

PITTSFIELD AQUEDUCT COMPANY, INC.
COMPUTATION OF REVENUE DEFICIENCY **Schedule A**
For The Twelve Months Ended December 31, 2007
North Country Only

	<u>TEST YEAR</u>	<u>PRO FORMA ADJUSTMENTS</u>	<u>PRO FORMA TEST YEAR</u>
Consolidated Rate Base (Sch 3)	\$ 2,096,704	\$ 1,232,616	\$ 3,329,320
RATE of Return (1)	7.03%		7.03%
Income Required	\$ 147,360		\$ 233,990
Adjusted Net Operating Income (Sch 1)	\$ (115,992)	\$ (107,253)	\$ (223,246)
Deficiency	\$ 263,352		\$ 457,236
Tax Factor	60.39%		60.39%
Revenue Deficiency	\$ 436,085		\$ 757,138
Water Revenues	\$ 316,109	\$ -	\$ 316,109
Proposed Revenue Inc	137.95%		239.52%

Notes:

(1) Test Year using return on equity of 9.75%

PITTSFIELD AQUEDUCT COMPANY, INC.
OPERATING INCOME STATEMENT
For The Twelve Months Ended December 31, 2007
North Country Only

Schedule 1

	TWELVE MONTHS 12/31/07	PRO FORMA ADJUSTMENTS	PRO FORMA 12 MONTHS 12/31/07	TWELVE MONTHS 12/31/06	TWELVE MONTHS 12/31/05
Water Sales	\$ 316,109	\$ -	\$ 316,109	\$ 197,321	\$ -
Other Operating Revenue	5,805		5,805	1,208	-
Total Revenues	321,914	-	321,914	198,529	-
Production Expenses	188,267	(1,237) (1)	187,030	92,051	-
Transmission & Distribution Expense	126,877	5,724 (1)	132,601	100,432	-
Customer Acct & Collection Exp	21,283	22 (1)	21,306	15,970	-
Administrative & General Expense	29,535	4,963 (2)	34,498	13,340	-
Inter Div Management Fee (1)	-	208,947 (3)	208,947	-	-
Total Operating Expense	365,963	218,419	584,382	221,793	-
Depreciation Exp/Acq Adj (Credit)	58,401	21,655 (4)	80,057	-	-
Amortization Expense: CIAC	(82)	-	(82)	-	-
Amortization Expense	-	2,208 (5)	2,208	1,715	-
Taxes Other Than Income Tax	13,624	44,903 (6)	58,527	9,086	-
Income Tax (1)	-	\$ (179,932) (7)	(179,932)	-	-
Total Operating Deductions	71,944	(111,166)	(39,222)	232,595	-
Net Operating Income	\$ (115,992)	\$ (107,253)	\$ (223,246)	\$ (34,067)	\$ -

Notes:

- (1) increase for union salary increases and non-recurring expenses per Schedule 1, Attachment B, page 1 and 2 and Attachment C, page 1
- (2) adjust for allocation of certain expenses per Schedule 1, Attachment C, page 1
- (3) adjust for allocations, salary increase& additions, benefits and non-recurring expenses per Schedule 1, Attachment C, page 3
- (4) increase/decrease depreciation for additions/deletions to plant assets per Schedule 1, Attachment E
- (5) increase amortization for additions to deferred charges per Schedule 1, Attachment F
- (6) adjust property taxes for annualization of taxes and plant additions per Schedule 1, Attachment D
- (7) reflect income tax effect on proforma adjustments calculated on effective tax rate of 39.61% per Schedule 1, Attachment G

Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment Income or Expense
Operating Revenues
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 1
Attachment A

I Operating Revenues

Therefore:

\$ -

TOTAL OPERATING REVENUES PRO FORMA:

\$ -

NONE

Pittsfield Aqueduct Company, Inc
 Pro Forma Adjustment Income or Expense
 Production Account
 For the Twelve Months Ended December 31, 2007
 North Country Only

I Production Expense

A. During the test year, the Company incurred some expenses that are non-recurring in nature. The following proforma adjustment reflect the elimination of these expense from the test period income as follows:

Account 6601 Purchased water for pump replacement	\$	1,320
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	<u>\$</u>	<u>1,320</u>
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Therefore:

	<u>\$</u>	<u>(1,320)</u>
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C. In 2007, union wages will increase 4% per the contract with the United Steelworkers Union effective February 16, 2008. (Per Schedule 1B). The benefits % is based on the management fee benefits calculation based on 2007 actual payroll and benefit dollars.

Wages		55
Benefits	50.3%	<u>28</u>
		<u>83</u>

Therefore:

	<u>\$</u>	<u>83</u>
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TOTAL PRODUCTION EXPENSE PRO FORMA:

	<u>\$</u>	<u>(1,237)</u>
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Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment Income or Expense
Distribution Account
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 1
Attachment B
Page 2

I Distribution Expense

C. In 2007, union wages will increase 4% per the contract with the United Steelworkers Union effective February 16, 2008. (Per Schedule 1B). The benefits % is based on the management fee benefits calculation based on 2007 actual payroll and benefit dollars.

Wages		3,809
Benefits	50.3%	<u>1,916</u>
		<u>5,724</u>

Therefore:

\$ 5,724

TOTAL DISTRIBUTION EXPENSE PRO FORMA:

\$ 5,724

Pittsfield Aqueduct Company, Inc
 Pro Forma Adjustment Income or Expense
 Customer Accounting/Administrative and General Accounts
 For the Twelve Months Ended December 31, 2007
 North Country Only

Schedule 1
 Attachment C
 Page 1

I Customer Accounting

C. In 2007, union wages will increase 4% per the contract with the United Steelworkers Union effective February 16, 2008. (Per Schedule 1B). The benefits % is based on the new management fee model calculation based on 2006 actual payroll and benefit dollars.

Wages		15
Benefits	50.3%	<u>7</u>
		<u>22</u>

Therefore: \$ 22

TOTAL CUSTOMER ACCOUNTING \$ 22

II Administrative & General

A In 2007, the Company recorded property insurance (924) and regulatory (928) costs in a Pittsfield account. A portion of the costs need to be allocated to North Country based on average plant in service assets as follows:

<u>Plant in Service:</u>		
Pittsfield	64.15%	\$ 3,701,283
North Country	35.85%	<u>\$ 2,068,181</u>
Total Plant in Service	100.00%	<u>\$ 5,769,464</u>

Property Insurance		\$ 12,333
Regulatory Commission		<u>\$ 1,513</u>
Total Costs		<u>\$ 13,846</u>
North Country Allocation		<u>\$ 4,963</u>

Therefore: \$ 4,963

TOTAL ADMINISTRATIVE & GENERAL PRO FORMA: \$ 4,963

Pittsfield Aqueduct Company, Inc
 Pro Forma Adjustment Income or Expense
 Management Fee Account
 For the Twelve Months Ended December 31, 2007
 North Country Only

Management Fee Allocated to Affiliates (Rule 1601.01, Section 26)

A. The Company is allocated expenses by Pennichuck Water and Pennichuck Corporation through a management fee allocation. A portion of the management fees is allocated to North Country as follows: (Per Schedule 1F)

Test Year	\$ 477,611
Pittsfield portion	\$ 258,615
	\$ 218,996

Therefore: \$ 218,996

B. In 2007, Pennichuck Water will adjust non union wages by 4% effective 4/1/08. A portion of the increases will flow through the management fee as follows:

Non Union Wages	\$ 4,071,849
4% Increase	\$ 162,874
Benefits	38.6% \$ 62,869
Total Costs	\$ 225,743
% Allocated to PAC	5.6% \$ 12,642
North Country %	45.9% \$ 5,803

Therefore: \$ 5,803

C. Through the management fee, the Company was charged with Superintendence salary that was also directly charged to the expense. The following proforma adjustment eliminates the charge through the management fee:

Superintendence Salary	\$ 55,036
North Country %	45.9% \$ 25,262

Therefore: \$ (25,262)

D. The 2007 management fee did not include depreciation for leasehold improvements and HECOP III fit up allowance. The amounts are as follows:

Leasehold Improvements	\$ 124,151
HECOP III Fit Up Allowance	\$ 77,869
Total	\$ 202,019
% Allocated to PAC	5.6% \$ 11,313
North Country %	45.9% \$ 5,193

Therefore: \$ 5,193

E. Per PWW 06-073, the depreciation of leasehold improvements, for rate making purposes, should be over 10 years. Per GAAP, the Company is depreciating over the life of the lease, 5 years. The proforma adjustment to reflect the lower depreciation is as follows:

Leasehold Improvements	\$ 124,151
Depreciation - 10 yrs	\$ 62,075
Depreciation Adjustment	\$ (62,075)
% Allocated to PAC	5.6% \$ (3,476)
North Country %	45.9% \$ (1,596)

Therefore: \$ (1,596)

Pittsfield Aqueduct Company, Inc
 Pro Forma Adjustment Income or Expense
 Management Fee Account
 For the Twelve Months Ended December 31, 2007
 North Country Only

F. Per PEU 07-032, the Company is amortizing corporate board costs associated with PCP's search for President/CEO in 2006. In 2007, the Company amortized 3 months of costs. The following proforma adjustment annualizes the amortization as follows:

Amortization costs recognized		\$	2,520
Annualization of Amort Costs		\$	10,080
Adjustment		<u>\$</u>	<u>7,560</u>
% Allocated to PAC	5.6%	<u>\$</u>	<u>423</u>
North Country %	45.9%	<u>\$</u>	<u>194</u>

Therefore: \$ 194

G. During the test year, the Company incurred some expenses that are non-recurring in nature. The following proforma adjustment reflect the elimination of these expense from the test period income as follows:

Nutter (Great American Claim)		\$	377
Total		<u>\$</u>	<u>377</u>
% Allocated to PAC	5.6%	<u>\$</u>	<u>21</u>
North Country %	45.9%	<u>\$</u>	<u>10</u>

\$ (10)

