PWW & CORP SUMMARY

Summary of 2007 Allocated Costs
Year to Date Costs through December 31, 2007
Pennichuck Corporation and Subsidiaries
(Dollar amounts in $ 000's)

	Penn Water	Penn East	Pittsfield	Total Regulated	Con Ops(PWSC)	Real Estate(TSC)	Total
Allocated Corporate Costs	$ 756,715	$ 151,659	$ 36,869	$ 945,243	$ 39,498	$ 11,194	$ 995,935
%	76.0%	15.2%	3.7%	94.9%	4.0%	1.1%	100.0%
Allocated Return on Common Assets	244,950	46,415	9,592	$ 300,957	18,284	1,775	$ 321,016
	76.3%	14.5%	3.0%	93.8%	5.7%	0.6%	100.0%
Allocated Pennichuck Water Costs - Work Orders	808,771	140,677	78,476	$ 1,027,924	248,853	-	$ 1,276,777
%	63.3%	11.0%	6.1%	80.5%	19.5%	0.0%	100.0%
Allocated Pennichuck Water Costs - Management Fee	4,327,642	845,587	352,674	$ 5,525,903	357,896	58,859	$ 5,942,658
%	72.8%	14.2%	5.9%	93.0%	6.0%	1.0%	100.0%
Total Allocated 2007 Costs	$ 6,138,080	$ 1,184,338	$ 477,611	$ 7,800,030	$ 664,531	$ 71,828	$ 8,536,389
%	71.9%	13.9%	5.6%	91.4%	7.8%	0.8%	100.0%

PREPARED BY _____ DATE: _____

REVIEWED & APPROVED BY: _____ DATE: _____

PWW & CORP SUMMARY

Summary of 2007 Allocated Costs
Year to Date Costs through December 31, 2007
Pennichuck Corporation
(Dollar amounts in $ 000's)

	Penn Water	Penn East	Pittsfield	Total Regulated	Con Ops(PWSC)	Real Estate(TSC)	Total
Allocated Corporate Costs	$ 756,715	$ 151,659	$ 36,869	$ 945,243	$ 39,498	$ 11,194	$ 995,935
%	76.0%	15.2%	3.7%	94.9%	4.0%	1.1%	100.0%

Summary Transfers from PCP Operating to Other Companies - Full Year Amounts

		YTD Costs	Current Balance	Monthly Adj
	PCP Mgmt Fee Expense Allocation - PCP	$ (995,935)	$ (995,935)	-
100	PCP Mgmt Fee Expense Allocation - PWW	$ 756,715	756,715	-
300	PCP Mgmt Fee Expense Allocation - PEU	$ 151,659	151,659	-
250	PCP Mgmt Fee Expense Allocation - PAC	$ 36,869	36,869	-
150	PCP Mgmt Fee Expense Allocation - PWS	$ 39,498	39,498	-
200	PCP Mgmt Fee Expense Allocation - TSC	$ 11,194	11,194	-
	Check Totals	$ -	$ -	$ -

Summary of 2007 Allocated Costs
Year to Date Costs through December 31, 2007
Pennichuck Water Works
(Dollar amounts in $ 000's)

	Penn Water	Penn East	Pittsfield	Total Regulated	Con Ops(PWSC)	Real Estate(TSC)	Total
Allocated Return on Common Assets	244,950	46,415	9,592	$ 300,957	18,284	1,775	$ 321,016
%	76.3%	14.5%	3.0%	93.8%	5.7%	0.6%	100.0%
Allocated Pennichuck Water Costs - Work Orders	808,771	140,677	78,476	$ 1,027,924	248,853	-	$ 1,276,777
%	63.3%	11.0%	6.1%	80.5%	19.5%	0.0%	100.0%
Allocated Pennichuck Water Costs - Management Fee	4,327,642	845,587	352,674	$ 5,525,903	357,896	58,859	$ 5,942,658
%	72.8%	14.2%	5.9%	93.0%	6.0%	1.0%	100.0%
Total Allocated 2007 Costs	$ 5,381,363	$ 1,032,679	$ 440,742	$ 6,854,784	$ 625,033	$ 60,634	$ 7,540,451
%	71.4%	13.7%	5.8%	90.9%	8.3%	0.8%	100.0%

