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December 23, 2009

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 N. Fruit Street, Suite 10
Concord, NH 03301



Re: DW 08-052/~~DW 09-051~~; Pittsfield Aqueduct Company, Inc.

Dear Ms. Howland:

In follow up to Order 25,051, I enclose a summary regarding the accounting treatment of assets to be transferred to Pennichuck East Utility, Inc. from Pittsfield Aqueduct Company, Inc. effective January 1, 2010.

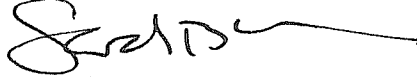
On December 10, 2009, Pittsfield Aqueduct Company, Inc. ("PAC") and the Staff of the Commission met in accordance with the Settlement Agreement in this docket to discuss the transfer of PAC's North Country assets to Pennichuck East Utility, Inc. At the meeting, the Company presented the following:

1. A proforma combined PAC balance sheet and income statement as of September 30, 2009 reflecting the allocation of asset and liability values to Pittsfield and North Country. Please see the methodology summary, statements and supporting documents which are enclosed with this letter.
2. The tracking of the Capital Recovery Surcharge assets as of September 30, 2009. Please see the enclosed reporting from the Company's CPR system that tracks the rate base elements of the Capital Recovery Surcharge.
3. The resulting changes to the Company and PEU's debt and equity levels as of September 30, 2009. Please see the enclosed reports that reflect the capital structure for Pittsfield and PEU combined with North Country.

The Company and the Staff are in agreement on the enclosed documents relating to the accounting treatment of these assets. Copies of these documents were circulated to the parties on December 17. To date, we have not received any comments on them.

Thank you for your assistance. Please do not hesitate to call if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Sarah B. Knowlton', with a long horizontal flourish extending to the right.

Sarah B. Knowlton

cc: Bonalyn J. Hartley
Service List (via electronic mail)