H. In 2008, PWW filled 2 new salaried positions. The impact of the annual salaries will flow through the management fee as follows:

Lead Electrician		\$	55,000
Customer Service Rep		<u>\$</u>	<u>31,000</u>
		\$	86,000
Benefits	38.6%	<u>\$</u>	<u>33,196</u>
Total Costs		<u>\$</u>	<u>119,196</u>
% Allocated to PAC	5.6%	<u>\$</u>	<u>6,675</u>
North Country %	45.9%	<u>\$</u>	<u>3,064</u>

Therefore: \$ 3,064

I. The 2007 management fee allocation of work order overhead is adjusted as follows: (Per Schedule 1C)

Allocation per 2007 mgt fee			78,476
Allocation adjusted to eliminate contractor invoices			<u>84,062</u>
Adjustment			<u>5,586</u>
North Country %	45.9%	<u>\$</u>	<u>2,564</u>

Therefore: \$ 2,564

TOTAL MANAGEMENT FEE PRO FORMA:

\$ 208,947

Pittsfield Aqueduct Company, Inc
 Pro Forma Adjustment Income or Expense
 Property and Other Taxes Account
 For the Twelve Months Ended December 31, 2007
 North Country Only

Schedule 1
 Attachment D

I PROPERTY TAXES (Sch 1A, Pages 1-2)

A. To reflect a pro forma property tax adjustment for the net increase in property taxes for all of the communities and the State of New Hampshire. Schedule 1A, reflects the tax rate, taxes paid in the test year, the pro forma adjustments for decreases in property taxes based on the tax year for each community, and the consolidated property tax adjustment.

Therefore:

\$ 261

B. In the test year, the Company's taxable utility property increased as part of plant additions. Schedule 1A, Attachment A, reflects those plant items by the various communities. The property tax for these items is not included in the test year and are summarized on the schedule below.

City/Town	Taxable Property	Tax Rate per \$1,000	Total Prop Tax
Towns	1,788,021	Various	\$ 32,841
State NH	1,788,021	\$ 6.60	\$ 11,801
Total			\$ 44,642

Therefore

\$ 44,642

TOTAL PROPERTY AND OTHER TAXES PRO FORMA:

\$ 44,903

Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment Income or Expense
Depreciation Account
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 1
Attachment E

I DEPRECIATION

A. In the test year, the Company added depreciable assets and only 1/2 year depreciation expense was reflected in the test year. (Schedule 3, Attachment A, Exhibit 1)

Therefore: \$ 25,672

B. In the test year, the Company disposed of depreciable assets. The total depreciation expense reflected in the test year for these assets was as follows: (Schedule 3, Attachment A, Exhibit 3)

Therefore: \$ (1,317)

C. As a result of the depreciation analysis performed by J. Guastella dated 2/25/08, he is recommending revised depreciation rates. The annual impact to depreciation expense is allocated as follows: (Schedule 3 of the depreciation study)

Depreciation Expense with proforma A thru C:

Pittsfield	76,158	47.92%
North Country	82,757	52.08%
Total	158,915	100.00%

Adjustment per Depreciation Study:

Total	(5,185)
Pittsfield	(2,485)
North Country	(2,700)

Therefore: \$ (2,700)

TOTAL DEPRECIATION EXPENSE PRO FORMA: \$ 21,655

Pittsfield Aqueduct Company, Inc
 Pro Forma Adjustment Income or Expense
 Amortization of Deferred Charges Account
 For the Twelve Months Ended December 31, 2007
 North Country

Schedule 1
 Attachment F

I AMORTIZATION OF DEFERRED CHARGES

A. In 2007, the Company began amortizing deferred charges. The following is to reflect the full year impact (Schedule 2, Attachment D)

Therefore:

\$ -

B. In 2007, the Company completed amortizing certain deferred assets. An adjustment is made to remove the related amortization expense from the test year. (Schedule 2, Attachment E)

Therefore:

\$ -

C. To reflect the allocation of the amortization of Sarbanes Oxley costs (Schedule F-28 Annual Report) based on assets and customers as follows:

	Pittsfield	North Country	Total
Assets	\$ 4,166,928	\$ 3,423,711	\$ 7,590,639
		45.10%	
Customers	646	1,109	1,755
		63.19%	
Allocation %		54.15%	
Amort Sarbanes Costs		<u>\$ 3,253</u>	
Allocated Amount		<u>\$ 1,761</u>	
Pro Forma Adjustment		<u>\$ 1,492</u>	

Therefore:

\$ 1,492

D. In 2007, the Company incurred costs in obtaining a 3 year waiver of certain water sampling requirements from the NHDES. The following proforma adjustment reflects a full year of amortization as follows: (Schedule 2, Attachment C)

Phase II & IV Waiver	<u>2,150</u>
Amortization for 1 year	<u>717</u>

Therefore:

\$ 717

TOTAL AMORTIZATION EXPENSE PRO FORMA:

\$ 2,208

Pittsfield Aqueduct Company, Inc
 Pro Forma Adjustment Income or Expense
 Income Taxes Account
 For the Twelve Months Ended December 31, 2007
 North Country Only

Schedule 1
 Attachment G

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:

(Sch1, Attach A)	Operating Revenues		\$ -
Less:			
	Expenses		
(Sch1, Attach B)	Production Expense		(1,237)
(Sch1, Attach B)	Distribution Expense		5,724
(Sch1, Attach C)	Customer Accounting		22
(Sch1, Attach C)	Administrative & General		4,963
(Sch1, Attach C)	Management Fee		208,947
(Sch1, Attach D)	Total Prop & Other Taxes		44,903
(Sch1, Attach E)	Depreciation		21,655
(Sch1, Attach F)	Amortization		2,208
	Total		<u>\$ 287,186</u>

Pro Forma NHBP Tax @ 8.5%.

Therefore:

	\$ 287,186	8.5%	
			<u>\$ (24,411)</u>
			<u>\$ 262,775</u>

Sub Total

Pro Forma FIT Tax 34%

Therefore:

	\$ 262,775	34%	
			<u>\$ (89,343)</u>

Sub Total

B. A portion of the income taxes recorded in the test year is allocated to North Country as follows:

Combined:

Net Operating Income	(165,766)
Income Taxes	(220,224)
NOI before Inco	(385,990)
Income Tax Allocation	57.05%

Pittsfield

Net Operating Income	(49,774)
Income Taxes	(220,224)
NOI before Income Taxes	(269,998)
Income Tax Allocation	57.05%

Allocation

Pittsfield portion	\$ (154,046)
Test Year	\$ (220,224)

Allocation to North Country \$ (66,178)

Therefore:

\$ (66,178)

TOTAL INCOME TAXES PRO FORMA:

\$ (179,932)

Pittsfield Aqueduct Company, Inc.
Property Taxes
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 1A

TOWN	TAX YEAR	TEST YEAR	Dec 2007 RATE per \$1,000	TOTAL PAID FOR TEST YEAR Jan 07 to Dec 07	1/2 OF DEC 2006 TAX BILL WHICH RELATES TO FIRST QUARTER 2007	AMOUNT PAID JUNE 2007 TAX BILL	CREDITS FOR JUNE 2007 TAX BILL (1)	1/2 OF DEC 2007 TAX BILL WHICH RELATES TO FOURTH QUARTER 2007	PRO FORMA PROPERTY TAX	PROPERTY TAX ADJUSTMENTS	PRO FORMA PROPERTY TAX ADJUSTMENT
BARNSTEAD	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
2 Monroe Drive			\$ 18.40	\$ 673	\$ 164	\$ 297		\$ 188			
137 Peacham Road			18.40	2,891	189	1,275		808			
Peacham Road (014/009)			18.40	34	10	15		10			
North Barnstead Road			18.40	339	-	149		95			
12 Danbury Road			16.14	3,007	1,296	2,244		382			
				6,944	1,658	3,980		1,482	\$ (176)	-	\$ (176)
CONWAY (1)	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
West Side Road (2)			16.08	1,227	-	-		614		1,188	
Richardi Lane			16.08	238	151	287	(49)	119			
Randall Farm Road			13.53	479	129	242		240			
Acorn Link			13.53	239	129	242	(3)	120			
Allard Farm Circuit (43)			13.53	158	127	239	(81)	79			
Allard Farm Circuit (71)			13.53	199	150	282	(83)	100			
Allard Farm Circuit (56)			13.53	198	138	260	(62)	99			
				2,738	824	1,552	(278)	756	\$ (116)	1,188	\$ 1,073
MIDDLETON	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
Beech & Jordan			12.82	1,705	637	983		361			
Lincoln Road			14.87	24	8	13		6			
Harold Drive (12)			14.87	277	241	277		-			
Harold Drive (13)			14.87	482	242	273		105			
				2,488	1,127	1,546		471	\$ (656)	-	\$ (656)
STATE OF NH (3)	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
North Country				8,045	-	-	-	8,045		20	
				8,045	-	-	-	8,045	\$ -	20	\$ 20
TOTAL EXPENSE									\$ -	\$ -	\$ -
			\$	28,260	\$ 3,609	\$ 7,078	\$ (278)	\$ 10,754	\$ (947)	\$ 1,208	\$ 261

Note:

- (1) In the December 2007 bills, the town of Conway included a credit and refund of \$278 related to assessment adjustment for the June 2007 bills.
- (2) In 2007, the Company acquired the property and paid the appropriate portion of the annual property tax. The proforma adjustment reflects the additional property taxes needed for a full year.
- (3) The proforma adjustment reflects the increase in the 2007 vs. 2006 taxes not reflected in the test year.

