



PENNICHUCK
PITTSFIELD AQUEDUCT COMPANY, INC.

DW 08-052

PITTSFIELD AQUEDUCT COMPANY, INC.

BEFORE THE

N. H. PUBLIC UTILITIES COMMISSION

1604.01

May 2008



PENNICHUCK

PITTSFIELD AQUEDUCT COMPANY, INC.

DW 08-052

INDEX

Documents Filed Under NHPUC Rule 1604-01

1. Internal Financial Reports – these have either been filed previously with the Commission and can also be found in Sections 18 and 19 contained within this binder.
2. Annual Reports to Stockholders – not applicable because Pittsfield Aqueduct Company, Inc. is a subsidiary of Pennichuck Corporation and has no other shareholders. Pennichuck Corporation's Annual report to Shareholders contained in this binder.
3. Federal Income Tax Reconciliation – contained in this binder.
4. Detailed Tax Factor Computation – contained in this binder.
5. Charitable Contributions – contained in this binder.
6. Advertising Charges Charged Above the Line – none.
7. Cost of Service Study – Pittsfield Aqueduct Company, Inc. is in the process of completing a Cost of Service Study. The Study will be provided upon completion and mailed to the NHPUC under separate cover.
8. 2007 Construction Budget – contained in this binder.
9. Chart of Accounts – no difference.
10. Forms 10-K and 10-Q – 2005, 2006 and 2007 contained in this binder.
11. Membership Fees and Dues – none.
Meetings and Conventions Dues – none.
12. Recent Management and Depreciation Studies – Pittsfield Aqueduct Company, Inc. is including a Depreciation Study as recommended by Guastella Associates, Inc. – contained in this binder.

13. Audits or Studies which Utility has not submitted to Commission – none.
14. Information Concerning Officers and Directors – contained in this binder.
15. Lists of the Amount of Voting Stock – contained in this binder.
16. Payments in Excess of \$10,000 – contained in this binder.
17. Asset and Cost Allocations – we anticipate that no non-utility assets or operations will be included in the Company's financial statements for the test year.
18. Balance Sheet and Income Statements – these have either been filed previously with the Commission or will be filed as a part of the Company's rate case filing.
19. Quarterly Income Statements – contained in this binder.
20. Quarterly Sales Volume – contained in this binder.
 - a. Pittsfield Aqueduct Company, Inc.
 - b. Pittsfield Aqueduct Company, Inc. – North Country
21. Needs for External Capital – contained in this binder.
22. Sources and Uses of Funds – contained in this binder.
23. Sinking Fund Provisions – contained in this binder.
24. Short Term Debt Outstanding – contained in this binder.
25. Parent Company Information – 2007, 2006, 2005, 2004 and 2003 Annual Reports to Shareholders contained in this binder. Form 10-K and Form 10-Q previously filed with Commission contained in this binder.
26. Management Fee Information – contained in this binder.
27. Uniform Statistical Report – not applicable.
28. Summary Work Papers – to be submitted with testimony and supporting schedules in 1604-06.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (1) Internal Financial Reports – These have been filed previously with the Commission and can also be found in Sections 18 and 19 contained within this binder.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (2) Annual Reports to Stockholders – Not applicable because Pittsfield Aqueduct Company, Inc. is a subsidiary of Pennichuck Corporation and has no other shareholders. Pennichuck Corporation's Annual Report to Shareholders is contained in this binder.

Federal Income Tax Reconciliation
Pittsfield Aqueduct Company
December 31, 2007

Provided pursuant to NHPUC Rule 1604.01(3)

Net income per books for the test year	\$ (336,049)
Addback provision for Federal and State income taxes	<u>(220,224)</u>
Pretax Book Income	(556,273)
Estimated Schedule M-1 Items:	
Accelerated depreciation/Amortization of CIAC	(119,617)
Book/Tax Difference on disposal of assets	(93,369)
Sarbanes-Oxley costs	1,464
AFUDC	<u>(32,824)</u>
Total Permanent & Temporary Differences	<u>(244,346)</u>
Subtotal	<u>(800,619)</u>
Pre Tax Income	<u>(556,273)</u>
NHBPT @ 8.50%	(47,258)
Federal Income Tax @ 34%	(172,966)
Total Income Taxes	<u><u>\$ (220,224)</u></u>

**Computation of Detailed Tax Factor
Pittsfield Aqueduct Company
December 31, 2007**

Provided pursuant to NHPUC Rule 1604.01(4)

New Hampshire Business Profits Tax in effect during test year	<u>8.50%</u>
After-tax cost of NHBPT based on an applicable Federal tax rate of 34 percent computed as follows: 1.00 minus .34 = .66 times 8.5%	5.61%
Applicable Federal tax rate in effect during test year	<u>34.00%</u>
Effective combined income tax factor	<u>39.61%</u>

Pittsfield Aqueduct Company, Inc.
Charitable Contributions
For the Twelve Months Ended December 31, 2007

<u>Donee</u>	<u>Amount</u>
Rotary Club of Pittsfield	100.00
	<hr/>
	<u><u>100.00</u></u>

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

(6) Advertising Charges Charged Above the Line – None.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (7) Cost of Service Study – Pittsfield Aqueduct Company, Inc. is in the process of completing a Cost of Service Study. The Study will be provided upon completion.

**Pittsfield Aqueduct Company, Inc.
Capital Expenditure Budget - 2008
(\$000)**

Project Description	Total Budgeted Amount (including			Used and Useful Date
	O/H)	Total 2008 incl O/H	Total O/H included	
2007 Carryover Projects				
Birch Hill Water System Improvements	1,619.00	919.00	64.00	Sep-08
Subtotal 2007 Carryover Projects	1,619.00	919.00	64.00	
New 2008 Projects				
Refurbish Pittsfield Filters	37.00	37.00	1.00	Mar-08
Birch Hill Meter Pits	70.00	70.00	28.00	As they are installed
Middleton Meter Pits	20.00	20.00	8.00	As they are installed
Locke Lake - 6" water main	95.00	95.00	7.00	Jul-08
Interconnect the Airport CWS with the Golf Course CWS	21.00	21.00	2.00	May-08
Subtotal New 2008 Projects	243.00	243.00	46.00	
Total 2008 Capital Projects Budget	1,862.00	1,162.00	110.00	
2007 Carryover Projects - Total PAC	1,619.00	919.00	64.00	
New 2008 Projects - Total PAC	243.00	243.00	46.00	
Total Capital Budget - PAC	1,862.00	1,162.00	110.00	

Breakout

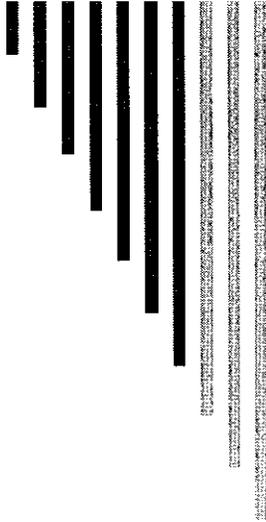
Land	-
Buildings	-
Equipment & software	1,162.00
	<u>1,162.00</u>

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

(9) Chart of Accounts – No Difference.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (11) Membership Fees and Dues – None.
Meetings and Conventions Dues – None.



Pittsfield Aqueduct Company

Comparative Analysis of Depreciation Rates

Guastella Associates, Inc.

6 Beacon Street, Suite 410, Boston, MA 02108

GUASTELLA ASSOCIATES, INC.

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February 25, 2008

Ms. Bonnie Hartley
Vice President of Administration
Pennichuck Water Works, Inc.
25 Manchester Street
Merrimack, NH 03054

Dear Ms. Hartley:

I have completed an analysis of the comparative depreciation rates that would reflect the reasonably recovery of the loss in service value of the depreciable assets of Pittsfield Aqueduct Company.

The results of our analysis are set forth in this report, which includes specific schedules that provide recommended depreciation rates, comparative average service lives and the difference, by account, of the annual depreciation expense under present and recommended depreciation rates, as applied to plant balances as of December 31, 2007.

I very much appreciate this opportunity to provide consulting services, and am available to review this report with you or the PUC Staff.

Respectfully submitted,
GUASTELLA ASSOCIATES, INC.



John F. Guastella
President

Pittsfield Aqueduct Company

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Introduction

The purpose of this analysis is to establish average service lives, salvage values and resultant depreciation rates that are reasonably applicable to the depreciable property of the Pittsfield Aqueduct Company (“PAC” or “Company”).

In accordance with discussions with the Company, as well as an informal discussion with the PUC Staff, a decision was made to perform a depreciation analysis on the basis of the use of comparative average service lives and depreciation rates. The primary reasons for this approach are the lack of sufficient retirement data because of the size of the Company and its historic development, and the high cost of performing actuarial studies that would likely produce incomplete or uncertain results for a small utility with limited retirement data. It has been our experience that for small water utilities, actuarial depreciation studies are rarely, if ever, performed. Instead, depreciation rates are typically established on the basis of comparative analyses. Consistent with that experience, the National Association of Regulatory Utility Commissioners has published guidelines of average service lives and depreciation rates for small water companies, recognizing the need for and acceptance of such comparisons.

Recommendation

The recommended depreciation rates are provided at the outset of this report in order to facilitate a review of subsequent references and supporting analyses. Schedule 1 contains, by primary plant account, the average service lives, net salvage values and annual depreciation rates that in our judgment would best recover the original cost of the Company’s depreciable assets. As will be explained later, the recommended depreciation

rates are consistent with those established by the New Hampshire Public Utilities Commission (“PUC”) in The Pennichuck Water Works, Inc. (“PWW”) last rate case, with a few necessary exceptions.

Source of Comparative Data

All of the source data relied upon with respect to average service lives have been obtained from this firm’s files. The source data include determinations of average service lives for utilities with which this firm has been directly or indirectly involved, most based on actuarial studies. The utilities that were selected for this analysis are located in the northern part of the country, the Northeast and Midwestern states. It has been our experience that determinations of average service lives for water utilities in areas of the country where there are extreme seasonal weather changes tend to produce results that are more consistent with each other. It is noted that data for such states as Florida and California were specifically excluded because the average service lives were disproportionately shorter, likely due to different construction characteristics in the climate of those parts of the country.

The source data also includes average service lives published by the National Association of Regulatory Utility Commissioners (“NARUC”). These data are given significant weight because they were specifically developed to assist small water utilities in establishing reasonable depreciation rates. However, the most important source data are the average service lives recently established by the PUC for PWW. Those average service lives were based on actuarial studies and thoroughly examined by the PUC.

Although considered proprietary, Appendix A contains copies of this firm's original source data that include average service lives, as summarized in Schedule 2, for review by the Company and PUC Staff, with a request that they be treated as confidential property not to be distributed to any other party.

Analysis of Average Service Lives

Schedule 2 contains a compilation of the source data with respect to average service lives. It shows for each primary plant account the average service lives, the water utility and state in which it is located, along with the NARUC recommended average service lives, and PWW's average service lives. The average service lives for each utility and each NARUC publication were summarized to show the high, low and average of all examples, excluding PWW's. PWW's average service lives are considered the most relevant in this comparative analysis because they were based on comprehensive actuarial studies that were examined by the PUC, and because they relate to property that is in close proximity to PAC. Moreover, the maintenance, repair and asset management practices of PWW are the same for PAC, so that on a prospective basis several factors that affect the loss in value of assets will be similar. In addition, PWW and PAC operate in the same climate and are subject to the same regulatory requirements.

A review of Schedule 2 shows that of the 27 accounts for which PWW has average service lives, 7 are within 10% of the average of all other examples; and 9 are higher and 10 are lower than the average. Thus, PWW's average service lives lie in the middle of the data base. Accordingly, in my judgment using PWW's average service lives for those accounts that were considered and approved in the last rate case would be

the most appropriate recommendation. The accounts that were not addressed in PWW's last rate case include: Account 306–Lake & River Intakes, Account 308–Infiltration Galleries, Account 309–Supply Mains and Account 348–Other Miscellaneous Equipment. On the basis of judgment, considering the average of the examples on Schedule 2, I recommend the approximate average of the average service lives of 50, 45 and 70 years for accounts 306, 308 and 309, respectively, and 10 years for account 348 which is the average service life now used by PAC.

Net Salvage Values

Having selected the average service lives, the next step was to assign salvage values to each account. Because most of the recommended average service lives were those of PWW, the logical choice is to also use salvage values of PWW. It is noted that water utilities in the state of Illinois and the Illinois Commerce Commission have made the most progress in estimating net salvage values. The negative net salvage values reflect the high cost of removal for many accounts, as shown in the source data for Illinois in Appendix A. This observation is made to confirm that PWW's approved net salvage values are conservative and appropriate to use for this analysis.

Impact of Recommended Depreciation Rates

The selected average service lives and net salvage values produce the recommended rates as shown on Schedule 1. Schedule 3 has been prepared to show the difference between the application of the recommended and existing depreciation rates to PAC's plant balances as of December 31, 2007. The existing depreciation rates produce

a total annual depreciation expense in the amount of \$157,275 compared with the recommended depreciation rates that produce \$152,090. This \$5,185 reduction is minor. Note that the *recommended depreciation rates include rates for accounts for which PAC currently has no investment, which provides for potential additions to those accounts in the future.*

Reserve for Depreciation

As PAC experiences more retirements it will be able to make judgments as to the ongoing reasonableness of the recommended average service lives and depreciation rates. On a prospective basis, the recommended reduction in the annual depreciation will slightly reduce the annual accruals to the reserve for depreciation by only about 3%. Because of the lack of depreciation curves specific to PAC, any effort to determine a theoretical reserve would only produce an estimated result based on estimated depreciation curves, and would be a disproportionately costly and unnecessary effort. Accordingly, there is no need to make any other direct adjustment to the reserve for depreciation.

