

**Proposed Accounting Methodology for North Country Assets Transfer from PAC to
PEU**

1. General
 - a. Individual or Specific Accounts on P&L and Balance Sheet have been designated to Pittsfield or North Country as applicable
 - b. Recast, segregated or allocated calculations for the following, to segregate between Pittsfield and North Country, in order to roll-forward Retained Earnings by segment from May 2006 to September 30, 2009:
 - i. Management Fee
 - ii. Taxes
 - iii. Intercompany Interest
 - iv. Deferred Taxes
 - v. AFUDC
 - vi. Depreciation
 1. for the 2006 stub year only – supported by BNA Reports
 - vii. Accumulated Depreciation
 1. for the 2006 stub year only – supported by BNA Reports
 - c. Balance Sheet was classified by segment using either specific identification (when available), or based on segregation/allocation analysis in described in 2b above.
2. Long-Term Debt and Intercompany Debt
 - a. Intercompany Note Payable (to Pennichuck Corporation) for North Country Acquisition was applied 100% to North Country Assets
 - b. Intercompany Note Payable between PAC and Pennichuck Corporation entered into in 2008 in the amount of \$2.5 million was segregated or allocated based on the analysis provided
 - c. External LT Debt with the State Revolving Fund (“SRF”) was allocated based upon specific identification relating to the funding for the construction of the underlying assets
3. The \$2.0 million Equity Infusion from Pennichuck Corporation into PAC during 2007 was 100% allocated to North Country.
4. **Summation:** The resulting segment Balance Sheets (proforma @ September 30, 2009) will be the basis for the North Country assets to be transferred to PEU on 1/1/2010.

Pittsfield Aqueduct Company
Balance Sheet for Year Ended September 30, 2009

		Consolidated	Pittsfield	North Country	Variance	Comments
Assets						
Land						
6103-000-002	PROPERTY HELD FUTURE USE-NC	64,299.00	-	64,299.00	-	Specific Accounts
6303-000-002	LAND	344,981.21	-	344,981.21	-	Specific Accounts
6303-100-001	LAND	44,180.00	44,180.00	-	-	Specific Accounts
6303-300-001	EASEMENTS - PITTSFIELD	16,153.19	16,153.19	-	-	Specific Accounts
6303-300-002	EASEMENTS - NORTH COUNTRY	134,075.11	-	134,075.11	-	Specific Accounts
		603,688.51	60,333.19	543,355.32	-	
Structures						
6304-000-002	STRUCTURES: NORTH COUNTRY	301,958.70	-	301,958.70	-	Specific Accounts
6304-100-001	SOURCE OF SUPPLY STRUCTURES	71,250.05	71,250.05	-	-	Specific Accounts
6304-100-002	SOURCE OF SUPPLY STRUCTURES	962,837.94	-	962,837.94	-	Specific Accounts
6304-200-002	POWER & PUMPING STRUCT: NC	3,790.00	-	3,790.00	-	Specific Accounts
6304-400-002	TRANSMISSION & DIST: STRUCT-NC	-	-	-	-	Specific Accounts
6304-550-002	BOOSTER STATIONS:NORTH COUNTRY	8,708.14	-	8,708.14	-	Specific Accounts
6304-800-001	WATER TREATMENT STRUCTURES	932,401.65	932,401.65	-	-	Specific Accounts
6304-800-002	WTP-STRUCTURES: NORTH COUNTRY	1,438.90	-	1,438.90	-	Specific Accounts
6305-000-001	RESERVOIRS & DAMS	48,492.99	48,492.99	-	-	Specific Accounts
6306-000-001	LAKE, RIVER & OTHER INTAKE-PAC	38,270.60	38,270.60	-	-	Specific Accounts
6306-000-002	LAKE, RIVER & OTHER INTAKE -NC	-	-	-	-	Specific Accounts
6307-100-002	WELLS & SPRINGS: NORTH COUNTRY	237,284.77	-	237,284.77	-	Specific Accounts
6307-210-002	WELLS - PUMP & PIPING: NC	15,138.34	-	15,138.34	-	Specific Accounts
6309-000-001	SUPPLY MAINS: PITTSFIELD	309,352.72	309,352.72	-	-	Specific Accounts
6309-000-002	SUPPLY MAINS: NORTH COUNTRY	444,242.85	-	444,242.85	-	Specific Accounts
		3,375,167.65	1,399,768.01	1,975,399.64	-	
Equipment						
6310-000-001	POWER GENERATED EQUIP: PAC	845.00	845.00	-	-	Specific Accounts
6310-000-002	POWER GENERATED EQUIP: NC	35,079.30	-	35,079.30	-	Specific Accounts
6311-000-002	ELEC PUMP EQUIP:NORTH COUNTRY	243,478.36	-	243,478.36	-	Specific Accounts
6311-200-001	ELECTRIC PUMPING EQUIPMENT	2,711.19	2,711.19	-	-	Specific Accounts
6311-210-001	PUMPING EQUIP: PUMPS - PAC	1,775.86	1,775.86	-	-	Specific Accounts
6311-210-002	PUMPS(ELC PUMPING EQUIP)-NC	10,132.68	-	10,132.68	-	Specific Accounts
6311-220-002	PUMPING EQUIP: METERS - NC	-	-	-	-	Specific Accounts
6320-000-001	PURIFICATION SYSTEM EQUIPMENT	4,535.36	4,535.36	-	-	Specific Accounts
6320-000-002	PURIFICATION SYSTEM EQUIPMENT	3,337.07	-	3,337.07	-	Specific Accounts
6320-200-001	WATER TREATMENT EQUIPMENT: PAC	3,614.80	3,614.80	-	-	Specific Accounts
6320-200-002	WATER TREATMENT EQUIPMENT: NC	250,034.51	-	250,034.51	-	Specific Accounts
6320-310-001	WTP EQUIPMENT: MEDIA - PAC	41,877.36	41,877.36	-	-	Specific Accounts
		597,421.49	55,359.57	542,061.92	-	
Transmission & Distribution						
6330-000-002	DIST RESERVIORS & STANDPIPES	502,545.82	-	502,545.82	-	Specific Accounts
6331-000-001	PAVEMENTS - GENERAL	5,000.00	5,000.00	-	-	Specific Accounts
6331-001-001	PAVEMENTS - TRANS MAINS	2,003.77	2,003.77	-	-	Specific Accounts
6331-002-001	PAVEMENTS - DIST MAINS	13,277.46	13,277.46	-	-	Specific Accounts
6331-002-002	DISTRIBUTION MAINS-PAVING: NC	13,254.54	-	13,254.54	-	Specific Accounts
6331-003-001	PAVEMENTS - GATE VALVES	2,833.21	2,833.21	-	-	Specific Accounts
6331-003-002	PAVEMENTS-GATE VALVES-NC	460.24	-	460.24	-	Specific Accounts
6331-005-001	PAVEMENTS - HYDRANTS	184.00	184.00	-	-	Specific Accounts
6331-100-001	TRANSMISSION MAINS	969,563.51	969,563.51	-	-	Specific Accounts
6331-100-002	TRANSMISSION MAINS - NC	511,814.44	-	511,814.44	-	Specific Accounts
6331-150-001	TRANS MAINS: DEVELOPER INSTALL	316,734.00	316,734.00	-	-	Specific Accounts
6331-200-001	DISTRIBUTION MAINS - NEW	278,799.77	278,799.77	-	-	Specific Accounts
6331-200-002	DISTRIBUTION MAINS: N COUNTRY	724,194.97	-	724,194.97	-	Specific Accounts
6331-250-001	DIST MAINS: GATE VALVES	6,666.30	6,666.30	-	-	Specific Accounts
6331-250-002	DIST MAINS:GATE VALVES-NC	104,757.14	-	104,757.14	-	Specific Accounts
6331-300-001	DIST MAINS: DEVELOPER INSTALL	176,678.50	176,678.50	-	-	Specific Accounts
6333-004-001	PAVING - SERVICES	1,671.19	1,671.19	-	-	Specific Accounts
6333-004-002	PAVING: SERVICES NORTH COUNTRY	960.00	-	960.00	-	Specific Accounts
6333-100-001	NEW SERVICES	114,872.61	114,872.61	-	-	Specific Accounts
6333-100-002	SERVICES	135,539.88	-	135,539.88	-	Specific Accounts
6333-200-001	RENEWED SERVICES	36,617.62	36,617.62	-	-	Specific Accounts
6333-200-002	RENEWED SERVICES: NORTH COUNTRY	69,099.07	-	69,099.07	-	Specific Accounts
6334-000-001	METERING EQUIPMENT	142,647.52	142,647.52	-	-	Specific Accounts
6334-000-002	METERING EQUIPMENT NO COUNTRY	247,872.68	-	247,872.68	-	Specific Accounts
6335-000-001	FIRE PROT EQUIP: HYDRANTS	68,509.80	68,509.80	-	-	Specific Accounts
6335-000-002	HYDRANTS: NORTH COUNTRY	25,875.27	-	25,875.27	-	Specific Accounts
6335-100-001	FIRE PROT: DEV INSTALLED	14,550.00	14,550.00	-	-	Specific Accounts
6339-000-001	OTHER PLANT & MISC EQUIP: PAC	1,495.00	1,495.00	-	-	Specific Accounts
6339-000-002	OTHER PLANT & MISC EQUIP: NC	17,971.94	-	17,971.94	-	Specific Accounts
		4,506,450.25	2,152,104.26	2,354,345.99	-	
Miscellaneous Equipment						
6340-100-002	OFFICE FURN/EQUIP:NORTH COUNTR	2,688.66	-	2,688.66	-	Specific Accounts
6343-000-001	SHOP EQUIPMENT	9,687.95	9,687.95	-	-	Specific Accounts
6343-000-002	SHOP EQUIPMENT: NORTH COUNTRY	32,119.38	-	32,119.38	-	Specific Accounts
6344-000-001	LABORATORY EQUIPMENT	19,919.16	19,919.16	-	-	Specific Accounts
6344-000-002	LAB EQUIPMENT: NORTH COUNTRY	1,069.95	-	1,069.95	-	Specific Accounts