Pittsfield Aqueduct Company, Inc.
Taxable Assets for Assets Acquired
for the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	ASSET BALANCES		Acquisition Date	Additions	Tax Rate per \$1,000	Property Tax
	Beginning					
<i>Asset GL Acct #: 6304-100-002</i>						
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION		01/01/2007	14,386.83	18.40	264.72
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION		02/01/2007	779.56	18.40	14.34
60000-	CONFINED SPACE - SUNRISE EST.		02/01/2007	11,042.38	14.87	164.20
60000-	CONFINED SPACE - SUNRISE EST.		02/01/2007	2,645.49	14.87	39.34
60000-	CONFINED SPACE - SUNRISE EST.		03/01/2007	1,932.24	14.87	28.73
60000-	CONFINED SPACE - SUNRISE ESTATES		07/01/2007	1,000.00	14.87	14.87
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION		07/01/2007	75.44	18.40	1.39
60000-	LOCKE LAKE ARSENIC TREATMNT		09/01/2007	476,047.80	18.40	8,759.28
60000-	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE		09/01/2007	6,061.96	18.40	111.54
60000-	CONFINED SPACE - SUNRISE ESTATES		10/01/2007	72.70	14.87	1.08
60000-	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE		10/01/2007	5,553.81	18.40	102.19
60000-	LOCKE LAKE ARSENIC TREATMENT		11/01/2007	2,267.86	18.40	41.73
60000-	LOCKE LAKE ARSENIC TREATMNT		09/01/2007	326,162.97	18.40	6,001.40
<i>Subtotal: 6304-100-002 (15)</i>				848,029.04		
<i>Asset GL Acct #: 6309-000-002</i>						
60000-	LOCKE LAKE ARSENIC TREATMNT		09/01/2007	9,379.57	18.40	172.58
60000-	LOCKE LAKE ARSENIC TREATMNT					

Pittsfield Aqueduct Company, Inc.
Taxable Assets for Assets Acquired
for the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	ASSET BALANCES	Beginning	Acquisition Date	Additions	Tax Rate per \$1,000	Property Tax
60000-		LOCKE LAKE ARSENIC TREATMENT	09/01/2007	1,867.37	18.40	34.36
			11/01/2007	263.46	18.40	4.85
		<i>Subtotal: 6309 000-002 (3)</i>		11,510.40		
		<i>Asset GL Acct #: 6310-000-002</i>				
60000-		LOCKE LAKE ARSENIC TREATMNT	09/01/2007	32,515.61	18.40	598.29
		<i>Subtotal: 6310-000-002 (1)</i>		32,515.61		
		<i>Asset GL Acct #: 6311-000-002</i>				
60000-		LOCKE LAKE ARSENIC TREATMNT	08/01/2007	1,636.21	18.40	30.11
60000-		LOCKE LAKE ARSENIC TREATMNT	09/01/2007	157,543.38	18.40	2,898.80
60000-		LOCKE LAKE ARSENIC TREATMENT	09/01/2007	73.90	18.40	1.36
		<i>Subtotal: 6311-000-002 (16)</i>		10,559.63	18.40	194.30
				169,813.12		
		<i>Asset GL Acct #: 6320-200-002</i>				
60000-		LOCKE LAKE ARSENIC TREATMNT	09/01/2007	215,274.76	18.40	3,961.06
60000-		LOCKE LAKE ARSENIC TREATMNT	09/01/2007	14,157.50	18.40	260.50
60000-		LOCKE LAKE ARSENIC TREATMENT	11/01/2007	7,736.23	18.40	142.35
		<i>Subtotal: 6320-200-002 (4)</i>		237,168.49		
		<i>Asset GL Acct #: 6330 000-002</i>				
60000-		LOCKE LAKE STORAGE TANK - 250,000 GALLON	08/01/2007	447,347.89	18.40	8,231.20
60000-		LOCKE LAKE STORAGE TANK - 250,000 GALLON	08/01/2007	32,517.22	18.40	598.32

Pittsfield Aqueduct Company, Inc.
Taxable Assets for Assets Acquired
for the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	ASSET BALANCES		Acquisition Date	Additions	Tax Rate per \$1,000	Property Tax
	Beginning					
60000-	GOLF COURSE PUMP HOUSE: LOCKE LAKE STORAGE TANK		09/01/2007	8,148.05	18.40	149.92
60000-	LOCKE LAKE STORAGE TANK - 250,000 GALLON		11/01/2007	970.91	18.40	17.86
<i>Subtotal: 6330-000-002 (5)</i>				488,984.07		
2007 Total				1,788,020.73		32,840.66

PITTSFIELD AQUEDUCT COMPANY, INC.
 PAYROLL SUMMARY Schedule 1B

Pro Forma Adjustments
 For The Twelve Months Ended
 December 31, 2007
North Country Only

	Twelve Months Ending 12/31/07	Normalize Union Pro Forma Jan 1, 2007 Feb 15, 2007	Proforma Union Pro Forma Feb 16, 2008 - Dec 31, 2008	Total Proforma for Payroll	Total Proformed Twelve Months 12/31/07
Customer Service - Union	\$ 373	\$ 2	\$ 13	\$ 15	\$ 387
Production - Union	\$ 1,377	\$ 7	\$ 48	\$ 55	\$ 1,432
Distribution - Union	\$ 95,213	\$ 476	\$ 3,332	\$ 3,809	\$ 99,022
Construction	\$ 46,978	\$ 235	\$ 1,644	\$ 1,879	\$ 48,857
Other Accounts:	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 143,941	\$ 720	\$ 5,038	\$ 5,758	\$ 149,698
Wage Increase		4.0%	4.0%		

PITTSFIELD AQUEDUCT COMPANY, INC.
 2007 Management Fee
 Allocation of Mgt Fee
 For the Twelve Months Ended December 31, 2007

Summary of 2007 Allocated Costs							
Year to Date Costs through December 31, 2007							
Pennichuck Corporation and Subsidiaries							
(Dollar amounts in \$ 000's)							
	<u>Penn Water</u>	<u>Penn East</u>	<u>Pittsfield</u>	<u>Total Regulated</u>	<u>Con Ops(PWSC)</u>	<u>Real Estate(TSC)</u>	<u>Total</u>
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%
Pittsfield Share of Mgt Fee	54.1%		\$ 258,615				
North Country Share of Mgt Fee	45.9%		\$ 218,996				
Total			\$ 477,611				
Notes.							
(1) The allocation of management fees is based on avg percentage of assets and customers as follows.							
<u>Period Ending December 31, 2007</u>							
	<u>Pittsfield</u>	<u>North Country</u>	<u>Total</u>				
Assets	4,166,928	3,423,711	7,590,639				
	54.90%	45.10%	100.00%				
Customers	646	1,109	1,755				
	36.81%	63.19%	100.00%				
Average Percentage	45.9%	54.1%	100.0%				

PITTSFIELD AQUEDUCT COMPANY, INC.
BALANCE SHEET
ASSETS AND DEFERRED CHARGES
For The Twelve Months Ended December 31, 2007
North Country Only

Schedule 2

	12/31/2007	13 MONTH TEST YR AVERAGE	12/31/2006	12/31/2005
<u>PLANT ASSETS</u>				
Plant in Service	3,360,514	2,068,181	1,268,463	-
Work in process	-	-	-	-
Accumulated depreciation	(8,058)	16,350	-	-
Net Plant	3,368,571	2,051,831	1,268,463	-
Acquisition Adjustment	-	-	-	-
Accumulated amortization	-	-	-	-
Net Acquisition Adjustment	-	-	-	-
 Total Net Utility Plant	 3,368,571	 2,051,831	 1,268,463	 -
<u>CURRENT ASSETS</u>				
Cash	-	-	-	-
Short term investments: FHLB	-	-	-	-
Short term investments: MM	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable-billed, net	30,428	27,469	31,799	-
Accounts receivable-unbilled, net	19,020	23,644	18,123	-
Accounts receivable-other	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Prepaid property taxes	2,709	2,010	3,609	-
Prepaid income taxes	-	-	-	-
Intercompany receivable	-	-	-	-
	52,157	53,123	53,530	-
<u>OTHER ASSETS</u>				
Deferred land costs	-	-	-	-
Debt issuance expenses	-	-	-	-
Investment in partnerships	-	-	-	-
Other	2,982	1,782	-	-
	2,982	1,782	-	-
 TOTAL ASSETS	 \$ 3,423,711	 \$ 2,106,736	 \$ 1,321,993	 \$ -

PITTSFIELD AQUEDUCT COMPANY, INC.
BALANCE SHEET
EQUITY AND LIABILITIES
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 2A

NOT USED - EQUITY AND LIABILITIES ARE ON A COMBINED BASIS ONLY

PITTSFIELD AQUEDUCT COMPANY, INC.
 ACCUMULATED DEPRECIATION
 For The Twelve Months Ended December 31, 2007
North Country Only

Schedule 2
 Attachment A

<u>ACCOUNT CLASSIFICATION</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
Organization Costs	\$ 15,937	\$ -
Structures	9,724	-
Pumping and Distribution Equipment	16,316	-
Transmission and Distribution Mains	19,081	-
Services	3,297	-
Meters	9,327	-
Hydrants	-	-
Other Equipment	5,460	-
TOTAL	\$ 79,142	\$ -
Accumulated Depreciation - Loss	10,461	-
Accumulated Depreciation - Cost of Removal	76,739	-
GRAND TOTAL	\$ (8,058)	\$ -

Notes:

(1) In 2007, Accumulated Amortization of Organization Costs was reclassified to Accumulated Depreciation.

(2) In 2006, Accumulated Depreciation for both North Country and Pittsfield were recorded in the Pittsfield accounts. The accounts were segregated in 2007.

PITTSFIELD AQUEDUCT COMPANY, INC.
MATERIAL AND SUPPLIES
For The Twelve Months Ended December 31, 2007
North Country Only

Schedule 2
 Attachment B

	6/30/2007	13 Month Average	6/30/2006	6/30/2005
Chemicals	-	-	-	-
	-	-	-	-

Pittsfield Aqueduct Company, Inc.
Other Deferred Charges Other Assets
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 2
Attachment C

ACCT #	DESCRIPTION	12/31/2007	12/31/2006	12/31/2005	EXPLANATION
6186-000	PHASE II & V WAIVER - NO CNTRY	2,150	-	-	1
6186-260	NORTH COUNTRY RATE RELIEF	832	-	-	2
TOTAL DEFERRED CHARGES		2,982	-	-	

Notes:

- (1) The costs relate to obtaining a waiver of certain water sampling requirements from the NHDES.
- (2) 2007 costs incurred related to preliminary efforts on rate case.

