 74,511,053	\$ 76,608,679

PENNICHUCK WATER WORKS
BALANCE SHEET
CY 2004

	<u>12/31/2003</u>	<u>3/31/2004</u>	<u>6/30/2004</u>	<u>9/30/2004</u>	<u>12/31/2004</u>
<u>EQUITY & LIABILITIES</u>					
Preferred Stock	-	-	-	-	-
Common Stock	30,000	30,000	30,000	30,000	30,000
Paid in Capital	12,056,141	12,056,141	12,056,141	12,056,141	12,056,141
Other Comprehensive Income	(265,868)	(265,868)	(265,868)	(265,218)	(605,581)
Retained Earnings	7,314,737	7,534,709	7,954,004	8,564,785	8,889,844
	<u>19,135,010</u>	<u>19,354,982</u>	<u>19,774,277</u>	<u>20,385,708</u>	<u>20,370,404</u>
Long Term Debt	19,960,000	19,960,000	16,395,000	16,384,659	16,130,767
Capital Lease Obligation-Backhoe	18,608	18,608	18,608	18,608	18,608
Long Term Debt: SRF/Hubbard	501,753	495,846	486,971	478,075	468,849
Advances form Parent	<u>4,340,401</u>	<u>4,340,401</u>	<u>4,340,401</u>	<u>4,340,401</u>	<u>5,429,671</u>
	<u>24,820,762</u>	<u>24,814,855</u>	<u>21,240,980</u>	<u>21,221,743</u>	<u>22,047,895</u>
Current Portion LTD	368,357	368,357	3,868,357	3,868,357	3,871,936
Accounts Payable & Accruals	1,749,119	1,537,602	1,687,615	1,717,257	1,841,732
Income Taxes	-	-	-	-	-
Customer Deposits	151,312	146,700	215,071	240,763	179,245
Intercompany Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,268,787</u>	<u>2,052,659</u>	<u>5,771,043</u>	<u>5,826,377</u>	<u>5,892,913</u>
Other Long-term Liabilities	559,602	598,496	652,722	716,659	649,278
Accrued Liability Pension	78,133	153,133	212,133	(136,445)	532,514
Customer Advances	-	-	137,345	137,345	-
Unamortized ITC	966,138	957,879	949,620	941,361	933,102
Deferred Taxes	6,595,186	6,054,772	6,477,272	6,999,772	6,694,193
Regulatory Liability	1,107,119	1,107,119	1,107,119	1,107,119	1,118,898
CIAC	<u>16,807,521</u>	<u>16,847,730</u>	<u>16,883,434</u>	<u>17,311,414</u>	<u>18,369,483</u>
	<u>26,113,699</u>	<u>25,719,129</u>	<u>26,419,645</u>	<u>27,077,225</u>	<u>28,297,467</u>
Total Equity & Liabilities	<u>\$ 72,338,258</u>	<u>\$ 71,941,625</u>	<u>\$ 73,205,945</u>	<u>\$ 74,511,053</u>	<u>\$ 76,608,679</u>

PENNICHUCK INTERWORKS
QUARTERLY STATEMENTS OF INCOME
CY 2003

	3 Months Ended 3/31/2003	3 Months Ended 6/30/2003	6 Months Ended 6/30/2003	3 Months Ended 9/30/2003	9 Months Ended 9/30/2003	3 Months Ended 12/31/2003	12 Months Ended 12/31/2003
Water Revenues	\$ 3,212,403	\$ 3,580,028	\$ 6,792,431	\$ 4,473,958	\$ 11,266,390	\$ 3,464,639	\$ 14,731,029
Other	113,367	127,069	240,436	125,061	365,497	157,629	523,126
Total Revenues	3,325,770	3,707,098	7,032,868	4,599,019	11,631,887	3,622,268	15,254,154
Operating Expenses:							
Production	609,674	585,793	1,195,468	796,761	1,992,228	665,653	2,657,882
Trans & Distrib	284,083	266,919	551,003	320,590	871,593	329,745	1,201,337
Customer Accting	65,395	68,518	133,912	82,720	216,632	77,768	294,400
Admin & General	878,475	856,013	1,734,489	881,143	2,615,632	1,247,347	3,862,979
Interdv Mgt Fee	(155,458)	(37,557)	(193,014)	(109,999)	(303,014)	(223,182)	(526,196)
	1,682,170	1,739,687	3,421,857	1,971,214	5,393,070	2,097,331	7,490,402
Depreciation/Amort	668,241	653,388	1,321,629	676,183	1,997,811	718,999	2,716,811
Amort Exp: CIAC	(65,295)	(65,896)	(131,190)	(67,356)	(198,546)	(72,582)	(271,128)
Taxes other than Income	473,412	458,618	932,030	456,928	1,388,958	501,815	1,890,773
Income Taxes	58,173	198,834	257,007	448,308	705,315	(9,425)	695,890
	2,816,701	2,984,631	5,801,332	3,485,277	9,286,608	3,236,139	12,522,748
Operating Income	509,069	722,467	1,231,536	1,113,742	2,345,278	386,129	2,731,407
Other Income (Exp)	6,380	11,127	17,507	8,415	25,922	18,316	44,237
AFDUC	-	-	-	-	-	-	-
Interest on LTD	379,694	378,703	758,397	382,641	1,141,038	376,748	1,517,786
Interest on STD	18,414	22,868	41,282	27,142	68,424	19,181	87,605
Amortization	7,800	8,025	15,826	8,025	23,851	8,025	31,876
	405,909	409,596	815,505	417,808	1,233,313	403,954	1,637,267
Net Income	109,541	323,997	433,538	704,349	1,137,887	490	1,138,377
Common Dividends	(442,417)	(490,461)	(932,878)	-	(932,878)	-	(932,878)
	(442,417)	(490,461)	(932,878)	-	(932,878)	-	(932,878)
Transferred to Retained Earnings	\$ (332,877)	\$ (166,463)	\$ (499,340)	\$ 704,349	\$ 205,009	\$ 490	\$ 205,499

