

Pennichuck Water Works Corporation
Statements of Operations

	3 Months Ended							
	<u>3/31/2006</u>	<u>6/30/2006</u>	<u>9/30/2006</u>	<u>12/31/2006</u>	<u>3/31/2007</u>	<u>6/30/2007</u>	<u>9/30/2007</u>	<u>12/31/2007</u>
Water Revenues	\$ 3,399,365	\$ 4,019,308	\$ 4,603,736	\$ 4,636,754	\$ 4,161,934	\$ 5,313,762	\$ 6,758,039	\$ 5,080,194
Other	<u>73,877</u>	<u>98,517</u>	<u>89,801</u>	<u>189,736</u>	<u>89,713</u>	<u>108,067</u>	<u>154,721</u>	<u>113,775</u>
Total Revenues	<u>3,473,242</u>	<u>4,117,825</u>	<u>4,693,536</u>	<u>4,826,489</u>	<u>4,251,647</u>	<u>5,421,829</u>	<u>6,912,759</u>	<u>5,193,969</u>
Operating Expenses:								
Production	694,584	779,503	920,652	826,326	688,894	839,596	1,102,066	819,357
Trans, Distrib and Engineering	373,805	434,162	433,583	439,420	457,050	432,737	413,841	458,563
Customer Acct	101,441	69,735	73,983	116,907	74,538	54,649	92,592	117,253
Admin & General	1,168,226	1,019,313	1,278,734	1,429,395	1,302,919	1,389,141	1,441,407	1,546,736
Interdiv Mgt Fee	<u>(77,000)</u>	<u>(146,000)</u>	<u>(309,000)</u>	<u>(302,000)</u>	<u>(298,387)</u>	<u>(451,494)</u>	<u>(346,499)</u>	<u>(305,994)</u>
	<u>2,261,056</u>	<u>2,156,713</u>	<u>2,397,953</u>	<u>2,510,048</u>	<u>2,225,014</u>	<u>2,264,629</u>	<u>2,703,408</u>	<u>2,635,915</u>
Depreciation/Amort	719,151	732,942	804,484	809,699	797,997	799,472	795,166	898,098
Amort Exp: CIAC	<u>(86,056)</u>	<u>(88,443)</u>	<u>(86,913)</u>	<u>(106,443)</u>	<u>(108,299)</u>	<u>(109,767)</u>	<u>(111,852)</u>	<u>(116,514)</u>
Gain on Disposition of Utility Prop	-	-	1,250	-	-	-	-	-
Taxes other than Income	447,248	473,938	431,656	512,103	536,080	486,670	480,426	491,977
Income Taxes	<u>(29,475)</u>	<u>319,571</u>	<u>388,807</u>	<u>409,526</u>	<u>170,010</u>	<u>629,156</u>	<u>1,067,774</u>	<u>332,312</u>
	<u>3,311,923</u>	<u>3,594,721</u>	<u>3,937,237</u>	<u>4,134,933</u>	<u>3,620,802</u>	<u>4,070,160</u>	<u>4,934,921</u>	<u>4,241,788</u>
Operating Income	<u>161,319</u>	<u>523,104</u>	<u>756,299</u>	<u>691,556</u>	<u>630,845</u>	<u>1,351,669</u>	<u>1,977,838</u>	<u>952,181</u>
Other Income (Exp)	<u>15,460</u>	<u>15,626</u>	<u>14,319</u>	<u>6,784</u>	<u>44,326</u>	<u>635,254</u>	<u>(10,999)</u>	<u>(39,567)</u>
AFDUC	(130,778)	(267,287)	(243,359)	(352,426)	(55,929)	(76,364)	(125,832)	(189,819)
Interest on LTD	498,039	345,416	651,723	517,592	543,137	542,272	521,706	710,831
Interest on Customer Deposits	-	-	-	-	-	-	-	-
Interest - Other	(191,374)	(72,456)	(272,968)	(135,621)	(97,601)	(88,934)	(83,759)	(229,634)
Amortization	<u>24,980</u>	<u>24,980</u>	<u>24,980</u>	<u>24,654</u>	<u>26,366</u>	<u>26,780</u>	<u>26,779</u>	<u>33,649</u>
	<u>200,867</u>	<u>30,653</u>	<u>160,377</u>	<u>54,199</u>	<u>415,973</u>	<u>403,755</u>	<u>338,894</u>	<u>325,027</u>
Net Income (Loss)	<u>\$ (24,088)</u>	<u>\$ 508,077</u>	<u>\$ 610,241</u>	<u>\$ 644,141</u>	<u>\$ 259,198</u>	<u>\$ 1,583,169</u>	<u>\$ 1,627,945</u>	<u>\$ 587,587</u>

