PITTSFIELD AQUEDUCT COMPANY, INC.
COMPUTATION OF REVENUE DEFICIENCY
For The Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule A
Modified Filing

	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR
Consolidated Rate Base (Sch 3)	$ 1,917,988	$ 113,803	$ 2,031,791
RATE of Return (1) (2)	7.03%		8.07%
Income Required	$ 134,799		$ 163,951
Adjusted Net Operating Income (Sch 1)	$ (49,774)	$ 104,259	$ 54,485
Deficiency	$ 184,573		$ 109,466
Tax Factor	60.39%		60.39%
Revenue Deficiency	$ 305,635		$ 181,265
Water Revenues	$ 455,564	$ -	$ 455,564
Proposed Revenue Inc	67.09%		39.79%

Notes:
(1) Test Year using return on equity of 9.75%
(2) Pro Forma Rate of Return based on Pittsfield Only Rate of Return, Schedule 1.

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

Schedule 1
Modified Filing

	TWELVE MONTHS 12/31/07	PRO FORMA ADJUSTMENTS		PRO FORMA 12 MONTHS 12/31/07	TWELVE MONTHS 12/31/06	TWELVE MONTHS 12/31/05
Water Sales	$ 455,564	$ -		$ 455,564	$ 464,100	$ 464,566
Other Operating Revenue	5,372			5,372	2,821	4,874
Total Revenues	460,936	-		460,936	466,921	469,439
Production Expenses	71,085	411	(1)	71,496	67,567	59,138
Transmission & Distribution Expense	43,122	1,658	(1)	44,780	23,575	43,656
Customer Acct & Collection Exp	12,080	56	(1)	12,136	19,554	15,532
Administrative & General Expense	28,867	(8,019)	(2)	20,847	26,949	35,428
Inter Div Management Fee **(1)**	477,611	(271,381)	(3)	206,230	309,000	156,000
Total Operating Expense	632,764	(277,275)		355,489	446,645	309,754
Depreciation Exp/Acq Adj (Credit)	76,365	(3,679)	(4)	72,686	83,249	76,663
Amortization Expense: CIAC	(24,229)	1,441	(8)	(22,787)	(13,172)	(23,888)
Amortization Expense	16,948	(11,414)	(5)	5,534	27,756	17,828
Taxes Other Than Income Tax	29,086	8,697	(6)	37,783	28,707	28,501
Income Tax **(1)**	(220,225)	177,971	(7)	(42,254)	(94,152)	2,075
Total Operating Deductions	(122,054)	173,016		50,962	479,033	410,933
Net Operating Income	$ (49,774)	$ 104,259		$ 54,485	$ (12,112)	$ 58,506

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

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

Schedule 1
Attachment A
Modified Filing

I Operating Revenues

Therefore:	$ -
TOTAL OPERATING REVENUES PRO FORMA:	$ -

NONE

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

Schedule 1
Attachment B
Page 1
Modified Filing

I Production Expense

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

Wages		273
Benefits	50.3%	137
		411

Therefore:	**$**	**411**
TOTAL PRODUCTION EXPENSE PRO FORMA:	**$**	**411**

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

I Distribution Expense

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

Wages		1,103
Benefits	50.3%	555
		1,658

Therefore:	**$ 1,658**
TOTAL DISTRIBUTION EXPENSE PRO FORMA:	**$ 1,658**

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

I Customer Accounting

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

Wages		37
Benefits	50.3%	19
		56

Therefore: $ 56

TOTAL CUSTOMER ACCOUNTING $ 56

II Administrative & General

A. In the test year, the Company contributed to a non-profit organization.
Therefore: $ (100)

B. In the test year, the Company included costs in outside services (923) that should be reclassified to other assets as follows:

Debt Issuance Costs	$	1,075
Deferred Debits (Rate Case Exp)	$	1,881
	$	2,956

Therefore: $ (2,956)

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

Plant in Service:			
Pittsfield	64.15%	$	3,701,283
North Country	35.85%	$	2,068,181
Total Plant in Service	100.00%	$	5,769,464
Property Insurance		$	12,333
Regulatory Commission		$	1,513
Total Costs		$	13,846
North Country Allocation		$	4,963

Therefore: $ (4,963)

TOTAL ADMINISTRATIVE & GENERAL PRO FORMA: $ (8,019)