Pittsfield Aqueduct Company
Balance Sheet for Year Ended September 30, 2009

	Consolidated	Pittsfield	North Country	Variance	Comments
6346-000-001 COMMUNICATION EQUIPMENT - PAC	28,612.18	28,612.18	-	-	Specific Accounts
6346-000-002 COMMUNICATIONS EQUIP - NC	28,934.52	-	28,934.52	-	Specific Accounts
6347-110-001 COMPUTER EQUIPMENT	25,899.16	25,899.16	-	-	Specific Accounts
6347-110-002 COMPUTER EQUIPMENT-N COUNTRY	9,237.58	-	9,237.58	-	Specific Accounts
6348-000-001 MISCELLANEOUS GENERAL EQUIP	13,054.55	13,054.55	-	-	Specific Accounts
	171,223.09	97,173.00	74,050.09	-	
Intangible Plant					
6301-000-001 ORGANIZATION EXPENSE	75,550.65	75,550.65	-	-	Specific Accounts
6301-000-002 ORGANIZATION EXP:NORTH COUNTRY	187,825.44	-	187,825.44	-	Specific Accounts
	263,376.09	75,550.65	187,825.44	-	
Total Plant in Service	9,517,327.08	3,840,288.68	5,677,038.40	-	
Accumulated Depreciation					
6108-000-001 ACCUMULATED DEPRECIATION: PAC	(1,045,716.42)	(1,045,716.42)	-	-	Specific Accounts
6108-000-002 ACCUMULATED DEPREC: NO COUNTRY	(261,771.85)	-	(261,771.85)	-	Specific Accounts
6108-001-001 ACCUM DEPREC: COST OF REM -PAC	406.05	406.05	-	-	Specific Accounts
6108-001-002 ACCUM DEPRECIATION - COR NC	79,055.86	-	79,055.86	-	Specific Accounts
6108-002-001 ACCUM DEPRECIATION: LOSS -PAC	118,804.45	118,804.45	-	-	Specific Accounts
6108-002-002 ACCUM DEPREC: LOSS - NO CNTRY	192,653.93	-	192,653.93	-	Specific Accounts
	916,567.98	926,505.92	(9,937.94)	(0.00)	
Net Plant in Service	8,600,759.10	2,913,782.76	5,686,976.34	-	
Construction Work in Progress					
6105-222-001 CWIP: CONTRACTOR CLEARING -PAC	28,873.33	28,873.33	-	-	Specific Accounts
6105-222-002 CWIP: CONTRACTOR CLEARING - NC	29,122.72	-	29,122.72	-	Specific Accounts
Total Plant	8,658,755.15	2,942,656.09	5,716,099.06	-	
Current Assets					
Cash					
6131-110-001 PETTY CASH: PITTSFIELD/NC	200.00	200.00	-	-	Specific Accounts
6131-120-001 CASH: BANK OF AMERICA OPERATNG	-	-	-	-	Specific Accounts
6133-100-002 OTHER SPECIAL DEPOSITS - NC	88,877.73	-	88,877.73	-	Specific Accounts
6141-000-001 A/R: BILLED WATER REVENUE	21,872.08	21,872.08	-	-	Specific Accounts
6141-000-002 A/R BILLED WATER REVENUE - NC	90,779.83	-	90,779.83	-	Specific Accounts
6141-201-001 A/R: FILTRATION GRANT-CURRENT	-	-	-	-	Specific Accounts
6141-400-001 A/R: MISCELLANEOUS	-	-	-	-	Specific Accounts
6141-400-002 A/R: MISCELLANEOUS - NC	-	-	-	-	Specific Accounts
6143-901-001 ALLOWANCE FOR DOUBTFUL ACCTS	(225.00)	(225.00)	-	-	Specific Accounts
6143-901-002 ALLOW FOR DOUBTFUL ACCOUNTS-NC	(3,265.19)	-	(3,265.19)	-	Specific Accounts
6173-150-001 A/R: UNBILLED WATER REVENUE	64,599.00	64,599.00	-	-	Specific Accounts
6173-150-002 A/R UNBILLED WATER-N COUNTRY	65,367.00	-	65,367.00	-	Specific Accounts
6173-152-001 A/R UNBILLED REV: RECOUPMENT	173.07	173.07	-	-	Specific Accounts
6173-152-002 A/R UNBILLED REV:RECOUPMENT-NC	3,297.50	-	3,297.50	-	Specific Accounts
Inventory & Supplies					
6151-100-001 INVENTORY: PLANT	-	-	-	-	Specific Accounts
6151-700-001 INVENTORY: PAC	1,911.00	1,911.00	-	-	Specific Accounts
6151-700-002 INVENTORY: NORTH COUNTRY	925.00	-	925.00	-	Specific Accounts
Prepaid Expenses & Other					
6162-100-001 PREPAID INSURANCE	3,306.73	3,306.73	-	-	Specific Accounts
6162-300-001 PREPAID PROPERTY TAXES-PAC	-	-	-	-	Specific Accounts
6162-300-002 PREPAID PROPERTY TAXS-N COUNTRY	-	-	-	-	Specific Accounts
6162-700-001 PREPAID EXPENSES	698.72	698.72	-	-	Specific Accounts
6162-700-002 PREPAID EXPENSE: NORTH COUNTRY	675.00	-	675.00	-	Specific Accounts
6163-310-001 PREPAID PROPERTY TAXES	-	-	-	-	Specific Accounts
6163-310-002 PREPAID PROPERTY TAXES: NC	-	-	-	-	Specific Accounts
6184-100-002 CLEARING ACCOUNT: NC	-	-	-	-	Specific Accounts
Total Current Assets	339,192.47	92,535.60	246,656.87	-	
Other Assets					
Other Deferred Charges					
6186-150-001 CONSOLIDATED WATER CO ACQUIST	-	-	-	-	Specific Accounts
6186-000-002 PHASE II & V WAIVER - NO CNTRY	298.62	-	298.62	-	Specific Accounts
6186-201-001 SOURCE OF SUPPLY STUDY	-	-	-	-	Specific Accounts
6186-225-001 NORTH COUNTRY-NEW METER PROJEC	-	-	-	-	Specific Accounts
6186-225-002 NORTH COUNTRY NEW METER PROJ	-	-	-	-	Specific Accounts
6186-275-002 EMERGENCY RATE RELIEF - NC	-	-	-	-	Specific Accounts
6186-240-001 SARBANES-OXLEY	10,843.72	10,843.72	-	-	Specific Accounts
6186-245-001 TILTON HILL ROAD MAIN BREAK	4,706.59	4,706.59	-	-	Specific Accounts
6186-255-001 MAIN BREAK - OCTOBER 2003	1,949.35	1,949.35	-	-	Specific Accounts

Pittsfield Aqueduct Company
Balance Sheet for Year Ended September 30, 2009

		Consolidated	Pittsfield	North Country	Variance	Comments
6186-260-001	SOUTH MAIN LEAK RESEARCH	3,670.83	3,670.83	-	-	Specific Accounts
6186-280-002	GRANT AVAILABILITY STUDY - NC	7,911.00	-	7,911.00	-	Specific Accounts
6186-300-001	GRANT APPLICATION - 2008	-	-	-	-	Specific Accounts
6186-350-001	LOUDON RD MAIN BREAK	2,028.07	2,028.07	-	-	Specific Accounts
6186-360-001	FAIRVIEW ROAD MAIN BREAK	1,870.38	1,870.38	-	-	Specific Accounts
6186-375-002	PAC/NC DEF RATE CASE EXPENSE	9,622.21	-	9,622.21	-	Specific Accounts
6186-380-001	RATE CASE EXPENSE: 2007	94,977.86	94,977.86	-	-	Specific Accounts
6186-400-001	MAIN BREAKS - FEBRUARY 1998	-	-	-	-	Specific Accounts
6186-425-002	BIRCH HILL WELL PERMIT-ABANDON	-	-	-	-	Specific Accounts
6186-450-001	CONCORD HILL ROAD SERVICE REPR	-	-	-	-	Specific Accounts
6186-650-001	EMINENT DOMAIN	3,668.09	3,668.09	-	-	Specific Accounts
6186-675-001	WEB SITE UPGRADE 2006	339.94	339.94	-	-	Specific Accounts
6186-700-002	N CONWAY WATER INTERCONNECT	111,174.30	-	111,174.30	-	Specific Accounts
6186-998-001	EMINENT DOMAIN ALLOWANCE	(3,668.50)	(3,668.50)	-	-	Specific Accounts
		249,392.46	120,386.33	129,006.13	-	
6141-202-001	FILTRATION GRANT - LONG TERM	-	-	-	-	Specific Accounts
6181-000-001	UNAMORTIZED DEBT EXPENSE	12,804.03	12,804.03	-	-	Specific Accounts
	Total Other Assets	262,196.49	133,190.36	129,006.13	-	
	Total Assets	9,260,144.11	3,168,382.05	6,091,762.06	-	
	Equity and Liabilities					
	Shareholder's Equity					
6201-100-001	COMMON STOCK	100.00	100.00	-	-	Specific Accounts
6211-000-001	ADDITIONAL PAID IN CAPITAL	2,237,128.70	237,128.70	2,000,000.00	-	Allocated Equity Infusion to NC
6215-500-001	RETAINED EARNINGS BEG - PAC	1,985,654.50	804,785.43	1,180,869.07	-	Adjusted for prior yr adjustments
6215-500-002	RETAINED EARNINGS: NOR COUNTRY	(1,777,023.80)	-	(1,777,023.80)	-	Specific Accounts
	Net Profit (Loss)	(105,983.27)	23,728.41	(129,711.68)	-	Comes from P&L
	Total Equity	2,339,876.13	1,065,742.54	1,274,133.59	-	
	Total Long Term Debt					
6221-100-002	SRF FUNDING - BIRCH HILL	1,591,177.37	-	1,591,177.37	-	Specific Accounts
6221-101-002	SRF FUNDING - LOCKE LAKE	81,115.54	-	81,115.54	-	Specific Accounts
	Long Term Debt	1,672,292.91	-	1,672,292.91	-	
	Current Liabilities					
	Accounts Payable & Accr Expenses					
6231-000-001	ACCOUNTS PAYABLE	7,757.24	7,757.24	-	-	Specific Accounts
6231-000-002	ACCOUNTS PAYABLE-NORTH COUNTRY	51,288.04	-	51,288.04	-	Specific Accounts
6236-115-001	LOCAL PROPERTY TAXES PAYABLE	-	-	-	-	Specific Accounts
6236-115-002	LOCAL PROPERTY TAXES PAYABLE	-	-	-	-	Specific Accounts
6236-116-001	PUBLIC UTILITY TAX PAYABLE	-	-	-	-	Specific Accounts
6241-300-001	MISC CURRENT ACCRUED LIABILITY	11,275.00	11,275.00	-	-	Specific Accounts
6241-300-002	MISC ACCRUED LIAB:NORTH COUNTR	4,079.67	-	4,079.67	-	Specific Accounts
6241-350-001	ACCRUED LIABILITY - RETAINAGE	-	-	-	-	Specific Accounts
6241-350-002	ACCRUED LIAB: RETAINAGE-NC	10,205.00	-	10,205.00	-	Specific Accounts
		84,604.95	19,032.24	65,572.71	-	
6221-200-002	CURRENT PORTION: LTD - NC	50,240.56	-	50,240.56	-	Specific Accounts
6235-250-001	HARDSHIP CASES: CREDITS	(1,716.87)	(1,716.87)	-	-	Specific Accounts
6235-250-002	HARSHIP ACCT: NORTH COUNTRY	2.03	-	2.03	-	Specific Accounts
6237-110-002	ACCRUED INTEREST:NORTH COUNTRY	18,113.32	-	18,113.32	-	Specific Accounts
6223-201-001	INTERCO ADVANCE:PAC ACQUISITIO	-	-	-	-	Specific Accounts
6233-100-001	INTERCO DIV PAY/REC: PAC/NC	(6,583,363.90)	(650,025.74)	-	(5,933,338.16)	Adjusted for all adjustments
6233-100-002	INTERCO DIV PAY/REC: NC/PAC	6,583,363.90	-	650,025.74	5,933,338.16	Adjusted for all adjustments
6233-400-001	INTERCO PAY/REC: PAC/TSC	(33.22)	(33.22)	-	-	Specific Accounts
6233-500-001	INTERCO PAY/REC: PAC/PWS	11,676.83	11,676.83	-	-	Specific Accounts
6233-500-002	INTERCO PAY/REC: PAC-NC/PWS	3,457.57	-	3,457.57	-	Specific Accounts
6223-600-001	INTERCO PAY/REC: PAC/PWW	-	-	-	-	Specific Accounts
6233-600-001	INTERCO PAY/REC: PAC/PWW	2,406,699.38	2,406,699.38	-	-	Specific Accounts
6233-600-002	INTERCO PAY/REC: PAC-NC/PWW	1,022,651.28	-	1,022,651.28	-	Specific Accounts
6233-700-001	INTERCO PAY/REC: PAC/PEU	(15,386.76)	(15,386.76)	-	-	Specific Accounts
6233-700-002	INTERCO PAY/REC: PAC-NC/PEU	(4,256.29)	-	(4,256.29)	-	Specific Accounts
6223-202-001	INTERCO ADV-PCP PROM NOTE 5/18	2,500,000.00	776,850.00	1,723,150.00	-	Adjusted per Allocation
6223-800-001	INTERCO LOAN PAC - INTERGRATED	725,389.11	-	725,389.11	-	North Country Loan
6223-800-002	INTERCO LOAN NC-INTEGRATED	-	-	-	-	Specific Accounts