Summary Transfers from PWW Operating to Other Companies - Full Year Amounts

		YTD Costs	Current Balance	Monthly Adjustment
510	PWW operating expense allocation - PWW	$ (2,159,088)	$ (2,159,089)	$ -
510	PWW operating expense allocation - PEU	$ 1,032,679	$ 1,032,680	$ -
510	PWW operating expense allocation - PAC	$ 440,742	$ 440,742	$ -
	PWW operating expense allocation - PCP	$ -	$ -	$ -
110	PWW operating expense allocation - PWS	$ 625,033	$ 625,033	$ -
210	PWW operating expense allocation - TSC	$ 60,634	$ 60,634	$ -
	Check Totals	$ (0)	$ -	$ -

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Pennichuck Water Works
Operating Expense Allocation (to other Subsidiary Companies)
For Month Ending 12/31/07

		Full Year Amounts (to be allocated)	YTD EXPENSES	Tier Allocation Required	Special Allocation	Dollars Applicable to: Tier 1 (All)	Tier 2 (Regulated + PWSC)	Tier 3 (PWW+PEU+ PWSC)	Tier 4 (Regulated)	PWSC Only	PAC Only	TSC Only (budgeted specifically on TSC P/L)
		Wages										
2920	100	Officers Salaries & Wages	1,362,184	1		1,362,184	-	-	-	-	-	-
		Superintendence (PAC) - K Sheing	55,036	5	100% to PAC as Direct	-	-	-	-	-	55,036	-
2660	200	Salaries - Engineering	501,431	4		-	-	-	501,431	-	-	-
2920	003	Office Salaries and Wages - IS	244,802	1		244,802	-	-	-	-	-	-
2920	002	Office Salaries and Wages - Acctg	559,150	1		559,150	-	-	-	-	-	-
2920	000	Office Salaries and Wages - Admin	261,974	1		261,974	-	-	-	-	-	-
2920	001	Office Salaries and Wages - C/S	424,422	2		-	424,422	-	-	-	-	-
2920	004	Office Salaries and Wages - BR	28,023	4	28.0% of BR to utlities based on timesheets	-	-	-	28,023	-	-	-
2920	004	Office Salaries and Wages - BR	72,058	6	72.0% of BR to PWSC based on time sheets	-	-	-	-	72,058	-	-
2920	005	Office Salaries and Wages - Other PWSC	-	6	100% to PWSC as Direct	-	-	-	-	-	-	-
3794	200	Officer and Office Salaries - TSC	277,077	7	100% to TSC	-	-	-	-	-	-	277,077
Timesheets		Less: Capitalized Overhead Exec & IS	(38,950)	1		(38,950)	-	-	-	-	-	-
Timesheets		Less: Capitalized Overhead Engineering	(146,218)	4		-	-	-	(146,218)	-	-	-
		Benefits (Based on 12/31/06 Schedule)										
Calc		Officers Salaries & Wages	525,803	1		525,803	-	-	-	-	-	-
Calc		Superintendence (PAC) - K Sheing	21,244	5	100% to PAC as Direct	-	-	-	-	-	21,244	-
Calc		Salaries - Engineering	193,552	4		-	-	-	193,552	-	-	-
Calc		Office Salaries and Wages - IS	94,493	1		94,493	-	-	-	-	-	-
Calc		Office Salaries and Wages - Acctg	215,832	1		215,832	-	-	-	-	-	-
Calc		Office Salaries and Wages - Admin	101,122	1		101,122	-	-	-	-	-	-
Calc		Office Salaries and Wages - C/S	163,827	2		-	163,827	-	-	-	-	-
Calc		Office Salaries and Wages - BR	10,817	4	28.0% of BR to utlities based on timesheets	-	-	-	10,817	-	-	-
Calc		Office Salaries and Wages - BR	27,814	6	72.0% of BR to PWSC based on time sheets	-	-	-	-	27,814	-	-
Calc		Office Salaries and Wages - Other PWSC	-	6	100% to PWSC as Direct	-	-	-	-	-	-	-
Calc		Officer and Office Salaries - TSC	106,952	7	100% to TSC	-	-	-	-	-	-	106,952
Calc		Less: Capitalized Overhead Exec & IS	(15,035)	1		(15,035)	-	-	-	-	-	-
Calc		Less: Capitalized Overhead Engineering	(56,440)	4		-	-	-	(56,440)	-	-	-

