

Computation of Detailed Tax Factor
Pennichuck Water Works, Inc.
December 31, 2007

Provided pursuant to NHPUC Rule 1604.01(4)

New Hampshire Business Profits Tax in effect during test year	<u>8.50%</u>
After-tax cost of NHBPT based on an applicable Federal tax rate of 34 percent computed as follows: 1.00 minus .34 = .66 times 8.5%	5.61%
Applicable Federal tax rate in effect during test year	<u>34.00%</u>
Effective combined income tax factor	<u>39.61%</u>