PENNICHUCK WATER WORKS
BALANCE SHEET
CY 2003

	<u>12/31/2002</u>	<u>3/31/2003</u>	<u>6/30/2003</u>	<u>9/30/2003</u>	<u>12/31/2003</u>
ASSETS					
Plant in Service	\$ 88,102,493	\$ 88,462,418	\$ 89,482,179	\$ 91,493,936	\$ 92,817,063
Accumulated Depreciation	(24,817,415)	(25,382,799)	(25,990,340)	(26,605,085)	(26,701,814)
	<u>63,285,077</u>	<u>63,079,618</u>	<u>63,491,839</u>	<u>64,888,850</u>	<u>66,115,249</u>
CWIP	315,148	554,441	1,247,495	1,131,123	669,060
Total Plant	<u>63,600,225</u>	<u>63,634,059</u>	<u>64,739,334</u>	<u>66,019,973</u>	<u>66,784,309</u>
Cash	61,629	7,434	6,267	9,596	11,183
Restricted Cash	1,281	1,287	3	5	-
SRF Account - Cash	-	-	-	-	-
Interco Cash	-	(69,541)	(2,003,966)	(2,724,109)	-
Interco Receivable	-	(35,524)	229,955	617,554	-
A/R	2,116,938	2,095,604	2,462,298	2,676,701	2,276,337
Inventory	558,216	417,815	1,003,400	744,554	719,090
Prepays	107,135	134,763	132,203	108,111	99,778
Total Current Assets	<u>2,845,199</u>	<u>2,551,839</u>	<u>1,830,160</u>	<u>1,432,412</u>	<u>3,106,388</u>
Unamort Debt Expense	520,455	512,655	504,630	496,605	488,579
Miscellaneous Investments	-	-	-	-	-
Abandoned Property	14,284	13,406	12,528	11,881	62,197
Other Assets	1,531,259	1,498,658	1,568,053	1,747,554	1,896,784
Total Assets	<u>\$ 68,511,424</u>	<u>\$ 68,210,617</u>	<u>\$ 68,654,705</u>	<u>\$ 69,708,424</u>	<u>\$ 72,338,258</u>

PENNICHUCK WATER WORKS
BALANCE SHEET
CY 2003

<u>EQUITY & LIABILITIES</u>	<u>12/31/2002</u>	<u>3/31/2003</u>	<u>6/30/2003</u>	<u>9/30/2003</u>	<u>12/31/2003</u>
Preferred Stock	-	-	-	-	-
Common Stock	30,000	30,000	30,000	30,000	30,000
Paid in Capital	12,056,141	12,056,141	12,056,141	12,056,141	12,056,141
Other Comprehensive Income	(602,801)	(602,801)	(602,801)	(602,801)	(265,868)
Retained Earnings	7,109,239	6,776,362	6,609,899	7,314,248	7,314,737
	18,592,579	18,259,702	18,093,239	18,797,588	19,135,010
Long Term Debt	20,255,246	20,255,246	20,190,246	20,190,246	19,960,000
Capital Lease Obligation-Backhoe	53,485	53,485	53,485	53,485	18,608
Long Term Debt: SRF/Hubbard	551,063	544,425	535,625	523,863	501,753
Advances from Parent	2,049,472	2,049,472	2,049,472	2,049,472	4,340,401
	22,909,267	22,902,629	22,828,829	22,817,066	24,820,762
Current Portion LTD	353,769	353,769	353,769	353,769	368,357
Accounts Payable & Accruals	1,419,170	1,302,964	1,747,603	2,057,496	1,749,119
Income Taxes	-	(59)	-	-	-
Customer Deposits	125,213	141,439	161,719	205,239	151,312
Intercompany Payable	-	-	-	-	-
	1,898,152	1,798,112	2,263,090	2,616,504	2,268,787
Other Long-term Liabilities	787,114	809,964	832,237	853,453	559,602
Accrued Liability Pension	614,669	667,169	719,669	550,660	78,133
Customer Advances	-	-	-	-	-
Unamortized ITC	999,174	990,915	982,656	974,397	966,138
Deferred Taxes	5,789,650	5,812,150	5,834,650	5,857,150	6,595,186
Regulatory Liability	1,138,090	1,138,090	1,138,090	1,138,090	1,107,119
CIAC	15,782,729	15,831,885	15,962,244	16,103,515	16,807,521
	25,111,426	25,250,173	25,469,547	25,477,266	26,113,699
Total Equity & Liabilities	\$ 68,511,424	\$ 68,210,617	\$ 68,654,705	\$ 69,708,424	\$ 72,338,258