Conclusion

Although this comparative analysis is not as sophisticated or statistically accurate as an actuarial study, the data does provide information with which to make a valid judgment and produces reasonable depreciation rates. It certainly confirms that the use of PWW's depreciation rates for most accounts is not only reasonable but enables a consistent accounting between the two affiliated companies.

On the basis of the findings and analysis outlined in this report, it is recommended that the Company seek approval to implement the depreciation rates reflected in Schedule 1.

Respectfully submitted,
GUASTELLA ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "John F. Guastella". The signature is written in a cursive style with a large, stylized initial "J".

John F. Guastella
President

Recommended Depreciation Rates

A/C No.	Description	Average Service Lives	Net Salvage Value	Annual Depreciation Rates
Source of Supply & Pumping:				
304.1	Structures & Improvements	48	-10.0%	2.30%
305.0	Coll. & Impdg. Reservoirs	67	-20.0%	1.79%
306.0	Lake & River Intakes	50	-10.0%	2.20%
307.0	Wells & Springs	30		3.33%
308.0	Infiltration Galleries	45		2.22%
309.0	Supply Mains	70	-10.0%	1.57%
304.2	Structures & Improvements	45	-10.0%	2.44%
310.0	Power Generation Equipment	22		4.55%
311.2	Electric Pumping Equipment	25	-10.0%	4.40%
311.3	Diesel Pumping Equipment	70	-10.0%	1.57%
311.6	Other Pumping Equipment	30		3.33%
Water Treatment Equipment:				
304.3	Structures & Improvements	51	-10.0%	2.14%
320.0	Purification System Equipment	15		6.67%
320.2	Water Treatment Equipment	36	-20.0%	3.31%
Transmission & Distribution Plant:				
304.5	Structures & Improvements	35	-10.0%	3.14%
330.0	Distr. Reserv. & Standpipes	50	-10.0%	2.18%
331.1	Mains - 6" & Larger	70	-10.0%	1.57%
331.2	Mains - 4" & Under	40	-10.0%	2.75%
339.0	Other Plant & Misc. Equipment	40		2.50%
333.1	Services	45	-10.0%	2.44%
334.1	Meters & Installations	23	-10.0%	4.78%
335.0	Hydrants	49	-10.0%	2.24%
General Plant:				
304.4	Structures & Improvements	35	-10.0%	3.14%
340.0	Office Furn. & Equipment	12	3.0%	8.08%
341.0	Transportation Equipment	9	15.0%	9.44%
342.0	Stores Equipment	25		4.00%
343.0	Tools, Shop & Garage Equipment	15		6.67%
344.0	Laboratory Equipment	20		5.00%
345.0	Power Operated Equipment	15	10.0%	6.00%
346.0	Communications Equipment	19		5.26%
347.0	Computer Equipment	7		14.29%
348.0	Other Miscellaneous Equipment	10		10.00%

Comparative Average Service Lives

A/C No.	Description	N.J. E'town	DeL. Artesian	Illinois				NARUC								New York			All Examples			Pennichuck Water Works																			
				Kankakee	Candlewick	Illinois American		1972		1977		1979		1981		Citizen's	Util. & Ind. Merrick	Long Island	Low	High	Average																				
						Company	ICC Staff	low	high	low	high	low	high	low	high																										
Source of Supply & Pumping:																																									
304.1	Structures & Improvements	65		30	30	30	30	25	50	35	40	35	40	35	40				25	65	37	48																			
305.0	Coll. & Impdg. Reservoirs	60				50	50	35	75	50	75	50	75	50	75				35	75	59	67																			
306.0	Lake & River Intakes	50		75	75	60	75	35	60	35	45	35	45	35	45				35	75	52																				
307.0	Wells & Springs	45	45	60	60	35	60	25	50	25	35	25	35	25	35	45	35	50	25	60	41	30																			
308.0	Infiltration Galleries	80								25	50	25	50	25	50				25	80	44																				
309.0	Supply Mains	85	85			75	90			50	75	50	75	50	75				50	90	71																				
304.2	Structures & Improvements	45	65	55	55	50	55			35	40	35	40	35	40	50	40	50	35	65	46	45																			
310.0	Power Generation Equipment	25		30	30	25	30										30	40	25	40	30	22																			
311.2	Electric Pumping Equipment	35	35	40	40	35	40			20	20	20	20	20	20	35	20	40	20	40	29	25																			
311.3	Diesel Pumping Equipment	35				22	30			25	25	25	25	25	25	35	30	40	22	40	29	70																			
311.6	Other Pumping Equipment	35				20	20			25	25	25	25	25	25	30	30		20	35	26	30																			
Water Treatment Equipment:																																									
304.3	Structures & Improvements	35	55	45	45	40	45			35	40	35	40	35	40	50	40	50	35	55	42	51																			
320.0	Purification System Equipment				35	35	35			20	35	20	35	20	35	15	15	25	15	35	27	15																			
320.2	Water Treatment Equipment	35	45	35	35	35	35	15	30	20	35	20	35	20	35	15	25	25	15	45	29	36																			
Transmission & Distribution Plant:																																									
304.5	Structures & Improvements	50			30					35	40	35	40	35	40				30	50	38	35																			
330.0	Distr. Reserv. & Standpipes	75	80	60	60	50	60	25	60	30	60	30	60	30	60	55	55	75	25	80	54	50																			
331.1	Mains - 6" & Larger	95	85	90	90	90	90	75		50	75	50	75	50	75	100	100	100	50	100	81	70																			
331.2	Mains - 4" & Under															65			65	65	65	40																			
339.0	Other Plant & Misc. Equipment																					40																			
333.1	Services	45	35	60	60	60	60	35	50	30	50	30	50	30	50	50	45	65	30	65	47	45																			
334.1	Meters & Installations	25	25	14	14	30	30	35	50	35	45	35	45	35	45	35	50	40	14	50	35	23																			
335.0	Hydrants	65	60	43	43	40	43	40	50	40	60	40	60	40	60	65	70	65	40	70	52	49																			
General Plant:																																									
304.4	Structures & Improvements	25	25	25	25	25	25			35	40	35	40	35	40	50	50	60	25	60	36	35																			
340.0	Office Furn. & Equipment	15	30	19	19	20	19	15		20	25	20	25	20	25	25	30	30	15	30	22	12																			
341.0	Transportation Equipment	7	10	6	6	5	5	7		7	7	7	7	7	7	10		3	3	10	7	9																			
342.0	Stores Equipment	20	30	29	29	20	29	15		20		20	20	20	20	25		45	15	45	24																				
343.0	Tools, Shop & Garage Equipment	15	30	13	13	12	13	15		15	20	15	20	15	20	25	25	25	12	30	18	15																			
344.0	Laboratory Equipment	30	9	20	20	15	20	15		15	20	15	20	15	20		20	30	9	30	19	20																			
345.0	Power Operated Equipment	10	15	10	10	10	10	12		10	15	10	15	10	15		8	7	7	15	11	15																			
346.0	Communications Equipment	15	15	8	8	8	8	10		10	10	10	10	10	10	5	15	10	5	15	10	19																			
347.0	Computer Equipment		8			5	5												5	8	6	7																			
348.0	Other Miscellaneous Equipment	25	20			15	15	15								20	25	25	15	25	20	10																			

**Comparison of Depreciation Expense
Under Present and Recommended Depreciation Rates**

A/C No.	Description	UPIS Balances at 12/31/07	Annual Depreciation				Difference
			Present		Recommended		
			Rate	Amount	Rate	Amount	
Source of Supply & Pumping:							
304.1	Structures & Improvements	\$981,131	1.33%	\$13,049	2.30%	\$22,531	\$9,482
305.0	Coll. & Impdg. Reservoirs	48,493	1.47%	713	1.79%	869	156
306.0	Lake & River Intakes	29,050	2.00%	581	2.20%	639	58
307.0	Wells & Springs	91,568	2.00%	1,831	3.33%		
308.0	Infiltration Galleries				2.22%		
309.0	Supply Mains	70,046	1.32%	925	1.57%	1,101	176
304.2	Structures & Improvements				2.44%		
310.0	Power Generation Equipment	32,516	6.12%	1,990	4.55%		
311.2	Electric Pumping Equipment	274,332	6.12%	16,789	4.40%	12,071	-4,719
311.3	Diesel Pumping Equipment				1.57%		
311.6	Other Pumping Equipment				3.33%		
Water Treatment Equipment:							
304.3	Structures & Improvements	934,998	2.42%	22,627	2.14%	19,982	-2,644
320.0	Purification System Equipment	15,186	6.67%	1,013	6.67%		
320.2	Water Treatment Equipment	242,682	3.11%	7,547	3.31%	8,038	491
Transmission & Distribution Plant:							
304.5	Structures & Improvements				3.14%		
330.0	Distr. Reserv. & Standpipes	521,032	2.44%	12,713	2.18%		
331.1	Mains - 6" & Larger	1,555,102	1.81%	28,147	1.57%	24,437	-3,710
331.2	Mains - 4" & Under	1,060,287	1.46%	15,480	2.75%	29,158	13,678
339.0	Other Plant & Misc. Equipment	8,857	5.63%	499	2.50%	221	-277
333.1	Services	260,923	2.33%	6,080	2.44%	6,378	299
334.1	Meters & Installations	305,585	5.00%	15,279	4.78%	14,615	-664
335.0	Hydrants	77,337	1.35%	1,044	2.24%	1,736	692
General Plant:							
304.4	Structures & Improvements				3.14%		
340.0	Office Furn. & Equipment	2,689	5.00%	134	8.08%		
341.0	Transportation Equipment				9.44%		
342.0	Stores Equipment				4.00%		
343.0	Tools, Shop & Garage Equipment	40,310	8.25%	3,326	6.67%	2,687	-638
344.0	Laboratory Equipment	3,939	5.00%	197	5.00%	197	
345.0	Power Operated Equipment				6.00%		
346.0	Communications Equipment	44,990	5.00%	2,250	5.26%	2,368	118
347.0	Computer Equipment	26,292	14.29%	3,756	14.29%	3,756	0
348.0	Other Miscellaneous Equipment	13,055	10.00%	1,306	10.00%	1,306	0
	Total Depreciable Property	\$6,640,400		\$157,275		\$152,090	-\$5,185
301.0	Organization	298,621					
303.0	Land and Land Rights	183,965					
	Total Utility Plant in Service	<u>\$7,122,986</u>		<u>\$157,275</u>		<u>\$152,090</u>	<u>-\$5,185</u>

Note: Accounts 309.0, 331.1 and 331.2 reflect a reallocation as shown in Appendix B.

Appendix A



ELIZABETHTOWN WATER COMPANY

SUMMARY OF DEPRECIATION STUDY AND ANNUAL DEPRECIATION USING AVERAGE SERVICE LIFE FOR UTILITY PLANT IN SERVICE AS OF DECEMBER 31, 1993

Acc. No.	Depreciable Plant Accounts	Balance Surviving	per Depreciation Study				
			Selected Curve	Avg Serv Life	Net Salv	Deprec. Rate	Annual Deprec.
303	Misc. Intangible Plant	179,194		65	0%	1.54%	\$2,760
311	Supply Struct & Improv	\$481,899	R2.5	65	0%	1.54%	7,414
312	Coll & Impound Reservoirs	1,420,005	R0.5	60	0%	1.67%	23,667
313	Lake, River & Other Intakes	300,511	S6.0	50	0%	2.00%	6,010
314	Wells & Springs	2,181,104	L0.0	45	0%	2.22%	48,469
315	Infit Galleries & Tunnels	118,698	S1.0	80	0%	1.25%	1,484
316	Supply Mains	1,187,545	R2.5	85	0%	1.18%	13,971
321	Pumping Struct & Improv	9,667,421	L4.0	45	-10%	2.44%	236,315
323	Other Production Equip	3,601,644	S6.0	25	0%	4.00%	144,066
325	Electric Pump Equip	22,625,052	R2.0	35	0%	2.86%	646,430
326	Diesel Pump Equip	4,249,348	R1.0	35	0%	2.86%	121,410
328	Other Pump Equip	166,462	R2.5	35	0%	2.86%	4,756
331	WT Struct & Improv	13,077,679	R2.0	35	-10%	3.14%	411,013
332	Water Treatment Equip	30,644,636	S1.0	35	-10%	3.14%	963,117
341	T&D Struct & Improv	3,400,533	S4.0	50	-10%	2.20%	74,812
342	Dist Res & Standpipes	13,424,844	R2.0	75	-10%	1.47%	196,898
343	Trans & Dist Mains	229,652,972	L0.0	95	-5%	1.11%	2,538,270
344	Fire Mains	119,253	L0.0	95	-5%	1.11%	1,318
345	Services	40,482,996	R4.0	45	-50%	3.33%	1,349,433
346	Meters	13,599,679	L0.0	25	7%	3.72%	505,908
347	Meter Installation	1,747,317	L0.0	25	0%	4.00%	69,893
348	Hydrants	13,275,726	S1.0	65	5%	1.46%	194,030
390	Struct & Improv	1,365,728	S0.0	25	-10%	4.40%	60,092
391	Office Furniture & Equip	4,084,189	L0.0	15	0%	6.67%	272,279
392	Transportation Equip	3,217,740	L2.0	7	10%	12.86%	413,709
393	Stores Equip	49,161	S6.0	20	0%	5.00%	2,458
394	Tools, Shop, & Garage Eq	736,508	L0.0	15	0%	6.67%	49,101
395	Laboratory Equip	888,816	S2.0	30	0%	3.33%	29,627
396	Power Operated Eq	842,768	L0.0	10	10%	9.00%	75,849
397	Communication Eq	1,584,033	L0.0	15	0%	6.67%	105,602
398	Misc. Equipment	224,672	R0.5	25	0%	4.00%	8,987
399	Other Tangible Eq	134,981	R0.5	25	0%	4.00%	5,399
TOTAL		\$418,733,114				2.05%	\$8,584,546
Total Non--Depreciable		5,234,785					0
TOTAL		\$423,967,899				2.02%	\$8,584,546

ARTESIAN WATER COMPANY, INC.