Pittsfield Aqueduct Company
Balance Sheet for Year Ended September 30, 2009

	<u>Consolidated</u>	<u>Pittsfield</u>	<u>North Country</u>	<u>Variance</u>	<u>Comments</u>
6233-300-001 INTERCO PAY/REC: PAC/PCP	(1,522,118.40)	(1,522,118.40)	-	-	Specific Accounts
6233-300-002 INTERCO PAY/REC: PAC-NC/PCP	(1,675,280.63)	-	(1,675,280.63)	-	Specific Accounts
Total Current Liabilities	3,604,042.86	1,024,977.46	2,579,065.40	-	
Other Deferred Credits					
6282-200-001 DEFERRED INCOME TAXES	737,103.23	192,986.43	544,116.80	-	Adjusted per Schedule 12
Contributions in Aid of Construction - All Divisions					
6271-200-001 CONTRIBUTIONS IN AID OF CONST	750,286.28	750,286.28	-	-	Specific Accounts
6271-200-002 CIAC: NORTH COUNTRY	32,769.17	-	32,769.17	-	Specific Accounts
6271-201-001 CIAC-WATER FILTRATION GRANT	398,349.91	398,349.91	-	-	Specific Accounts
	1,181,405.36	1,148,636.19	32,769.17	0.00	
Reserve for Amort of CIAC: All					
6272-101-001 RESERVE FOR AMORT OF CIAC:PAC	(262,454.19)	(262,454.19)	-	-	Specific Accounts
6272-101-002 RESERVE FOR AMORT - CIAC: NC	(12,122.19)	-	(12,122.19)	-	Specific Accounts
Total Deferred Credits	1,643,932.21	1,079,168.43	564,763.78	-	
Total Equity & Liabilities	9,260,144.11	3,169,888.43	6,090,255.68	-	
Variance	-	1,506.38	(1,506.38)	(0.00)	

Adjustments to Interco Div Pay/Rec

	<u>Pittsfield</u>	<u>North Country</u>
Interco Loan - Integrated	725,389.11	(725,389.11)
Interco Note from May 2008	1,723,150.00	(1,723,150.00)
Management Fee	(207,940.22)	207,940.22
Federal Taxes	66,821.17	(66,821.17)
NH Taxes	25,915.20	(25,915.20)
Intercompany Interest	(124,982.96)	124,982.96
Deferred Taxes	544,116.80	(544,116.80)
Retained Earnings	1,180,869.07	(1,180,869.07)
Equity Infusion	2,000,000.00	(2,000,000.00)
	5,933,338.16	(5,933,338.16)

Pittsfield Aqueduct Company, Inc.
Deferred Income Tax Allocation
2006

Schedule 7

	Combined	PAC	NC
Book Income (Loss)	(143,670.16)	(109,603.54)	(34,066.62)
Add back federal and state tax provision (benefit)	(94,152.00)	(94,152.00)	-
Book pre-income tax income (loss)	(237,822.16)	(203,755.54)	(34,066.62)
less state income tax provision (benefit) per book	(20,204.00)	(20,204.00)	-
Book pre-federal income tax income (loss)	(217,618.16)	(183,551.54)	(34,066.62)

M-1 Items:

Temporary () = favorable

Accelerated depreciation	(31,252.34)	(9,914.44)	(21,337.90)
Tax (Gain) or loss on disposal of assets	(2,879.31)	(2,879.31)	-
Sarbox costs deferred for book - utilities only	(13,342.20)	(6,733.92)	(6,608.28)
AFUDC - equity component	(10,988.00)	-	(10,988.00)

Permanent: [all unfavorable]

charitable contributions carryover to 2007	100.00	-	100.00
Total temp diffs + NOL	(58,361.85)	(19,527.67)	(38,834.18)
Taxes deferred (eff rate 39.61%)	(23,117.13)	(7,734.91)	(15,382.22)
AMT credit	-	-	-
Total adj to deferrals	(23,117.13)	(7,734.91)	(15,382.22)

Book Depreciation (see Macola P&L)	83,248.77	71,071.77	12,177.00
Less: CIAC amort (see Macola P&L)	(13,172.09)	(13,172.09)	-
Adjusted Book Depreciation	70,076.68	57,899.68	12,177.00
Tax Depreciation - federal	100,933.02	67,418.12	33,514.90
Book tax federal difference	(30,856.34)	(9,518.44)	(21,337.90)
Additional Adjustment (Unknown)	(396.00)	(396.00)	-
Book tax federal difference (Adjusted)	(31,252.34)	(9,914.44)	(21,337.90)

31.72% 68.28%

1) For Sarbanes Costs - January - April was assumed to be Pittsfield. May - December was allocated between Pittsfield and North Country using the number of customers at year end 2006.

Pittsfield Aqueduct Company, Inc.
Deferred Income Tax Allocation
2007

Schedule 7

	Combined	PAC	NC
Book Income (Loss)	(336,049.27)	(220,057.35)	(115,991.92)
Add back federal and state tax provision (benefit)	(220,224.00)	(220,224.00)	-
Book pre-income tax income (loss)	(556,273.27)	(440,281.35)	(115,991.92)
less state income tax provision (benefit) per book	(47,258.00)	(47,258.00)	-
Book pre-federal income tax income (loss)	(509,015.27)	(393,023.35)	(115,991.92)

M-1 Items:

Temporary () = favorable

Accelerated depreciation	(119,616.79)	(25,130.39)	(94,486.40)
Tax (Gain) or loss on disposal of assets	(93,368.83)	(22,307.20)	(71,061.63)

Sarbox costs deferred for book - utilities only	1,463.71	541.57	922.14
AFUDC - equity component	(32,824.00)	(977.00)	(31,847.00)

Permanent: [all unfavorable]

Total temp diffs + NOL	(244,345.91)	(47,873.02)	(196,472.89)
Taxes deferred (eff rate 39.61%)	(96,785.41)	(18,962.50)	(77,822.91)
AMT credit	-	-	-
Total adj to deferrals	(96,785.41)	(18,962.50)	(77,822.91)

Book Depreciation (see Macola P&L)	135,905.69	76,352.29	59,553.40
Less: CIAC amort (see Macola P&L)	(24,310.36)	(24,146.45)	(163.91)
Adjusted Book Depreciation	111,595.33	52,205.84	59,389.49
Tax Depreciation - federal	231,212.12	77,336.23	153,875.89
Book tax federal difference	(119,616.79)	(25,130.39)	(94,486.40)

Additional Adjustment (Unknown)	-	-	-
Book tax federal difference (Adjusted)	(119,616.79)	(25,130.39)	(94,486.40)

21.01% 78.99%

Allocation of Federal Taxes	0.33	0.67	
-----------------------------	------	------	--

Accelerated depreciation	3,877.79	1,297.05	2,580.74
Tax (Gain) or loss on disposal of assets	-	-	-

Sarbox costs deferred for book - utilities only	(3,253.10)	(1,203.65)	(2,049.45)
AFUDC - equity component	1,462.00	-	1,462.00
Prepays	(13,761.77)	(11,052.46)	(2,709.31)
Charitable Contributions	100.00	100.00	-
Amortization	3,741.00	1,384.17	2,356.83

Permanent: [all unfavorable]

Total temp diffs + NOL	(7,834.08)	(9,474.56)	1,641.48
Taxes deferred (eff rate 39.61%)	(3,102.68)	(3,752.87)	650.19
AMT credit	-	-	-
Total adj to deferrals	(3,102.68)	(3,752.87)	650.19

	(119,616.79)		
	115,739.00		
Allocation of Tax Return Difference	(3,877.79)	(1,297.05)	(2,580.74)

1) For Sarbanes Costs - January - April was assumed to be Pittsfield. May - December was allocated between Pittsfield and North Country using the number of customers at year end 2006.

2) The allocation of accelerated depreciation for the accrual to actual adjustment was allocated based on the percentage of total tax depreciation from the accrual calculation.