PENNICHUCK WATER G/A EXPENSES ALLOCATED

					Dollars Applicable to:						
		Full Year Budgeted Amounts (to be allocated) - Tier 1		Tier Allocation Required	Special Allocation	Tier 1 (All)	Tier 2 (Regulated + PWSC)	Tier 3 (PWW+PEU+ PWSC)	Tier 4 (Regulated)	PWSC Only	PAC Only	TSC Only (budgeted specifically on TSC P/L)
		Facilities - Manchester Street										
2407	135	Leasehold Amort Exp	-	1		-	-	-	-	-	-	-
2407	136	HECOP III Fit-up Amort Exp	-	1		-	-	-	-	-	-	-
2921	000	Office Supplies & Expense	41,743	1		41,743	-	-	-	-	-	-
2921	130	Office Equipment Rental	44,665	1		44,665	-	-	-	-	-	-
2921	150	Rental Exp HECOP III	287,143	1		287,143	-	-	-	-	-	-
2921	160	Manchester St Phone	24,005	1		24,005	-	-	-	-	-	-
2921	161	HECOP III Fit-up Allowance	(71,116)	1		(71,116)	-	-	-	-	-	-
2950	110	Maintenance Manchester St	28,473	1		28,473	-	-	-	-	-	-
2950	200	Office Equipment maintenance	10,259	1		10,259	-	-	-	-	-	-
		Miscellaneous Charges										
2921	002	Senior Management Vehicles	8,754	1		8,754	-	-	-		-	-
2921	003	Senior Management Fuel Purchased	14,076	1		14,076	-	-	-		-	-
2921	131	Vehicle Lease for DM	14,770	1		14,770	-	-	-	-	-	-
2921	140	Courier & Express Mail Expense	442	1		442	-	-	-	-	-	-
2923	000	Outside Svcs (Supervision/Spec Svcs)	162,180	1		162,180	-	-	-	-	-	-
2930	100	Meetings and Conventions	17,171	1		17,171	-	-	-	-	-	-
2930	102	License Fees	13,260	1		13,260	-	-	-	-	-	-
2930	300	Meals	5,497	1		5,497	-	-	-	-	-	-
2930	405	Recruiter Fees	4,444	1		4,444	-	-	-	-	-	-
2662	001	Engineering Dept Expense	9,639	4		-	-	-	9,639	-	-	-
2660	001	Engineering Vehicles	11,353	4		-	-	-	11,353	-	-	-
2660	002	Engineering - Fuel Purchased	17,094	4		-	-	-	17,094	-	-	-
2950	300	Maint of Communication Equip	8,642	2		-	8,642	-	-	-	-	-
2950	500	Computer Maintenance	203,084	1		203,084	-	-	-	-	-	-
		Depreciation - 2403 & Amort										
2346	BNA	Comm Depreciation	37,686	2		-	37,686	-	-	-	-	-
2347	BNA	Computer Depreciation	354,690	1		354,690	-	-	-	-	-	-
2340	BNA	Office Furniture Depreciation	33,382	1		33,382	-	-	-	-	-	-
2186-225	BNA	Amort Recruiter Fees (Def Chgs)	54,385	1		54,385						
2186-230	BNA	Synergen Training 2007 (Def Chgs)	556									
		Total Allocable Expenses	6,327,243			4,562,679	634,577	-	569,250	99,872	76,280	384,029

Tier 1 - use the corporate expense allocation between TSC, PWSC and regulated utilities. The allocation among utilities will be based on total assets and customers.
Tier 2 - allocate to PWW, PEU, PAC and PWSC based on total assets and customers
Tier 3 - allocate to PWW, PEU and PWSC based on total assets and customers
Tier 4 - allocate to the regulated utilities (PWW, PEU and PAC) based on total assets and customers.

Notes:
(1) Retention/Bonus, Overtime, Merit increases and summer temp help are included in Officers' and Office Salaries
(2) Outside Services include temporary help from temporary services providers
(3) Effectively, all Admin & Gen Expense (incl. Engineering) are allocated less Insurance, Regulatory Commission, Memberships, Misc General, Public Relations and Charitable Contributions and Union Benefits

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Allocation Calculation - Tier 1 (All Companies)

	PWW	PEU	PAC		Total Regulated	Con Ops (PWS)1	Real Estate (TSC)[1]	Total	
Revenues[4]	$ 21,780,205	$ 4,653,812	$ 782,851		$ 27,216,867	$ 2,287,367	$ 111,107	$ 29,615,342	
					91.90%	7.72%	0.38%	100.00%	
Employees (FTE's) - 2007					101.5	1.5	0	103	
(including summer help)					98.54%	1.46%	0.00%	100.00%	
Square Footage - w/ addt'l lease space					17,324	1,574	567	19,465	
Manchester Street Facility					89.00%	8.09%	2.91%	100.00%	
Total Assets[2]	$ 125,041,644	$ 23,505,721	$ 7,590,639		$ 156,138,004	$ 331,086	$ 2,984,619	$159,453,709	
	80.08%	15.05%	4.86%		97.92%	0.21%	1.87%	100.00%	
Customers[3]	25,835	5,312	1,753	32,900					
	78.53%	16.15%	5.33%	100.01%					
Average Percentage	79.31%	15.60%	5.10%		94.34%	4.37%	1.29%	100.00%	
									Check Total
Allocation of Allocable Expenses	3,413,414	671,491	219,526		4,304,431	199,389	58,859	$ 4,562,679	$ -
Effective Allocation %	74.81%	14.72%	4.81%			4.37%	1.29%		