SUMMARY OF DEPRECIATION STUDY AND ANNUAL DEPRECIATION USING AVERAGE SERVICE LIFE FOR UTILITY PLANT IN SERVICE AS OF JUNE 30, 1997

Acc. No.	Depreciable Plant Accounts	Ending Balance Surviving at 06/30/97	per Depreciation Study				
			Selected Curve	Avg Serv Life	Net Salv	Deprec. Rate	Annual Deprec.
314	Wells & Springs	2,986,836	R2.5	45	0%	2.10%	62,741
314.1	Monitoring Wells	101,180	R2.5	45	0%	2.10%	2,125
316	Supply Mains	451,838	SC	85	0%	1.11%	5,025
321	Pumping Struct & Improv	1,598,354	R1.0	65	-5%	1.53%	24,406
325	Electric Pump Equip	2,639,531	L0.0	35	0%	2.70%	71,288
331	WT Struct & Improv	4,039,979	R3.0	55	-10%	1.89%	76,377
332	Water Treatment Equip	1,094,823	R2.5	45	0%	2.10%	22,998
342	Dist Res & Standpipes	7,524,034	S1.0	80	-5%	1.24%	93,348
343	Trans & Dist Mains	62,203,900	L2.0	85	-5%	1.17%	726,346
345	Services	10,358,829	S3.0	35	-10%	2.97%	307,745
345.1	Temporary Services	893	S3.0				
346	Meters	6,202,529	L2.0	25	4%	3.63%	225,142
348	Hydrants	3,566,385	S5.0	60	0%	1.58%	56,187
390	Struct & Improv	200,646	R3.0	25	-10%	4.16%	8,345
390.1	Leasehold	2,024,933	R3.0	25	-10%	4.16%	84,221
391	Office Furniture	471,581	L0.0	30	0%	3.15%	14,859
391.1	Office Equipment	314,853	R1.5	20	0%	4.73%	14,881
391.2	Computer Equipment	664,265	SC	8	0%	11.82%	78,489
391.4	Computer Software	507,801	SC	5	0%	18.91%	96,002
391.5	Computer Mainframe	77,508	remaining	3.25	0%	10.28%	7,966
392	Transportation Equip	1,643,391	L0.5	10	10%	8.51%	139,810
393	Stores Equip	20,128	SC	30	0%	3.15%	634
394	Tools, Shop, & Garage Eq	211,392	SC	30	0%	3.15%	6,667
394.1	Tools, Shop - Leasehold	108,809	SC	30	0%	3.15%	3,428
395	Laboratory Equip	41,763	L0.0	9	0%	10.50%	4,386
396	Power Operated Eq	711,162	SC	15	10%	5.67%	40,334
397	Communication Eq	601,086	L1.5	15	0%	6.30%	37,871
398	Misc. & Other Equip	307,415	L0.5	20	0%	4.73%	14,527
TOTAL		\$110,675,844				2.01%	\$2,226,157

Annual Depreciation & Accrual Rates by Account
 For the Twelve Months Ending December 31, 1994 and Pro Forma

Schedule B-3.2
 Page 1 of 1
 Witness Responsible:
 J.F. Stanistola

Data: (12) Months Actual and (0) Months Estimated
 Type of Filing: (X)Original ()Updated ()Revised
 Related Working Papers:

Line No.	Account Number (A)	Account Description (B)	Jurisdictional Plant Investment (C)	Accrual Rate (D)	Calculated Depreciation Expense (E)	Calculated Net Salvage (F)	Service Life (G)	Average Curve Form (H)
1		Source of Supply Plant						
2	30420	Structures and Improvements	3,617	4.17%	\$151	-25.00%	30	N/A
3	30420	Lake, River and Other Intakes	94,717	1.47%	1,392	-10.00%	75	
4	30420	Wells and Springs	8,974	1.67%	150	0.00%	60	
5		Pumping Plant						
6	30430	Structures and Improvements	515,995	2.27%	11,713	-25.00%	55	
7	31030	Power Generating Equipment	249,567	3.30%	8,235	0.00%	30	
8	31130	Electric Pump Equipment	405,175	3.13%	12,682	-25.00%	40	
9		Water Treatment Plant						
10	30440	Structures and Improvements	1,453,435	2.73%	39,679	-25.00%	45	
11	32040	Water Treatment Equipment	2,537,934	3.57%	90,604	-25.00%	35	
12		Transmission & Distribution Plant						
13	30450	Structures and Improvements	9,879	4.17%	412	-25.00%	60	
14	33060	Distribution Reservoirs and Standpipes	791,970	1.67%	13,226	0.00%	60	
15	33150	Mains	14,289,958	1.89%	270,080	-70.00%	99	
16	33350	Services	5,488,532	3.33%	182,102	-100.00%	60	
17	33450	Meters	1,390,773	6.21%	86,357	14.00%	14	
18	33450	Meter Installations	1,160,631	4.44%	51,532	-100.00%	45	
19	33550	Hydrants	1,475,226	3.95%	58,271	-70.00%	43	
20		General Plant						
21	30460	Structures and Improvements	463,010	4.00%	18,120	0.00%	25	
22	34060	Office Furniture and Equipment	168,334	4.74%	8,930	10.00%	19	
23	34160	Transportation Equipment	479,393	10.77%	51,631	30.00%	6	
24	34260	Stores Equipment	5,772	3.28%	189	5.00%	29	
25	34360	Tools, Shop and Garage Equipment	464,998	7.31%	35,453	5.00%	13	
26	34460	Laboratory Equipment	85,844	5.00%	4,342	0.00%	20	
27	34560	Power Operated Equipment	115,219	5.00%	5,761	50.00%	10	
28	34660	Communication Equipment	194,605	12.50%	24,325	0.00%	8	
29								
30		Subtotal	\$31,064,618	3.06%	\$975,349			
31		CIAC	7,275,225	1.89%	137,502			
32		Pro Forma Jurisdictional						
33		Depreciation Expense	\$24,589,393		\$837,847			

Depreciation Study - Summary of Recommendations

Line No.	Account Number (A)	Account Description (B)	Average Service Life		Depreciation Rates	
			Comparative Range (C)	Recommended (D)	Comparative Range (E)	Recommended (F)
1		Source of Supply Plant				
2	30420	Structures and Improvements	25-75	30	1.33-2.92%	4.17%
3	30420	Lake, River and Other Intakes	16-75	75	1.33-6.35%	1.47%
4	30420	Wells and Springs	22-45	60	2.44-4.50%	1.67%
5						
6		Pumping Plant				
7	30430	Structures and Improvements	28-60	55	1.87-3.55%	2.27%
8	31030	Power Generating Equipment	16-40	30	2.43-6.32%	3.30%
9	31130	Electric Pump Equipment	17-43	40	2.33-5.87%	3.13%
10						
11		Water Treatment Plant				
12	30440	Structures and Improvements	34-66	45	1.51-2.94%	2.73%
13	32040	Water Treatment Equipment	26-62	35	1.62-5.12%	3.57%
14						
15		Transmission & Distribution Plant				
16	30450	Structures and Improvements	25-75	30	1.33-2.92%	4.17%
17	33050	Distribution Reservoirs and Standpipes	44-75	60	1.54-2.92%	1.67%
18	33150	Mains	49-106	90	0.96-2.33%	1.89%
19	33350	Services	34-45	60	2.20-3.33%	3.33%
20	33450	Meters (1)	23-61	14	1.62-4.33%	6.21%
21	33450	Meter Installations	23-61	45	1.62-4.33%	4.44%
22	33550	Hydrants	27-75	43	1.37-3.70%	3.95%
23						
24		General Plant				
25	30460	Structures and Improvements	26-55	25	1.83-3.78%	4.00%
26	34060	Office Furniture and Equipment	5-23	19	4.32-18.71%	4.74%
27	34160	Transportation Equipment	6-8	6	12.50-16.98%	10.77%
28	34260	Stores Equipment	15-46	29	2.16-7.01%	3.28%
29	34360	Tools, Shop and Garage Equipment	14-32	13	3.17-6.08%	7.31%
30	34460	Laboratory Equipment	10-25	20	4.00-9.44%	5.00%
31	34560	Power Operated Equipment	7-25	10	4.00-10.37%	5.00%
32	34660	Communication Equipment	5-17	8	5.88-19.89%	12.50%

(1) Recommended figures reflect an average of different types within the account.

Pro Forma Depreciation Expense Calculation

Line No.	Account Number	Account Description	Ave. Future Test Year Depreciable Plant	Recommended Depreciation		Percentage Net Salvage	Average Service Life
				Rate	Expense		
<u>Intangible Plant</u>							
1	30115	Organization	50	-	\$0	-	-
2	30215	Franchises & Consents	0	-	0	-	-
<u>Source of Supply Plant</u>							
5	30325	Land and Land Rights	0	-	0	-	-
6	30425	Structures and Improvements	25,819	4.17%	1,077	-25.00%	30
7	30725	Wells and Springs	321,867	1.67%	5,376	0.00%	60
8	30925	Supply Mains	21,783	1.89%	412	-70.00%	90
<u>Pumping Plant</u>							
11	30435	Structures and Improvements	1,335	2.78%	37	-25.00%	45
12	31030	Power Generation Equipment	90,000	3.33%	2,997	0.00%	30
13	31135	Electric Pump Equipment	130,662	3.13%	4,090	-25.00%	40
<u>Water Treatment Plant</u>							
16	30445	Structures and Improvements	588,000	2.78%	16,346	-25.00%	45
17	32045	Water Treatment Equipment	355,106	3.57%	12,677	-25.00%	35
<u>Transmission & Distribution Plant</u>							
20	33055	Distribution Reservoirs and Standpipes	193,767	1.67%	3,236	0.00%	60
21	33155	Mains	423,347	1.89%	8,001	-70.00%	90
22	33355	Services	808,892	3.33%	26,936	-100.00%	60
23	33455	Meters	122,074	6.14%	7,495	14.00%	14
24	33455	Meter Installations	55,571	4.44%	2,467	-100.00%	45
25	33555	Hydrants	44,713	3.95%	1,766	-70.00%	43
<u>General Plant</u>							
28	30365	Land and Land Rights	0	-	0	-	-
29	30465	Structures and Improvements	0	5.00%	0	-25.00%	25
30	34065	Office Furniture and Equipment	34,538	4.74%	1,637	10.00%	19
31	34165	Transportation Equipment	72,834	11.67%	8,500	30.00%	6
32	34365	Tools, Shop and Garage Equipment	56,087	7.31%	4,100	5.00%	13
33	34465	Laboratory Equipment	5,876	5.00%	294	0.00%	20
34	34665	Communication Equipment	38,092	12.50%	4,762	0.00%	8
35	34765	Miscellaneous Equipment	1,074	6.67%	72	0.00%	15
37		Subtotal	3,391,457	3.31%	112,278		
38		CIAC	(421,264)	1.89%	(7,962)	-70.00%	90
39		Other	9,099	1.89%	172	-70.00%	90
41		Total	\$2,979,292	3.51%	\$104,488		

ILLINOIS-AMERICAN WATER COMPANY
 AVERAGE SERVICE LIFE AND NET SALVAGE

Docket No. 92-0116
 ICC Ex. 8.02 (Revised)

ACCOUNT NUMBER	ACCOUNT TITLE	COMPANY		STAFF		NET SALVAGE PERCENT (%)	AVERAGE SERVICE LIFE	NET SALVAGE PERCENT (%)	AVERAGE SERVICE LIFE	CALCULATED STAFF DEPRECIATION RATES
		AVERAGE SERVICE LIFE	NET SALVAGE PERCENT (%)	AVERAGE SERVICE LIFE	NET SALVAGE PERCENT (%)					
SOURCE OF SUPPLY PLANT										
311.00	SS Structures & Improvements	30	-25%	30	-25%	0%	30	-25%	30	4.17
312.00	Collecting and Impounding Reservoirs	50	0%	50	0%	0%	50	0%	50	2.0
313.00	Lake, River & Other Intakes	60	-25%	60	-25%	-10%	75	-10%	75	1.47
314.00	Wells & Springs	35	0%	35	0%	0%	60	0%	60	1.67
316.00	Supply Mains	75	-10%	75	-10%	-10%	90	-10%	90	1.22
317.00	Other Water Source Plant	0	0%	0	0%	0%	0	0%	0	
PUMPING EQUIPMENT										
321.00	Pumping Structures & Improvements	50	-25%	50	-25%	-25%	55	-25%	55	2.27
323.20	Other Power Production Equipment	25	-5%	25	-5%	0%	30	0%	30	2.50
325.00	Electric Pumping Equipment	35	-25%	35	-25%	-25%	40	-25%	40	3.13
326.00	Diesel Pumping Equipment	22	0%	22	0%	0%	30	0%	30	3.33
328.00	Other Pumping Equipment	0	0%	0	0%	0%	20	0%	20	5.0
WATER TREATMENT PLANT										
331.00	WT Structures & Improvements	40	-25%	40	-25%	-25%	45	-25%	45	2.78
332.00	Water Treatment Equipment	35	-50%	35	-50%	-25%	35	-25%	35	3.57
TRANSMISSION & DISTRIBUTION PLANT										
342.00	Dist. Reservoirs & Standpipes	50	0%	50	0%	0%	60	0%	60	1.67
343.00	Trans. & Dist. Mains	90	-70%	90	-70%	-70%	90	-70%	90	1.89
345.00	Services	60	-200%	60	-200%	-100%	60	-100%	60	3.33
346.00	Meters - Metal	30	20%	30	20%	20%	30	20%	30	2.67
346.00	Meters - Plastic	10	0%	10	0%	0%	10	0%	10	10.0
347.00	Meter Installations	40	-200%	40	-200%	-100%	45	-100%	45	4.44
348.00	Hydrants	40	-100%	40	-100%	-70%	45	-70%	45	3.95