**Pittsfield Aqueduct Company, Inc.
Deferred Charges Additions
For the Year Ended December 31, 2007
North Country Only**

**Schedule 2
Attachment D**

Asset ID	Acquisition Date	Acquisition Co	Placed In Service	Book Cost	Useful Life Months	Amort	Full Yr Amort	Pro Forma Adjustment
<i>Year Ending December, 2007</i>								
<i>Asset GL Acct #: 6186-000-002</i>								
	<i>Life Yr Mo: 0 yr 0 mo</i>							
17		PHASE II & V WAIVER - NO COUNTRY	03/01/2007	2,150.00				
<i>Subtotal: 6186-000-002 (1)</i>				2,150.00				
<i>Asset GL Acct #: 6186-275-002</i>								
	<i>Life Yr Mo: 0 yr 0 mo</i>							
21		EMERGENCY RATE RELIEF - NC	11/01/2007	832.00				
<i>Subtotal: 6186-275-002 (1)</i>				832.00				

Pittsfield Aqueduct Company, Inc.
Deferred Charges Dispositions
For the Year Ended December 31, 2007
North Country Only

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr & \$179/A & AFYD	Net Proceeds	Realized Gain (Loss)	Useful Life	Amort	Proforma Adjustment
NONE							Months		

**PITTSFIELD AQUEDUCT COMPANY, INC.
CONTRIBUTIONS IN AID OF CONSTRUCTION**

Schedule 2B

For The Twelve Months Ended December 31, 2007

North Country Only

	Contributions in Aid of Construction 6271-200	CIAC: Water Filtration Grant 6271-201	Sub Total of CIAC	Reserve for Amort of CIAC 6272-101	Grand Total of CIAC and Reserve for Amort of CIAC
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	14,096	-	14,096	(82)	14,015

PITTSFIELD AQUEDUCT COMPANY, INC.
COMPUTATION OF RATE BASE
For The Thirteen Months Ended December 31, 2007

Schedule 3

North Country Only

Description	Test Year Average (Sch 3B)	Period Ending June 30, 2007 Rate Base	Pro Forma Adjustments Permanent Rates	Pro Forma Test Year
Plant in Service	2,068,181	3,360,514	1,194,858 (1)	3,263,039
Accum Deprec	28,621	79,142	21,655 (2)	50,277
Accum Deprec: Loss/COB	12,272	87,200	-	12,272
Acquisition Adjustment	-	-	-	-
Accum Amort Acq Adj	-	-	-	-
CIAC	4,337	14,096	-	4,337
Amort of CIAC	9	82	-	9
	<u>2,047,503</u>	<u>3,354,557</u>	<u>1,173,203</u>	<u>3,220,706</u>
ADD:				
Working Cap	45,409	43,575	26,931 (3)	72,340
Materials & Supplies	-	-	-	-
Prepayments	2,010	2,709	-	2,010
Other & Deferred Charges	1,782	2,982	35,252 (4)	37,034
	<u>49,201</u>	<u>49,266</u>	<u>62,183</u>	<u>111,384</u>
DEDUCT:				
Customer Advances	-	-	-	-
Customer Deposits	-	-	-	-
Deferred Income Tax	-	-	2,769 (5)	2,769
	-	-	2,769	2,769
TOTAL Rate Base	<u><u>2,096,704</u></u>	<u><u>3,403,823</u></u>	<u><u>1,232,616</u></u>	<u><u>3,329,320</u></u>

Notes:

- (1) adjust test year average to year end for non-revenue producing assets per Schedule 3, Attachment A
- (2) increase/decrease accumulated depreciation for the additions/deletions to plant per Schedule 3, Attachment C
- (3) reflect impact of the expense proforma adjustments on working capital per Schedule 3, Attachment D
- (4) increase for allocations and adjustments to deferred charges per Schedule 3, Attachment B
- (5) decrease for the deferred income taxes proforma per Schedule 3, Attachment E.

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Plant in Service
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 3
Attachment A

I PLANT IN SERVICE

B Schedule 3, Attachment A, Exhibit 2, details additions to plant in service that were completed within the test year. All items are capital improvements that are necessitated by mandates, SDWA, regulation, replacement of aging infrastructure or upgrades to the system. All of these plant additions are considered non-revenue producing in nature.

These non revenue producing capital additions were calculated as part of the thirteen month average of plant in service for the test year. The following proforma adjustment is to reflect the non revenue producing asset additions with their respective year end balances as follows:

Test Year Amount	\$ 620,209
Year End Balance	<u>\$ 1,815,067</u>
Pro Forma Adjustment	<u>\$ 1,194,858</u>

Therefore:

\$ 1,194,858

TOTAL PRO FORMA PLANT IN SERVICE

\$ 1,194,858

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Deferred Debits
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 3
Attachment B

II DEFERRED DEBITS

A. A portion of the Organization Expense related to the North Country was recorded as deferred debits and transferred to North Country Organization Expense. The following proforma eliminates the portion recorded in deferred debits from the Pittsfield's thirteen month average as follows: (Schedule 3B)

Test Year Amount	\$ 79,988
Test Year Amount	
w/o Acquisition Costs	<u>\$ 54,182</u>
Pro Forma Adjustment	<u>\$ 25,805</u>

Therefore: \$ 25,805

B. To reflect the allocation of Sarbanes Oxley costs based on assets and customers as follows:

	Pittsfield	North Country	Total
Assets	\$ 4,166,928	\$ 3,423,711	\$ 7,590,639
		45.10%	
Customers	646	1,109	1,755
		63.19%	
Allocation %		<u>54.15%</u>	
Sarbanes Costs		<u>\$ 18,434</u>	
Allocated Amount		<u>\$ 9,982</u>	
Pro Forma Adjustment		<u>\$ 8,453</u>	

Therefore: \$ 8,453

C. To reflect amortization expense for deferred charges placed in service or retired during 2007 and not reflected in the test year. (Schedule 1, Attachment F)

Therefore: \$ (2,208)

D. In the test year, the Company included deferred charges, account 6186-225-001, that should be reclassified from Pittsfield.

Therefore: \$ 3,202

TOTAL PRO FORMA UNAMORTIZED DEFERRED ASSETS: \$ 35,252

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Accumulated Depreciation
For the Twelve Months Ended December 31, 2007
North Country Only

Schedule 3
Attachment C

I ACCUMULATED DEPRECIATION

A. To reflect the additional 1/2 year depreciation expense pro forma for capital assets added in test year.
(See Schedule 3, Attachment A, Exhibit 1)

Therefore: \$ 25,672

B To reflect 1/2 year depreciation expense less pro forma for capital assets retired in the test year
(See Schedule 3, Attachment A, Exhibit 3)

Therefore: \$ (1,317)

C. As a result of the depreciation analysis performed by J. Guastella dated 2/25/08, he is recommending revised depreciation rates. The annual impact to depreciation expense is allocated as follows: (Schedule 3 of the depreciation study)

<u>Depreciation Expense with proforma A thru C:</u>		
Pittsfield	76,158	47.92%
North Country	82,757	52.08%
Total	<u>158,915</u>	100.00%

Adjustment per Depreciation Study:

Total	<u>(5,185)</u>
Pittsfield	<u>(2,485)</u>
North Country	<u>(2,700)</u>

Therefore: \$ (2,700)

TOTAL ACCUMULATED DEPRECIATION PRO FORMA: \$ 21,655

PITTSFIELD AQUEDUCT COMPANY, INC.
Pro Forma Adjustment to Rate Base
Working Capital
For the Twelve Months Ended December 31, 2007
North Country Only

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 last case DW-03-107.) Total pro forma operation and maintenance expenses (Schedule 1) are for the test year.

Therefore:

Total O & M Expenses	Working Capital Rate	
\$ 218,419	12.33%	\$ 26,931

TOTAL PRO FORMA WORKING CAPITAL:

\$ 26,931

**Rate Base
Deferred Income Taxes
For the Twelve Months Ended December 31, 2007
North Country**

**Schedule 3
Attachment E**

I DEFERRED INCOME TAXES

A. A pro forma adjustment for Deferred Income Taxes is calculated for the test year addition based on net operating income as follows:

	NOI	% NOI
Pittsfield	\$ (115,992)	69.97%
North Country	(49,774)	30.03%
	<u>\$ (165,766)</u>	<u>100.00%</u>

	Def Inc Taxes		NC Portion
2007	\$ 246,512		
2006	126,610		
Increment	<u>\$ 119,902</u>	30.03%	<u>\$ 36,003</u>
1 month of 13 month average			<u>\$ 2,769</u>