[1] - TSC employees not counted as their payroll and benefits are charged directly; PWS - 100% of 1 employee and 50% of 1 employee charged directly and not counted
[2] - Based on December 2007 Preliminary Less Intercompany Account Balances per Charlie/Larry 5/07
[3] - Based on December 2007 Actuals
[4] - Based on December 2007 Preliminary

Allocation Calculation - Tier 2 (All Regulated Companies plus PWSC)

	PWW	PEU	PAC		Total Regulated	Con Ops (PWS) 1	Real Estate (TSC)	Total	
Total Assets[2]	$ 125,041,644	$ 23,505,721	$ 7,590,639		$ 156,138,004	$ 331,086	$ -	$156,469,090	
	80.08%	15.05%	4.86%		99.79%	0.21%	0.00%	100.00%	
Customers[3]	25,835	5,312	1,753		32,900	7,350	0	40,250	
	78.53%	16.15%	5.33%		81.74%	18.26%			
Average Percentage	79.31%	15.60%	5.10%		90.77%	9.24%		100.01%	
									Check Total
Allocation of Allocable Expenses	456,722	89,847	29,373		575,942	58,635	0	$ 634,577	$ -
Effective Allocation %	71.97%	14.16%	4.63%			9.24%	N/A		

[1] - PWS customers based on municipality customers and pro rated based on services rendered

Allocation Calculation - Tier 3 (PWW, PEU and PWSC)

	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)	Total	
Total Assets[2]	$ 125,041,644	$ 23,505,721		$ 331,086		$148,878,451	
	83.99%	15.79%		0.22%		100.00%	
Customers[3]	25,835	5,312		7,350		38,497	
	67.11%	13.80%		19.09%		100.00%	
Average Percentage	75.55%	14.80%		9.66%		100.01%	
							Check Total
Allocation of Allocable Expenses	$ -	$ -	0	$ -	0	$ -	$ -
Effective Allocation %	#DIV/0!	#DIV/0!	N/A	#DIV/0!	N/A		

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Allocation Calculation - Tier 4 (Regulated Companies)

	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)[1]	Total	Check Total
Total Assets[2]	$ 125,041,644	$ 23,505,721	$ 7,590,639			$156,138,004	
	83.99%	15.79%	5.10%			104.88%	
Customers[3]	25,835	5,312	1,753			32,900	
	67.11%	13.80%	4.55%			85.46%	
Average Percentage	75.55%	14.80%	4.83%			95.18%	
Allocation of Allocable Expenses	$ 457,506	$ 84,249	$ 27,495	0	0	$ 569,250	$ -
Effective Allocation %	80.37%	14.80%	4.83%	N/A	N/A		

Specific Allocation Calculations - Tier 5-7

	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)[1]	Total	Check Total
Direct Allocable Costs	0	0	76,280	99,872	0	176,152	$ -
	N/A	N/A			N/A		

Summary of Allocations	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)	Totals	unallocated TSC	Total	Check Total
Tier 1	3,413,414	671,491	219,526	199,389	58,859	4,562,679			
Tier 2	456,722	89,847	29,373	58,635	-	634,577			
Tier 3	-	-	-	-	-	-			
Tier 4	457,506	84,249	27,495	-	-	569,250			
PWSC only and PAC only	-	-	76,280	99,872	-	176,152			
Total Allocations	4,327,642	845,587	352,674	357,896	58,859	5,942,658	384,029	6,326,687	(556)
	72.82%	14.23%	5.93%	6.02%	0.99%	100.00%			