ILLINOIS-AMERICAN WATER COMPANY
Docket No. 92-0116
AVERAGE SERVICE LIFE AND NET SALVAGE
ICC EX. B.02 (Revised)

ACCOUNT NUMBER	ACCOUNT TITLE	COMPANY		STAFF		NET SALVAGE PERCENT (%)	AVERAGE SERVICE LIFE	NET SALVAGE PERCENT (%)	AVERAGE SERVICE LIFE	CALCULATED STAFF DEFICIT RATE
		AVERAGE SERVICE LIFE	NET SALVAGE PERCENT (%)	AVERAGE SERVICE LIFE	NET SALVAGE PERCENT (%)					
GENERAL PLANT										
390.10	Office Structures	25	0%	25	0%		25	0%		4.0
390.20	Stores, Shop & Garage Structures	25	-10%	25	0%		25	0%		4.0
390.30	Misc. Structures & Improvements	25	-10%	25	0%		25	0%		4.0
391.10	Office Furniture & Equipment	20	10%	19	10%		19	10%		4.74
391.21	Data Handling Equipment	5	10%	5	10%		5	10%		18.0
391.22	Other Office Equipment	10	10%	10	-10%		10	-10%		11.0
391.23	Computer Programs	5	0%	5	0%		5	0%		20.0
392.11	Transportation Equipment - Heavy Truck	5	40%	5	40%		5	40%		12.0
392.12	Transportation Equipment - Light Truck	7	30%	6.5	30%		6.5	30%		10.77
392.20	Transportation Equipment - Cabs	4	35%	3.5	35%		3.5	35%		18.57
392.30	Transportation Equipment - Other	10	0%	10	0%		10	0%		10.0
393.00	Stores Equipment	20	5%	29	5%		29	5%		3.28
394.00	Tools, Shop & Garage Equipment	12	5%	13	5%		13	5%		7.31
395.00	Laboratory Equipment	15	0%	20	0%		20	0%		5.0
396.00	Power Operated Equipment	10	50%	10	50%		10	50%		5.0
397.00	Communication Equipment	8	0%	8	0%		8	0%		12.5
398.00	Miscellaneous Equipment	15	0%	15	0%		15	0%		6.67
INTANGIBLE PLANT										
301.00	Organization	0	0%	0	0%		0	0%		
302.00	Franchise & Consents	0	0%	0	0%		0	0%		
	Land and Land Rights	0	0%	0	0%		0	0%		

ICC Staff Exhibit 5.0
Docket No. 93-0342

Schedule 5.01

CONSUMERS ILLINOIS WATER COMPANY

ACCOUNT NUMBER	ACCOUNT TITLE	PLANT BALANCE (\$)	NET SALVAGE (%)	AMOUNT (\$)	UNRECOVERED COST (\$)	AVERAGE LIFE (Yrs.)	ANNUAL EXPENSE AMOUNT (\$)	PERCENT (%)
SOURCE OF SUPPLY								
304.00	Structures & Improvements	\$3,617	-25%	(\$984)	\$4,521	30.0	\$151	4.17%
305.00	Collect & Impound Res.	\$0	0%	\$0	\$0	0.0	\$0	0.00%
306.00	Lakes, Rivers & Other Intakes	\$94,717	-10%	(\$9,472)	\$104,189	75.0	\$1,389	1.47%
307.00	Wells & Springs	\$8,974	0%	\$0	\$8,974	60.0	\$150	1.67%
308.00	Infiltration Galleries & Tunnels	\$0	0%	\$0	\$0	0.00	\$0	0.00%
309.00	Supply Mains	\$0	0%	\$0	\$0	0.00	\$0	0.00%
PUMPING EQUIPMENT								
Subtotal		\$107,308		(\$10,376)	\$117,684		\$1,689	1.57%
310.00	Structures & Improvements	\$515,995	-25%	(\$128,999)	\$644,994	55.0	\$11,727	2.27%
311.00	Power Generating Equip.	\$249,567	0%	\$0	\$249,567	30.0	\$8,319	3.33%
312.00	Pumping Equipment	\$405,175	-25%	(\$101,294)	\$506,459	40.0	\$12,662	3.13%
Subtotal		\$1,170,737		(\$230,293)	\$1,401,030		\$32,708	2.79%
WATER TREATMENT PLANT								
320.00	Structures & Improvements	\$1,453,435	-25%	(\$363,359)	\$1,816,794	45.0	\$40,373	2.78%
321.00	Water Treatment Equipment	\$2,537,934	-25%	(\$636,484)	\$3,174,418	35.0	\$90,641	3.57%
Subtotal		\$3,991,369		(\$997,843)	\$4,989,211		\$131,014	3.28%
TRANSMISSION & DISTRIBUTION PLANT								
330.00	Structures & Improvements	\$9,879	-25%	(\$2,470)	\$12,349	30.0	\$412	4.17%
331.00	Dist. Res. & Standpipe	\$791,970	0%	\$0	\$791,970	60.0	\$13,200	1.67%
332.00	Mains	\$14,289,958	-70%	(\$10,002,971)	\$24,292,929	90.0	\$269,921	1.89%
333.00	Service	\$5,468,532	-100%	(\$5,468,532)	\$0	60.0	\$182,284	3.33%
334.00	Meters	\$1,390,773	14%	\$194,708	\$1,196,065	14.0	\$85,433	6.14%
335.00	Meter Installation	\$1,160,631	-100%	(\$1,160,631)	\$0	45.0	\$51,584	4.44%
336.00	Hydrants	\$1,475,226	-70%	(\$1,032,658)	\$2,507,884	45.0	\$58,323	3.95%
Subtotal		\$24,586,969		(\$17,472,553)	\$42,059,522		\$661,157	2.69%
GENERAL PLANT								
341.00	Structures & Improvements	\$453,010	0%	\$0	\$453,010	25.0	\$19,120	4.00%
342.00	Office Furniture	\$188,394	10%	\$18,839	\$169,555	19.0	\$8,924	4.74%
343.00	Transportation Equipment	\$479,393	30%	\$143,818	\$335,575	8.0	\$55,929	11.67%
344.00	Tools, Shop & Garage Equip.	\$5,772	5%	\$289	\$5,483	29.0	\$189	3.28%
345.00	Laboratory Equip.	\$64,998	5%	\$3,250	\$61,748	13.0	\$35,442	7.31%
346.00	Power Operated Equip.	\$86,844	0%	\$0	\$86,844	20.0	\$4,342	5.00%
347.00	Communication Equip.	\$115,219	50%	\$57,610	\$57,609	10.0	\$5,761	5.00%
348.00	Misc. Equip.	\$194,605	0%	\$0	\$194,605	8.0	\$24,326	12.50%
Subtotal		\$2,008,235		\$244,805	\$1,763,430		\$153,034	7.64%
GENERAL PLANT SUBTOTAL		\$31,864,618		(\$18,466,259)	\$50,330,877		\$979,601	3.07%
INTANGIBLE PLANT								
301.00	Organization	\$496,931		\$0	\$496,931		\$0	
302.00	Franchise & Consents	\$147,180		\$0	\$147,180		\$0	
303.00	Land and Land Rights	\$194,009		\$0	\$194,009		\$0	
TOTAL		\$38,120		\$0	\$38,120		\$0	
TOTAL UTILITY PLANT		\$32,702,738		(\$18,466,259)	\$51,168,997		\$979,601	3.00%

Small Water Utilities

	Suggested
	Average
Class of Plant	Service Life (1)

Source of Water Plant

Structures and Improvements			
Wood Frame		30	
Steel		40	
Cement Block		40	
Reinforced Concrete or Brick		50	
Miscellaneous		25	
Collecting and Impounding Reservoirs			
Wood Structures		35	
Earth Fill Structures		60	
Concrete Structures		75	
Lake, River and Other Intakes			
Wood Structures		35	
Concrete Structures		60	
Springs and Tunnels		30-50	
Wells		25-50	
Mains			
	Over		Under
	6"	4"-6"	4"
Cast Iron	75	60	
Asbestos Cement	60	60	
Steel, Cement Lined	50	50	
Concrete	50	50	
Other	45	40	25
Other Source of Supply Plant	25		
Pumping Equipment		20-30	
Other Pumping Plant		10-25	
Water Treatment Equipment			
Chlorinators		15-30	
Other		25-35	
Reservoirs and Tanks			
Earth		50	
Concrete		60	
Steel		50	
Redwood		40	
Miscellaneous		25	
Services			
Galvanized		35	
Copper		50	
Meters		35-50	
Meter Installations		35	
Hydrants			
Wharf		40	
Standard		50	
Office Furniture and Equipment		15	
Transportation Equipment		7	
Stores Equipment		15	
Laboratory Equipment		15	
Communication Equipment		10	
Power Operating Equipment		12	
Tools, Shop and Garage Equipment		15	
Other General Plant		15	

(1) These lives are intended only as a guide. Longer or shorter lives could be used where conditions warrant.

NAXUC 1977

TYPICAL AVERAGE SERVICE LIVES,
SALVAGE RATES, AND DEPRECIATION RATES

SMALL WATER UTILITIES

Acct. No.	Class of Plant	Average Service Life/ Years	Net Salvage Percent	Depreciation Rate Percent
<u>Source of Supply Plant</u>				
311	Structures and Improvements	35-40		2.9-2.5
312	Collecting & Impounding Reservoirs	50-75		2.0-1.3
313	Lake, River and Other Intakes	35-45		2.9-2.2
314	Wells and Springs	25-35		4.0-2.9
315	Galleries and Tunnels	25-50		4.0-2.0
316	Supply Mains	50-75		2.0-1.3
317	Other Source of Water Supply Plant	30-40		3.3-2.5
<u>Pumping Plant</u>				
321	Structures and Improvements	35-40		2.9-2.5
321-7	Pumping Equipment	20		5.0
322	Other Pumping Plant	25		4.0
<u>Water Treatment Plant</u>				
331	Structures and Improvements	35-40		2.9-2.5
332	Water Treatment Equipment	20-35		5.0-2.9
<u>Transmission and Distribution Plant</u>				
341	Structures and Improvements	35-40		2.9-2.5
342	Reservoirs and Tanks	30-60		3.3-1.7
343	Transmission and Distribution Mains	50-75		2.0-1.3
344	Fire Mains	50-75		2.0-1.3
345	Services	30-50		3.3-2.0
346	Meters	35-45	10	2.5-2.0

a/ These lives are intended as a guide;
longer or shorter lives should be used
where conditions warrant.

FIGURE 1

Typical Average Service Lives,
Salvage Rates, and Depreciation Rates

NARUC
1979

Small Water Utilities

NARUC Account Number	Class of Plant	Average Service Life ^{a/} Years	Net Salvage Percent	Depreciation Rate Percent
<u>Source of Supply Plant</u>				
311	Structures and Improvements	35-40		2.9-2.5
312	Collecting & Impounding Reservoirs	50-75		2.0-1.3
313	Lake, River and Other Intakes	35-45		2.9-2.2
314	Wells and Springs	25-35		4.0-2.9
315	Galleries and Tunnels	25-50		4.0-2.0
316	Supply Mains	50-75		2.0-1.3
317	Other Source of Water Supply Plant	30-40		3.3-2.5
<u>Pumping Plant</u>				
321	Structures and Improvements	35-40		2.9-2.5
324-7	Pumping Equipment	20		5.0
328	Other Pumping Plant	25		4.0
<u>Water Treatment Plant</u>				
331	Structures and Improvements	35-40		2.9-2.5
332	Water Treatment Equipment	20-35		5.0-2.9
<u>Transmission and Distribution Plant</u>				
341	Structures and Improvements	35-40		2.9-2.5
342	Reservoirs and Tanks	30-60		3.3-1.7
343	Transmission and Distribution Mains	50-75		2.0-1.3
344	Fire Mains	50-75		2.0-1.3
345	Services	30-50		3.3-2.0
346	Meters	35-45	10	2.6-2.0
347	Meter Installations	40-50		2.5-2.0
348	Hydrants	40-60	5	2.4-1.6
<u>General Plant</u>				
390	Structures & Improvements	35-40		2.9-2.5
391	Office Furniture and Equipment	20-25	5	4.8-3.8
392	Transportation Equipment	7	10	12.9
393	Stores Equipment	20		5.0
394	Tools, Shop & Garage Equipment	15-20	5	6.3-4.8
395	Laboratory Equipment	15-20		6.7-6.0
396	Power Operated Equipment	10-15	10	9.0-6.0
397	Communication Equipment	10	10	9.0

a/ These lives are intended as a guide; longer or shorter lives should be used where conditions warrant.