Pittsfield Aqueduct Company, Inc.
Deferred Income Tax Allocation
2008

Schedule 11

Summary of Estimated Federal Temporary Tax Items () = favorable:

	Combined	PAC	NC
Federal Tax Depreciation and amortization	844,892.14	112,610.98	732,281.16
Book depreciation and amortization	166,613.37	60,542.23	106,071.14
Net tax over book	(678,278.77)	(52,068.75)	(626,210.02)
Tax Loss on Disposal of Assets	(83,343.32)	(947.46)	(82,395.86)
Removal Costs	(58,560.44)	2,613.16	(61,173.60)
Sarbox Amortization	4,337.46	1,604.86	2,732.60
AFUDC - Equity Portion	(10,498.00)	-	(10,498.00)
AR Reserve	654.46	499.85	154.61
Prepaid Expenses	(21,348.95)	(16,163.76)	(5,185.19)
Pension, Post-Employment Benefits and SERP	-	-	-
Total federal Temporary Items	(847,037.56)	(64,462.10)	(782,575.46)
Federal Tax rate	34%	34%	34%
Total Federal deferred taxes - 2008 - as estimated	(287,992.77)	(21,917.11)	(266,075.66)

Percentage attributable to quarters one through three

Total deferred taxes - quarters one through three	58,035.00	58,035.00	-
Less: booked for quarter one	29,628.00	29,628.00	-
Less: booked for quarter two	(26,249.00)	(26,249.00)	-
Less: booked for quarter three	226,579.00	226,579.00	-
Less: booked for quarter four	287,993.00	287,993.00	-

GL 291,096.00

Variance - 2007 Return to Accrual Adjustment

3,103.00 See 2007 for Allocation

Federal Tax Depreciation and amortization	1,126,318.68	118,347.50	1,007,971.18
Book depreciation and amortization	151,445.06	52,190.56	99,254.50
Net tax over book	(974,873.62)	(66,156.94)	(908,716.68)
Federal Tax Amortization	10,343.52	3,526.88	6,816.64
Book amortization	15,168.31	8,351.67	6,816.64
Net tax over book	4,824.79	4,824.79	-
Tax Loss on Disposal of Assets	(80,135.67)	(947.46)	(79,188.21)
Removal Costs	(72,041.04)	(406.05)	(71,634.99)
AFUDC - Equity Portion	(10,498.00)	-	(10,498.00)
AR Reserve	654.46	499.85	154.61
Prepaid Expenses	(24,069.89)	(18,434.70)	(5,635.19)
Pension, Post-Employment Benefits and SERP	-	-	-
Total federal Temporary Items	(1,156,138.97)	(80,620.51)	(1,075,518.46)
Federal Tax rate	34%	34%	34%
Total Federal deferred taxes - 2008 - as estimated	(393,087.25)	(27,410.97)	(365,676.28)
		6.97%	93.03%

Percentage attributable to quarters one through three

Total deferred taxes - quarters one through three	58,035.00	58,035.00	-
Less: booked for quarter one	29,628.00	29,628.00	-
Less: booked for quarter two	(26,249.00)	(26,249.00)	-
Less: booked for quarter three	226,579.00	226,579.00	-
Less: booked for quarter four	287,993.00	287,993.00	-

2008 Accrual to actual Adjustment

(105,094.25) (5,493.86) (99,600.62)

Pittsfield Aqueduct Company, Inc.
Deferred Income Tax Allocation
2009

Schedule 12

	Combined	PAC	NC
Summary of Estimated Federal Temporary Tax Items () = favorable:			
Federal Tax Depreciation and CIAC	499,653.63	88,102.87	411,550.76
Book depreciation and CIAC	163,583.08	54,307.77	109,275.31
Net tax over book	(336,070.55)	(33,795.10)	(302,275.45)
Federal Tax Amortization	9,492.34	2,772.67	6,719.67
Book amortization	14,373.02	7,597.43	6,775.59
Net tax over book	4,880.68	4,824.76	55.92
Tax Loss on Disposal of Assets	(29,512.94)	(4,660.43)	(24,852.51)
Removal Costs	(7,420.87)	-	(7,420.87)
Sarbox Amortization	-	-	-
AFUDC - Equity Portion	(2,078.00)	-	(2,078.00)
AR Reserve	-	-	-
Prepaid Expenses	-	-	-
Pension, Post-Employment Benefits and SERP	-	-	-
Total federal Temporary Items	(370,201.68)	(33,630.77)	(336,570.91)
Federal Tax rate	34%	34%	34%
Total Federal deferred taxes - 2009 - as estimated	(125,868.57)	(11,434.46)	(114,434.11)
		9.08%	90.92%
Quarter 1 - 3 (75%)	(94,401.43)	(8,575.85)	(85,825.58)
Percentage attributable to quarters one through three			
Total deferred taxes - quarters one through three			
Less: booked for quarter one	15,367.00	15,367.00	-
Less: booked for quarter two	40,027.00	40,027.00	-
Less: booked for quarter three	39,007.00	39,007.00	-
Less: booked for quarter four	-	-	-
	94,401.00	94,401.00	-
GL	199,495.00		
Variance - 2008 Return to Accrual Adjustment	105,094.00	See 2008 for Allocation	

Pittsfield Aqueduct Company
Income Statement for the Year Ended September 30, 2009

		Consolidated	Pittsfield	North Country	Variance	Comments
Water Sales						Specific Accounts
6461-000-001	WATER SALES: BILLED REVENUE	(288,654.36)	(288,654.36)	-	-	Specific Accounts
6461-000-002	WATER SALES: BILLED REVENUE-NC	(583,792.73)	-	(583,792.73)	-	Specific Accounts
6461-001-001	WATER SALES BILLED RECOUPMENT	(94,563.49)	(94,563.49)	-	-	Specific Accounts
6461-001-002	WATER SALES BILLED RECOUP-NC	(229,973.54)	-	(229,973.54)	-	Specific Accounts
6461-100-001	WATER SALES: UNBILLED REVENUE	(30,157.85)	(30,157.85)	-	-	Specific Accounts
6461-100-002	WATER SALES: UNBILLED REV: NC	(9,323.00)	-	(9,323.00)	-	Specific Accounts
6461-200-001	WATER SALES-UNBILLED RECOUPMNT	94,563.49	94,563.49	-	-	Specific Accounts
6461-200-002	WATER SALES:UNBILLED RECOUP-NC	230,230.04	-	230,230.04	-	Specific Accounts
6462-000-001	FIRE PROTECTION REVENUE	(145,184.01)	(145,184.01)	-	-	Specific Accounts
6462-000-002	FIRE PROT REVENUE: N COUNTRY	-	-	-	-	Specific Accounts
		1,056,855.45	463,996.22	592,859.23	-	
Other Operating Revenue						
6471-300-001	MISC OPERATING REVENUE	(2,179.00)	(2,179.00)	-	-	Specific Accounts
6471-300-002	MISC OPERATING REV: N COUNTRY	(5,211.00)	-	(5,211.00)	-	Specific Accounts
		7,390.00	2,179.00	5,211.00	-	
	Total Revenues	1,064,245.45	466,175.22	598,070.23	-	
Production Expenses						
6601-100-001	OTHER PROD LABOR:TREAT PLANT	-	-	-	-	Specific Accounts
6601-200-002	OTHER PROD LABOR NORTH COUNTRY	-	-	-	-	Specific Accounts
6602-100-002	PURCHASED WATER: BIRCH HILL	28,669.53	-	28,669.53	-	Specific Accounts
6602-900-002	PURCH WATER:FRANCOUER TRUCKING	-	-	-	-	Specific Accounts
6603-500-001	OTHER PROD MAT&EXP: SRC/SUPPLY	-	-	-	-	Specific Accounts
6610-200-001	SUPERINTENDENCE: WTP-PAC	9,514.60	9,514.60	-	-	Specific Accounts
6610-200-002	SALARIES - WTP - NORTH COUNTRY	16,523.73	-	16,523.73	-	Specific Accounts
6610-201-001	BENEFITS: WTP-PAC	3,581.79	3,581.79	-	-	Specific Accounts
6610-201-002	BENEFITS: WTP-NORTH COUNTRY	6,217.88	-	6,217.88	-	Specific Accounts
6623-100-001	POWER PURCHASED: TRT PLT ELEC	3,293.41	3,293.41	-	-	Specific Accounts
6623-200-002	LOCKE LAKE-BARNSTEAD: POWER	36,950.40	-	36,950.40	-	Specific Accounts
6623-300-002	BIRCH HILL-N CONWAY: POWER	3,191.09	-	3,191.09	-	Specific Accounts
6623-400-002	SUNRISE EST-MIDDLETON: POWER	3,150.96	-	3,150.96	-	Specific Accounts
6624-100-001	OPER LABOR: TREATMENT PLANT	31,471.14	31,471.14	-	-	Specific Accounts
6624-100-002	OPER LABOR:TREATMENT PLANT-NC	429.08	-	429.08	-	Specific Accounts
6626-100-001	OPER EXP T PLANT: MAT & EXP	3,721.78	3,721.78	-	-	Specific Accounts
6626-110-001	OPER EXP T PLANT: GAS/OIL	3,247.91	3,247.91	-	-	Specific Accounts
6626-120-001	OPER EXP T PLANT: PHONE	632.05	632.05	-	-	Specific Accounts
6631-100-001	MAINT STRUCT: TREATMENT PLANT	321.10	321.10	-	-	Specific Accounts
6631-500-001	MAINT STRUCT: SOURCE OF SUPPLY	7,571.82	7,571.82	-	-	Specific Accounts
6633-100-001	MAINT PUMP EQU: HIGH LIFT ELC	97.18	97.18	-	-	Specific Accounts
6633-150-002	LOCKE LAKE - PHONE	855.60	-	855.60	-	Specific Accounts
6633-155-002	MAINT BOOST STAT:OIL/GAS/PROP	5,222.30	-	5,222.30	-	Specific Accounts
6633-199-001	BOOSTER STATION GENERAL MAINT	133.92	133.92	-	-	Specific Accounts
6633-200-002	LOCKE LAKE: MAINT BOOSTER STAT	40,996.19	-	40,996.19	-	Specific Accounts
6633-300-002	BIRCH HILL: MAINT BOOSTER STAT	10,631.70	-	10,631.70	-	Specific Accounts
6633-400-002	SUNRISE ESTATES: MAINT BOOST	3,485.07	-	3,485.07	-	Specific Accounts
6641-110-001	CHLORINE: TREATMENT PLANT	1,694.88	1,694.88	-	-	Specific Accounts
6641-110-002	CHLORINE - NORTH COUNTRY	462.62	-	462.62	-	Specific Accounts
6641-120-001	ALUM. SULFATE/FERRIC CHLORIDE	1,681.00	1,681.00	-	-	Specific Accounts
6641-120-002	FERRIC CHLORIDE-NORTH COUNTRY	1,243.00	-	1,243.00	-	Specific Accounts
6641-140-001	POLYMERS	-	-	-	-	Specific Accounts
6641-160-001	CORROSION INHIBITOR	-	-	-	-	Specific Accounts
6641-180-002	CARBON DIOXIDE-NORTH COUNTRY	2,101.39	-	2,101.39	-	Specific Accounts
6641-213-001	SODA ASH	3,089.99	3,089.99	-	-	Specific Accounts
6642-200-001	LABORATORY EXPENSE	1,145.03	1,145.03	-	-	Specific Accounts
6642-200-002	LAB EXPENSE: NORTH COUNTRY	1,640.84	-	1,640.84	-	Specific Accounts
6642-205-001	LAB EXPENSE: OUTSIDE TESTING	2,438.50	2,438.50	-	-	Specific Accounts
6642-205-002	LAB EXP:OUTSIDE TEST N COUNTRY	5,116.00	-	5,116.00	-	Specific Accounts
6652-200-001	MAINT PROC EQU: TRT PLANT	-	-	-	-	Specific Accounts
6652-220-001	MAINT PROC EQUIP: SCADA & OTHR	2,759.94	2,759.94	-	-	Specific Accounts
6652-220-002	MAINT PROCESS EQUIP:SCADA - NC	4,054.20	-	4,054.20	-	Specific Accounts
		247,337.62	76,396.04	170,941.58	-	
Transmission & Distribution Expenses						
6660-000-001	SUPERINTENDENCE: OPS-PAC	6,343.06	6,343.06	-	-	Specific Accounts
6660-000-002	SUPERINTENDENCE:OPER:N COUNTRY	11,015.84	-	11,015.84	-	Specific Accounts
6660-001-001	BENEFITS: OPS-PAC	2,387.85	2,387.85	-	-	Specific Accounts

