

**PENNICHUCK WATER WORKS, INC.**  
**COMPUTATION OF REVENUE DEFICIENCY**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule A**

	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR	STEP INCREASE PRO FORMA ADJUSTMENTS	COMBINED PRO FORMA & STEP INCREASE FORMA TEST YEAR
Consolidated Rate Base	\$ 90,783,662	\$ 6,949,828	\$ 97,733,490	\$ 4,542,496	\$ 102,275,986
RATE of Return	7.38%		7.86%		7.86%
Income Required	\$ 6,699,834	\$ -	\$ 7,677,233		\$ 8,034,059
Adjusted NOI	\$ 5,126,962	\$ 185,896	\$ 5,312,859	\$ (178,615)	\$ 5,134,244
Deficiency	\$ 1,572,872	\$ -	\$ 2,364,375		\$ 2,899,815
Tax Factor	60.39%		60.39%		60.39%
Revenue Deficiency	\$ 2,604,524	\$ -	\$ 3,915,176	\$ 886,638	\$ 4,801,814
Water Revenues	\$ 23,087,262	\$ 1,029,163	\$ 24,116,426	\$ -	\$ 24,116,426
Proposed Revenue Inc	11.28%		16.23%	3.68%	19.91%
New Revenue Levels			\$ 28,031,601		\$ 28,918,240

**PENNICHUCK WATER WORKS, INC.**  
**OPERATING INCOME STATEMENT**  
For The Twelve Months Ended December 31, 2009

**STEP INCREASE**  
**Schedule 1**

	Account Number	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR	STEP INCREASE PRO FORMA ADJUSTMENTS	COMBINED TEST YEAR & STEP PRO FORMA TEST YEAR
Water Sales	461 & 462	\$ 23,087,262	\$ 1,029,163	\$ 24,116,426	\$ -	\$ 24,116,426
Water Sales for Resale	466	698	-	698	-	698
Other Operating Revenue	471 to 474	217,364	147,902	365,266	-	365,266
Total Revenues		23,305,324	1,177,065	24,482,389	-	24,482,389
Production Expenses	601 to 652 & 926.7 660 to 678 & 921,	3,404,896	(66,963)	3,337,933	55,750 (4)	3,393,684
Transmission & Distribution Expense	926,950	1,349,277	29,901	1,379,179	-	1,379,179
Engineering Expense	660 to 662	560,190	14,205	574,394	-	574,394
Customer Acct & Collection Exp	902 to 904	434,974	-	434,974	-	434,974
Administrative & General Expense	920 to 950	6,106,901	35,586	6,142,486	-	6,142,486
Inter Div Management Fee	930	(1,431,687)	(44,628)	(1,476,315)	-	(1,476,315)
Total Operating Expense		10,424,550	(31,899)	10,392,652	55,750	10,448,402
Depreciation Exp/Acq Adj (Credit)	403 & 406	3,908,054	162,486	4,070,540	118,201 (1)	4,188,741
Amortization Expense: CIAC	405	(480,385)	-	(480,385)	-	(480,385)
Amortization Expense	407	(16,008)	511,893	495,885	-	495,885
Gain on Disp/Utility Property	414	-	-	-	-	-
Property Taxes	408.1	2,447,350	226,759	2,674,109	121,818 (3)	2,795,927
Payroll Taxes	408.1	520,118	-	520,118	-	520,118
Income Tax	409 to 410	1,374,683	121,929	1,496,612	(117,154) (2)	1,379,458
Total Operating Deductions		7,753,812	1,023,067	8,776,879	122,865	8,899,743
Net Operating Income		5,126,962	185,896	5,312,859	(178,615)	5,134,244

**Notes:**

- (1) increase/decrease depreciation for additions/deletions to plant assets per Schedule 1, Attachment B
- (2) reflect income tax effect on proforma adjustments calculated on effective tax rate of 39.61% per Schedule 1, Attachment D
- (3) increase in 2008 property taxes per Schedule 1, Attachment C
- (4) increase in purchased water per Schedule 1, Attachment A

**PENNICHUCK WATER WORKS, INC.**  
**Pro Forma Adjustment Income or Expense**  
**Production Account**  
**For the Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 1**  
**Attachment A**