Typical Average Service Lives,
Salvage Rates, and Depreciation Rates

RAK 2.00

Page 1

NARUC 1981

Small Water Utilities

NARUC Account Number	Class of Plant	Average Service	Net	Depreciation
		Life Years	Salvage Percent	Rate Percent
<u>Source of Supply Plant</u>				
11	Structures and Improvements	35-40		2.9-2.5
12	Collecting & Impounding Reservoirs	50-75		2.0-1.3
13	Lake, River and Other Intakes	35-45		2.9-2.2
14	Wells and Springs	25-35		4.0-2.9
15	Galleries and Tunnels	25-50		4.0-2.0
16	Supply Mains	50-75		2.0-1.3
17	Other Source of Water Supply Plant	30-40		3.3-2.5
<u>Pumping Plant</u>				
321	Structures and Improvements	35-40		2.9-2.5
324-7	Pumping Equipment	20		5.0
328	Other Pumping Plant	25		4.0
<u>Water Treatment Plant</u>				
331	Structures and Improvements	35-40		2.9-2.5
332	Water Treatment Equipment	20-35		5.0-2.9
<u>Transmission and Distribution Plant</u>				
341	Structures and Improvements	35-40		2.9-2.5
342	Reservoirs and Tanks	30-60		3.3-1.7
343	Transmission and Distribution Mains	50-75		2.0-1.3
344	Fire Mains	50-75		2.0-1.3
345	Services	30-50		3.3-2.0
346	Meters	35-45	10	2.6-2.0
347	Meter Installations	40-50		2.5-2.0
348	Hydrants	40-60	5	2.4-1.6
<u>General Plant</u>				
390	Structures & Improvements	35-40		2.9-2.5
391	Office Furniture and Equipment	20-25	5	4.8-3.2
392	Transportation Equipment	7	10	12.9
393	Stores Equipment	20		5.0
394	Tools, Shop & Garage Equipment	15-20	5	6.3-4.9
395	Laboratory Equipment	15-20		6.7-5.4
396	Power Operated Equipment	10-15	10	9.0-6.0
397	Communication Equipment	10	10	9.0

CITIZENS WATER 64		Original	Unrecovered	Adjusted	Portion
		Mobile	Portion	Cost	Alloc.
1	201	816	-	816	
2	201.1	21015	-	21015	
3	201.2	20211	-	20211	
4	201.3	18222	-	18222	
5	201.4	18222	-	18222	
6	201.5	23455	-	23455	
7	201.6	23455	-	23455	
8					
9	212.14	15777	3705	15777	23
10	212.1	90616	-	90616	70
11	212.2	15377	-	15377	30
12	212.3	15377	-	15377	30
13	212.4	15377	-	15377	30
14	212.5	9481	-	9481	20
15	212.6	193	-	193	30
16	212.7	37246	-	37246	37
17	212.8	10039	-	10039	35
18	212.9	10039	-	10039	35
19	213	7114	-	7114	12
20	214	155126	-	155126	100%
21	221	30175	-	30175	70
22	222	30175	-	30175	70
23	223	30175	-	30175	70
24	224	13045	-	13045	65
25	225	330	-	330	65
26	226	19957	-	19957	65
27	227	10355	-	10355	10
28	228	151	-	151	10
29	229	1444	-	1444	25
30	230	10396	-	10396	25
31	231	5674	-	5674	5
32	232	607	-	607	20
33	233	27056	27056	27056	
34	234	284350	27056	284350	
35					

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37 (1) Separate into 4 categories - All F + F
 38 W/Chair + E
 39 (2) Develops 12.1.1.1 & 3rd de. new Curfew City expenses
 40 Returns report on 10/4/07

TABLE I

UTILITIES & INDUSTRIES CORP.
Merrick District

STRAIGHT-LINE, AVERAGE-LIFE DEPRECIATION RESERVE REQUIREMENTS AND ANNUAL DEPRECIATION ACCRUALS AS AT DECEMBER 31, 1972

	Book Cost As At December 31, 1972	Average Service Life	Type Curve	Net Salvage %	Depreciable Book Cost	Reserve Requirement	Annual Depreciation Accruals
Integrable Plant	\$ 2,043	-	-	100	\$ 0	\$ 0	\$ 0
Reservoirs and Conduits	75,001	-	-	100	0	0	0
Removal of Curble Plant	741,537	35	H3.0	0	741,537	172,347	2,960
1904 B&O LAND RIGHTS							
Wells and Springs							
Electric Plant							
Buildings and Improvements	414,725	40	H3.0	0	414,725	93,796	2,500
Other Power Production Equipment	15,108	30	H4.0	0	15,108	3,333	3,333
Electric Heating Equipment	503,887	20	1st Degree	10	457,998	97,998	22,333
Water Pumping Equipment	72,381	30	H1.0	0	72,381	11,494	3,333
Other Pumping Equipment	35,252	30	H1.0	0	35,252	6,133	3,333
Water Treatment Plant							
Buildings and Improvements	34,007	40	H3.0	0	34,007	14,253	2,500
Other Management Equipment	24,232	25	H4.0	0	24,232	3,300	4,000
Other Management Equipment	74,500	15	1st Degree	5	70,175	23,549	6,333
Other							
Transmission and Distribution Plant							
Transmission Towers	100,161	-	-	100	0	0	0
Transmission Reservoirs and Standpipes	223,383	55	H4.0	0	223,383	72,824	1,000
Transmission and Distribution Mains	8,361,787	100	3rd Degree	0	8,361,787	1,117,011	1,000
Substations	2,039,620	45	3rd Degree	0	2,039,620	524,670	2,000
Substations	941,485	50	H4.0	10	883,237	276,095	1,000
Substations	563,065	70	2nd Degree	0	563,065	173,503	1,000
Other							
Land and Rights	52,826	-	-	100	0	0	0
Buildings and Improvements	201,697	50	H3.0	0	201,697	41,649	2,000
Other Structures and Equipment	138,508	30	R0.5	5	131,563	17,945	3,111
Communication Equipment	16,605	25	-	25	12,454	9,502	2,000
Other Shop and Office Equipment	52,673	25	H4.0	10	48,306	16,653	3,500
Other Shop and Office Equipment	6,390	20	H3.0	0	6,390	3,091	1,000
Other Shop and Office Equipment	34,520	6	H3.0	20	27,516	16,135	10,000
Communication Equipment	16,195	15	H3.0	5	15,385	4,771	6,333
Communication Equipment	8,542	25	H4.0	10	7,986	3,022	3,000

\$15,196,839

\$14,792,964

\$2,606,443

\$22,493

TABLE I

LONG ISLAND WATER CORPORATION
COMPARISON OF NET SALVAGE VALUES

Account	Net Salvage Percent	
	Historical ⁽¹⁾	Current ⁽²⁾
314 Springs & Wells		
Common-Suction (Shallow)	(15.56)	0.0
Layne & Lauman (Deep)	(35.99)	0.0
321 Power & Pumping Structures	(10.46)	0.0
323 Other Power Production Equipment	(2.79)	0.0
325 Electric	(22.01)	5.0
326 Diesel Pumping Equipment	1.77	5.0
331 Water Treatment Structures	(75.22)	0.0
332 Water Treatment Equipment:		
Filters & Yard Piping	(17.19)	0.0
Chemical Feeders	(7.24)	25.0
342 Distribution Reservoirs & Stand- pipes:		
Ground Storage	(30.42)	0.0
Elevated Tanks	(83.06)	0.0
343 Transmission & Distribution Mains	(5.71)	0.0
345 Services	(286.00)	0.0
346 Meters	43.22	0.0
348 Hydrants	(74.62)	0.0
349 Fire Services	(25.68)	0.0
390 General Structures:		
Office	(53.32)	0.0
Garage	(50.52)	0.0
391 Office Furniture & Equipment:		
Office Furniture & Equipment	(0.53)	5.0
Office Machines	5.40	5.0
392 Transportation Equipment	36.14	30.0
393 Stores Equipment	-(3)	5.0
394 Tools, Shop & Garage Equipment:		
Shop & Garage	0.67	5.0
Tools & Work	4.17	20.0
395 Laboratory Equipment	0.00	5.0
396 Power-Operated Equipment:		
Compressors	10.63	20.0
Diggers (Backhoes)	36.21	20.0
397 Communication Equipment	6.85	10.0
398 Miscellaneous Equipment	0.00	5.0

Notes:

- (1) Based on retirement history 1975 through 1984.
(2) Included in current annual depreciation rates.
(3) No retirements 1975 - 1984.
() Denotes negative percent net salvage.

TABLE II

LONG ISLAND WATER CORPORATION

COMPARISON OF AVERAGE SERVICE LIVES IN YEARS

Account	Current	Recommended
314 Springs & Wells:		
Common-Suction (Shallow)	30	25
Layne & Lauman (Deep)	50	50
321 Power & Pumping Structures:		
Main Station	50	LS 2010(1)
Others	50	50
323 Power Production Equipment	25	40
323 Electric Pumping Equipment	35	40
326 Diesel Pumping Equipment	35	40
331 Water Treatment Structures	50	LS 2010(1)
332 Water Treatment Equipment:		
Filters & Yard Piping	60	75
Chemical Feeders	20	25
0.2 Transmission & Distribution Rights of Way	100	100
342 Distribution Reservoirs & Standpipes:		
Storage Basins	75	LS 2010(1)
Ground Storage Tanks	75	75
Elevated Tank	55	LS 2000(1)
343 Transmission & Distribution Mains	95.8(2)	100
345 Services	50	65
346 Meters	40	40
348 Hydrants	70	65
349 Fire Services	50	65
390 General Structures:		
Office	60	LS 2020(1)
Garage	35	LS 2010(1)
391 Office Furniture & Equipment:		
Office Furniture & Equipment	25	30
Office Machines	20	20
392 Transportation Equipment	3	3(3)
393 Stores' Equipment	25	45
394 Tools, Shop & Garage Equipment:		
Shop & Garage	25	25
Tools & Work	20	25
395 Laboratory Equipment	25	30
396 Power-Operated Equipment:		
Compressors	15	7(3)
Diggers (Backhoes)	9	7(3)
397 Communication Equipment	10	10(3)
398 Miscellaneous Equipment	15	25

Notes:

- (1) Life Span. Service life equals age plus remaining life.
(2) Composite
(3) Programmed replacement period.

**Allocation of Cost of Supply Mains, Mains 6" and Larger and Less Than 6"
As of December 31, 2007**

	Diameter (Inches)	Footage	Inch-Feet	Cost per Inch-Foot (a)	Estimated Cost	Allocated Book Cost
	1					
	1.25	1,798	2,248	\$3.50	\$7,866	\$6,440
	1.50	3,837	5,756	3.50	20,144	16,492
	2	85,201	170,402	3.50	596,407	488,267
	3	4,220	12,660	3.50	44,310	36,276
	4	44,742	178,968	3.50	626,388	512,812
Supply Mains	6	3,565	21,390	4.00	85,560	70,046
	6	31,349	188,094	4.00	752,376	615,956
	8	29,811	238,488	4.00	953,952	780,983
	10	1,717	17,170	4.00	68,680	56,227
	12	2,594	31,128	4.00	124,512	101,936
	Total	208,834	866,303		\$ 3,280,196	\$ 2,685,436
						<u><u>\$1,060,287</u></u>
						<u><u>\$1,555,102</u></u>
						<u><u>\$70,046</u></u>

Note (a): Represents a relative cost per foot for the purpose of allocating original costs, not for a market value determination.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

(13) Audits or Studies which Utility has not submitted to Commission – None.

**Pennichuck Corporation
Officers & Directors Compensation**

For the Twelve Months Ending December 31, 2006		For the Twelve Months Ending December 31, 2007		Shares Beneficially Owned as of December 31, 2007
Officers	Compensation	Officers	Compensation	
Donald L. Correll *	104,982	Donald L. Correll	-	-
Stephen J. Densberger *	178,741	Stephen J. Densberger *	233,491	52,784
Bonalyn J. Hartley	166,990	Bonalyn J. Hartley	232,203	28,223
Hannah McCarthy	84,923	Hannah McCarthy	-	-
Duane Montopoli *	244,381	Duane Montopoli *	437,592	26,667
William Patterson *	213,903	William Patterson *	343,817	19,333
Donald L. Ware *	182,276	Donald L. Ware *	296,794	33,120
* Compensation includes salary, bonus, option awards, deferred and other compensation.				
Directors	Compensation	Directors	Compensation	
Joseph Bellavance	21,500	Joseph Bellavance	17,900	10,300
Stephen Bolander	29,000	Stephen Bolander	20,600	133
Michelle Chicoine	21,200	Michelle Chicoine	19,400	214
Robert Keller	32,100	Robert Keller	28,500	3,213
John Kreick	28,800	John Kreick	27,000	1,055
Hannah McCarthy	24,725	Hannah McCarthy	19,400	1,188
James Murphy	37,325	James Murphy	19,700	100
Martha O'Neil	33,800	Martha O'Neil	17,000	16,267
Janet M. Hansen	-		-	100
Source: Annual Proxy Statement				

Pittsfield Aqueduct Company, Inc.
Contractual Services
For the Twelve Months Ended December 31, 2007