Pennichuck Water Works Corporation
Balance Sheets

	<u>3/31/2006</u>	<u>6/30/2006</u>	<u>9/30/2006</u>	<u>12/31/2006</u>	<u>3/31/2007</u>	<u>6/30/2007</u>	<u>9/30/2007</u>	<u>12/31/2007</u>
ASSETS								
Plant in Service	\$ 103,986,070	\$ 104,458,324	\$ 106,032,055	\$ 107,863,442	\$ 126,971,836	\$ 127,849,127	\$ 131,797,022	\$ 134,419,578
Accumulated Depreciation	<u>(30,943,575)</u>	<u>(31,648,854)</u>	<u>(32,363,667)</u>	<u>(32,282,835)</u>	<u>(29,634,977)</u>	<u>(30,059,635)</u>	<u>(30,948,869)</u>	<u>(30,529,748)</u>
	73,042,495	72,809,470	73,668,388	75,580,607	97,336,859	97,789,492	100,848,153	103,889,830
CWIP	<u>9,895,156</u>	<u>14,051,834</u>	<u>18,819,313</u>	<u>22,395,861</u>	<u>3,146,176</u>	<u>6,277,133</u>	<u>6,245,076</u>	<u>7,065,928</u>
Total Plant	<u>82,937,651</u>	<u>86,861,304</u>	<u>92,487,701</u>	<u>97,976,468</u>	<u>100,483,035</u>	<u>104,066,625</u>	<u>107,093,229</u>	<u>110,955,758</u>
Cash	2,300	2,300	2,856	2,597	2,597	2,550	2,278	2,278
Restricted Cash	3,995,095	51,411	54,023	1	1	1	368	-
Interco Cash	(1,479,339)	(1,271,980)	(7,016,346)	-	-	-	-	-
Interco Receivable	732,276	1,642,969	2,684,894	-	7,137,135	6,989,706	5,343,735	19,020,353
A/R	2,515,931	3,085,109	3,415,500	3,551,956	2,965,859	4,333,337	4,952,284	3,601,572
Inventory	575,487	617,157	800,522	636,981	711,526	738,817	710,829	1,135,139
Prepays	<u>252,788</u>	<u>584,490</u>	<u>477,655</u>	<u>744,709</u>	<u>400,413</u>	<u>719,790</u>	<u>325,739</u>	<u>749,149</u>
Total Current Assets	<u>6,594,538</u>	<u>4,711,456</u>	<u>419,104</u>	<u>4,936,244</u>	<u>11,217,531</u>	<u>12,784,201</u>	<u>11,335,233</u>	<u>24,508,491</u>
Unamort Debt Expense	2,306,907	2,283,294	2,258,314	2,627,796	2,613,777	2,651,487	2,723,558	3,231,421
Abandoned Property	-	-	-	-	-	-	-	-
Other Assets	<u>2,108,893</u>	<u>2,429,237</u>	<u>2,627,387</u>	<u>5,747,849</u>	<u>5,638,503</u>	<u>5,609,788</u>	<u>5,428,675</u>	<u>5,366,327</u>
	<u>4,415,800</u>	<u>4,712,531</u>	<u>4,885,701</u>	<u>8,375,645</u>	<u>8,252,280</u>	<u>8,261,275</u>	<u>8,152,233</u>	<u>8,597,748</u>
Total Assets	<u>\$ 93,947,989</u>	<u>\$ 96,285,291</u>	<u>\$ 97,792,506</u>	<u>\$ 111,288,357</u>	<u>\$ 119,952,846</u>	<u>\$ 125,112,101</u>	<u>\$ 126,580,695</u>	<u>\$ 144,061,997</u>