**I Production Account**

- A.** In 2010, the Company will purchase water from Derry to provide adequate water supply as necessary to the Drew Woods water system. The calculation of the pro forma adjustment is as follows:

Number of Customers -	524	
Derry Quarterly Charge/Customer -	\$ 22.88	per quarter per home
Usage Allowed in Derry Quarterly Charge -	5	CCF per quarter
Current Derry Retail Price per CCF -	\$ 2.47	\$ -
Average Drew Woods Well Production (past 5 yrs) -	113,977	gallons per day
Safe Yield of Drew Woods Well Field -	80,000	gallons per day
Projected Purchased Water from Derry -	33,977	gallons per day
Estimated CCF's purchased from Derry per year -	16,580	CCF
Annual CCF's in Derry's base charge -	10,480	CCF
CCF's purchased at Derry Retail Rate per year -	6,100	CCF
Base Payment to Derry per year -	\$ 47,956	includes 10,480 CCF
Additional Purchased Water from Derry per year -	\$ 15,066	
Total Estimated cost of purchased water per year from Derry -	\$ 63,023	
Savings by not producing purchased water -	\$ 7,272	
Purchased Water Required for Drew Woods -	\$ 55,750	per year
<b>Therefore:</b>		\$ 55,750

**TOTAL PRODUCTION EXPENSE PRO FORMA:**

**\$ 55,750**

**PENNICHUCK WATER WORKS, INC.**  
**Pro Forma Adjustment Income or Expense**  
**DEPRECIATION & AMORTIZATION**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 1**  
**Attachment B**

**I DEPRECIATION**

- A.** In 2010, the Company expects to add depreciable assets and full year depreciation expense is reflected in the proforma step increase.

(See Schedule 3, Attachment A, Exhibit 1)

**Therefore:**

**\$ 120,478**

- B.** In 2010, the Company expects to retire depreciable assets. The total depreciation expense reduction is reflected in the proforma step increase.

(Schedule 3, Attachment A, Exhibit 3)

**Therefore:**

**\$ (2,277)**

**TOTAL DEPRECIATION EXPENSE PRO FORMA:**

**\$ 118,201**

**PENNICHUCK WATER WORKS, INC.**  
**Pro Forma Adjustment Income or Expense**  
**PROPERTY TAXES**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 1**  
**Attachment C**

**II PROPERTY TAXES**

- A.** In 2010, the Company expects to increase its taxable utility property per Schedule 3, Attachment A, Exhibit 1. The expected property tax for these items is listed below and detailed in Schedule 3, Attachment A, Exhibit 1.

City/Town	Taxable Property	Tax Rate per \$1,000	Total Prop Tax
Nashua	4,620,601	\$ 19.82	\$ 91,580
State NH	4,620,601	\$ 6.60	\$ 30,496
Total			\$ 122,076

**Therefore**

**\$ 122,076**

- B.** In 2010, the Company expects to retire its taxable utility property per Schedule 3, Attachment A, Exhibit 3. The property taxes for those items are listed below:

City/Town	Taxable Property	Tax Rate per \$1,000	Total Prop Tax
Nashua	9,771	\$ 19.82	\$ (194)
State NH	9,771	\$ 6.60	\$ (64)
Total			\$ (258)

**Therefore**

**\$ (258)**

**TOTAL PROPERTY AND OTHER TAXES PRO FORMA:**

**\$ 121,818**



**PENNICHUCK WATER WORKS, INC.**  
**Pro Forma Adjustment Income or Expense**  
**INCOME TAXES**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 1**  
**Attachment D**

**I INCOME TAXES**

**A.** To reflect the pro forma adjustment to record the income tax effect of the pro forma adjustments for the test year.

**Therefore:**

	Operating Revenues	\$	-	
Less:	Expenses			
(Sch1, Attach A)	Production Expense		55,750	
(Sch1, Attach C)	Total Prop & Other Taxes		121,818	
(Sch1, Attach B)	Depreciation		118,201	
	Total Expenses	\$	<u>(295,769)</u>	
	Net Operating Income	\$	(295,769)	

Pro Forma NHBP Tax @ 8.5%.