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Step Allocation of Benefits

		2007 Benefits	Total Dollars	Non-Union Wage Portion	Union Wage Portion	Allocation Method
2926	001	Officer's Life Insurance	12,525	12,525	-	Specific
2926	200	Pension - DB Plan	624,978	388,622	236,356	Allocated based on pro-rata wages
2926	250	Group Pension; 401K	156,853	97,534	59,319	Allocated based on pro-rata wages
2926	255	Post Retirement Health Expense	135,867	84,484	51,383	Allocated based on pro-rata wages
2926	260	Post Employment Health Expense	89,876	55,886	33,990	Allocated based on pro-rata wages
2926	300	Employee Service Awards	2,992	1,598	1,394	Allocated based on pro-rata headcounts
2926	400	Group Health Insurance	999,162	499,581	499,581	Based on actual participation (HR)
2926	401	Health Insurance: Opt Out	21,000	11,214	9,786	Allocated based on pro-rata headcounts
2926	410	Group Dental	134,064	67,032	67,032	Based on actual participation (HR)
2926	420	Group Life/Disability Insurance	23,204	12,390	10,814	Allocated based on pro-rata headcounts
2926	440	Employee Benefits/Section 125	7,154	3,820	3,334	Allocated based on pro-rata headcounts
2926	500	Misc Employee Benefits	23,837	12,729	11,108	Allocated based on pro-rata headcounts
2926	505	Employee Relations	-	-	-	Allocated based on pro-rata headcounts
2926	600	Tuition Reimbursements	7,707	4,115	3,592	Allocated based on pro-rata headcounts
2926	610	Training Educational Seminars	54,198	28,940	25,258	Allocated based on pro-rata headcounts
		Boot & Clothing Allowance-OPS	26,712	-	26,712	Specific
		Boot & Clothing Allowance-CS-Union	761	-	761	Specific
		Boot & Clothing Allowance-WTP	9,064	-	9,064	Specific
		Boot & Clothing Allowance-PAC-NC	3,574	-	3,574	Specific
2926	801	SERP	3,581	3,581	-	Specific
		Payroll Taxes:				
2408	120..121	Employer FICA/Medicare	469,876	280,426	189,450	Allocated based on pro-rata wages
2408	122	FUTA	6,493	4,037	2,456	Allocated based on pro-rata wages
2408	123	SUI	4,679	2,909	1,770	Allocated based on pro-rata wages
		Total Benefits	2,818,155	1,571,423	1,246,732	
		Benefits % (of wages)	43.0%	38.6%	50.3%	
		Total Wages thru 12/27/07	6,548,315	4,071,849	2,476,465	Wages per Payroll (ADP)
		%	100.0%	62.2%	37.8%	
		Total Headcount	103	55	48	
		(Excluding Summer Help)	100.0%	53.4%	46.6%	

PWSC Customers	Operations	Water Supply	Billing	Cust Svc	Customers	Customers
Hudson	0.25	0.25	-	-	5,900	2,950
Salisbury	0.25	-	0.25	0.25	3,000	2,250
Hyannis	-	-	0.25	-	7,300	1,825
Wilton	0.25	0.25	-	-	650	325
						7,350 *

Note: Number of customers per discussion with B.Rousseau

*Customers prorated based on level of services provided per each contract

Pennichuck Water Works
Work Order Allocation of Operations and Production Expenses
For Month Ending 12/31/07

	Account Number	Full Year Amounts (to be allocated)	
		Wages	
2610	200	Superintendence - WTP	231,676
2642	100	Purification Labor	164,281
2660	000	Superintendence - Operations	203,948
2660	300	Office Salaries - Operations	104,106
		Benefits	
	Calc	Superintendence - WTP	89,427
	Calc	Purification Labor	63,412
	Calc	Superintendence - Operations	78,724
	Calc	Office Salaries - Operations	40,185
		Facilities - Will Street	
2950	130	Maint: Meter Department	1,420
2921	200	Will Street Parking	6,760
2921	300	Will Street Office Supplies	12,771
2921	310	Will Street Gas	6,319
2921	320	Will Street Electric	7,792
2921	330	Will Street Phone	18,125
		Miscellaneous Charges	
2662	003	Misc Gen Exp Ops	15,830
2662	004	Misc T&D Materials & Supplies	16,208
2665	000	Stores Expense	11,953
2665	100	Small Tools Expense	15,209
2665	102	OPS - Non-Union Vehicles	4,890
2643	000	WTP - Non-Union Vehicles	6,615
2665	250	Misc.Transport Expense	44,249
Schedule		Non-Union Vehicle Fuel Costs	36,593
2665	480	Vactor Machine	1,091
2678	950	Misc Gen Equipment Exp	19,480
		Depreciation - 2304	
2304-750	BNA	Will Street Facility	10,032
2343-000/00	BNA	Tools, Shop & Garage	8,828
2348	BNA	Other Tangible Equipment-Misc Equip	17,923
2341	BNA	Non-Union Transporation Depreciation	38,932
		Total Allocable Expenses	**1,276,778**

