

NASHUA'S PROPOSED 2007 OPERATING EXPENSES WITH NEEDED ADJUSTMENTS

\$ (in Thousands)	Veolia Proposal (Jan 2006)	Adjustments based on PWV Experience
Veolia Contract	\$4,996	
Veolia - Unplanned Maintenance	\$185	\$1,000
Veolia - Transition Fee	\$0	\$230 (6 year amort.)
Beck - Oversight	\$315	
Beck - Transition Fee	\$0	\$38 (6 year amort.)
Nashua - Property Taxes (Sansuocy est.)	\$1,400	
Nashua - Prop. Insurance (Sansuocy est.)	\$200	
Nashua - Purchased Water	\$200	
Nashua - Billings/Mailings	\$100	\$30 (Based on 2005 expense)
Nashua - Sludge	\$100	\$67 (Based on 2005 expense)
Nashua - Utilities-Elec and Heat	\$500	\$600 (Based on 2005 expense)
Nashua - Customer Service	\$0	\$192 (Assume 4 staff)
Veolia - Hydrant Checks/painting	\$0	\$12 (Partially in 1/06 Base)
Nashua - Permitting/Police	\$0	\$15 (Based on 2005 expense)
		(These services are supplemental in Veolia)
Veolia - Base Engineering Services*	\$0	\$215 Contract)
Veolia - Capital Program Management	\$0	\$30
Nashua - IS support	\$0	\$135
Veolia - DigSafe or Alternative	\$0	\$0 (Included in 1/06 Base)
Nashua - GIS	\$0	\$200 (5 year amort)
Totals:	\$7,996	\$2,764
Adjustments	\$2,764	
Adjusted Totals:	\$10,760	

*Hydraulic Modeling, Hydrant Flow tests, Watershed admin, Service and Water main reviews, pressure complaint investigations, maintain distribution mapping, gate valve data base

Note: Mr. Sansoucy also includes an unidentified "operational contingency" of \$500,000 which is assumed not included among the \$2.764 million of adjustments.