**Therefore:**

\$	(295,769)	8.5%	\$	<u>(25,140)</u>	\$	<u>(25,140)</u>
			Sub Total	\$	<u>(270,629)</u>	

Pro Forma FIT Tax 34%

**Therefore:**

\$	(270,629)	34%	\$	<u>(92,014)</u>	
			Sub Total	\$	<u>(92,014)</u>

**Total Step Increase 1 Taxes**

**\$ (117,154)**

**TOTAL PRO FORMA INCOME TAXES:**

NHBPT	\$	<u>(25,140)</u>
FIT	\$	<u>(92,014)</u>
<b>TOTAL</b>	<b>\$</b>	<b><u>(117,154)</u></b>

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**PENNICHUCK WATER WORKS, INC.**  
**COMPUTATION OF RATE BASE**  
For The Thirteen Months Ended December 31, 2009

**STEP INCREASE**  
Schedule 3

Description	Test Year Average (Sch 3B)	Year End Rate Base	Pro Forma Adjustments Permanent Rates	Pro Forma Test Year	STEP INCREASE PRO FORMA ADJUSTMENTS	COMBINED PRO FORMA & STEP INCREASE FORMA TEST YEAR
Plant in Service	150,247,311	154,119,649	3,439,982	153,687,293	4,776,400 (1)	158,463,693
Accum Deprec	38,028,130	39,213,427	232,187	38,260,317	1,554 (2)	38,261,871
Accum Deprec: Loss	4,050,376	4,314,363	-	4,050,376	2,277 (3)	4,052,653
Accum Deprec: COR	1,708,176	1,794,616	-	1,708,176	586,499 (4)	2,294,675
Theoretical Reserve	882,900	1,059,480	-	882,900		882,900
Acquisition Adjustment	844,905	844,905	-	844,905		844,905
Accum Amort Acq Adj	296,522	310,035	-	296,522		296,522
CIAC	26,898,154	27,069,194	-	26,898,154		26,898,154
Amort of CIAC	4,037,526	4,275,036	-	4,037,526		4,037,526
	95,451,622	98,745,653	3,207,795	98,659,417	5,363,622	104,023,039
ADD:	-	-	-	-	-	-
Working Cap	1,300,304	1,272,195	(3,933)	1,296,371	6,874 (5)	1,303,245
Materials & Supplies	825,124	716,730	-	825,124		825,124
Prepaid Expenses	391,159	421,361	-	391,159		391,159
Prepaid Property Taxes	55,545	350,305				
Prepaid Income Taxes	-	-				
Other & Deferred Charges	7,648,762	6,383,915	4,881,211	12,529,973	-	12,529,973
	10,220,894	9,144,506	4,877,278	15,042,627	6,874	15,049,501
DEDUCT:						
Customer Advances	84,000	84,000	-	84,000		84,000
Customer Deposits & Other	138,756	118,483	-	138,756		138,756
Deferred Income Tax	12,920,917	14,769,177	-	12,920,917		12,920,917
Regulatory Liability	855,191	838,590	-	855,191		855,191
Unamort ITC	784,440	767,922	-	784,440		784,440
Deferred Credits	105,550	3,244	-	105,550	828,000 (6)	933,550
Unfunded FAS 106 and 158 Costs	-	-	1,135,245	1,135,245	-	1,135,245
	14,888,854	16,581,416	1,135,245	16,024,099	828,000	16,852,099
<b>TOTAL Rate Base</b>	<b>90,783,662</b>	<b>91,308,743</b>	<b>6,949,828</b>	<b>97,733,490</b>	<b>4,542,496</b>	<b>102,275,986</b>

**Notes:**

- (1) adjust for step plant additions/retirements per Schedule 3, Attachment A
- (2) adjust for accumulated depreciation related to step plant additions/retirements per Schedule 3, Attachment B
- (3) adjust for accumulated depreciation: Loss proforma for step plant retirements per Schedule 3, Attachment C
- (4) adjust for accumulated depreciation: Cost of Removal proforma for step plant replacements/retirements per Schedule 3, Attachment C
- (5) adjust for working capital on operating and maintenance expenses per Schedule 3, Attachment D
- (6) adjust for deferred gains on loans per Schedule 3, Attachment E

**PENNICHUCK WATER WORKS, INC.**  
**PRO FORMA ADJUSTMENTS TO RATE BASE**  
**Plant in Service**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 3**  
**Attachment A**

**I PLANT IN SERVICE**

**A** Schedule 3, Attachment A, Exhibit 1, details additions to plant in service for the expected step increase. The additions are capital improvements that are necessitated by SWDA requirements, by the need to replace aging infrastructure or for projects over \$50 thousand. All of these plant additions are considered non-revenue producing in nature. All assets will be placed in service by December 2010.