Name	Address	Amount	Purpose
J. PARKER & DAUGHTERS CONSTRUCTION, INC	70 DAKOTA ROAD PITTSFIELD NH	318,394	Construction Services
DBU CONSTRUCTION, INC	PO BOX 984 EPSOM NH	209,651	Construction Services
R E PRESCOTT CO INC	10 RAILROAD AVENUE EXETER NH	199,254	Construction & Maintenance Services
LAYNE CHRISTENSEN COMPANY	5916 PAYSHERE CIRCLE CHICAGO IL	182,029	Capital Equipment Provider
ELECTRICAL INSTALLATIONS, INC.	397 WHITTIER HWY MOULTONBORO NH	149,352	Electrical Installations Provider & Maintenance Services
NORTH CONWAY WATER PRECINCT	PO BOX 630 NORTH CONWAY NH	120,060	Future Water provider for Birch Hill - Buy in Fee
MAZEROLLE & FRASCA, P.A.	2 AUBURN STREET NASHUA NH	86,780	Escrow Agent
ENSR CORPORATION	2 TECHNOLOGY PARK DRIVE WESTFORD MA	65,038	Service Provider Water Systems
MERIDIAN LAND SERVICES, INC	PO BOX 118 MILFORD NH	63,393	Land Surveyor
HYDROSOURCE ASSOCIATES, INC	50 WINTER STREET ASHLAND NH	39,245	Pump Testing & Water Analysis
APPLIED TECHNOLOGY SYSTEMS, INC.	40 DIAMOND ST. SOUDERTON PA	33,968	CO2 Systems Provider
SOUTHWORTH-MILTON, INC.	P.O. BOX 3851 BOSTON MA	31,250	Capital Equipment Provider
FX LYONS INC.	P.O. BOX 280 INTERVALE NH	31,073	Service Provider Water Systems
NEW HAMPSHIRE ELECTRIC CO-OP	579 TENNEY MOUNTAIN HWY PLYMOUTH NH	28,800	Electricity Provider
PUBLIC SERVICE OF NEW HAMPSHIRE	P.O. BOX 360 MANCHESTER NH	27,392	Electricity Provider
DWYER, DONOVAN & PENDLETON, P.A.	461 MIDDLE STREET PORTSMOUTH NH	26,332	Legal Services
REMAX PRESIDENTIAL	3280 WHITE MOUNTAIN HIGHWAY NORTH CONWAY NH	25,000	Real Estate Services
GRANITE STATE ANALYTICAL INC	ACCOUNTS RECEIVABLE DERRY NH	24,896	Laboratory Services - Water Analysis
HUDSON PAVING & EXCAVATION	19 BARRETT'S HILL ROAD HUDSON NH	24,165	Construction Services
RICHARD D BARTLETT & ASSOCIATES, LLC	214 NORHT STATE STREET CONCORD NH	23,215	Land Surveyor
ASSOCIATED CONCRETE COATINGS, INC.	476 VALLEY ST. MANCHESTER NH	21,655	Coatings Provider
JNL EXCAVATION, LLC	223 TRASK SIDE ROAD ALTON BAY NH	20,680	Construction Services
SMITH PUMP	48 LONDONDERRY TURNPIKE HOOKSETT NH	18,274	Service Provider Water Systems
COMAC PUMP & WELL, LLC	PO BOX 425 KINGSTON NH	17,239	Service Provider Water Systems
EASTERN PROPANE GAS, INC.	PO BOX 8900 LEWISTON ME	12,403	Fuel Supplier
MCLANE, GRAF, RAULERSON & MIDDLETON	11 SOUTH MAIN STREET CONCORD NH	10,866	Legal Services

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (17) Assets and Cost Allocations – we anticipate that no non-utility assets or operations will be included in the Company’s financial statements for the test year.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (18) Balance Sheet and Income Statements – The statements have either been filed previously with the Commission or will be filed as a part of the Company's rate case filing.

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2007

	3 Months Ended <u>3/31/2007</u>	3 Months Ended <u>6/30/2007</u>	6 Months Ended <u>6/30/2007</u>	3 Months Ended <u>9/30/2007</u>	9 Months Ended <u>9/30/2007</u>	3 Months Ended <u>12/31/2007</u>	12 Months Ended <u>12/31/2007</u>
Water Revenues	\$ 191,468	\$ 188,666	\$ 380,133	\$ 210,129	\$ 590,263	\$ 181,411	\$ 771,674
Other	<u>2,311</u>	<u>2,962</u>	<u>5,273</u>	<u>3,030</u>	<u>8,303</u>	<u>2,874</u>	<u>11,177</u>
Total Revenues	193,779	191,628	385,406	213,159	598,566	184,285	782,851
<u>Operating Expenses:</u>							
Production	65,723	49,786	115,509	72,122	187,631	71,722	259,353
Trans & Distrib	56,444	46,640	103,084	34,068	137,152	44,787	181,939
Customer Accting	10,193	5,088	15,280	11,380	26,661	6,703	33,364
Admin & General	8,683	13,838	22,522	9,180	31,702	14,759	46,461
Interdiv Mgt Fee	<u>125,791</u>	<u>122,425</u>	<u>248,216</u>	<u>112,711</u>	<u>360,927</u>	<u>116,684</u>	<u>477,611</u>
	266,834	237,777	504,611	239,461	744,073	254,654	998,727
Depreciation/Amort	27,479	33,299	60,778	29,240	90,019	44,748	134,766
Amort Exp: CIAC	(6,037)	(6,037)	(12,073)	(6,078)	(18,151)	(6,160)	(24,310)
Amort Expense	5,746	2,130	7,876	4,480	12,356	4,592	16,948
Taxes other than Income	11,473	11,084	22,557	11,084	33,641	9,069	42,710
Income Taxes	<u>(63,477)</u>	<u>(51,787)</u>	<u>(115,264)</u>	<u>(37,513)</u>	<u>(152,777)</u>	<u>(67,447)</u>	<u>(220,224)</u>
	242,019	226,467	468,486	240,675	709,161	239,456	948,616
Operating Income	(48,240)	(34,839)	(83,079)	(27,516)	(110,595)	(55,171)	(165,766)
Other Income (Exp)	-	-	-	-	-	-	-
AFDUC	(21,060)	(23,961)	(45,021)	(17,350)	(62,371)	(3,428)	(65,799)
Interest on LTD	-	-	-	-	-	-	-
Interest on STD	-	-	-	-	-	-	-
Intercomany Interest	69,025	67,504	136,529	46,455	182,983	50,807	233,790
Amortization	<u>573</u>	<u>573</u>	<u>1,146</u>	<u>573</u>	<u>1,719</u>	<u>573</u>	<u>2,292</u>
	48,538	44,116	92,654	29,678	122,331	47,952	170,284
Net Income (Loss)	(96,778)	(78,955)	(175,733)	(57,193)	(232,926)	(103,123)	(336,049)
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-	-	-
Transferred to Retained Earnings	<u>\$ (96,778)</u>	<u>\$ (78,955)</u>	<u>\$ (175,733)</u>	<u>\$ (57,193)</u>	<u>\$ (232,926)</u>	<u>\$ (103,123)</u>	<u>\$ (336,049)</u>

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2006

	3 Months Ended 3/31/2006	3 Months Ended 6/30/2006	6 Months Ended 6/30/2006	3 Months Ended 9/30/2006	9 Months Ended 9/30/2006	3 Months Ended 12/31/2006	12 Months Ended 12/31/2006
Water Revenues	\$ 108,893	\$ 166,274	\$ 275,167	\$ 199,926	\$ 475,093	\$ 186,327	\$ 661,420
Other	<u>744</u>	<u>554</u>	<u>1,298</u>	<u>773</u>	<u>2,071</u>	<u>1,958</u>	<u>4,029</u>
Total Revenues	109,637	166,828	276,465	200,699	477,164	188,285	665,449
<u>Operating Expenses:</u>							
Production	12,540	29,582	42,121	59,300	101,421	58,197	159,619
Trans & Distrib	9,940	11,853	21,794	62,516	84,309	39,698	124,007
Customer Accting	3,553	5,443	8,996	12,402	21,398	14,125	35,523
Admin & General	5,243	7,475	12,718	23,629	36,346	3,942	40,289
Interdiv Mgt Fee	<u>42,000</u>	<u>56,000</u>	<u>98,000</u>	<u>120,000</u>	<u>218,000</u>	<u>91,000</u>	<u>309,000</u>
	73,276	110,353	183,629	277,847	461,475	206,963	668,438
Depreciation/Amort	18,014	20,038	38,052	20,745	58,797	24,451	83,249
Amort Exp: CIAC	(6,339)	(6,135)	(12,475)	(6,846)	(19,321)	6,149	(13,172)
Amort Expense	4,614	9,912	14,526	8,651	23,177	6,295	29,472
Taxes other than Income	6,708	7,071	13,779	10,840	24,619	13,174	37,793
Income Taxes	<u>(1,081)</u>	<u>22,130</u>	<u>21,049</u>	<u>(63,300)</u>	<u>(42,251)</u>	<u>(51,901)</u>	<u>(94,152)</u>
	95,192	163,368	258,560	247,937	506,497	205,131	711,628
Operating Income	14,444	3,460	17,905	(47,237)	(29,333)	(16,846)	(46,179)
Other Income (Exp)	-	31,595	31,595	-	31,595	(10,018)	21,577
AFDUC	-	-	-	(4,275)	(4,275)	(6,713)	(10,988)
Interest on LTD	-	-	-	-	-	-	-
Interest on STD	-	-	-	573	573	573	1,146
Intercomany Interest	16,093	1,315	17,408	53,047	70,454	58,456	128,910
Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	16,093	1,315	17,408	49,345	66,752	52,316	119,068
Net Income (Loss)	(1,648)	33,740	32,092	(96,582)	(64,490)	(79,180)	(143,670)
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-	-	-
Transferred to Retained Earnings	<u>\$ (1,648)</u>	<u>\$ 33,740</u>	<u>\$ 32,092</u>	<u>\$ (96,582)</u>	<u>\$ (64,490)</u>	<u>\$ (79,180)</u>	<u>\$ (143,670)</u>

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2005

	3 Months Ended 3/31/2005	3 Months Ended 6/30/2005	6 Months Ended 6/30/2005	3 Months Ended 9/30/2005	9 Months Ended 9/30/2005	3 Months Ended 12/31/2005	12 Months Ended 12/31/2005
Water Revenues	\$ 116,491	\$ 115,030	\$ 231,521	\$ 117,604	\$ 349,125	\$ 115,441	\$ 464,566
Other	<u>1,441</u>	<u>674</u>	<u>2,115</u>	<u>1,297</u>	<u>3,412</u>	<u>1,462</u>	<u>4,874</u>
Total Revenues	117,932	115,704	233,635	118,901	352,537	116,903	469,439
Operating Expenses:							
Production	12,642	12,958	25,600	17,296	42,896	16,243	59,139
Trans & Distrib	12,165	15,322	27,487	6,993	34,480	9,176	43,656
Customer Accting	3,397	4,003	7,400	4,252	11,652	3,880	15,532
Admin & General	9,913	6,874	16,787	8,103	24,889	10,540	35,429
Interdiv Mgt Fee	<u>47,000</u>	<u>35,000</u>	<u>82,000</u>	<u>38,000</u>	<u>120,000</u>	<u>36,000</u>	<u>156,000</u>
	85,117	74,156	159,273	74,644	233,917	75,838	309,755
Depreciation/Amort	23,538	13,839	37,377	25,966	63,343	31,148	94,491
Amort Exp: CIAC	(6,476)	(6,476)	(12,953)	(6,476)	(19,429)	(4,459)	(23,888)
Taxes other than Income	7,182	7,182	14,364	7,181	21,545	6,955	28,500
Income Taxes	<u>(2,032)</u>	<u>5,400</u>	<u>3,368</u>	<u>3,217</u>	<u>6,585</u>	<u>(4,510)</u>	<u>2,075</u>
	107,328	94,101	201,429	104,532	305,961	104,972	410,933
Operating Income	10,604	21,603	32,207	14,369	46,576	11,931	58,507
Other Income (Exp)	-	-	-	-	-	-	-
AFDUC	-	-	-	-	-	-	-
Interest on LTD	-	-	-	-	-	-	-
Interest on STD	-	-	-	-	-	-	-
Intercompany Interest	13,471	13,371	26,842	9,461	36,303	18,808	55,110
Amortization	<u>232</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>232</u>
	13,703	13,371	27,074	9,461	36,534	18,808	55,342
Net Income (Loss)	(3,099)	8,232	5,133	4,908	10,041	(6,877)	3,165
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-	-	-
Transferred to Retained Earnings	<u>\$ (3,099)</u>	<u>\$ 8,232</u>	<u>\$ 5,133</u>	<u>\$ 4,908</u>	<u>\$ 10,041</u>	<u>\$ (6,877)</u>	<u>\$ 3,165</u>

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 FY 2004

	3 Months Ended 3/31/2004	3 Months Ended 6/30/2004	6 Months Ended 6/30/2004	3 Months Ended 9/30/2004	9 Months Ended 9/30/2004	3 Months Ended 12/31/2004	12 Months Ended 12/31/2004
Water Revenues	\$ 116,566	\$ 121,090	\$ 237,656	\$ 115,533	\$ 353,189	\$ 115,776	\$ 468,965
Other	662	1,575	2,237	1,323	3,560	1,003	4,563
Total Revenues	<u>117,228</u>	<u>122,665</u>	<u>239,893</u>	<u>116,856</u>	<u>356,749</u>	<u>116,779</u>	<u>473,528</u>
Operating Expenses:							
Production	18,047	10,959	29,006	17,976	46,982	12,663	59,645
Trans & Distrib	7,505	12,304	19,809	698	20,507	5,967	26,474
Customer Accting	3,327	3,543	6,870	3,681	10,550	3,589	14,139
Admin & General	2,606	(32)	2,574	554	3,128	960	4,088
Interdiv Mgt Fee	20,478	35,904	56,382	26,639	83,021	50,979	134,000
	<u>51,963</u>	<u>62,678</u>	<u>114,641</u>	<u>49,548</u>	<u>164,189</u>	<u>74,157</u>	<u>238,346</u>
Depreciation/Amort	22,930	23,622	46,552	27,541	74,093	23,587	97,680
Amort Exp: CIAC	(6,482)	(6,482)	(12,965)	(6,482)	(19,447)	(6,482)	(25,929)
Taxes other than income	22,877	19,302	42,179	23,711	65,891	(24,256)	41,635
Income Taxes	4,204	3,782	7,986	3,164	11,150	14,004	25,154
	<u>95,492</u>	<u>102,901</u>	<u>198,394</u>	<u>97,483</u>	<u>295,876</u>	<u>81,010</u>	<u>376,886</u>
Operating Income	21,736	19,763	41,499	19,374	60,873	35,769	96,642
Other Income (Exp)	-	-	-	-	-	-	-
AFDUC	-	-	-	-	-	-	-
Interest on LTD	15,057	13,804	28,861	14,430	43,291	14,431	57,722
Interest on STD	38	(38)	-	(112)	(112)	1,038	926
Amortization	232	232	463	232	695	(1,049)	(354)
	<u>15,327</u>	<u>13,998</u>	<u>29,324</u>	<u>14,550</u>	<u>43,874</u>	<u>14,420</u>	<u>58,294</u>
Net Income (Loss)	6,409	5,766	12,175	4,824	16,999	21,350	38,348
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	-	-	-	-	-	-	-
Transferred to Retained Earnings	-	-	-	-	-	-	-
	<u>\$ 6,409</u>	<u>\$ 5,766</u>	<u>\$ 12,175</u>	<u>4,824</u>	<u>16,999</u>	<u>21,350</u>	<u>38,348</u>