Pennichuck Water Works Corporation
Balance Sheets

	<u>3/31/2006</u>	<u>6/30/2006</u>	<u>9/30/2006</u>	<u>12/31/2006</u>	<u>3/31/2007</u>	<u>6/30/2007</u>	<u>9/30/2007</u>	<u>12/31/2007</u>
<u>EQUITY & LIABILITIES</u>								
Preferred Stock	-	-	-	-	-	-	-	-
Common Stock	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Paid in Capital	27,056,141	27,056,141	27,056,141	27,056,141	27,056,141	27,056,141	27,056,141	27,056,141
Other Comprehensive Income	(808,533)	(808,533)	(808,533)	-	-	-	-	-
Retained Earnings	10,626,281	11,134,356	11,744,599	10,999,060	10,562,397	12,145,566	13,256,757	13,172,313
	<u>36,903,889</u>	<u>37,411,964</u>	<u>38,022,207</u>	<u>38,085,201</u>	<u>37,648,538</u>	<u>39,231,707</u>	<u>40,342,898</u>	<u>40,258,454</u>
Long Term Debt								
Bonds, notes and mortgages	35,351,271	35,362,493	34,690,399	41,188,415	41,380,159	42,540,252	42,534,066	51,527,857
Advances form Parent	(14,101,129)	(14,101,129)	(14,101,129)	(9,489,092)	-	-	-	-
	<u>21,250,142</u>	<u>21,261,364</u>	<u>20,589,270</u>	<u>31,699,323</u>	<u>41,380,159</u>	<u>42,540,252</u>	<u>42,534,066</u>	<u>51,527,857</u>
Current Portion LTD	100,853	488,702	423,702	436,469	436,579	636,662	636,746	6,636,830
Accounts Payable & Accruals	2,111,526	3,165,006	4,218,024	3,864,065	2,904,883	4,680,787	4,876,692	5,322,432
Income Taxes	(700)	(700)	(700)	-	(4,000)	(5,600)	-	-
Customer Deposits	203,370	252,130	268,596	161,280	182,591	200,098	169,387	158,677
Intercompany Payable	-	-	-	-	-	-	-	-
	<u>2,415,049</u>	<u>3,905,138</u>	<u>4,909,622</u>	<u>4,461,814</u>	<u>3,520,053</u>	<u>5,511,947</u>	<u>5,682,825</u>	<u>12,117,939</u>
Other Long-term Liabilities	977,820	986,348	1,995,317	2,623,931	2,622,154	2,730,675	2,721,926	1,715,891
Accrued Liability Pension	1,862,380	1,938,261	1,045,435	1,890,033	1,953,125	1,990,817	1,964,486	2,135,980
Customer Advances	87,345	87,345	87,345	87,345	87,345	84,000	84,000	84,000
Unamortized ITC	891,807	883,548	875,289	867,030	858,771	850,512	842,253	833,994
Deferred Taxes	8,562,356	8,862,356	9,205,659	9,152,287	9,160,571	9,166,855	9,173,139	11,312,196
Regulatory Liability	971,402	971,402	971,402	938,199	929,898	921,597	913,297	1,392,630
CIAC	20,025,799	19,977,565	20,090,960	21,483,194	21,792,232	22,083,739	22,321,805	22,683,056
	<u>33,378,909</u>	<u>33,706,825</u>	<u>34,271,407</u>	<u>37,042,019</u>	<u>37,404,096</u>	<u>37,828,195</u>	<u>38,020,906</u>	<u>40,157,747</u>
Total Equity & Liabilities	<u>\$ 93,947,989</u>	<u>\$ 96,285,291</u>	<u>\$ 97,792,506</u>	<u>\$ 111,288,357</u>	<u>\$ 119,952,846</u>	<u>\$ 125,112,101</u>	<u>\$ 126,580,695</u>	<u>\$ 144,061,997</u>