Pittsfield Aqueduct Company
Income Statement for the Year Ended September 30, 2009

	Consolidated	Pittsfield	North Country	Variance	Comments
6660-001-002 BENEFITS: OPS-NORTH COUNTRY	4,145.27	-	4,145.27	-	Specific Accounts
6660-200-002 SALARIES - ENG - NORTH COUNTRY	-	-	-	-	Specific Accounts
6662-003-001 MISC GEN EXPENSE/OPERATIONS	27.16	27.16	-	-	Specific Accounts
6662-003-002 MISC GEN EXP: OPERATION-N COUNT	-	-	-	-	Specific Accounts
6662-004-001 MISC T&D MATERIALS & SUPPLIES	10.32	10.32	-	-	Specific Accounts
6662-004-002 MISC:T&D MAT & SUP:N COUNTRY	466.00	-	466.00	-	Specific Accounts
6663-100-001 METER OPERATING LABOR & EXP	5,447.72	5,447.72	-	-	Specific Accounts
6663-100-002 METER OPERATING LAB & EXP: NC	1,947.87	-	1,947.87	-	Specific Accounts
6663-101-001 MOLE: METER REMOVAL	1,687.21	1,687.21	-	-	Specific Accounts
6663-101-002 MOLE: METER REMOVAL-N COUNTRY	5,879.63	-	5,879.63	-	Specific Accounts
6664-200-001 OTHER EXPENSE ON CUST PREMISIS	7.14	7.14	-	-	Specific Accounts
6664-200-002 OTHER EXP CUST PREM:N COUNTRY	262.17	-	262.17	-	Specific Accounts
6665-100-001 SMALL TOOLS EXPENSE	1,528.38	1,528.38	-	-	Specific Accounts
6665-100-002 SMALL TOOLS EXP: N COUNTRY	1,310.10	-	1,310.10	-	Specific Accounts
6665-250-001 TRANS/EXP: MISCELLANEOUS	313.55	313.55	-	-	Specific Accounts
6665-250-002 MISC TRANSPORTATION EXPENSE	253.75	-	253.75	-	Specific Accounts
6665-400-001 GASOLINE	3,107.03	3,107.03	-	-	Specific Accounts
6665-400-002 GASOLINE: N COUNTRY	5,114.81	-	5,114.81	-	Specific Accounts
6673-001-001 MAINT MAINS: REPAIRS	10,558.23	10,558.23	-	-	Specific Accounts
6673-001-002 MAINT MAINS: REPAIR-N COUNTRY	44,672.41	-	44,672.41	-	Specific Accounts
6673-002-001 MAINT MAINS: GATE PROGRAM	807.09	807.09	-	-	Specific Accounts
6673-002-002 MAINT OF MAINS: GATE PROG - NC	1,939.76	-	1,939.76	-	Specific Accounts
6673-003-001 MAINT MAINS: FLUSHING LN	-	-	-	-	Specific Accounts
6673-003-002 MAINT OF MAINS: FLUSHING- NC	1,757.19	-	1,757.19	-	Specific Accounts
6673-004-001 MAINT GATES: INSPECTION: PAC	193.73	193.73	-	-	Specific Accounts
6673-004-002 MAINT OF GATES: INSPECTION-NC	509.85	-	509.85	-	Specific Accounts
6675-000-001 MAINTENANCE: SERVICES	15,033.05	15,033.05	-	-	Specific Accounts
6675-000-002 MAINT OF SERVICES: N COUNTRY	35,880.04	-	35,880.04	-	Specific Accounts
6676-000-001 MAINTENANCE: METERS	2,737.84	2,737.84	-	-	Specific Accounts
6676-000-002 MAINT OF METERS: N COUNTRY	5,002.45	-	5,002.45	-	Specific Accounts
6677-001-001 MAINTENANCE: HYDRANTS-REPAIRS	1,750.91	1,750.91	-	-	Specific Accounts
6677-001-002 MAINTENANCE OF HYDRANTS: NC	171.99	-	171.99	-	Specific Accounts
6677-002-001 MAINTENANCE: HYDRANTS-PAINTING	3,460.60	3,460.60	-	-	Specific Accounts
6677-003-001 MAINTENANCE: HYDRANTS-INSPECTN	549.73	549.73	-	-	Specific Accounts
6677-003-002 MAINT HYDRANTS: INSPECT - NC	245.29	-	245.29	-	Specific Accounts
6678-000-001 MONITOR CONTRACTORS MARKING	2,714.34	2,714.34	-	-	Specific Accounts
6678-000-002 MONITOR CONTRACTORS-N COUNTRY	1,275.13	-	1,275.13	-	Specific Accounts
6926-100-002 SICK - NORTH COUNTRY UNION	-	-	-	-	Specific Accounts
6926-101-001 EMP BEN/BOOTS/VAC/HOL: PAC	-	-	-	-	Specific Accounts
6926-101-002 EMPLOYEE BEN-BOOTS/VAC/HOL-NC	-	-	-	-	Specific Accounts
	180,514.49	58,664.94	121,849.55	-	
Customer Accounts & Collection Expenses					
6902-000-001 CUSTOMER ORDS: COLLECTIONS	2,266.14	2,266.14	-	-	Specific Accounts
6902-000-002 CUSTOMER ORDERS:COLL-N COUNTRY	2,516.83	-	2,516.83	-	Specific Accounts
6902-001-001 METER READING	886.95	886.95	-	-	Specific Accounts
6902-001-002 METER READING: NORTH COUNTRY	2,680.10	-	2,680.10	-	Specific Accounts
6902-098-001 METER READING: TRANSFERS	1,102.36	1,102.36	-	-	Specific Accounts
6902-098-002 METER READ:TRANSFERS-N COUNTRY	1,417.63	-	1,417.63	-	Specific Accounts
6902-099-001 METER READING: EXCEPTIONS	466.84	466.84	-	-	Specific Accounts
6902-099-002 METER READING:EXCEPT-N COUNTRY	1,163.25	-	1,163.25	-	Specific Accounts
6902-100-001 BILLING & ACCOUNTING	4,241.65	4,241.65	-	-	Specific Accounts
6902-100-002 BILLING & ACCTG: NORTH COUNTRY	7,448.56	-	7,448.56	-	Specific Accounts
6902-400-002 WATER BAN: NORTH COUNTRY	91.54	-	91.54	-	Specific Accounts
6904-000-001 UNCOLLECTABLE ACCOUNTS	3,161.82	3,161.82	-	-	Specific Accounts
6904-000-002 UNCOLLECTIBLE ACCTS:N COUNTRY	9,865.49	-	9,865.49	-	Specific Accounts
	37,309.16	12,125.76	25,183.40	-	
Administrative and General Expense					
6921-000-001 OFFICE SUPPLIES & EXPENSE	988.30	988.30	-	-	Specific Accounts
6921-000-002 OFFICE SUP & EXP: N COUNTRY	640.58	-	640.58	-	Specific Accounts
6921-160-001 OFFICE SUPPLIES & EXP: PHONE	4,491.87	4,491.87	-	-	Specific Accounts
6921-160-002 OFFICE SUP & EXP: PHONE - NC	5,932.42	-	5,932.42	-	Specific Accounts
6923-000-001 OUTSIDE SERVICES	265.52	265.52	-	-	Specific Accounts
6923-000-002 OUTSIDE SERVICES:NORTH COUNTRY	2,450.94	-	2,450.94	-	Specific Accounts
6924-000-001 INSURANCE EXPENSE	10,512.47	10,512.47	-	-	Specific Accounts
6924-000-002 INSURANCE EXP: N COUNTRY	-	-	-	-	Specific Accounts
6926-610-001 TRAINING/EDUCATIONAL SEM: PAC	-	-	-	-	Specific Accounts

Pittsfield Aqueduct Company
Income Statement for the Year Ended September 30, 2009