Therefore: \$ 2,769

TOTAL PRO FORMA DEFERRED INCOME TAXES: \$ 2,769

Pittsfield Aqueduct Company, Inc.
Asset Acquisitions
For the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	Placed in Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Asset GL Acct #: 6301-000-002</i>					
12.7	CONSOLIDATED WATER CO. ACQUISITION 02/01/2007	1,540.00			
12.8	CONSOLIDATED WATER CO. ACQUISITION 03/01/2007	244.90			
60000-000434	CONSOLIDATED WATER COMPANY ACQUISITION 10/01/2007	360.00			
<i>Subtotal: 6301-000-002 (3)</i>		2,144.90			
<i>Asset GL Acct #: 6303-300-002</i>					
60000-000330	SUNRISE ESTATES EASEMENTS 02/01/2007	700.00			
60000-000410	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	4,757.08			
60000-000421	LOCKE LAKE ARSENIC TREATMENT 10/01/2007	-941.40			
<i>Subtotal: 6303-300-002 (3)</i>		4,515.68			
<i>Asset GL Acct #: 6304-100-002</i>					
<i>Life: 75 yr 0 mo</i>					
60000-000319	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 01/01/2007	14,386.83	900	191.82	95.91
60000-000326	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 02/01/2007	779.56	900	10.39	5.20
60000-000327	CONFINED SPACE - SUNRISE EST. 02/01/2007	11,042.38	900	147.23	73.62
60000-000328	CONFINED SPACE - SUNRISE EST. 02/01/2007	2,645.49	900	35.27	17.64
60000-000342	CONFINED SPACE - SUNRISE EST. 03/01/2007	1,932.24	900	25.76	12.88
60000-000381	CONFINED SPACE - SUNRISE ESTATES 07/01/2007	1,000.00	900	13.33	6.67
60000-000384	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 07/01/2007	75.44	900	1.01	0.50
60000-000409	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	476,047.80	900	6,347.30	3,173.65
60000-000415	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE 09/01/2007	6,061.96	900	80.83	40.41
60000-000423	CONFINED SPACE - SUNRISE ESTATES 10/01/2007	72.70	900	0.97	0.48
60000-000424	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE 10/01/2007	5,553.81	900	74.05	37.03
60000-000442	LOCKE LAKE ARSENIC TREATMENT 11/01/2007	2,267.86	900	30.24	15.12
60000-000414.22	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	326,162.97	900	4,348.84	2,174.42
<i>Subtotal: 6304-100-002 (15)</i>		848,029.04			

Pittsfield Aqueduct Company, Inc.
Asset Acquisitions
For the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
Asset GL Acct #: 6307-000-002 Asset GL Acct #: 6307-100-002 Life: 50 yr 0 mo 60000-0000353	WELL DEEPENING BRW #13, LOCKE LAKE 05/01/2007	140.80	600	2.82	1.41
Subtotal: 6307-100-002 (1)		140.80			
Asset GL Acct #: 6305-000-002 Life: 75 yr 9 mo 60000-0000408	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	9,379.57	909	123.82	61.91
60000-000413	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	1,867.37	909	24.65	12.33
60000-000441	LOCKE LAKE ARSENIC TREATMENT 11/01/2007	263.46	909	3.48	1.74
Subtotal: 6305-000-002 (3)		11,510.40			
Asset GL Acct #: 6310-000-002 Life: 16 yr 4 mo 60000-0000407	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	32,515.61	196	1,990.75	995.38
Subtotal: 6310-000-002 (1)		32,515.61			
Asset GL Acct #: 6311-000-002 Life: 16 yr 4 mo 60000-0000320	BIRCH HILL LOT 58 PUMP REPLACEMENT 01/01/2007	8,387.55	196	513.52	256.76
60000-000344 2	LOCKE LAKE SEC S PUMP REPLACEMENT 04/01/2007	6,232.18	196	381.56	190.78
60000-000354	LOCKE LAKE, SEC S PUMP REPLACEMENT 05/01/2007	45.00	196	2.76	1.38
60000-000385	BIRCH HILL LOT 149 PUMP REPLACEMENT 05/01/2007	16,104.99	196	986.02	493.01
60000-000396	AIRSTrip BOOSTER PUMP REPAIR 06/01/2007	606.48	196	37.13	18.57
60000-000373	REPLACEMENT OF WELL PUMP #3 - SUNRISE ESTATES 06/01/2007	12,092.74	196	740.37	370.19
60000-000397	PUMP REPLACEMENT AT LOT 139, BIRCH HILL 09/01/2007	1,636.21	196	100.18	50.09
60000-000406	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	157,543.38	196	9,645.51	4,822.76
60000-000412	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	73.90	196	4.52	2.26
60000-000422	LOCKE LAKE ARSENIC TREATMENT 10/01/2007	10,556.63	196	646.51	323.25
60000-000426	REPLACEMENT OF WELL PUMP #3, MIDDLETON 10/01/2007	117.00	196	7.16	3.58
60000-000427	LOT 43S WELL PUMP/MOTOR REPLACEMENT, BIRCH HILL 10/01/2007	2,931.08	196	179.45	89.73

Pittsfield Aqueduct Company, Inc.
Asset Acquisitions
For the Twelve Months Ended December 31, 2007
North_Country Only

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Asset GL Acct #:</i> 6301-000-002					
60000-000428	LOT 71 WELL PUMP/MOTOR REPLACEMENT, BIRCH HILL 10/01/2007	4,537.12	196	277.78	138.89
60000-000445	LOT 43N WELL PUMP/MOTOR REPLACEMENT 12/01/2007	2,011.05	196	123.13	61.56
60000-000446	LOCKE LAKE WELL #11 REPLACEMENT 12/01/2007	5,234.52	196	320.48	160.24
<i>Subtotal:</i> 6311-000-002 (16)					
<i>Asset GL Acct #:</i> 6320-200-002					
<i>Life:</i> 32 yr 2 mo					
60000-000360	AIRSTrip TREATMENT PIPING 07/01/2007	2,371.17	386	73.72	36.86
60000-000405	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	215,274.76	386	6,682.48	3,346.24
60000-000411	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	14,157.50	386	440.13	220.06
60000-000443	LOCKE LAKE ARSENIC TREATMENT 11/01/2007	7,736.23	386	240.50	120.25
<i>Subtotal:</i> 6320-200-002 (4)					
<i>Asset GL Acct #:</i> 6330-000-002					
<i>Life:</i> 41 yr 0 mo					
60000-000386.2	LOCKE LAKE STORAGE TANK - 250,000 GALLON 08/01/2007	447,347.89	492	10,910.92	5,455.46
60000-000399	LOCKE LAKE STORAGE TANK - 250,000 GALLON 08/01/2007	32,517.22	492	793.10	396.55
60000-000402	GOLF COURSE PUMP HOUSE; LOCKE LAKE STORAGE TANK 09/01/2007	8,148.05	492	198.73	99.37
60000-000444	LOCKE LAKE STORAGE TANK - 250,000 GALLON 11/01/2007	970.81	492	23.68	11.84
<i>Subtotal:</i> 6330-000-002 (5)					
<i>Asset GL Acct #:</i> 6331-003-002					
<i>Life:</i> 78 yr 9 mo					
60000-000385	GATES - PAVING; LOCKE LAKE 07/01/2007	460.24	945	5.84	2.92
<i>Subtotal:</i> 6331-003-002 (1)					
<i>Asset GL Acct #:</i> 6331-250-002					
<i>Life:</i> 72 yr 5 mo					
60000-000311	DISTRIBUTION MAINS - GATES; LOCKE LAKE 01/01/2007	2,000.25	869	27.62	13.81
60000-000325	DISTRIBUTION MAINS - GATES; LOCKE LAKE 02/01/2007	7,471.50	869	103.17	51.59
60000-000333	DISTRIBUTION MAINS; GATES - SUNRISE ESTATES 03/01/2007	1,775.06	869	24.51	12.26

Pittsfield Aqueduct Company, Inc.
Asset Acquisitions
For the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Asset GL Acct #: 6301-000-002</i>					
60000-000334	DISTRIBUTION MAINS: GATE - LOCKE LAKE 03/01/2007	2,161.46	869	29.85	14.92
60000-000346	DISTRIBUTION MAINS - GATES: LOCKE LAKE 04/01/2007	6,859.66	869	94.72	47.36
60000-000355	DISTRIBUTION MAINS: GATES - LOCKE LAKE 05/01/2007	498.72	869	6.89	3.44
60000-000389	DISTRIBUTION MAINS - GATES: BIRCH HILL 08/01/2007	2,881.44	869	39.79	19.89
60000-000449	DISTRIBUTION MAINS: GATES - LOCKE LAKE 12/01/2007	2,062.45	869	28.48	14.24
<i>Subtotal: 6331-250-002 (8)</i>		25,710.54			
<i>Asset GL Acct #: 6333-100-002</i>					
<i>Life: 40 yr 0 mo</i>					
60000-000356	1" CT SERVICE: LOCKE LAKE (1) 05/01/2007	1,077.48	480	26.94	13.47
60000-000390	1" CT SERVICE: LOCKE LAKE, 1 08/01/2007	1,492.16	480	37.30	18.65
60000-000430	1" CT SERVICE: LOCKE LAKE, 1 10/01/2007	1,040.85	480	26.02	13.01
60000-000437	1" CT SERVICE: LOCKE LAKE, 1 11/01/2007	4,519.87	480	113.00	56.50
<i>Subtotal: 6333-100-002 (4)</i>		8,130.36			
<i>Asset GL Acct #: 6333-200-002</i>					
<i>Life: 40 yr 0 mo</i>					
60000-000312	3/4" RENEWED SERVICE: LOCKE LAKE, 1 01/01/2007	2,982.98	480	74.57	37.29
60000-000318	3/4" RENEWED SERVICE: LOCKE LAKE, 1 01/01/2007	2,511.45	480	62.79	31.39
60000-000357	3/4" CT RENEWED SERVICE: LOCKE LAKE (1) 05/01/2007	1,380.17	480	34.50	17.25
60000-000358	3/4" CT RENEWED SERVICE: LOCKE LAKE (1) 05/01/2007	4,603.48	480	115.09	57.54
60000-000388	1" CT SERVICES: LOCKE LAKE, 3 08/01/2007	4,414.64	480	110.37	55.18
60000-000416	3/4" RENEWED SERVICE: LOCKE LAKE, 1 09/01/2007	2,316.06	480	57.90	28.95
60000-000438	1" CT RENEWED SERVICE: LOCKE LAKE, 2 11/01/2007	3,435.16	480	85.88	42.94
<i>Subtotal: 6333-200-002 (7)</i>		21,643.94			
<i>Asset GL Acct #: 6334-000-002</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000313	CHAMBER COMPS: LOCKE LAKE 01/01/2007	32.62	240	1.63	0.82
60000-000314	5/8" METERS: SUNRISE ESTATES, 2 NEW 01/01/2007	248.97	240	12.45	6.22