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2003

	3 Months Ended <u>3/31/2003</u>	3 Months Ended <u>6/30/2003</u>	6 Months Ended <u>6/30/2003</u>	3 Months Ended <u>9/30/2003</u>	9 Months Ended <u>9/30/2003</u>	3 Months Ended <u>12/31/2003</u>	12 Months Ended <u>12/31/2003</u>
Water Revenues	\$ 132,681	\$ 96,806	\$ 229,487	\$ 109,520	\$ 339,007	\$ 103,232	\$ 442,239
Other	<u>1,195</u>	<u>1,235</u>	<u>2,430</u>	<u>1,167</u>	<u>3,597</u>	<u>1,086</u>	<u>4,683</u>
Total Revenues	133,876	98,041	231,917	110,687	342,604	104,318	446,922
Operating Expenses:							
Production	13,098	9,426	22,524	10,389	32,912	17,048	49,960
Trans & Distrib	8,609	3,580	12,189	12,067	24,257	10,553	34,809
Customer Accting	3,671	2,894	6,564	3,589	10,153	3,538	13,691
Admin & General	2,683	2,380	5,062	3,837	8,899	1,318	10,217
Interdiv Mgt Fee	<u>20,017</u>	<u>18,746</u>	<u>38,763</u>	<u>20,971</u>	<u>59,734</u>	<u>31,851</u>	<u>91,585</u>
	48,077	37,026	85,103	50,852	135,955	64,308	200,263
Depreciation/Amort	21,916	21,950	43,866	22,000	65,866	26,012	91,878
Amort Exp: CIAC	(6,482)	(6,482)	(12,965)	(6,482)	(19,447)	(6,482)	(25,929)
Taxes other than Income	28,661	20,045	48,707	20,045	68,752	11,448	80,200
Income Taxes	<u>11,043</u>	<u>3,533</u>	<u>14,576</u>	<u>3,471</u>	<u>18,047</u>	<u>(2,515)</u>	<u>15,532</u>
	103,215	76,072	179,287	89,887	269,173	92,771	361,945
Operating Income	30,661	21,969	52,630	20,800	73,430	11,547	84,977
Other Income (Exp)	-	-	-	-	-	-	-
AFDUC	-	-	-	-	-	-	-
Interest on LTD	15,057	15,057	30,114	15,057	45,171	15,057	60,228
Interest on STD	(1,464)	1,293	(171)	222	51	92	143
Amortization	<u>232</u>	<u>232</u>	<u>463</u>	<u>232</u>	<u>695</u>	<u>232</u>	<u>926</u>
	13,825	16,582	30,406	15,511	45,917	15,381	61,297
Net Income (Loss)	16,836	5,387	22,224	5,290	27,514	(3,834)	23,680
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-	-	-
Transferred to Retained Earnings	<u>\$ 16,836</u>	<u>\$ 5,387</u>	<u>\$ 22,224</u>	<u>\$ 5,290</u>	<u>\$ 27,514</u>	<u>\$ (3,834)</u>	<u>\$ 23,680</u>

**Pittsfield Aqueduct and North Country
Quarterly Sales Volume Schedule for
the Year 2006**

PAC 2006

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 62,435.16	13,351	\$ 65,119.86	14,070	\$ 67,504.38	14,888	\$ 65,284.84	14,209	\$ 260,344.24	56,518
Commercial	\$ 15,732.02	2,482	\$ 16,444.15	2,703	\$ 18,898.74	3,411	\$ 16,374.54	2,669	\$ 67,449.45	11,265
Industrial	\$ 1,737.84	340	\$ 2,066.94	440	\$ 1,933.14	400	\$ 33,123.34	340	\$ 38,861.26	1,520
Municipal	\$ 33,118.53	344	\$ 33,150.93	351	\$ 32,595.33	200	\$ 1,735.14	349	\$ 100,599.93	1,244
	\$ 113,023.55	16,517	\$ 116,781.88	17,564	\$ 120,931.59	18,899	\$ 116,517.86	17,567	\$ (4,244.00)	Unbilled Revenue
									\$ 1,061.71	Abatements
									\$ 27.00	Other Adjustments
									\$ 464,099.59	70,547
									\$ 464,099.59	gl balance end 2006
									\$ -	more in gl than water

NC 2006

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ -	-	\$ -	-	\$ 104,205.57	15,008	\$ 75,641.44	11,913	\$ 179,847.01	26,921
Commercial	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Industrial	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Municipal	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-
	\$ -	-	\$ -	-	\$ 104,205.57	15,008	\$ 75,641.44	11,913	\$ 18,124.00	Unbilled Revenue
									\$ (650.50)	Abatements
									\$ -	Other Adjustments
									\$ 197,320.51	26,921
									\$ 197,320.51	gl balance end 2006
									\$ -	more in gl than water

Total PAC and NC 2006

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 62,435.16	13,351	\$ 65,119.86	14,070	\$ 171,709.95	29,896	\$ 140,926.28	26,122	\$ 440,191.25	83,439
Commercial	\$ 15,732.02	2,482	\$ 16,444.15	2,703	\$ 18,898.74	3,411	\$ 16,374.54	2,669	\$ 67,449.45	11,265
Industrial	\$ 1,737.84	340	\$ 2,066.94	440	\$ 1,933.14	400	\$ 33,123.34	340	\$ 38,861.26	1,520
Municipal	\$ 33,118.53	344	\$ 33,150.93	351	\$ 32,595.33	200	\$ 1,735.14	349	\$ 100,599.93	1,244
	\$ 113,023.55	16,517	\$ 116,781.88	17,564	\$ 225,137.16	33,907	\$ 192,159.30	29,480	\$ 13,880.00	Unbilled Revenue
									\$ 411.21	Abatements
									\$ 27.00	Other Adjustments
									\$ 661,420.10	97,468
									\$ 661,420.10	gl balance end 2006
									\$ -	more in gl than water

2006 September Revenues for NC reflect June Revenues billed in July. Unbilled Revenues were recorded to offset this timing issue.

**Pittsfield Aqueduct
Quarterly Sales Volume Schedule for
the Five Years from 2002 through 2006**

PAC 2002

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 54,429.73	14,013	\$ 55,825.13	14,439	\$ 61,239.94	16,367	\$ 54,968.15	14,054	\$ 226,462.95	58,873
Commercial	\$ 14,618.53	2,881	\$ 13,666.02	2,539	\$ 15,036.65	3,022	\$ 16,483.09	3,566	\$ 59,806.29	12,008
Industrial	\$ 2,144.22	579	\$ 2,421.42	678	\$ 2,376.62	662	\$ 2,166.62	587	\$ 9,108.88	2,506
Municipal	\$ 28,023.34	337	\$ 28,037.34	342	\$ 27,588.63	164	\$ 28,866.12	606	\$ 112,515.43	1,449
	\$ 99,215.82	17,810	\$ 99,949.91	17,998	\$ 106,243.84	20,215	\$ 102,483.98	18,813	\$ (24,606.00)	Unbilled Revenue
									\$ (329.10)	Abatements
									\$ (8.08)	Other Adjustments
									\$ 382,950.37	74,836
									\$ 382,950.37	gl balance end 2002
									\$ -	more in gl than water

PAC 2003

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 57,817.34	15,081	\$ 57,157.83	14,833	\$ 57,828.15	15,070	\$ 54,394.23	13,808	\$ 227,197.55	58,792
Commercial	\$ 14,554.45	2,928	\$ 14,003.35	2,719	\$ 14,391.84	2,819	\$ 13,607.33	2,565	\$ 56,556.97	11,031
Industrial	\$ 2,183.42	593	\$ 2,620.22	749	\$ 2,432.62	682	\$ 2,284.22	629	\$ 9,520.48	2,653
Municipal	\$ 29,143.32	705	\$ 28,408.62	405	\$ 27,664.37	158	\$ 28,210.37	353	\$ 113,426.68	1,621
	\$ 103,698.53	19,307	\$ 102,190.02	18,706	\$ 102,316.98	18,729	\$ 98,496.15	17,355	\$ 36,157.00	Unbilled Revenue
									\$ (689.40)	Abatements
									\$ 69.60	Other Adjustments
									\$ 442,238.88	74,097
									\$ 442,238.88	gl balance end 2003
									\$ -	more in gl than water

PAC 2004

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 64,367.37	14,783	\$ 65,014.81	14,062	\$ 69,031.51	15,323	\$ 62,255.61	13,253	\$ 260,669.30	57,421
Commercial	\$ 15,401.63	2,624	\$ 16,484.58	2,710	\$ 16,850.64	2,792	\$ 17,258.87	2,925	\$ 65,995.72	11,051
Industrial	\$ 2,898.00	732	\$ 2,628.84	610	\$ 2,295.54	509	\$ 2,490.24	568	\$ 10,312.62	2,419
Municipal	\$ 31,584.15	359	\$ 33,265.15	374	\$ 33,214.23	355	\$ 32,999.73	290	\$ 131,063.26	1,378
	\$ 114,251.15	18,498	\$ 117,393.38	17,756	\$ 121,391.92	18,979	\$ 115,004.45	17,036	\$ 1,206.00	Unbilled Revenue
									\$ (184.24)	Abatements
									\$ (97.32)	Other Adjustments
									\$ 468,965.34	72,269
									\$ 468,965.34	gl balance end 2004
									\$ -	more in gl than water

PAC 2005

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 65,129.24	14,145	\$ 63,806.68	13,733	\$ 65,149.42	14,156	\$ 60,530.47	12,773	\$ 254,615.81	54,807
Commercial	\$ 17,398.01	2,997	\$ 17,309.78	2,995	\$ 17,513.15	2,939	\$ 17,628.37	3,017	\$ 69,849.31	11,948
Industrial	\$ 2,193.24	478	\$ 2,361.54	529	\$ 2,071.14	441	\$ 1,826.94	367	\$ 8,452.86	1,815
Municipal	\$ 33,428.73	420	\$ 32,960.13	278	\$ 32,534.43	458	\$ 33,009.63	307	\$ 131,932.92	1,463
	\$ 118,149.22	18,040	\$ 116,438.13	17,535	\$ 117,268.14	17,994	\$ 112,995.41	16,464	\$ 1,800.00	Unbilled Revenue
									\$ (2,137.37)	Abatements
									\$ 52.08	Other Adjustments
									\$ 464,565.61	70,033
									\$ 464,565.61	gl balance end 2005
									\$ -	more in gl than water

Pittsfield Aqueduct Company, Inc.
Capital Expenditures
2008 Budget & 2009 Forecast
(\$000)

		Project Description	2008	2009
2007 Carryover Projects				
Birch Hill Water System Improvements		Interconnect Birch Hill with NCWP. Make on site piping and station improvements	919.00	0.00
Subtotal 2007 Carryover Projects -			919.00	-
New 2008 Projects				
Refurbish Pittsfield Filters		Replace filter media, repaint steel treatment vessels	43.00	0.00
Birch Hill Meter Pits *		Install 28 meter pits in Birch Hill	70.00	0.00
Middleton Meter Pits		Install 8 meter pits in Middleton	20.00	0.00
Locke Lake - 6" water main *		Complete loop around lake (500')	95.00	0.00
Interconnect the Airport CWS with the Golf Course CWS		Install PRV pit on existing water main	21.00	0.00
Interconnect the Section S CWS with the Golf Course CWS *		Run 1500' of 4" C900 PVC to provide a replacement source of supply to Section S. Will also provide water during a power outage	190.00	0.00
Sunrise Estates Booster Station upgrades		Replace failed boosters, replace galvanized piping.	15.00	0.00
Engineering Equipment		Well level sensor, pressure recorders	3.00	0.00
New Services		Estimate of six new main to stop services	16.00	16.00
Service Renewals		Renew 20 existing 3/4" PE main to stops	50.00	50.00
Replacement Well or Booster Pumps		Normal or extraordinary equipment failure requiring replacement (1 per year)	3.00	3.00
New meters		Install six new meters with radio reads	1.50	1.50
Replace water main in Locke Lake		Replace 1000 LF of existing undersized glued jt. Sch 40 PVC water main with appropriately sized C900, DR18 PVC water main.	-	120.00
Hydrant Replacements		One per year	3.50	3.50
Gate Valve Replacements		Two per year (replace broken valves found during gate maintenance)	5.60	5.60
Subtotal New 2008 Projects -			536.60	199.60
* Funded with SRF Loan				
Total 2008 Capital Projects Budget -			1,455.60	199.60

Pittsfield Aqueduct

Annual Stmt of Cash Flows/External Cash Needs

For the Twelve Months Ended December 31, 2008 and 2009

	<u>,2008</u>	<u>,2009</u>
Operating Activities:		
Net Income	22,828	324,630
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	157,356	171,569
Gain on sale of land/cell tower leases	-	-
Amortization of deferred investment tax credits	-	-
Provision for deferred income taxes	14,969	-
Allowance for funds used during construction	(41,379)	-
Undistributed earnings in real estate partnerships	-	-
Special shareholder distributions	-	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable and unbilled revenue	(105,300)	(124,221)
(Increase) decrease in refundable income taxes	-	-
(Increase) decrease in materials and supplies	-	-
(Increase) decrease in prepaid expenses	(14,029)	(31,681)
(Increase) decrease in deferred charges and other assets	152,580	29,408
Increase (decrease) in accounts payable and accrued expenses	(112,726)	39,978
Increase (decrease) in other	(189,920)	-
Net cash provided by (used in) operating activities	<u>(115,621)</u>	<u>409,683</u>
Investing Activities:		
Purchases of property, plant and equipment	(1,455,600)	(199,600)
Contributions in aid of construction	-	-
(Increase) decrease in restricted cash	-	-
Sale (purchase) of investment securities	-	-
Net (increase) decrease in notes receivable	-	-
Proceeds from sale of land	-	-
Net change in investment in real estate partnerships and deferred land costs	-	-
Net cash provided by (used in) investing activities	<u>(1,455,600)</u>	<u>(199,600)</u>
Financing Activities:		
(Repayments) advances on line of credit	-	-
Payments on long-term debt	-	-
Proceeds on long-term borrowings	1,571,221	-
Debt issuance costs	-	-
Proceeds from issuance of common stock and dividend reinvestment plan	-	-
Dividends paid	-	-
Annual External Cash Needs	<u>1,571,221</u>	<u>-</u>
Net increase (decrease) in cash	-	210,083
Cash at beginning of period	200	200
Cash at end of period	<u>200</u>	<u>210,283</u>

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

Description of Security	Holder	Maturity	Rate	12/31/2008	12/31/2009	12/31/2010	12/31/2011	2012 and Beyond	Total
Unsecured Note - PAC	Pennichuck Corp	6/1/08	6.00%	298,384	-	-	-	-	298,384
Unsecured Note - North Country	Pennichuck Corp	5/1/11	6.50%	-	-	-	790,898	-	790,898
				<u>\$ 298,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 790,898</u>	<u>\$ -</u>	<u>\$ 1,089,282</u>

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

	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 Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 Liability	(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)

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (25) Parent Company Information – 2006, 2005, 2004, 2003, and 2002 Annual Reports to Shareholders contained in this binder. Form 10-K and Form 10-Q previously filed with Commission contained in this binder.