	Consolidated	Pittsfield	North Country	Variance	Comments
6926-610-002 TRAINING/EDUC SEMINARS: NC	-	-	-	-	Specific Accounts
6928-000-001 REGULATORY COMMISSION EXPENSE	799.12	799.12	-	-	Specific Accounts
6928-000-002 REGULATORY COMMISSION EXP: NC	1,079.90	-	1,079.90	-	Specific Accounts
6930-100-001 MEETING CONVENTION/MEMBSP FEES	-	-	-	-	Specific Accounts
6930-100-002 MEETINGS/CONVENTIONS/MEMSH-NC	-	-	-	-	Specific Accounts
6930-102-001 LICENSING FEES	1,350.00	1,350.00	-	-	Specific Accounts
6930-102-002 LICENSING FEES - NC	675.00	-	675.00	-	Specific Accounts
6930-200-001 PUBLIC RELATIONS	216.18	216.18	-	-	Specific Accounts
6930-200-002 PUBLIC RELATIONS-NORTH COUNTRY	2,273.81	-	2,273.81	-	Specific Accounts
6930-300-001 MEALS	72.00	72.00	-	-	Specific Accounts
6930-300-002 MEALS - NORTH COUNTRY	166.94	-	166.94	-	Specific Accounts
6930-400-001 MISCELLANEOUS GENERAL EXPENSE	50.50	50.50	-	-	Specific Accounts
6930-400-002 MISC GEN EXPENSE:NORTH COUNTRY	4.96	-	4.96	-	Specific Accounts
6930-410-001 CHARITABLE CONTRIBUTIONS	100.00	100.00	-	-	Specific Accounts
6930-410-002 CHARITABLE DONATIONS	-	-	-	-	Specific Accounts
6950-200-001 MAINT: OFFICE FURNIT & EQUIP	-	-	-	-	Specific Accounts
6950-200-002 MAINT OFFICE FURN & EQUIP: NC	-	-	-	-	Specific Accounts
6950-400-001 MAINT: MISC GENERAL EQUIP	-	-	-	-	Specific Accounts
6950-500-001 MAINT COMPUTER EQUIP: PAC	961.07	961.07	-	-	Specific Accounts
6950-500-002 MAINT:COMPUTER EQUIP-N COUNTRY	-	-	-	-	Specific Accounts
	33,031.58	19,807.03	13,224.55	-	
Inter Div Management Fee					
6930-500-001 INTERCOMPANY MGMT FEE: PCP	36,568.00	14,265.53	22,302.47	-	Adjusted per Schedule 14
6930-510-001 INTERCO MGMT FEE: PWW	294,522.00	108,884.25	185,637.75	-	Adjusted per Schedule 14
	331,090.00	123,149.78	207,940.22	-	
Total Operating Expenses	829,282.85	290,143.55	539,139.30	-	
Depreciation Expense					
6403-000-001 DEPRECIATION EXPENSE: PAC	58,897.85	58,897.85	-	-	Specific Accounts
6403-000-002 DEPRECIATION EXP: NO COUNTRY	89,831.22	-	89,831.22	-	Specific Accounts
	148,729.07	58,897.85	89,831.22	-	
Amortization Expense: CIAC					
6405-300-001 AMORTIZATION EXPENSE: CIAC	(18,109.79)	(18,109.79)	-	-	Specific Accounts
6405-300-002 AMORTIZATION EXPENSE: CIAC-NC	(11,793.17)	-	(11,793.17)	-	Specific Accounts
Amortization Expense					
6407-320-001 AMORT EXP - DEFERRED CHARGES	5,779.04	5,779.04	-	-	Specific Accounts
6407-320-002 AMORTIZATION EXP-NORTH COUNTRY	5,080.44	-	5,080.44	-	Specific Accounts
	10,859.48	5,779.04	5,080.44	-	
Taxes Other than Income Tax					
6408-110-001 LOCAL PROPERTY TAXES	45,912.79	45,912.79	-	-	Specific Accounts
6408-110-002 PROPERTY TAX EXP:NORTH COUNTRY	35,609.67	-	35,609.67	-	Specific Accounts
	81,522.46	45,912.79	35,609.67	-	
Income Tax					
6409-102-001 PROV/FED INC TAX/CURRENT	(148,998.44)	(82,177.27)	(66,821.17)	-	Adjusted per Schedule 15
6409-113-001 PROVS FOR NH BUS PRFTS TAX CUR	(21,174.48)	4,740.72	(25,915.20)	-	Adjusted per Schedule 15
6410-102-001 PROV FEDL INCOME TAX DEFERRED	94,401.00	94,401.00	-	-	Specific Accounts
6410-113-001 PROV NH INCOME TAX DEFERRED	-	-	-	-	Specific Accounts
	(75,771.92)	16,964.45	(92,736.37)	-	
Total Operating Deducts	964,718.98	399,587.89	565,131.09	-	
Net Operating Income	99,526.47	66,587.33	32,939.14	0.00	
Non-Operating Revenue Deductions					
6421-000-001 MISC NON-OPERATING INCOME(EXP)	-	-	-	-	Specific Accounts
6421-000-002 MISC NON-OPER REVEN(EXP):NC	-	-	-	-	Specific Accounts
6426-000-001 MISC NONUTILITY EXPENSES	-	-	-	-	Specific Accounts
6426-000-002 MISC NONUTILITY EXPENSES: NC	31,491.05	-	31,491.05	-	Specific Accounts
Other Income	31,491.05	-	31,491.05	-	
6420-000-001 AFDUC-INT(DEBT) COMPONENT-PAC	-	-	-	-	Specific Accounts
6420-000-002 AFUDC - INT(DEBT)COMPONENT-NC	(4,263.00)	-	(4,263.00)	-	Specific Accounts
6420-100-001 AFUDC - EQUITY COMPONENT - PAC	-	-	-	-	Specific Accounts

Pittsfield Aqueduct Company
Income Statement for the Year Ended September 30, 2009

	<u>Consolidated</u>	<u>Pittsfield</u>	<u>North Country</u>	<u>Variance</u>	<u>Comments</u>
6420-100-002 AFUDC - EQUITY COMPONENT - NC	(2,078.00)	-	(2,078.00)	-	Specific Accounts
Interest Expense					
6427-115-001 INTERCOMPANY INTEREST	167,841.89	42,858.93	124,982.96	-	Adjusted per Schedule 13
6427-300-001 INTEREST EXP: BONDS & NOTES	-	-	-	-	Specific Accounts
6427-300-002 INTEREST EXP: BONDS & NOTES -NC	12,517.80	-	12,517.80	-	Specific Accounts
6428-000-001 AMORTIZATION OF DEBT EXPENSE	-	-	-	-	Specific Accounts
6419-000-002 INTEREST INCOME: NORTH COUNTRY	-	-	-	-	Specific Accounts
Total Interest	180,359.69	42,858.93	137,500.76		
Net Income Before Dividends	(105,983.27)	23,728.41	(129,711.68)	-	
Dividends: Common Stock					
6438-000-001 DIVIDENDS: COMMON STOCK	-	-	-	-	
Net Income (Or Loss)	(105,983.27)	23,728.41	(129,711.68)	-	

Tier 1	Regulated	Con Ops	Real Estate	Total	PWW	PEU	PAC	Total	Pittsfield	North Country	Consolidated
2009 Revenues	\$ 22,862,839.00	\$ 2,078,466.00	\$ -	24,941,305.00	\$ 17,893,149.00	\$ 3,905,445.00	\$ 1,064,245.00	22,862,839.00	466,175.22	598,070.23	1,064,245.45
	91.67%	8.33%	0.00%	100.00%	78.26%	17.08%	4.65%	100.00%	43.80%	56.20%	100.00%
Total Assets (September Prelims +/- Intercompany Accounts)	\$ 172,404,598	\$ 306,410	\$ 2,583,327	175,294,335.00	\$ 137,719,772	\$ 25,424,681	\$ 9,260,144	172,404,597.00	3,168,382.05	6,091,762.06	9,260,144.11
	98.35%	0.17%	1.47%	100.00%	79.88%	14.75%	5.37%	100.00%	34.22%	65.78%	100.00%
Customers (September Actuals)											
Square Footage	17,891.00	1,574.00	-	19,465.00	26,153.00	5,541.00	1,782.00	33,476.00	649.00	1,133.00	1,782.00
	91.91%	8.09%	0.00%	100.00%	78.12%	16.55%	5.32%	100.00%	36.42%	63.58%	100.00%
Employees	104.00	1.50	-	105.50							
	98.58%	1.42%	0.00%	100.00%							
Average	95.13%	4.50%	0.37%	100.00%	79.00%	15.65%	5.35%	100.00%	38.15%	61.85%	100.00%
Total PWW Allocation Costs			\$ -	3,049,506.00				2,900,995.00			155,203.00
2008 PWW Allocable Costs	2,900,995	137,228	11,283	3,049,506.00	2,291,786.00	454,006.00	155,203.00	2,900,995.00	59,210.00	95,993.00	155,203.00
Tier 2	Regulated	Con Ops	Real Estate	Total	PWW	PEU	PAC	Total	Pittsfield	North Country	Consolidated
Total Assets (September Prelims +/- Intercompany Accounts)	172,404,598.00	306,410.00	-	172,711,008.00	137,719,772.00	25,424,681.00	9,260,144.00	172,404,597.00	3,168,382.05	6,091,762.06	9,260,144.11
	99.82%	0.18%	0.00%	100.00%	79.88%	14.75%	5.37%	100.00%	34.22%	65.78%	100.00%
Customers (September Actuals)	33,476.00	5,521.00	-	38,997.00	26,153.00	5,541.00	1,782.00	33,476.00	649.00	1,133.00	1,782.00
	85.84%	14.16%	0.00%	100.00%	78.12%	16.55%	5.32%	100.00%	36.42%	63.58%	100.00%
Average	92.83%	7.17%	0.00%	100.00%	79.00%	15.65%	5.35%	100.00%	35.32%	64.68%	100.00%
Total PWW Allocation Costs			\$ -	592,786.00				550,283.00			29,440.00
2008 PWW Allocable Costs	550,283	42,503	-	592,786.00	434,724.00	86,119.00	29,440.00	550,283.00	10,397.00	19,043.00	29,440.00
Tier 4	Regulated	Con Ops	Real Estate	Total	PWW	PEU	PAC	Total	Pittsfield	North Country	Consolidated
Total Assets (September Prelims +/- Intercompany Accounts)					137,719,772.00	25,424,681.00	9,260,144.00	172,404,597.00	3,168,382.05	6,091,762.06	9,260,144.11
					79.88%	14.75%	5.37%	100.00%	34.22%	65.78%	100.00%
Customers (September Actuals)					26,153.00	5,541.00	1,782.00	33,476.00	649.00	1,133.00	1,782.00
					78.12%	16.55%	5.32%	100.00%	36.42%	63.58%	100.00%
Average					79.00%	15.65%	5.35%	100.00%	35.32%	64.68%	100.00%
Total PWW Allocation Costs				\$ -				443,340.00			23,719.00
2008 PWW Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs	-	-	-	-	350,239.00	69,383.00	23,719.00	443,341.00	8,377.00	15,342.00	23,719.00
2008 PWW Total Allocable Costs</											

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**Pittsfield Aqueduct Company
Management Fee for 2009**