Pittsfield Aqueduct Company, Inc.
Asset Acquisitions
For the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	Placed in Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
Asset GL Accl # 6101-000-002					
60000-000315	3/4" METERS: SUNRISE ESTATES, 1 NEW 01/01/2007	183.55	240	9.18	4.59
60000-000316	5/8" METERS: LOCKE LAKE, 14 RENEWED 01/01/2007	1,848.93	240	92.45	46.22
60000-000317	2" METERS: LOCKE LAKE, 1 RENEWED 01/01/2007	1,827.56	240	96.38	48.19
60000-000321	5/8" METERS: BIRCH HILL, 4 NEW 02/01/2007	956.34	240	47.82	23.91
60000-000322	5/8" METERS: MIDDLETON, 1 NEW 02/01/2007	308.88	240	15.49	7.75
60000-000323	5/8" METERS: LOCKE LAKE, 3 RENEWED 02/01/2007	381.51	240	19.08	9.54
60000-000324	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 02/01/2007	64.26	240	3.21	1.61
60000-000335	5/8" METERS: BIRCH HILL, 1 NEW 03/01/2007	508.94	240	25.50	12.75
60000-000336	5/8" METERS: LOCKE LAKE, 1 NEW 03/01/2007	175.76	240	8.79	4.39
60000-000337	5/8" METERS: SUNRISE ESTATES, 2 NEW 03/01/2007	430.70	240	21.54	10.77
60000-000338	5/8" METERS: LOCKE LAKE, 29 RENEWED 03/01/2007	4,592.22	240	229.61	114.81
60000-000339	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 03/01/2007	64.26	240	3.21	1.61
60000-000348	5/8" METERS: BIRCH HILL, 1 NEW 04/01/2007	325.71	240	16.29	8.14
60000-000349	5/8" METERS: BIRCH HILL, 1 RENEWED 04/01/2007	64.26	240	3.21	1.61
60000-000350	5/8" METERS: LOCKE LAKE, 9 RENEWED 04/01/2007	927.68	240	46.38	23.19
60000-000351	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 04/01/2007	64.26	240	3.21	1.61
60000-000359	CHAMBER COMPS: LOCKE LAKE 05/01/2007	445.91	240	22.30	11.15
60000-000360	5/8" METERS: BIRCH HILL, 2 NEW 05/01/2007	618.02	240	30.90	15.45
60000-000361	5/8" METERS: LOCKE LAKE, 4 NEW 05/01/2007	755.81	240	37.79	18.90
60000-000362	5/8" METERS: LOCKE LAKE, 13 RENEWED 05/01/2007	910.12	240	45.51	22.75
60000-000363	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 05/01/2007	64.26	240	3.21	1.61
60000-000368	CHAMBER COMPS: LOCKE LAKE 06/01/2007	16.32	240	0.82	0.41
60000-000369	5/8" METERS: LOCKE LAKE, 3 NEW 06/01/2007	601.36	240	30.07	15.03
60000-000370	5/8" METERS: SUNRISE ESTATES, 1 NEW 06/01/2007	491.86	240	24.59	12.30
60000-000371	5/8" METERS: LOCKE LAKE, 1 RENEWED 06/01/2007	65.49	240	3.27	1.64

Pittsfield Aqueduct Company, Inc.
Asset Acquisitions
For the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	Placed in Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Asset Gl. Acct #: 6301-000-002</i>					
	07/01/2007	180.43	240	9.02	4.51
60000-000376	5/8" METERS. SUNRISE ETATES, 1 NEW 07/01/2007	197.31	240	9.87	4.93
60000-000377	5/8" METERS: LOCKE LAKE, 1 RENEWED 07/01/2007	65.49	240	3.27	1.64
60000-000386	5/8" METERS: LOCKE LAKE, 2 RENEWED 08/01/2007	311.40	240	15.57	7.79
60000-000392	CHAMBER COMPS: LOCKE LAKE 08/01/2007	375.36	240	18.77	9.38
60000-000393	CHAMBER COMPS: SUNRISE ESTATES 08/01/2007	48.96	240	2.45	1.22
60000-000394	5/8" METERS: LOCKE LAKE, 5 NEW 08/01/2007	566.73	240	28.34	14.17
60000-000395	5/8" METERS: SUNRISE ESTATES, 1 NEW 08/01/2007	323.26	240	16.16	8.08
60000-000403	NEW RADIO INSTALLS: LOCKE LAKE, 472 NEPTUNES 09/01/2007	39,831.99	240	1,991.60	995.80
60000-000417	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 09/01/2007	45.61	240	2.28	1.14
60000-000418	5/8" METERS: BIRCH HILL, 1 NEW 09/01/2007	239.59	240	11.98	5.99
60000-000432	5/8" METERS: LOCKE LAKE, 1 NEW 10/01/2007	223.49	240	11.17	5.59
60000-000436	5/8" METERS: LOCKE LAKE, 2 NEW 11/01/2007	388.87	240	19.44	9.72
60000-000451	NEW RADIO INSTALLS FOR LOCKE LAKE, 11 NEPTUNES INSTALLED 12/01/2007	835.75	240	41.79	20.89
<i>Subtotal: 6334-000-002 (41)</i>		60,711.80			
<i>Asset Gl. Acct #: 6339-000-002</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000382	LOCKE LAKE SAMPLE STATION 07/01/2007	2,587.71	240	129.39	64.69
60000-000383	MIDDLETON SAMPLE STATION 07/01/2007	1,187.26	240	59.36	29.68
60000-000400	BIRCH HILL SAMPLE STATIONS 08/01/2007	3,586.88	240	179.34	89.67
<i>Subtotal: 6339-000-002 (3)</i>		7,361.85			
<i>Asset Gl. Acct #: 6346-000-002</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000452	RUGGED PALM PILOTS - NORTH COUNTRY 12/01/2007	875.00	240	43.75	21.88
<i>Subtotal: 6346-000-002 (1)</i>		875.00			
2007 Total		1,980,386.72			25,672.30

Pittsfield Aqueduct Company, Inc.
Non Revenue Producing Capital Additions
For the Twelve Months Ended December 31, 2007
North Country Only

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Asset ID	Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
<i>Asset GL Acct #: 6304-100-002</i>					
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 01/01/2007	14,386.83	12/13	13,280.15	1,106.68
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 02/01/2007	779.56	11/13	659.63	119.93
60000-	CONFINED SPACE - SUNRISE EST. 02/01/2007	11,042.38	11/13	9,343.55	1,698.83
60000-	CONFINED SPACE - SUNRISE EST. 02/01/2007	2,645.49	11/13	2,238.49	407.00
60000-	CONFINED SPACE - SUNRISE EST. 03/01/2007	1,932.24	10/13	1,486.34	445.90
60000-	CONFINED SPACE - SUNRISE ESTATES 07/01/2007	1,000.00	6/13	461.54	538.46
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 07/01/2007	75.44	6/13	34.82	40.62
60000-	LOCKE LAKE ARSENIC TREATMNT 09/01/2007	476,047.80	4/13	146,476.25	329,571.55
60000-	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE 09/01/2007	6,061.96	4/13	1,865.22	4,196.74
60000-	CONFINED SPACE - SUNRISE ESTATES 10/01/2007	72.70	3/13	16.78	55.92
60000-	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE 10/01/2007	5,553.81	3/13	1,281.65	4,272.16
60000-	LOCKE LAKE ARSENIC TREATMENT 11/01/2007	2,267.86	2/13	348.90	1,918.96
60000-	LOCKE LAKE ARSENIC TREATMNT 09/01/2007	326,162.97	4/13	100,357.84	225,805.13
<i>Subtotal: 6304-100-002 (15)</i>		848,029.04			
<i>Asset GL Acct #: 6307-100-002</i>					
60000-	WELL DEEPENING BRW #13, LOCKE LAKE 05/01/2007	140.80	8/13	86.65	54.15
<i>Subtotal: 6307-100-002 (1)</i>		140.80			
<i>Asset GL Acct #: 6309-000-002</i>					
60000-	LOCKE LAKE ARSENIC TREATMNT 09/01/2007	9,379.57	4/13	2,886.02	6,493.55
60000-	LOCKE LAKE ARSENIC TREATMNT 09/01/2007	1,867.37	4/13	574.58	1,292.79
60000-	LOCKE LAKE ARSENIC TREATMENT 11/01/2007	263.46	2/13	40.53	222.93
<i>Subtotal: 6309-000-002 (3)</i>		11,510.40			

Pittsfield Aqueduct Company, Inc.
Non Revenue Producing Capital Additions
For the Twelve Months Ended December 31, 2007
North Country Only

Asset ID	Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
Asset GL Acct # 6310-000-002 60000- LOCKE LAKE ARSENIC TREATMENT	09/01/2007	32,515.61	4/13	10,004.80	22,510.81
Subtotal: 6310-000-002 (1)		32,515.61			
Asset GL Acct # 6311-000-002 60000- LOCKE LAKE ARSENIC TREATMENT	09/01/2007	157,543.38	4/13	48,474.89	109,068.49
60000- LOCKE LAKE ARSENIC TREATMENT	09/01/2007	73.90	4/13	22.74	51.16
60000- LOCKE LAKE ARSENIC TREATMENT	10/01/2007	10,559.63	3/13	2,436.84	8,122.79
Subtotal: 6311-000-002 (16)		168,176.91			
Asset GL Acct # 6320-200-002 60000- AIRSTRIP TREATMENT PIPING	07/01/2007	2,371.17	6/13	1,094.39	1,276.78
60000- LOCKE LAKE ARSENIC TREATMENT	09/01/2007	215,274.76	4/13	66,238.39	149,036.37
60000- LOCKE LAKE ARSENIC TREATMENT	09/01/2007	14,157.50	4/13	4,356.15	9,801.35
60000- LOCKE LAKE ARSENIC TREATMENT	11/01/2007	7,736.23	2/13	1,190.19	6,546.04
Subtotal: 6320-200-002 (4)		239,539.66			
Asset GL Acct # 6330-000-002 60000- LOCKE LAKE STORAGE TANK - 250,000 GALLON	08/01/2007	447,347.89	5/13	172,056.88	275,291.01
60000- LOCKE LAKE STORAGE TANK - 250,000 GALLON	08/01/2007	32,517.22	5/13	12,506.62	20,010.60
60000- GOLF COURSE PUMP HOUSE, LOCKE LAKE STORAGE TANK	09/01/2007	8,148.05	4/13	2,507.09	5,640.96
60000- LOCKE LAKE STORAGE TANK - 250,000 GALLON	11/01/2007	970.91	2/13	149.37	821.54
Subtotal: 6330-000-002 (5)		488,984.07			
Asset GL Acct # 6331-003-002 60000- GATES - PAVING, LOCKE LAKE	07/01/2007	460.24	6/13	212.42	247.82
Subtotal: 6331-003-002 (1)		460.24			
Asset GL Acct # 6331-250-002					