**Therefore:**

**\$ 4,897,601**

**B** Schedule 3, Attachment A, Exhibit 3, details retirements of plant in service that will occur as a result of the step additions.

**Therefore:**

**\$ (121,201)**

**TOTAL PRO FORMA PLANT IN SERVICE**

**\$ 4,776,400**



**PENNICHUCK WATER WORKS, INC.**  
**PRO FORMA ADJUSTMENTS TO RATE BASE**  
**Accumulated Depreciation**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 3**  
**Attachment B**

**I ACCUMULATED DEPRECIATION**

**A** To reflect the accumulated depreciation associated with step plant additions.

(See Schedule 3, Attachment A, Exhibit 1)

<b>Therefore:</b>	<b>\$ 120,478</b>
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**B** To reflect the accumulated depreciation reduction related to the retirements of plant in service.

(See Schedule 3, Attachment A, Exhibit 3)

<b>Therefore:</b>	<b>\$ (118,924)</b>
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<b>TOTAL ACCUMULATED DEPRECIATION PRO FORMA:</b>	<b><u>\$ 1,554</u></b>
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**PENNICHUCK WATER WORKS, INC.  
PRO FORMA ADJUSTMENTS TO RATE BASE  
Accumulated Depreciation: Loss & COR  
For The Twelve Months Ended December 31, 2009**

**STEP INCREASE  
Schedule 3  
Attachment C**

**I ACCUMULATED DEPRECIATION: LOSS**

**A** To reflect the loss on the retirements of  
plant in service.  
(See Schedule 3, Attachment A, Exhibit 3)

**Therefore:** **\$ 2,277**

**II ACCUMULATED DEPRECIATION: COST OF REMOVAL**

**A** To reflect the cost of removal on replaced assets  
related to the step increases as follows:  
(See Schedule 3, Attachment A, Exhibit 1)

**Therefore:** **\$ 586,499**

**TOTAL ACCUMULATED DEPRECIATION: LOSS PRO FORMA:** **\$ 588,777**

**PENNICHUCK WATER WORKS, INC.**  
**PRO FORMA ADJUSTMENTS TO RATE BASE**  
**Working Capital**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 3**  
**Attachment D**

**I WORKING CAPITAL**

- A.** A pro forma adjustment for working capital is calculated at 45 days divided by 365 days or 12.33%. (As found in the Company's DW-03-107.) Total pro forma operation and maintenance expenses (Schedule 1) are for the twelve months of the test year.

**Therefore:**

		Working	
Total O & M Expenses		Capital Rate	
\$	55,750	12.33%	\$ 6,874

**TOTAL PRO FORMA WORKING CAPITAL:**

\$ 6,874

**PENNICHUCK WATER WORKS, INC.**  
**PRO FORMA ADJUSTMENTS TO RATE BASE**  
**Deferred Gains on Loans**  
**For The Twelve Months Ended December 31, 2009**

**STEP INCREASE**  
**Schedule 3**  
**Attachment E**

**I DEFERRED GAINS ON LOANS**

A. A pro forma adjustment for deferred gains on ARRA loans is recognized as the government will provide for 50% forgiveness on the principal payments over the life of the loan.