2007 Workorder Costs

	PWW Capital	070 WTP Maintenance	080 OPS Maintenance	Fleet	PWW Jobbing	PWS Maintenance	PWS Jobbing	PAC Capital	PAC Maintenance	PEU Capital	PEU Maintenance	Total	
Labor	60,167.70	534,927.05	817,726.73	42,798.76	54,584.77	366,650.65	59,297.08	27,536.44	149,768.47	24,324.84	274,616.80	2,412,399.29	
Contractor Clearing	6,936.85	-	4,233.63	110,948.81	10,034.56	132.30	327,620.65	2,897.25	2,638.84	978.75	312.00	466,733.64	
Inventory: Pipes & Fittings	57,284.06	185.23	47,632.35	-	60,475.75	3,924.92	14,856.57	15,641.47	6,056.00	18,002.45	7,528.79	231,587.59	
Inventory: Meters	51,497.80	-	-	-	64.53	-	9,922.61	8,351.49	-	20,658.02	-	90,494.45	
Inventory: Misc T&D	3,703.92	34.59	12,973.16	-	1,827.21	-	1,563.25	1,009.23	1,191.77	1,238.74	2,368.00	25,909.87	
Inventory: Chemicals	-	605,197.11	-	-	2,118.83	-	12,988.08	-	915.21	-	31,966.16	653,185.39	
Inventory: Fleet	-	-	31.27	2,454.99	-	-	-	-	-	-	-	2,486.26	
Misc T&D Supplies	-	-	-	129.00	2,651.86	-	-	-	-	-	-	2,780.86	
Truck	18,923.18	44,593.54	134,185.90	1,596.27	16,566.31	104,063.54	15,434.85	10,743.56	35,862.79	9,267.55	86,837.23	478,074.72	
Backhoe	7,612.50	441.50	11,358.52	-	7,795.13	178.75	3,048.64	4,583.27	5,068.38	2,325.50	8,891.14	51,303.33	
Compressor	228.00	-	3,460.00	-	-	-	12.00	-	731.00	168.00	192.00	4,791.00	
Inspection Fees	-	-	-	-	172,503.43	-	-	-	-	-	-	172,503.43	
Overhead	4,691.44	-	-	-	45,320.67	-	-	1,679.86	-	1,770.21	-	53,462.18	
Labor Overhead	29,397.81	261,044.40	399,050.64	20,885.79	27,319.90	173,058.91	29,276.46	13,593.64	67,342.68	11,953.11	132,688.02	1,165,611.37	
Misc General Equipment	20.00	-	-	-	-	52.50	255.00	-	-	-	142.50	470.00	
Total Costs	240,463.26	1,446,423.42	1,430,652.20	178,813.62	401,262.95	648,061.57	474,275.19	86,036.21	269,575.14	90,687.17	545,542.64	5,811,793.38	
Total Costs w/o Overhead	235,771.82	1,446,423.42	1,430,652.20	178,813.62	355,942.28	648,061.57	474,275.19	84,356.35	269,575.14	88,916.96	545,542.64	5,758,331.20	
% of Total	4.14%	24.89%	24.62%	3.08%	6.90%	11.15%	8.16%	1.48%	4.64%	1.56%	9.39%	100.00%	
% of Total w/o Overhead	4.09%	25.12%	24.84%	3.11%	6.18%	11.25%	8.24%	1.46%	4.68%	1.54%	9.47%	100.00%	
Ovhd Allocable to Work Orders													
1,276,778	52,277	320,710	317,214	39,648	78,922	143,693	105,160	18,704	59,772	19,715	120,962	1,276,777	
Totals by Company:													
PWW	52,277	320,710	317,214	39,648	78,922							808,771	63.3%
PEU										19,715	120,962	140,677	11.0%
PAC								18,704	59,772			78,476	6.1%
PWS						143,693	105,160					248,853	19.5%
Total Overhead	52,277	320,710	317,214	39,648	78,922	143,693	105,160	18,704	59,772	19,715	120,962	1,276,777	100.0%

Return on Assets

Pennichuck Water Works
Return on Common Assets Allocation (to other Subsidiary Companies)
For Month Ending 12/31/07