Tier 1	Regulated				Con Ops		Real Estate		Total		Pittsfield			North Country		Schedule 14 Consolidated					
	\$	22,862,839.00	\$	2,078,466.00	\$	8.33%	\$	-	24,941,305.00	100.00%	\$	17,893,149.00	\$	3,905,445.00	\$	1,064,245.00	22,862,839.00	466,175.22	598,070.23	1,064,245.45	
Total Assets (September Prelims +/- Intercompany Accounts		\$	172,404,598.00	\$	306,410.00	\$	2,583,327.00	\$	175,294,335.00	100.00%	\$	137,719,772.00	\$	25,424,681.00	\$	9,260,144.00	172,404,597.00	3,168,382.05	6,091,762.06	9,260,144.11	
			98.35%		0.17%		1.47%		100.00%		79.88%		14.75%		5.37%		100.00%	34.22%	65.78%	100.00%	
Customers (September Actuals)											26,153		5,541		1,782		33,476.00	649.00	1,133.00	1,782.00	
Square Footage		17,891.00	1,574.00	-	19,465.00		0.00%		100.00%		78.12%		16.55%		5.32%		100.00%	36.42%	63.58%	100.00%	
Employees		104.00	1.50	-	105.50		0.00%		100.00%												
		98.58%	1.42%	0.00%	100.00%																
Average		95.13%	4.50%	0.37%	100.00%						79.00%		15.65%		5.35%		100.00%	38.15%	61.85%	100.00%	
Total PWVW Allocation Costs				\$	355,805												338,477.00			18,109.00	
2008 PWVW Allocable Costs		338,477	16,011	1,316	355,805.00						267,397.00		52,972.00		18,109.00		338,478.00	6,909.00	11,200.00	18,109.00	
Tier 2		Regulated		Con Ops		Real Estate		Total		PWVW		PEU		PAC		Total		Pittsfield		North Country Consolidated	
Total Assets (September Prelims +/- Intercompany Accounts		172,404,598.00	306,410.00	-	172,711,008.00		0.00%		100.00%	137,719,772.00	25,424,681.00	9,260,144.00	172,404,597.00		5.37%		100.00%	3,168,382.05	6,091,762.06	9,260,144.11	
		99.82%	0.18%	0.00%						79.88%	14.75%							34.22%	65.78%	100.00%	
Customers (September Actuals)		33,476.00	5,521.00	-	38,997.00		0.00%		100.00%	26,153.00	5,541.00	1,782.00	33,476.00		5.32%		100.00%	649.00	1,133.00	1,782.00	
		85.84%	14.16%	0.00%						78.12%	16.55%	5.32%						36.42%	63.58%	100.00%	
Average		92.83%	7.17%	0.00%	100.00%					79.00%	15.65%	5.35%	100.00%					35.32%	64.68%	100.00%	
Total PWVW Allocation Costs				\$	79,196								73,518.00							3,933.00	
2008 PWVW Allocable Costs		73,518	5,678	-	79,196.00					58,079.00	11,506.00	3,933.00	73,518.00					1,389.00	2,544.00	3,933.00	
Tier 4		Regulated		Con Ops		Real Estate		Total		PWVW		PEU		PAC		Total		Pittsfield		North Country Consolidated	
Total Assets (September Prelims +/- Intercompany Accounts										137,719,772.00	25,424,681.00	9,260,144.00	172,404,597.00		5.37%		100.00%	3,168,382.05	6,091,762.06	9,260,144.11	
										79.88%	14.75%							34.22%	65.78%	100.00%	
Customers (September Actuals)										26,153.00	5,541.00	1,782.00	33,476.00		5.32%		100.00%	649.00	1,133.00	1,782.00	
										78.12%	16.55%	5.32%						36.42%	63.58%	100.00%	
Average										79.00%	15.65%	5.35%	100.00%					35.32%	64.68%	100.00%	
Total PWVW Allocation Costs												\$	47,296							2,530.00	
2008 PWVW Allocable Costs		-	-	-	-					37,364.00	7,402.00	2,530.00	47,296.00					894.00	1,636.00	2,530.00	
2008 PWVW Total Allocable Costs - Return on Assets		-	-	-	-					-	-	-	-					9,192.00	15,380.00	24,572.00	
2008 PWVW Grand Total		-	-	-	-					-	-	-	-					108,884.98	185,637.75	294,522.73	

Pittsfield Aqueduct Company
Management Fee for 2009

Schedule 14

	PWW	PEU	PAC	Con Ops	Real Estate	Total	Pittsfield	North Country	Consolidated
2009 Revenues	17,893,149.00 71.74%	3,905,445.00 15.66%	1,064,245.00 4.27%	2,078,486.00 8.33%	- 0.00%	24,941,305.00 100.00%	486,175.22 43.80%	598,070.23 56.20%	1,084,245.45 100.00%
Total Assets (September Prelims +/- Intercompany Accounts	137,719,772.00 78.56%	25,424,681.00 14.50%	9,260,144.00 5.28%	305,410.00 0.17%	2,583,327.00 1.47%	175,294,334.00 100.00%	3,168,382.05 34.22%	6,091,762.06 65.78%	9,260,144.11 100.00%
Average	75.15%	15.08%	4.77%	4.25%	0.74%	100.00%	39.01%	60.99%	100.00%
Total PCP Allocable Costs						765,822.00			36,567.00
2008 PCP Allocable	575,538.00	115,496.00	36,567.00	32,579.00	5,643.00	765,823.00	14,264.53	22,302.47	36,567.00

Schedule 15

Net Income: 2009		PAC	NC	Total
PAC	(216,458.41)	(216,458.41)	-	(216,458.41)
NC	110,475.14	-	110,475.14	110,475.14
	<u>(105,983.27)</u>	<u>(216,458.41)</u>	<u>110,475.14</u>	<u>(105,983.27)</u>
Adjustments				
Management Fee	(331,090.00)	207,940.22	(207,940.22)	-
Depreciation Expense				
AFUDC				
Interco Interest	(167,841.89)	124,982.96	(124,982.96)	-
Total Adjustments		332,923.18	(332,923.18)	-
Taxes				
Federal	(54,597.44)	(54,597.44)	-	(54,597.44)
State	(21,174.48)	(21,174.48)	-	(21,174.48)
PAC	(75,771.92)	(75,771.92)	-	(75,771.92)
Adj NI	(181,755.19)	40,692.85	(222,448.04)	(181,755.19)
Meals				
PAC	-	-	-	-
NC	-	-	-	-
Total Meals	-	-	-	-
1/2 of Meals	-	-	-	-
NH Taxable Income	(181,755.19)	40,692.85	(222,448.04)	(181,755.19)
NHBT 11.65%	(21,174.48)	4,740.72	(25,915.20)	(21,174.48)
Federal Taxable Income	(160,580.71)	35,952.14	(196,532.85)	(160,580.71)
Federal 34%	(54,597.44)	12,223.73	(66,821.17)	(54,597.44)
Total Tax	(75,771.92)	16,964.44	(92,736.37)	(75,771.92)

**Pittsfield Aqueduct Company
Intercompany Interest Allocation
Schedule 13**

	Consolidated	Pittsfield	North Country	Variance
Jan-09	(18,751.51)	(4,687.08)	(14,064.43)	(0.00)
Feb-09	(18,748.25)	(4,702.22)	(14,046.04)	0.01
Mar-09	(18,666.47)	(4,705.86)	(13,960.62)	0.00
Apr-09	(18,587.61)	(4,712.00)	(13,875.62)	0.00
May-09	(18,576.62)	(4,727.74)	(13,848.89)	(0.00)
Jun-09	(18,611.31)	(4,787.43)	(13,823.88)	(0.00)
Jul-09	(18,635.01)	(4,833.65)	(13,801.36)	(0.00)
Aug-09	(18,634.26)	(4,847.29)	(13,786.97)	(0.00)
Sep-09	(18,630.85)	(4,855.69)	(13,775.16)	(0.00)
Oct-09	-	-	-	-
Nov-09	-	-	-	-
Dec-09	-	-	-	-
	(167,841.89)	(42,858.92)	(124,982.96)	(0.01)

Pittsfield Aqueduct Company, Inc.
Capital Recovery Rate Base
For the Nine Months Ended September 30, 2009
North Country

	Modified Filing	9/30/2009
Plant in Service	4,809,433	4,762,730
Accum Deprec	94,518	248,907
Accum Deprec: Loss/COR	138,875	272,509
CIAC	4,337	14,096
Amort of CIAC	168	423
NCWP Buy in Fee (Net)	114,557	110,055
Deferred Gain on SGI Grant	211,781	211,781
Total Capital Recovery items	\$ 4,752,397	\$ 4,670,932

Pittsfield Aqueduct Company
Net Book Value [Depreciation]
For the Period January 1, 2006 to September 30, 2009
Capital Recovery Assets
GAAP

Asset GL Acct #	ASSET BALANCES				DEPRECIATION				End. Balance	Net Book Value
	Beginning	Additions	Deletions	Ending	Beg. Balance	Depr Exp & AFYD	Sec 179/179A	Oth. Additions	Deletions	
6103-000-002	0.00	10,011.96	0.00	10,011.96	0.00	0.00	0.00	0.00	0.00	10,011.96
6301-000-002	0.00	299,006.38	112,216.58	186,789.80	0.00	26,141.74	0.00	11,592.95	7,644.66	156,699.77
63303-000-002	0.00	166,784.92	10,011.96	156,772.96	0.00	-70.91	0.00	70.91	0.00	156,772.96
63303-100-001	86,830.85	0.00	86,830.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63303-300-002	0.00	135,075.11	1,000.00	134,075.11	0.00	0.00	0.00	0.00	0.00	134,075.11
63304-000-002	0.00	206,550.78	0.00	206,550.78	0.00	6,691.71	0.00	0.00	0.00	199,859.07
63304-100-002	0.00	1,003,080.54	42,430.73	960,649.81	0.00	29,162.68	0.00	0.00	1,168.55	932,655.68
63307-100-002	0.00	215,998.89	74,399.32	141,599.57	0.00	8,641.34	0.00	2.10	1,784.42	134,740.55
63307-210-002	0.00	15,495.86	0.00	15,495.86	0.00	-636.55	0.00	1,539.12	0.00	14,593.29
63309-000-002	0.00	378,166.07	0.00	378,166.07	0.00	6,384.21	0.00	38.92	0.00	6,423.13
63310-000-002	0.00	32,515.61	0.00	32,515.61	0.00	4,479.20	0.00	0.00	0.00	4,479.20
63311-000-002	0.00	305,668.36	83,008.79	222,659.57	0.00	37,368.07	0.00	474.12	6,475.55	31,366.64
63320-000-002	0.00	4,672.00	1,334.93	3,337.07	0.00	990.05	0.00	0.00	267.00	723.05
63320-200-002	0.00	240,904.88	0.00	240,904.88	0.00	16,850.88	0.00	0.00	0.00	16,850.88
63330-000-002	0.00	520,222.59	17,910.50	502,312.09	0.00	28,701.32	0.00	96.48	710.92	224,054.00
63331-000-002	0.00	49,407.31	49,407.31	0.00	0.00	494.06	0.00	0.00	494.06	0.00
63331-003-002	0.00	460.24	0.00	460.24	0.00	13.14	0.00	0.00	0.00	13.14
63331-100-001	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63331-100-002	0.00	536,630.10	24,815.66	511,814.44	0.00	12,340.45	0.00	1,447.60	992.63	12,795.42
63331-200-002	0.00	530,329.05	20,970.37	509,358.68	0.00	23,355.13	0.00	0.00	495.48	22,859.65
63331-250-001	0.00	7,425.69	7,425.69	0.00	0.00	102.51	0.00	0.00	102.51	0.00
63331-250-002	0.00	80,248.20	0.00	80,248.20	0.00	502.48	0.00	2,743.86	0.00	3,246.34
63333-100-001	0.00	5,026.82	5,026.82	0.00	0.00	125.70	0.00	0.00	125.70	0.00
63333-100-002	0.00	127,374.00	2,604.28	124,769.72	0.00	5,936.69	0.00	3,012.38	79.09	8,869.98
63333-200-001	0.00	6,347.82	6,347.82	0.00	0.00	70.70	0.00	0.00	70.70	0.00
63333-200-002	0.00	63,759.02	0.00	63,759.02	0.00	2,018.90	0.00	557.36	0.00	2,576.26
63334-000-002	0.00	210,976.73	9,308.49	201,668.24	0.00	25,700.98	0.00	615.00	966.91	25,359.07
63335-000-002	0.00	21,366.66	0.00	21,366.66	0.00	355.33	0.00	0.00	0.00	355.33
63339-000-002	0.00	7,361.85	0.00	7,361.85	0.00	933.21	0.00	0.00	0.00	933.21
63340-100-002	0.00	2,688.66	0.00	2,688.66	0.00	436.89	0.00	0.00	0.00	436.89
63343-000-002	0.00	30,622.38	0.00	30,622.38	0.00	8,147.38	0.00	46.90	0.00	8,194.28
63346-000-002	0.00	16,377.60	0.00	16,377.60	0.00	1,713.36	0.00	904.26	0.00	2,617.62
63347-110-002	0.00	393.13	0.00	393.13	0.00	182.52	0.00	0.00	0.00	182.52
Grand Total	86,830.85	5,230,949.21	555,050.10	4,762,729.96	0.00	247,133.17	0.00	23,141.96	21,368.18	248,906.95
										4,513,823.01