ARRA Loans per Debt Schedule 5

1,656,000

Principal Forgiveness

50.00% 828,000

**Therefore:**

828,000

**TOTAL PRO FORMA DEFERRED GAINS ON LOANS:**

\$ 828,000

**PENNICHUCK WATER WORKS, INC.**  
**ASSET ACQUISITIONS**  
For The Twelve Months Ended December 31, 2009

**STEP INCREASE**  
**Schedule 3**  
**Attachment A**  
**Exhibit 1**

Additions										19.82	6.6
Acct No.	Account Description	Total Cost	Cost of Removal	Adjusted Cost	Accumulated Depreciation	Depreciation Rate	Full Year Depreciation	Property Taxes	State Property Taxes		
304.30	Structures & Improvements - Purification	\$ 415,000		\$ 415,000	\$ 8,881	2.14%	\$ 8,881	\$ 8,225	\$	2,739	
306.00	Lakes, Rivers & Other Intakes	\$ 163,000		\$ 163,000	\$ 5,428	3.33%	\$ 5,428	\$ 3,231	\$	1,076	
307.00	Wells & Springs	\$ 45,000		\$ 45,000	\$ 1,499	3.33%	\$ 1,499	\$ 892	\$	297	
310.00	Power Generation Equipment	\$ 236,000		\$ 236,000	\$ 10,738	4.55%	\$ 10,738	\$ 4,678	\$	1,558	
311.20	Electric Pumping Equipment (2)	\$ 272,500	\$ (3,500)	\$ 269,000	\$ 11,836	4.40%	\$ 11,836	\$ 5,332	\$	1,775	
320.00	Purification System Equipment	\$ 57,500		\$ 57,500	\$ 3,835	6.67%	\$ 3,835	\$ 1,140	\$	380	
330.00	Distribution Reservoirs & Standpipes	\$ 98,000		\$ 98,000	\$ 2,136	2.18%	\$ 2,136	\$ 1,942	\$	647	
331.00	Transmission & Distribution Mains (1)	\$ 3,552,100	\$ (214,999)	\$ 3,337,101	\$ 50,057	1.50%	\$ 50,057	\$ 66,141	\$	22,025	
341.00	Transportation Equipment	\$ 65,000	-	\$ 65,000	\$ 6,136	9.44%	\$ 6,136	\$ -	\$	-	
345.00	Power Operated Equipment	\$ 125,000		\$ 125,000	\$ 7,500	6.00%	\$ 7,500	\$ -	\$	-	
347.00	Computer Equipment	\$ 87,000		\$ 87,000	\$ 12,432	14.29%	\$ 12,432	\$ -	\$	-	
COR	Remove Dam	\$ 368,000	\$ (368,000)	\$ -	\$ -		\$ -	\$ -	\$	-	
<b>Total Plant Additions</b>		<b>\$ 5,484,100</b>	<b>\$ (586,499)</b>	<b>\$ 4,897,601</b>	<b>\$ 120,478</b>		<b>\$ 120,478</b>	<b>\$ 91,580</b>	<b>\$</b>	<b>30,496</b>	

**Total Taxable Additions (Accts 304 to 331)**

**\$ 4,620,601**

**Notes:**

- (1) For Transmission & Distribution Mains (331), cost of removal of 10% has been taken on the % pipe being replaced (61%) vs rehab (39%)  
(2) For Electric Pumping Equipment (311.2), cost of removal relates to emergency pump replacement.