Account Number	Full Year Amounts (to be allocated)	Rate of Return (7.89%)	Net Book Value	Tier Allocation Required	Dollars Applicable to: Tier 1 (All)	Tier 2 (Regulated + PWSC)	Tier 3 (PWW+PEU+ PWSC)	Tier 4 (Regulated)	PWSC Only	PAC Only	TSC Only (budgeted specifically on TSC P/L)
2340	Office Furniture & Equipment	35,616	451,401.73	1	35,616	-	-	-	-	-	-
2341	Transportation Equipment	85,447	1,082,972.23	2	-	85,447	-	-	-	-	-
2343	Tools, Shop & Garage Equipment	8,604	109,047.69	3	-	-	8,604	-	-	-	-
2345	Power Operated Equipment	12,655	160,395.94	2	-	12,655	-	-	-	-	-
2346	Communication Equipment	38,614	489,401.52	4	-	-	-	38,614	-	-	-
2347	Computer Equipment	89,148	1,129,887.49	1	89,148	-	-	-	-	-	-
2348	Other Plant and Misc Equipment	19,905	252,284.78	4	-	-	-	19,905	-	-	-
2304-701	Will Street Office	180	2,284.38	3	-	-	180	-	-	-	-
2304-750	Will Street Expansion	18,018	228,362.02	3	-	-	18,018	-	-	-	-
2304-950	Leasehold Improvement - Manchester St	12,829	162,592.49	1	12,829	-	-	-	-	-	-
	Total Allocable Expenses	321,016	4,068,630.27		137,593	98,102	26,802	58,519	-	-	-

Note; Rate of Return based on YTD NBV/12#months

Tier 1 - use the corporate expense allocation between TSC, PWSC and regulated utilities. The allocation among utilities will be based on total assets and customers.
Tier 2 - allocate to PWW, PEU, PAC and PWSC based on total assets and customers
Tier 3 - allocate to PWW, PEU and PWSC based on total assets and customers
Tier 4 - allocate to the regulated utilities (PWW, PEU and PAC) based on total assets and customers.
Note: Laboratory Equipment not included. Currently, PWW charges a $15 fee for all lab work which is considered to be a competitive price and $5 higher than charged by the State of New Hampshire.

Return on Assets

Allocation Calculation - Tier 1 (All Companies)

	PWW	PEU	PAC	Total Regulated	Con Ops (PWS)1	Real Estate (TSC)[1]	Total	
Revenues[4]				$ 27,216,867	$ 2,287,367	$ 111,107	$ 29,615,342	
				91.90%	7.72%	0.38%	100.00%	
Employees (FTE's) - 2007				108	1.5	0	110	
(including summer help)				98.63%	1.37%	0.00%	100.00%	
Square Footage - w/ addt'l lease space				17,324	1,574	567	19,465	
Manchester Street Facility				89.00%	8.09%	2.91%	100.00%	
Total Assets[2]	$ 125,041,644	$ 23,505,721	$ 7,590,639	$ 156,138,004	$ 331,086	$ 2,984,619	$ 159,453,709	
	80.08%	15.05%	4.86%	97.92%	0.21%	1.87%	100.00%	
Customers[3]	24,978	4,925	640	30,543				
	81.78%	16.12%	2.10%	100.00%				
Average Percentage	80.93%	15.59%	3.48%	94.36%	4.35%	1.29%	100.00%	
								Check Total
Allocation of Allocable Expenses	105,074	20,241	4,518	129,833	5,985	1,775	$ 137,593	$ -
Effective Allocation %	76.37%	14.71%	3.28%		4.35%	1.29%		

1 - TSC employees not counted as their payroll and benefits are charged directly; PWS - 100% of 1 employee and 50% of 1 employee charged directly and not counted

2 - Based on December 2007 Preliminary Less Intercompany Account Balances per Charlie/Larry 5/07

3 - Based on December 2007 Actuals

4 - Based on December 2007 Preliminary

Allocation Calculation - Tier 2 (All Regulated Companies plus PWSC)

	PWW	PEU	PAC	Total Regulated	Con Ops (PWS) 1	Real Estate (TSC)	Total	
Total Assets[2]	$ 125,041,644	$ 23,505,721	$ 7,590,639	$ 156,138,004	$ 331,086	$ -	$ 156,469,090	
	80.08%	15.05%	4.86%	99.79%	0.21%	0.00%	100.00%	
Customers[3]	24,978	4,925	640	30,543	7,350	0	37,893	
	81.78%	16.12%	2.10%	80.60%	19.40%			
Average Percentage	80.93%	15.59%	3.48%	90.20%	9.81%		100.01%	
								Check Total
Allocation of Allocable Expenses	71,605	13,794	3,079	88,478	9,624	0	$ 98,102	$ -
Effective Allocation %	72.99%	14.06%	3.14%		9.81%	N/A		

[1] - PWS customers based on municipality customers and pro rated based on services rendered

Return on Assets

Allocation Calculation - Tier 3 (PWW, PEU and PWSC)