Pittsfield Aqueduct Company, Inc.
Non Revenue Producing Capital Additions
For the Twelve Months Ended December 31, 2007
North Country Only

Asset ID		Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
60000-	DISTRIBUTION MAINS - GATES: LOCKE LAKE	01/01/2007	2,000.25	12/13	1,846.38	153.87
60000-	DISTRIBUTION MAINS - GATES: LOCKE LAKE	02/01/2007	7,471.50	11/13	6,322.04	1,149.46
60000-	DISTRIBUTION MAINS: GATES - SUNRISE ESTATES	03/01/2007	1,775.06	10/13	1,365.43	409.63
60000-	DISTRIBUTION MAINS: GATE - LOCKE LAKE	03/01/2007	2,161.46	10/13	1,662.66	498.80
60000-	DISTRIBUTION MAINS - GATES: LOCKE LAKE	04/01/2007	6,859.66	9/13	4,749.00	2,110.66
60000-	DISTRIBUTION MAINS: GATES - LOCKE LAKE	05/01/2007	498.72	8/13	306.90	191.82
60000-	DISTRIBUTION MAINS - GATES: BIRCH HILL	08/01/2007	2,881.44	5/13	1,108.25	1,773.19
60000-	DISTRIBUTION MAINS: GATES - LOCKE LAKE	12/01/2007	2,062.45	1/13	158.65	1,903.80
<i>Subtotal 6331-250-002 (R)</i>			25,710.54			
2007 Total			1,815,067.27		620,209.00	1,194,858.27

Pittsfield Aqueduct Company, Inc.
Asset Dispositions
For the Twelve Months Ended June 30, 2007
North Country Only

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Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
<i>Asset GL Acct #: 6307-100-002</i>								
<i>Life Yr Mo: 50 yr 0 mo</i>								
60000-000274.1	LOCKE LAKE GOLF COURSE WELLS 12/01/2006	10/01/2007	2,208.97	44.18	0.00	-2,164.79	44.18	22.09
60000-000283.1	SUNRISE ESTATES WELLS 12/01/2006	10/01/2007	1,476.54	29.54	0.00	-1,447.00	29.53	14.77
60000-000290.1	BIRCH HILL HALES LOCATION WELL 12/01/2006	10/01/2007	2,647.60	52.96	0.00	-2,594.64	52.95	26.48
60000-000290.2	BIRCH HILL HALES LOCATION WELL 12/01/2006	12/01/2007	38,935.40	778.70	0.00	-38,156.70	778.71	389.35
<i>Subtotal: 6307-100-002 (4)</i>			45,268.51	905.38	0.00	44,363.13		
<i>Asset GL Acct #: 6311-000-002</i>								
<i>Life Yr Mo: 16 yr 4 mo</i>								
60000-000275.1	LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	10/01/2007	5,005.98	306.48	0.00	-4,699.50	306.55	153.28
60000-000291.1	BIRCH HILL ELECTRIC PUMPING EQUIPMENT 12/01/2006	10/01/2007	3,059.56	187.32	0.00	-2,872.24	187.36	93.68
60000-000291.3	Hales Location Well House - BIRCH HILL ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	556.22	34.06	0.00	-522.16	34.06	17.03
60000-000275.21	Section S - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	10/01/2007	556.22	34.06	0.00	-522.16	34.06	17.03
60000-000275.22	Monroe - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	3,893.54	238.38	0.00	-3,655.16	238.43	119.21
60000-000275.23	Winwood - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	3,893.54	238.38	0.00	-3,655.16	238.43	119.21
60000-000275.24	Golf Course - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	6,118.72	374.62	0.00	-5,744.10	374.69	187.35
<i>Subtotal: 6311-000-002 (7)</i>			23,083.78	1,413.30	0.00	-21,670.48		
<i>Asset GL Acct #: 6330-000-002</i>								
<i>Life Yr Mo: 41 yr 0 mo</i>								
60000-000277.1	LOCKE LAKE PUMP STATION TANK 12/01/2006	10/01/2007	7,230.86	176.36	0.00	-7,054.50	176.36	88.18

Pittsfield Aqueduct Company, Inc.
Asset Dispositions
For the Twelve Months Ended June 30, 2007
North Country Only

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Asset ID	Placed in Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
<i>Subtotal: 6330-000-002 (1)</i>			7,230.86	176.96	0.00	-7,054.50		
<i>Asset GL Acct #: 6333-100-002</i>								
<i>Life Yr Mo: 40 yr 0 mo</i>								
60000-000279 1	LOCKE LAKE SERVICES - 1A (dual) 12/01/2006	09/01/2007	1,674.18	41.86	0.00	-1,632.32	41.85	20.93
60000 00279 21	LOCKE LAKE SERVICES - 2 (dual) 12/01/2006	12/01/2007	372.04	9.30	0.00	-362.74	9.30	4.65
<i>Subtotal: 6333-100-002 (2)</i>			2,046.22	51.16	0.00	-1,995.06		
<i>Asset GL Acct #: 6334-000-002</i>								
<i>Life Yr Mo: 20 yr 0 mo</i>								
000184	5/8" METERS - SUNRISE ESTATES, MIDDLETON 1 NEW 09/01/2006	07/01/2007	159.44	7.98	0.00	-151.46	7.97	3.99
60000 000280 1	LOCKE LAKE METERS - 110 Meters 12/01/2006	07/01/2007	1,379.40	68.98	0.00	-1,310.42	68.97	34.49
60000 000305	5/8" NEW METERS - MIDDLETON (1) 12/01/2006	07/01/2007	203.67	10.18	0.00	-193.49	10.18	5.09
<i>Subtotal: 6334-000-002 (3)</i>			1,742.51	87.14	0.00	-1,655.37		
2007 Total			79,371.88	2,633.34	0.00	-76,738.54	2,633.59	1,316.80

PITTSFIELD AQUEDUCT COMPANY
COMPUTATION OF WORKING CAPITAL (O&M) ALLOWANCE
For The Thirteen Months Ended December 31, 2007
North Country Only

Schedule 3A

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Average
Production Expenses	14,532	18,988	11,903	17,679	17,076	9,608	12,692	11,320	15,627	25,008	18,917	15,286	14,164	
Transmission & Distribution Expense	14,597	20,495	9,735	21,757	18,147	10,899	8,610	9,026	7,339	230	8,580	10,220	13,317	
Customer Acct & Collection Exp	2,355	1,596	1,308	1,570	1,912	2,651	1,843	1,272	3,272	2,228	1,337	1,055	1,239	
Administrative & General Expense	1,522	1,448	1,532	1,458	3,338	2,235	2,379	2,133	1,400	1,461	(1,618)	1,562	730	
Inter Div Management Fee	0	0	0	0	0	0	-	-	-	-	-	-	-	
Total Operating Expense	33,006	42,526	24,477	42,465	40,472	25,393	25,523	23,751	27,638	28,927	27,217	28,122	29,450	30,690
Allocation Factor	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%
Working Capital	4,070	5,243	3,018	5,236	4,990	3,131	3,147	2,929	3,408	3,567	3,356	3,468	3,631	
Annualized	48,836	62,922	36,216	62,831	59,883	37,572	37,764	35,142	40,893	42,800	40,270	41,610	43,575	45,409

PITTSFIELD AQUEDUCT COMPANY
COMPUTATION OF THIRTEEN MONTH AVERAGE BALANCE
For The Thirteen Months Ended December 31, 2007
North Country Only

Schedule 3B

DESCRIPTION	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Average
Plant in Service	1,268,463	1,297,723	1,321,203	1,337,080	1,446,373	1,474,812	1,490,097	1,595,721	2,092,857	3,399,636	3,396,453	3,405,417	3,360,514	2,068,181
Accum Deprec	-	-	-	-	-	-	-	50,980	47,676	56,507	64,364	73,407	79,142	28,621
Accum Deprec: Loss/COR	-	-	-	-	-	-	-	1,655	1,655	3,537	31,186	34,299	87,200	12,272
CIAC	-	-	-	-	-	-	-	-	-	14,096	14,096	14,096	14,096	4,337
Reserve of CIAC Amort	-	-	-	-	-	-	-	-	-	-	-	41	82	9
O&M Allowance	48,836	62,922	36,216	62,831	59,885	37,572	37,764	35,142	40,893	42,800	40,270	41,610	43,575	45,409
Materials & Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	3,609	2,359	1,110	-	-	4,719	3,539	2,313	1,087	0	2,470	2,217	2,709	2,010
Other & Def Charges	-	-	-	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,982	2,982	1,782
Cust Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cust Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regulatory Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unamortized FCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,320,907	1,363,004	1,358,530	1,402,060	1,508,405	1,519,252	1,533,551	1,586,002	2,090,967	3,377,519	3,394,068	3,399,062	3,403,823	2,096,704

Notes:
(1) From December 2006 through March 2007, other & deferred charges included deferred charges related to the North Country acquisition.
In April 2007, the deferred charges were reclassified to North Country organization costs. The impact is as follows:

Other & Def Charges	141,959	140,255	139,726	139,787	55,016	53,884	51,668	52,370	52,395	50,788	53,711	53,407	54,875	79,988
NC acquisition costs	84,205	83,430	84,196	83,639	-	-	-	-	-	-	-	-	-	25,805
Other Assets w/o Acq Costs	57,754	56,825	55,530	56,148	55,016	53,884	51,668	52,370	52,395	50,788	53,711	53,407	54,875	54,182



PENNICHUCK
PITTSFIELD AQUEDUCT COMPANY, INC.