**PENNICHUCK WATER WORKS, INC.**  
**ASSET ACQUISITIONS Details**  
**For the Twelve Months Ended December 31, 2009**

**Step Increase**  
**Schedule 3**  
**Attachment A**  
**Exhibit 2**

<b>Project Description</b>	<b>Project Cost (1000's \$)</b>	<b>Acct #</b>	<b>Projected Funding</b>	<b>SRF</b>	<b>ARRA</b>
NHDES Stormwater treatment project	\$ 350.00	306	Internal		
EPA 319 Source water protection grant	\$ (187.00)	306	EPA 319 Grant		
HI & LO Well Renovation	\$ 45.00	307	Internal		
install Generator Redfield	\$ 59.00	310	Internal		
Install Generator Great Bay	\$ 59.00	310	Internal		
Install Generator Woodlands	\$ 59.00	310	Internal		
Install Generator Valleyfields	\$ 59.00	310	Internal		
Emergency Pump replacement	\$ 35.00	311	Internal		
Drew Woods Supply - Improvements to Derry Booster Station	\$ 110.00	311	SRF	\$110	
Groundwater Rule Compliance	\$ 50.00	311	Internal		
Drew Woods Chloramination	\$ 20.00	320	SRF	\$20	
Additional Tank and Tank Repair	\$ 98.00	330	ARRA		\$98
Rehab 1875 of 6" CI pipe & Replace 93 of 2" CL pipe	\$ 195.00	331	ARRA		\$195
Rehab 606 of 6" CI pipe & Replace 260' of 6" CI	\$ 118.00	331	ARRA		\$118
Rehab 172 of 6" CI pipe & Replace 844 of 4" CI pipe	\$ 194.00	331	ARRA		\$194
Rehab 540' of 6" CI pipe	\$ 41.00	331	ARRA		\$41
Rehab 330' of 6" DI Pipe & replace 435' of 4" with 6"	\$ 178.00	331	ARRA		\$178
Replace 470' of 4" CI pipe	\$ 114.00	331	ARRA		\$114
Replace 354' of 2" CL pipe	\$ 146.00	331	ARRA		\$146
Rehab 2450' of 6" CI Pipe	\$ 272.00	331	ARRA		\$272
New Pump Station	\$ 300.00	304.2	ARRA		\$300
East Derry Study	\$ 10.00	331	SRF	\$10	
Replace 801 LF of 6" CI pipe with 12" DIPCL	\$ 228.00	331	SRF	\$228	
Replace 848 LF of 6" CI pipe with 8" DIPCL	\$ 123.00	331	SRF	\$123	
Replace 658 LF of 4" CI & 69 LF of 6" CI pipe with 8" DIPCL	\$ 113.00	331	SRF	\$113	
Replace 1430 LF of 6" CI pipe with 12" DIPCL	\$ 259.00	331	SRF	\$259	
Replace 120 LF of 1.5" steel pipe with 2" HDPE	\$ 14.00	331	SRF	\$14	
Replace 354 LF of 4" CI & 1293 LF of 6" CI pipe with 8" DIPCL	\$ 255.00	331	SRF	\$255	
Replace 1130 LF of 6" CI pipe with 12" DIPCL	\$ 204.00	331	SRF	\$204	
Drew Woods interconnection to Town of Derry water system	\$ 1,088.10	331	SRF	\$1,088	
IT Disaster Recovery	\$ 87.00	347	Internal		
Backhoe Replacment	\$ 125.00	345	Internal		
Utility/Crane Truck Replacement	\$ 65.00	341	Internal		
Taylor Falls Building Expansion & Pump Addition	\$ 155.00	304/311	50/50 Internal		
Install Iron/Manganese treatment Great Bay	\$ 75.00	304/320	50/50 Internal		
Repair/Remove Salmon Brook Dam - NHDES LOD	\$ 368.00	COR	Internal		
<b>Total Step Increase -</b>	<b>\$ 5,484.10</b>			<b>\$2,424</b>	<b>\$1,656</b>

PENNICHUCK WATER WORKS, INC.  
ASSET DISPOSITIONS  
For The Twelve Months Ended December 31, 2009

STEP INCREASE  
Schedule 3  
Attachment A  
Exhibit 3

Retirements							19.82	6.6
Acct No.	Account Description	Original Cost	Accumulated Depreciation	Accumulated Depreciation Loss	Depreciation Rate	1 year Depreciation (1)	Property Taxes	State Property Taxes
331.0	Trans & Dist Mains	\$ 9,771	\$ 9,771	\$ -	1.50%	\$ -	\$ 194	\$ 64
341.0	Transportation Equipment	\$ 29,584	\$ 29,449	\$ 135	9.44%	\$ 135	\$ -	\$ -
345.0	Power Operated Equipment	\$ 76,201	\$ 74,398	\$ 1,803	6.00%	\$ 1,803	\$ -	\$ -
348.0	Miscellaneous Equipment	\$ 5,645	\$ 5,306	\$ 339	4.00%	\$ 339	\$ -	\$ -
<b>Total Retirements</b>		<b>\$ 121,201</b>	<b>\$ 118,924</b>	<b>\$ 2,277</b>		<b>\$ 2,277</b>	<b>\$ 194</b>	<b>\$ 64</b>
<b>331.0</b>	<b>Taxable Retirements</b>	<b>\$ 9,771</b>						

**Notes:**

(1) The amount of depreciation is based on the remaining net book value of the asset as the NBV is less than the annual depreciation.