	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)	Total	Check Total
Total Assets[2]	$ 125,041,644	$ 23,505,721		$ 331,086		$ 148,878,451	
	83.99%	15.79%		0.22%		100.00%	
Customers[3]	24,978	4,925		7,350		37,253	
	67.05%	13.22%		19.73%		100.00%	
Average Percentage	75.52%	14.51%		9.98%		100.01%	
Allocation of Allocable Expenses	$ 20,238	$ 3,889	0	$ 2,675	0	$ 26,802	$ -
Effective Allocation %	75.51%	14.51%	N/A	9.98%	N/A		

Allocation Calculation - Tier 4 (Regulated Companies)

	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)[1]	Total	Check Total
Total Assets[2]	$ 125,041,644	$ 23,505,721	$ 7,590,639			$ 156,138,004	
	83.99%	15.79%	5.10%			104.88%	
Customers[3]	24,978	4,925	640			30,543	
	67.05%	13.22%	1.72%			81.99%	
Average Percentage	75.52%	14.51%	3.41%			93.44%	
Allocation of Allocable Expenses	$ 48,033	$ 8,491	$ 1,995	0	0	$ 58,519	$ -
Effective Allocation %	82.08%	14.51%	3.41%	N/A	N/A		

Specific Allocation Calculations - Tier 5-7

	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)[1]	Total	Check Total
Direct Allocable Costs	0	0	-	-	0	-	$ -
	N/A	N/A			N/A		

Return on Assets

Summary of Allocations	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC)	Totals	unallocated TSC	Check Total
Tier 1	105,074	20,241	4,518	5,985	1,775	137,593		
Tier 2	71,605	13,794	3,079	9,624	-	98,102		
Tier 3	20,238	3,889	-	2,675	-	26,802		
Tier 4	48,033	8,491	1,995	-	-	58,519		
PWSC only and PAC only	-	-	-	-	-	-		
Total Allocations	244,950	46,415	9,592	18,284	1,775	321,016	-	-
	76.30%	14.46%	2.99%	5.70%	0.55%	100.00%		

Summary Transfers from PWW Operating to Other Companies
Full Year Amounts

	Annual Amts	Monthly Amts
PWW operating expense allocation - PWW	$ (76,066)	$ (6,339)
PWW operating expense allocation - PEU	$ 46,415	$ 3,868
PWW operating expense allocation - PAC	$ 9,592	$ 799
PWW operating expense allocation - PCP	$ -	$ -
PWW operating expense allocation - PWS	$ 18,284	$ 1,524
PWW operating expense allocation - TSC	$ 1,775	$ 148
Check Totals	$ -	$ -

Corporation

Pennichuck Corporation
Mgmt Fee Expense Allocation (to other Subsidiary Companies)
For Month Ending 12/31/07

1794	100	Professional Fees	166,993
1793	400	D&O Insurance	147,739
1801	300	Stockholders Expense	681,189
		YTD Twelve Months Ending 12/31/07	**995,921**

Allocation Calculation - level 1 (All Companies)

	PWW	PEU	PAC	Total Regulated	Con Ops (PWS)	Real Estate (TSC)	Total	
Revenues	$ 21,780,205	$ 4,653,812	$ 782,851	$ 27,216,867	$ 2,287,367	$ 111,107	$ 29,615,342	
December 2007 Prelims	73.54%	15.71%	2.64%		7.72%	0.38%	100.00%	
Total Assets	$ 125,041,644	$ 23,505,721	$ 7,590,639	$ 156,138,004	$ 331,086	$ 2,984,619	$ 159,453,709	
December 2007 Prelims	78.42%	14.74%	4.76%		0.21%	1.87%	100.00%	
Average Percentage	75.98%	15.23%	3.70%		3.97%	1.12%	100.00%	
								Check Total
Allocation of Allocable Expenses	756,715	151,659	36,869	$ 945,243	39,498	11,194	$ 995,935	$ (14)

Summary Transfers from PCP Operating to Other Companies - Full Year Amounts

			YTD Costs	Current Balance	Monthly Adj
		PCP Mgmt Fee Expense Allocation - PCP	$ (995,935)	$ (995,935)	-
1815	100	PCP Mgmt Fee Expense Allocation - PWW	$ 756,715	756,715	-
1815	300	PCP Mgmt Fee Expense Allocation - PEU	$ 151,659	151,659	-
1815	250	PCP Mgmt Fee Expense Allocation - PAC	$ 36,869	36,869	-
1815	150	PCP Mgmt Fee Expense Allocation - PWS	$ 39,498	39,498	-
1815	200	PCP Mgmt Fee Expense Allocation - TSC	$ 11,194	11,194	-
		Check Totals	$ -	$ -	$ -