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)

	<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	140,577	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	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	100.0%
	76.0%	15.2%	3.7%	94.9%	4.0%	1.1%		
Total								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)		
PCP Mgmt Fee Expense Allocation - PWW	756,715		
PCP Mgmt Fee Expense Allocation - PEU	151,659		
PCP Mgmt Fee Expense Allocation - PAC	36,869		
PCP Mgmt Fee Expense Allocation - PWS	39,498		
PCP Mgmt Fee Expense Allocation - TSC	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	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	100.0%
	76.3%	14.5%	3.0%	93.8%	5.7%	0.6%		
Allocated Pennichuck Water Costs - Work Orders	808,771	140,677	78,476	1,027,924	248,853	-	\$ 1,276,777	100.0%
	63.3%	11.0%	6.1%	80.5%	19.5%	0.0%		
Allocated Pennichuck Water Costs - Management Fee	4,327,642	845,587	352,674	5,525,903	357,896	58,959	\$ 5,942,658	100.0%
	72.8%	14.2%	5.9%	93.0%	6.0%	1.0%		
Total Allocated 2007 Costs	\$ 5,381,363	\$ 1,032,679	\$ 440,742	\$ 6,854,764	\$ 625,033	\$ 60,634	\$ 7,540,451	100.0%
	71.4%	13.7%	5.8%	90.9%	8.3%	0.8%		
Total								100.0%

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

	YTD Costs	Current Balance	Monthly Adjustment
PWW operating expense allocation - PWW	\$(2,159,088)		
PWW operating expense allocation - PEU	1,032,679		
PWW operating expense allocation - PAC	440,742		
PWW operating expense allocation - PCP	-		
PWW operating expense allocation - PWS	625,033		
PWW operating expense allocation - TSC	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

Dollars Applicable to:

		Full Year Amounts (to be allocated)	YTD EXPENSES	Tier Allocation		Tier 2	Tier 3	Tier 4	PWSC Only	PAC Only	TSC Only
				Required	Special Allocation	Tier 1 (All)	(Regulated + PWSC)	(PWW+PEU+ PWSC)	(Regulated)		
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	-	-	-	-	-
				28.0% of BR to utilities							
2920	004	Office Salaries and Wages - BR	28,023	4 based on timesheets	-	-	-	28,023	-	-	-
				72.0% of BR to PWSC							
2920	004	Office Salaries and Wages - BR	72,058	6 based on time sheets	-	-	-	-	72,058	-	-
				100% to PWSC as							
2920	005	Office Salaries and Wages - Other PWSC	-	6 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	-	-	-	-	-
				28.0% of BR to utilities							
Calc		Office Salaries and Wages - BR	10,817	4 based on timesheets	-	-	-	10,817	-	-	-
				72.0% of BR to PWSC							
Calc		Office Salaries and Wages - BR	27,814	6 based on time sheets	-	-	-	-	27,814	-	-
				100% to PWSC as							
Calc		Office Salaries and Wages - Other PWSC	-	6 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:								
<u>Full Year Budgeted Amounts (to be allocated) - Tier 1</u>		<u>Tier Allocation Required</u>	<u>Special Allocation</u>	<u>Tier 1 (All)</u>	<u>Tier 2 (Regulated + PWSC)</u>	<u>Tier 3 (PWW+PEU+ PWSC)</u>	<u>Tier 4 (Regulated)</u>	<u>PWSC Only</u>	<u>PAC Only</u>	<u>TSC Only (budgeted specifically on TSC P/L)</u>
<u>Facilities - Manchester Street</u>										
2407	135		1	-	-	-	-	-	-	-
2407	136		1	-	-	-	-	-	-	-
2921	000	41,743	1	41,743	-	-	-	-	-	-
2921	130	44,665	1	44,665	-	-	-	-	-	-
2921	150	287,143	1	287,143	-	-	-	-	-	-
2921	160	24,005	1	24,005	-	-	-	-	-	-
2921	161	(71,116)	1	(71,116)	-	-	-	-	-	-
2950	110	28,473	1	28,473	-	-	-	-	-	-
2950	200	10,259	1	10,259	-	-	-	-	-	-
<u>Miscellaneous Charges</u>										
2921	002	8,754	1	8,754	-	-	-	-	-	-
2921	003	14,076	1	14,076	-	-	-	-	-	-
2921	131	14,770	1	14,770	-	-	-	-	-	-
2921	140	442	1	442	-	-	-	-	-	-
2923	000	162,180	1	162,180	-	-	-	-	-	-
2930	100	17,171	1	17,171	-	-	-	-	-	-
2930	102	13,260	1	13,260	-	-	-	-	-	-
2930	300	5,497	1	5,497	-	-	-	-	-	-
2930	405	4,444	1	4,444	-	-	-	-	-	-
2662	001	9,639	4	-	-	-	9,639	-	-	-
2660	001	11,353	4	-	-	-	11,353	-	-	-
2660	002	17,094	4	-	-	-	17,094	-	-	-
2950	300	8,642	2	-	8,642	-	-	-	-	-
2950	500	203,084	1	203,084	-	-	-	-	-	-
<u>Depreciation - 2403 & Amort</u>										
2346	BNA	37,686	2	-	37,686	-	-	-	-	-
2347	BNA	354,690	1	354,690	-	-	-	-	-	-
2340	BNA	33,382	1	33,382	-	-	-	-	-	-
2186-225	BNA	54,385	1	54,385	-	-	-	-	-	-
2186-230	BNA	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		Real Estate		Total
				Regulated	Con Ops (PWS)1	(TSC) ¹		
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 (including summer help)				101.5	1.5	0	103	
				98.54%	1.46%	0.00%		100.00%
Square Footage - w/ add'l lease space Manchester Street Facility				17,324	1,574	567	19,465	
				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	#####	
	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%
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%		
								Check Total \$ -

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		Real Estate		Total
				Regulated	Con Ops (PWS) 1	(TSC)		
Total Assets ²	\$ 125,041,644	\$ 23,505,721	\$ 7,590,639	\$ 156,138,004	\$ 331,086	\$ -	#####	
	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%
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		
								Check Total \$ -

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		Real Estate		Total
				(PWS)	(TSC)			
Total Assets ²	\$ 125,041,644	\$ 23,505,721		\$ 331,086			#####	
	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%
Allocation of Allocable Expenses	\$ -	\$ -	0	\$ -	0	\$ -		
Effective Allocation %	#DIV/0!	#DIV/0!	N/A	#DIV/0!	N/A			
								Check Total \$ -

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Allocation Calculation - Tier 4 (Regulated Companies)

	<u>PWW</u>	<u>PEU</u>	<u>PAC</u>	<u>Con Ops (PWS)</u>	<u>Real Estate (TSC)¹</u>	<u>Total</u>	
Total Assets ²	\$ 125,041,644 83.99%	\$ 23,505,721 15.79%	\$ 7,590,639 5.10%			##### 104.88%	
Customers ³	25,835 67.11%	5,312 13.80%	1,753 4.55%			32,900 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	<u>Check Total</u>
Effective Allocation %	80.37%	14.80%	4.83%	N/A	N/A		\$ -

Specific Allocation Calculations - Tier 5-7

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

Summary of Allocations	<u>PWW</u>	<u>PEU</u>	<u>PAC</u>	<u>Real Estate</u>		<u>Totals</u>	
				<u>Con Ops (PWS)</u>	<u>(TSC)</u>		
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	<u>unallocated</u>
Total Allocations	<u>4,327,642</u>	<u>845,587</u>	<u>352,674</u>	<u>357,896</u>	<u>58,859</u>	<u>5,942,658</u>	<u>TSC</u>
	72.82%	14.23%	5.93%	6.02%	0.99%	100.00%	<u>Total</u>
							<u>Check Total</u> (556)

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Step Allocation of Benefits		Non-Union Wage			
2007 Benefits		Total Dollars	Portion	Union Wage Portion	Allocation Method
2926	001	Officer's Life Insurance	12,525	12,525	- Specific
2926	200	Pension - DB Plan	624,978	388,822	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

Work Order OH

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	Superintendence - WTP 231,676
2642	Purification Labor 164,281
2660	Superintendence - Operations 203,948
2660	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	Maint: Meter Department 1,420
2921	Will Street Parking 6,760
2921	Will Street Office Supplies 12,771
2921	Will Street Gas 6,319
2921	Will Street Electric 7,792
2921	Will Street Phone 18,125
	Miscellaneous Charges
2662	Misc Gen Exp Ops 15,830
2662	Misc T&D Materials & Supplies 16,208
2665	Stores Expense 11,953
2665	Small Tools Expense 15,209
2665	OPS - Non-Union Vehicles 4,890
2643	WTP - Non-Union Vehicles 6,615
2665	Misc Transport Expense 44,249
Schedule	Non-Union Vehicle Fuel Costs 36,593
2665	Vector Machine 1,091
2678	Misc Gen Equipment Exp 19,480
	Depreciation - 2304
2304-750	Will Street Facility 10,032
2343-000/00	Tools, Shop & Garage 8,828
2348	Other Tangible Equipment-Misc Equip 17,923
2341	Non-Union Transportation Depreciation 38,932
	Total Allocable Expenses
	1,276,778

2007 Workorder Costs

	PWW Capital		070 WTP		080 OPS		Fleet		PWW		PWS		PAC		PEU		Total
	Maintenance	Jobbing	Maintenance	Jobbing	Maintenance	Jobbing	Maintenance	Jobbing	Maintenance	Jobbing	Maintenance	Jobbing	Maintenance	Jobbing	Maintenance	Jobbing	
Labor	60,167.70	534,327.05	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	2,412,389.29					
Contractor Clearing	6,936.85	-	4,233.63	110,948.81	10,034.56	2,897.25	2,638.84	978.75	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	-	-	-	915.21	-	31,966.16	653,185.39					
Inventory: Fleet	-	-	31.27	2,454.99	-	-	-	-	-	-	-	2,486.26					
Inventory: 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	8,881.14	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	5,768,331.20					
% 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%					
Overhead Allocable to Work Orders	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	143,693	105,160	18,704	59,772	19,715	120,962	808,771					
PEU	-	-	-	-	-	-	-	-	-	-	-	140,677					
PAC	-	-	-	-	-	-	-	-	-	-	-	78,476					
PWS	-	-	-	-	-	-	-	-	-	-	-	248,853					
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					

Return on Assets

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

7.89%

Dollars Applicable to:

Account Number	Full Year Amounts (to be allocated)	Rate of Return	Net Book Value	Tier Allocation Required	Dollars Applicable to:						TSC Only (budgeted specifically on TSC P/L)	
					Tier 1 (All)	Tier 2 (Regulated + PWSC)	Tier 3 (PWW+PEU+ PWSC)	Tier 4 (Regulated)	PWSC Only	PAC Only		
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)

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

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

Allocation Calculation - Tier 4 (Regulated Companies)

	PWW	PEU	PAC	Con Ops (PWS)	Real Estate (TSC) ¹	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	
						Check Total
						\$ -

Specific Allocation Calculations - Tier 5-7

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

Return on Assets

Summary of Allocations	Real Estate					Totals	unallocated	TSC	Check Total
	PWW	PEU	PAC	Con Ops (PWS)	(TSC)				
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
	<u>YTD Twelve Months Ending 12/31/07</u>	<u>995,921</u>

Allocation Calculation - level 1 (All Companies)									
	PWW	PEU	PAC	Total Regulated	Con Ops (PWS)	Real Estate (TSC)	Total		Check Total
Revenues	\$ 21,780,205	\$ 4,653,812	\$ 782,851	\$ 27,216,867	\$ 2,287,357	\$ 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%		
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
1815	\$ (995,935)	(995,935)	-
1815	\$ 756,715	756,715	-
1815	\$ 151,659	151,659	-
1815	\$ 36,869	36,869	-
1815	\$ 39,498	39,498	-
1815	\$ 11,194	11,194	-
Check Totals	\$ -	\$ -	\$ -

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

(27) Uniform Statistical Report – Not Applicable.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (28) Summary Work Papers – To be submitted with testimony and supporting schedules in 1604-06.