DW 08-052

INDEX

Documents Filed Under NHPUC Rule 1604.06 AND 1604.08

1. COVER LETTER AND ATTESTATION
2. PETITION AND TESTIMONY FOR TEMPORARY RATES
3. TARIFF PAGES AS REVISED
4. REPORT OF PROPOSED RATE CHANGES
5. TESTIMONY OF DONALD L. WARE
6. TESTIMONY OF BONALYN J. HARTLEY
 - A. SUPPORTING SCHEDULES AND EXHIBITS FOR 1604.06
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11. SUPPORTING SCHEDULES AND EXHIBITS FOR 1604.08

Pittsfield Aqueduct Company, Inc.
Overall Rate of Return
For the Twelve Months Ended December 31, 2007

Schedule 1

<u>Capital Component</u>	<u>Pro Forma Test</u> <u>Year</u>	<u>Component</u> <u>Ratio</u>	<u>Component</u> <u>Cost Rate</u>	<u>Weighted</u> <u>Average</u> <u>Cost Rate</u>
Long-term Debt	5,189,281	66.03%	5.63%	3.72%
Short-term Debt	-	0.00%	6.25%	0.00%
Preferred Stock	-	0.00%	0.00%	0.00%
Common Equity	<u>2,669,586</u>	<u>33.97%</u>	9.75% (1)	<u>3.31%</u>
Overall Rate of Return	<u>\$ 7,858,867</u>	<u>100.00%</u>		<u>7.03%</u>

Notes:

(1) The return on equity based on the permanent rate settlements in the Pennichuck Water Works, Inc. (DW 06-073) and Pennichuck East (DW 07-032).

**Pittsfield Aqueduct Company, Inc.
Capital Structure for Ratemaking Purposes
For the Twelve Months Ended December 31, 2007**

Schedule 2

	<u>Test Year</u>	<u>Pro Forma Adjustments</u>		<u>Pro Forma Test Year</u>	<u>Component Ratio</u>
Long-term Debt	\$1,089,281	2,500,000 (1)		\$5,189,281	66.03%
		1,600,000 (2)			
<u>Common Equity:</u>					
Common Stock	100			100	
Paid In Capital	2,237,129	-		2,237,129	
Retained Earnings	432,358			432,358	
Total Common Equity	<u>2,669,586</u>			<u>2,669,586</u>	33.97%
Short-term Debt	\$ 2,434,043	(2,500,000) (1)		-	0.00%
Total Capital	<u>\$ 6,192,910</u>	1,600,000		<u>\$ 7,858,867</u>	100.00%

Notes:

(1) The proforma adjustment reflects the PUC order 24,827 issued on March 3, 2008. The order Nisi approved the issuance of Long Term Debt to repay short term debt in the form of an intercompany advance from the parent company. The proforma adjustment effectively reduces short term debt to zero.

(2) The proforma adjustment reflects the incremental SRF debt associated with the step increase related to the Birch Hill interconnect (\$0.7 million) and other capital improvements (\$0.9 million).

Pittsfield Aqueduct Company, Inc.
Historical Capital Structure
For the Twelve Months Ending December 31, 2007

Schedule 3

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Intercompany Notes	1,089,281	1,610,259	1,008,052	815,253	888,028
Long-term Debt	<u>\$1,089,281</u>	<u>\$1,610,259</u>	<u>\$1,008,052</u>	<u>\$815,253</u>	<u>\$888,028</u>
Common Equity:					
Common Stock	100	100	100	100	100
Paid In Capital	2,237,129	237,129	237,129	237,129	237,129
Retained Earnings	432,358	768,407	912,077	908,913	870,565
Total Common Equity	<u>\$2,669,586</u>	<u>\$1,005,635</u>	<u>\$1,149,306</u>	<u>\$1,146,142</u>	<u>\$1,107,794</u>
Short-term Debt	2,434,043	1,580,877	-	-	-
Total Capital	<u>\$ 6,192,910</u>	<u>\$ 4,196,771</u>	<u>\$ 2,157,358</u>	<u>\$ 1,961,395</u>	<u>\$ 1,995,822</u>

Notes:

(1) Prior to 2006, the intercompany notes were not in separate accounts but were part of the intercompany advance account.

**Pittsfield Aqueduct Company, Inc.
Historical Capitalization Ratios
For the Twelve Months Ending December 31, 2007**

Schedule 4

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Long-term Debt	17.59%	38.37%	46.73%	41.56%	44.49%
Total Common Equity	43.11%	23.96%	53.27%	58.44%	55.51%
Short-term Debt	<u>39.30%</u>	<u>37.67%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Capital	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Pittsfield Aqueduct Company, Inc.
 Weighted Average Cost of Long-Term Debt
 For the Twelve Months Ended December 31, 2007

Schedule 5

Holder	Term	Maturity	Rate	Outstanding Balance	Annual Interest	Annual Amortization	All In Annual Cost	Effective Rate
Intercompany Loan PAC	2	6/1/08	6.00%	298,384	17,903	-	17,903	6.00%
Intercompany Loan North Country	5	5/1/11	6.50%	790,898	51,408	-	51,408	6.50%
				\$ 1,089,281	\$ 69,311	\$ -	\$ 69,311	6.36%
Pro Forma Adjustment:								
Intercompany Loan North Country	10	5/4/18	7.00%	2,500,000	175,000	-	175,000	7.00%
SRF Loan North Country	20	-	3.35%	1,600,000	53,600	(5,863)	47,738	2.98%
				5,189,281	297,911	(5,863)	292,049	5.63%

Total Wgtd Avg Cost of LTD (including pro forma adjustments)

Notes:

(1) The negative annual amortization on the SRF loan represents the expected 25% forgiveness on the interest payments for the funding related to the Birch Hill interconnection with the North Conway Water Precinct (NCWP).

**Pittsfield Aqueduct Company, Inc.
Cost of Short-Term Debt
For the Twelve Months Ended December 31, 2007**

Schedule 6

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	13 Month Average
Intercompany cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennichuck Interco Receivab	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennichuck Corporation:														
Intercompany advances	1,580,877	1,840,197	2,180,021	2,353,274	2,492,256	2,618,253	1,013,158	1,129,214	1,429,407	1,644,702	2,024,215	2,371,222	2,434,043	1,931,603
Pennichuck Interco Net Liabil	<u>(1,580,877)</u>	<u>(1,840,197)</u>	<u>(2,180,021)</u>	<u>(2,353,274)</u>	<u>(2,492,256)</u>	<u>(2,618,253)</u>	<u>(1,013,158)</u>	<u>(1,129,214)</u>	<u>(1,429,407)</u>	<u>(1,644,702)</u>	<u>(2,024,215)</u>	<u>(2,371,222)</u>	<u>(2,434,043)</u>	<u>(1,931,603)</u>

**Pittsfield Aqueduct Company, Inc.
Weighted Average Cost of Preferred Stock
For the Twelve Months Ended December 31, 2007**

Schedule 7

<u>Security</u>	<u>Term</u>	<u>Maturity</u>	<u>Rate</u>	<u>Outstanding Balance</u>	<u>Annual Dividends</u>	<u>Annual Amortization</u>	<u>All In Annual Cost</u>	<u>Effective Rate</u>
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NOT APPLICABLE

Pittsfield Aqueduct Company, Inc.
Return on Common Equity for Small Water Utility Companies
For the Twelve Months Ended December 31, 2007

Schedule 8

Source: NAWC Financial 2005 Data Base (dated March 27, 2007)

Company	Authorized ROE %	Effective Date of Last Rate Case	Residential Customers
Aqua Maine	10.0	12/31/2003	13,653
Aquarion-MA	11.5	5/1/2001	16,845
Chaparral City	11.0	10/1/2005	12,328
Golden Heart	13.9	8/1/2003	4,639
Gordon's Corner	9.8	5/27/2004	14,514
Mount Holly	9.8	7/1/2004	16,125
Shorelands	9.8	10/9/2004	10,202
Torrington	10.9	5/1/2002	8,391
Valley Water	11.5	3/3/2004	5,873
Median	10.9	-	12,328
Mean	10.9	-	11,397

Pittsfield Aqueduct Company, Inc.
 Report of Proposed Rate Changes
 For the Twelve Months Ended December 31, 2007

Pro Forma
 Schedule 9
 Permanent
 Pittsfield Only

DOCKET NO: DW 08-052 DATE FILED: 5/1/2008
 TARIFF NO.: 5 or PAGE NOS. 39-40 EFF. DATE: 5/1/2008

<u>Rate or Class of Service</u>	<u>Effect of Proposed Change</u>	<u>Average Number of Customers</u>	<u>Proposed Change</u>			
			<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Amount</u>	<u>%</u>
G-M	Increase	634	\$ 313,119	\$ 450,930	\$137,810	44.01%
Present Rate Adj			\$ -	\$ -		
Private FP	Increase	11	\$ 21,188	\$ 30,513	\$9,325	44.01%
FP - Hydrants	Increase	1	\$ 121,257	\$ 174,625	\$53,368	44.01%
TOTALS		646	\$ 455,564	\$ 656,067	\$200,503	44.01%

Signed by:

Bonalyn J. Hartley

Title:

Vice President - Administration

Pittsfield Aqueduct Company, Inc.
ROI Historical Trends
For the Twelve Months Ended December 31, 2007

Schedule 10

PAC ROI