Pittsfield Aqueduct Company
 Asset Disposition
 For the Period January 1, 2006 to September 30, 2009
 Capital Recovery Assets
 GAAP

Asset GL Acct #	Cost Plus Exp. of Sale	LTD Depr & S179/A & AFYD	Net Proceeds	Realized Gain (Loss)
6304-100-002	42,430.73	1,168.55	0.00	-41,262.18
6307-100-002	50,819.59	1,238.44	0.00	-49,581.15
6311-000-002	70,480.51	5,070.17	0.00	-65,410.34
6320-000-002	1,334.93	267.00	0.00	-1,067.93
6330-000-002	17,910.50	710.92	0.00	-17,199.58
6331-100-001	0.00	0.00	0.00	0.00
6331-200-002	11,880.08	328.09	0.00	-11,551.99
6333-100-002	2,604.28	79.09	0.00	-2,525.19
6334-000-002	4,400.49	404.76	0.00	-3,995.73
Grand Total	201,861.11	9,267.02	0.00	-192,594.09

Pittsfield Aqueduct Company
Asset Acquisition
Capital Recovery Assets - COR
For the Period January 1, 2006 to December 31, 2009

Asset GL Acct #	Acquisition Cost	Book Cost
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6303-000-002	38,426.64	38,426.64
6304-100-002	61,852.00	61,852.00
6307-100-002	133,728.32	133,728.32
6307-210-002	10,261.34	10,261.34
6309-000-002	666.80	666.80
6311-000-002	60,949.47	60,949.47
6320-000-002	4,672.00	4,672.00
6330-000-002	39,278.69	39,278.69
6331-100-001	0.00	0.00
6331-200-002	521,238.76	521,238.76
6331-250-002	54,537.66	54,537.66
6333-100-002	97,964.83	97,964.83
6333-200-002	929.29	853.39
6334-000-002	101,159.99	100,963.27
6340-100-002	2,688.66	2,688.66
6343-000-002	30,622.38	30,622.38
6346-000-002	15,502.60	15,502.60
6347-110-002	393.13	393.13
Year Ending December, 2006		1,174,599.94
6303-300-002	4,515.68	4,515.68
6304-100-002	848,281.02	848,281.02
6307-100-002	140.80	140.80
6307-210-002	5,816.13	5,234.52
6309-000-002	12,511.30	12,511.30
6310-000-002	32,515.61	32,515.61
6311-000-002	228,977.80	222,878.31
6320-200-002	241,323.32	240,904.88
6330-000-002	489,091.95	480,943.90
6331-003-002	460.24	460.24
6331-250-002	25,710.54	25,710.54
6333-100-002	8,130.36	8,130.36
6333-200-002	23,849.98	21,643.94
6334-000-002	61,427.81	61,086.09
6339-000-002	7,361.85	7,361.85
6346-000-002	875.00	875.00
Year Ending December, 2007	1,174,872.56	1,174,599.94
6303-000-002	16,961.47	16,961.47
6303-300-002	144,113.43	144,113.43
6304-000-002	214,792.92	206,550.78
6304-100-002	92,947.52	92,947.52
6307-100-002	58,550.04	58,550.04
6309-000-002	364,987.97	364,987.97
6311-000-002	9,312.30	9,312.30
6331-100-002	553,407.35	511,814.44
6333-100-002	21,652.70	21,278.81
6333-200-002	52,899.60	41,261.69
6334-000-002	44,019.37	44,019.37
6335-000-002	21,366.66	21,366.66
Yearly Subtotal	1,595,011.33	1,533,164.48
Grand Total	4,760,873.28	4,680,958.46

79,914.82
COR

Pittsfield Aqueduct Company
Net Book Value [Depreciation]
For the Period January 1, 2006 to September 30, 2009
Capital Recovery CIAC
GAAP

Asset GL Acct #	ASSET BALANCES				DEPRECIATION				Net Book Value
	Beginning	Additions	Deletions	Ending	Beg. Balance	Depr Exp & AFYD	Sec 179/179A	Oth. Additions	

271-200-002	0.00	-14,096.45	0.00	-14,096.45	0.00	-422.88	0.00	0.00	-422.88	-13,673.57
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Grand Total	0.00	-14,096.45	0.00	-14,096.45	0.00	-422.88	0.00	0.00	-422.88	-13,673.57
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Pittsfield Aqueduct Company
Net Book Value [Amortization]
For the Period January 1, 2006 to September 30, 2009
Capital Recovery Deferred Assets
GAAP

Asset GL Acct #	ASSET BALANCES				AMORTIZATION				End. Balance	Net Book Value
	Beginning	Additions	Deletions	Ending	Beg. Balance	Amort. Exp	Oth. Additions	Deletions		
186-700-002	0.00	120,060.00	0.00	120,060.00	0.00	10,005.00	0.00	0.00	10,005.00	110,055.00
Grand Total	0.00	120,060.00	0.00	120,060.00	0.00	10,005.00	0.00	0.00	10,005.00	110,055.00

Pennichuck East Utility, Inc.
Capital Structure for Ratemaking Purposes
For the Nine Months Ended September 30, 2009

Schedule 2
Combined PEU & NC

	<u>PEU</u>	<u>North Country</u>	<u>Combined</u>	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u> <u>Test Year</u>	<u>Component</u> <u>Ratio</u>
Long-term Debt	6,965,269	\$4,171,072	11,136,341	(4,670,932)	6,465,409	43.57%
Common Equity:						
Common Stock	100	-	100	-	100	
Paid In Capital	3,961,557	2,000,000	5,961,557	-	5,961,557	
Retained Earnings	2,348,258	(725,867)	1,622,392	-	1,622,392	
Total Common Equity	6,309,915	1,274,133	7,584,048	-	7,584,048	51.10%
Short-term Debt	794,480	(3,402)	791,077	-	791,077	5.33%
Total Capital	<u>\$ 14,069,664</u>	<u>\$ 5,441,803</u>	<u>\$ 19,511,467</u>	<u>\$ (4,670,932)</u>	<u>\$ 14,840,534</u>	<u>100.00%</u>

Pennichuck East Utility, Inc.
Overall Rate of Return
For the Nine Months Ended September 30, 2009

Schedule 1
Combined PEU & NC

<u>Capital Component</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
Long-term Debt	6,465,409	43.57%	5.80%
Short-term Debt	791,077	5.33%	0.50% (1)
Preferred Stock	-	0.00%	0.00%
Common Equity	7,584,048	51.10%	9.75% (2)
Overall Rate of Return	\$ 14,840,534	100.00%	7.54%

(1) The interest reflected is the interest rate for September 2009.

(2) Reflects last authorized rate of return from DW 07-032

Pennichuck East Utility, Inc.
Overall Rate of Return
For the Twelve Months Ended December 31, 2007

Modified Filing DW 08-052
Schedule 1
Combined PEU & NC

<u>Capital Component</u>	<u>Pro Forma Test Year</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
Long-term Debt	5,018,668	39.53%	6.01%	2.37%
Short-term Debt	20,056	0.16%	4.75% (1)	0.01%
Preferred Stock	-	0.00%	0.00%	0.00%
Common Equity	7,655,666	60.31%	9.75% (2)	5.88%
Overall Rate of Return	\$ 12,694,391	100.00%		8.26%

(1) The interest reflected is the interest rate for December 2007.

(2) Reflects last authorized rate of return from DW 07-032

Pittsfield Aqueduct Company, Inc.
Capital Structure for Ratemaking Purposes
For the Nine Months Ended September 30, 2009
Pittsfield Only

Schedule 2

	<u>Pro Forma</u> <u>Adjustments</u>	<u>Pro Forma</u> <u>Test Year</u>	<u>Component</u> <u>Ratio</u>
Long-term Debt	\$3,225,389 (725,389) (1) (1,723,150) (3)	\$776,850	37.47%
Common Equity:			
Common Stock	100	100	
Paid In Capital	2,237,129 (2,000,000) (2)	237,129	
Retained Earnings	202,400 626,114 (4)	828,514	
Total Common Equity	<u>2,439,629</u>	<u>1,065,743</u>	51.40%
Short-term Debt	227,410 3,402 (5)	\$ 230,812	11.13%
	-		
Total Capital	<u>\$ 5,892,428</u> (3,819,023)	<u>\$ 2,073,405</u>	100.00%

Notes:

- (1) Eliminate the long term debt associated with the North Country acquisition per Schedule 5.
- (2) Eliminate the \$2.0 Million equity infusion in 2007 to support the capital investments in North Country.
- (3) The proforma adjustment reflects the PUC order 24,827 issued on March 3, 2008. The order Nisi approved the issuance of Long Term Debt to repay short term debt in the form of an intercompany advance from the parent company.
- (4) Adjust Retained Earnings for allocated management fee, interest expense and related income tax effect to North Country:

2006	62,097
2007	111,539
2008	212,291
9 mos 2009	<u>240,187</u>
Total Adjustment Retained Earnings	<u>626,114</u>
- (5) The portion of short term debt allocated to North Country.

Pittsfield Aqueduct Company, Inc.
Overall Rate of Return
For the Nine Months Ended September 30, 2009
Pittsfield Only

Schedule 1

<u>Capital Component</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
Long-term Debt	776,850	37.47%	7.00%
Short-term Debt	230,812	11.13%	0.50%
Preferred Stock	-	0.00%	0.00%
Common Equity	<u>1,065,743</u>	<u>51.40%</u>	<u>9.75% (1)</u>
Overall Rate of Return	\$ <u>2,073,405</u>	<u>100.00%</u>	<u>7.69%</u>

Notes:

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

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

Schedule 1
Modified Filing

<u>Capital Component</u>	<u>Pro Forma Test Year</u>	<u>Component Ratio</u>	<u>Component Cost Rate</u>	<u>Weighted Average Cost Rate</u>
Long-term Debt	1,009,278	55.18%	6.70%	3.70%
Short-term Debt	0	0.00%	0.00%	0.00%
Preferred Stock	-	0.00%	0.00%	0.00%
Common Equity	<u>819,644</u>	<u>44.82%</u>	<u>9.75% (1)</u>	<u>4.37%</u>
Overall Rate of Return	\$ <u>1,828,922</u>	<u>100.00%</u>		<u>8.07%</u>

Notes:

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