**PENNICHUCK WATER WORKS, INC.**  
**ASSET DISPOSITION DETAILS**  
For the Twelve Months Ended December 31, 2009

**STEP INCREASE**  
**Schedule 3**  
**Attachment A**  
**Exhibit 4**

Asset ID	Placed In	Disposal Date	Description	Cost	Accum Depr	Accum Depr (Loss)				
Account 348										
20000-000332	1986	2010	Emergency Stand-By Pump	\$ 5,644.56	\$ 5,305.83	\$ 338.73				
Totals				\$ 5,644.56	\$ 5,305.83	\$ 338.73				
Account 341										
20000-003289	1997	2010	1997 Ford F-350 Pickup - Vehicle #19	\$ 29,284.02	\$ 29,284.02	\$ -				
20000-5751.25	2004	2010	1997 Ford F-350 Pickup - Vehicle #19	\$ 300.00	\$ 164.52	\$ 135.48				
Totals				\$ 29,584.02	\$ 29,448.54	\$ 135.48				
Account 345										
20000-002141	1990	2010	1990 Caterpillar Backhoe Loader	\$ 62,900.00	\$ 62,900.00	\$ -				
20000-002814	1995	2010	1990 Backhoe - Vehicle #17	\$ 4,288.95	\$ 4,288.95	\$ -				
20000-002490	1993	2010	1990 Backhoe - Vehicle #17	\$ 1,198.00	\$ 1,198.00	\$ -				
20000-004803	2001	2010	1990 Backhoe - Vehicle #17	\$ 7,814.37	\$ 6,011.28	\$ 1,803.09				
Totals				\$ 76,201.32	\$ 74,398.23	\$ 1,803.09				
Account 331										
Street Name	Street Type	Install date	Material	Size	Length	Unit Cost				
LESSARD	STREET	1892	CAST IRON	4	187	0.525	\$ 98.18	98.18	\$ -	
LESSARD	STREET	1892	CAST IRON	4	287	0.525	\$ 150.68	150.68	\$ -	
GROVE	STREET	1929	Cement Lined	1	253	0.951	\$ 240.60	240.60	\$ -	
HOLMAN	STREET	1929	Cement Lined	2	253	0.951	\$ 240.60	240.60	\$ -	
AMHERST	STREET	1892	CAST IRON	6	801	1.269	\$ 1,016.47	1,016.47	\$ -	
BEECH	STREET	1903	CAST IRON	6	45	1.269	\$ 57.11	57.11	\$ -	
BEECH	STREET	1928	CAST IRON	6	338	1.269	\$ 428.92	428.92	\$ -	
BEECH	STREET	1897	CAST IRON	6	465	1.269	\$ 590.09	590.09	\$ -	
WILDER	STREET	1887	CAST IRON	4	656	0.525	\$ 344.40	344.40	\$ -	
WILDER	STREET	1909	CAST IRON	6	69	1.269	\$ 87.56	87.56	\$ -	
ARLINGTON	STREET	1887	CAST IRON	6	325	1.269	\$ 412.43	412.43	\$ -	
ARLINGTON	STREET	1887	CAST IRON	6	425	1.269	\$ 539.33	539.33	\$ -	
ARLINGTON	STREET	1887	CAST IRON	6	680	1.269	\$ 862.92	862.92	\$ -	
CEMENT										
BATCHELDER	AVE	1950	LINED STEEL	1.5	120	0.951	\$ 114.12	114.12	\$ -	
PALM	STREET	1897	CAST IRON	6	935	1.269	\$ 1,186.52	1,186.52	\$ -	
PALM	STREET	1905	CAST IRON	6	358	1.269	\$ 454.30	454.30	\$ -	
PALM	STREET	1887	CAST IRON	4	354	0.525	\$ 185.85	185.85	\$ -	
LAKE	STREET	1888	CAST IRON	6	138	1.269	\$ 175.12	175.12	\$ -	
LAKE	STREET	1932	CAST IRON	6	605	1.269	\$ 767.75	767.75	\$ -	
LAKE	STREET	1890	CAST IRON	6	387	1.269	\$ 491.10	491.10	\$ -	
CEMENT										
CROSS	STREET	1963	LINED STEEL	2"	93	3.5	\$ 325.50	325.50	\$ -	
SUMMER	STREET	1896	CAST IRON	6"	260	1.269	\$ 329.94	329.94	\$ -	
JEFFERSON	STREET	1888	CAST IRON	4"	844	0.525	\$ 443.10	443.10	\$ -	
NORTON	STREET	1887	CAST IRON	4"	435	0.525	\$ 228.38	228.38	\$ -	
Totals							\$ 9,770.94	\$ 9,770.94	\$ -	
Total 2010 Retirements							121,200.84	118,923.54	2,277.30	