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

Schedule 1
Attachment C
Page 2
Modified Filing

				Original	Revised Staff 1-2 45.9%
I Management Fee Allocated to Affiliates (Rule 1601.01, Section 26)					
A. The Company is allocated expenses by Pennichuck Water and Pennichuck Corporation through a management fee allocation. A portion of the management fees is allocated to North Country as follows: (Per Schedule 1C)					
	Test Year		$ 477,611		
	Pittsfield portion		$ 258,615		
	North Country portion		$ (218,996)		
Therefore:				$ (218,996)	$ (258,388)
B. Per PWW 08-073, Pennichuck Water is proposing to reflect an increase of non union wages by 4% effective 4/1/08. A portion of the increases flows through the management fee as follows:					
	Non Union Wages		$ 4,071,849		
	4% Increase		$ 162,874		
	Benefits	38.6%	$ 62,869		
	Total Costs		$ 225,743		
	% Allocated to PAC	5.6%	$ 12,642		
	Pittsfield %	54.1%	$ 6,839		
Therefore:				$ 6,839	$ 5,803
C. Through the management fee, the Company was charged with Superintendence salary that was also directly charged to the expense. The following proforma adjustment eliminates the charge through the management fee:					
	Superintendence Salary		$ 55,036		
	Pittsfield %	54.1%	$ 29,774		
Therefore:				$ (29,774)	$ (25,262)
D. The 2007 management fee did not include depreciation for leasehold improvements and HECOP III fit up allowance. The amounts are as follows:					
	Leasehold Improvements		$ 124,151		
	HECOP III Fit Up Allowance		$ 77,869		
	Total		$ 202,019		
	% Allocated to PAC	5.6%	$ 11,313		
	Pittsfield %	54.1%	$ 6,120		
Therefore:				$ 6,120	$ 5,193
E. Per PWW 06-073, the depreciation of leasehold improvements, for rate making purposes, should be over 10 years. Per GAAP, the Company is depreciating over the life of the lease, 5 years. The proforma adjustment to reflect the lower depreciation is as follows:					
	Leasehold Improvements		$ 124,151		
	Depreciation - 10 yrs		$ 62,075		
	Depreciation Adjustment		$ (62,075)		
	% Allocated to PAC	5.6%	$ (3,476)		
	Pittsfield %	54.1%	$ (1,881)		
Therefore:				$ (1,881)	$ (1,596)

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

Schedule 1
Attachment C
Page 3
Modified Filing

			Original	Revised Staff 1-2 45.9%
F. Per PEU 07-032, the Company is amortizing corporate board costs associated with PCP's search for President/CEO in 2006. In 2007, the Company amortized 3 months of costs. The following proforma adjustment annualizes the amortization as follows:				
Amortization costs recognized		$ 2,520		
Annualization of Amort Costs		$ 10,080		
Adjustment		$ 7,560		
% Allocated to PAC	5.6%	$ 423		
Pittsfield %	54.1%	$ 229		
Therefore:			$ 229	$ 194
G. During the test year, the Company incurred some expenses that are non-recurring in nature. The following proforma adjustment reflect the elimination of these expense from the test period income as follows:				
Nutter (Great American Claim)		$ 377		
Total		$ 377		
% Allocated to PAC	5.6%	$ 21		
Pittsfield %	54.1%	$ 11		
Therefore:			$ (11)	$ (10)
H. In 2008, PWW filled 2 new salaried positions. The impact of the annual salaries will flow through the management fee as follows:				
Lead Electrician		$ 55,000		
Customer Service Rep		$ 31,000		
		$ 86,000		
Benefits	38.6%	$ 33,196		
Total Costs		$ 119,196		
% Allocated to PAC	5.6%	$ 6,675		
Pittsfield %	54.1%	$ 3,611		
Therefore:			$ 3,611	$ 3,064
I. The 2007 management fee allocation of work order overhead is adjusted as follows: (Per Schedule 1C and 1D)				
Allocation per 2007 mgt fee		78,476		
Allocation adjusted to eliminate contractor invoices		84,062		
Adjustment		5,586		
Pittsfield %	54.1%	$ 3,022		
Therefore:			$ 3,022	$ 2,564
Per Staff 1-20:				
J. In 2007, the Company paid non-recurring retention bonuses. A portion of the bonuses was accrued in 2006 and the remainder in 2007. The amount expensed in 2007 should be eliminated as follows:				
Total Retention Bonuses		$ 113,000		
2006 Expense Accrued		$ 78,231		
2007 Expense		$ 34,769		
% Allocated to PAC	5.60%	$ 1,947		
Pittsfield %	45.90%	$ 894		
Therefore:				$ (894)
K. In 2007. the Company paid bonuses to officers and senior management positions above plan levels due to achievement of specified goals. The amount in excess of plan levels should be eliminated as follows:				
Actual Bonus Paid:				
Officers		$ 284,224		
Senior Management		$ 166,361		
Total Paid		$ 450,585		
Plan Bonuses:				
Officers		$ 251,050		
Senior Management		$ 119,767		
		$ 370,817		
Amount exceeding Plan levels		$ 79,768		
% Allocated to PAC	5.60%	$ 4,467		
Pittsfield %	45.90%	$ 2,050		
Therefore:				$ (2,050)
TOTAL MANAGEMENT FEE PRO FORMA:				**$(271,381)**

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

Schedule 1
Attachment D
Modified Filing

I PROPERTY TAXES (Sch 1A)

A. To reflect a pro forma property tax adjustment for the net decrease in property taxes for all of the communities and the State of New New Hampshire. Schedule 1A, reflects the tax rate, taxes paid in the test year, the pro forma adjustments for decreases in property taxes based on the tax year for each community, and the consolidated property tax adjustment.
Therefore: **$ (1,139)**

B. In the test year, the Company's taxable utility property increases as part of plant additions. Schedule1A, Attachment A, reflects those plant items. The property tax for these items is not included in the test year and are summarized on the schedule below.

City/Town	Taxable Property	Tax Rate per $1,000	Total Prop Tax
Pittsfield	347,526	$ 20.50	$ 7,124
State NH	347,526	$ 6.60	$ 2,294
Total			$ 9,418

Therefore $ 9,418

Revised Adjustment per Staff 1-10:

City/Town	Taxable Property	Tax Rate per $1,000	Total Prop Tax
Pittsfield	347,526	$ 21.70	$ 7,541
State NH	347,526	$ 6.60	$ 2,294
Total			$ 9,835

Therefore **$ 9,835**

TOTAL PROPERTY AND OTHER TAXES PRO FORMA: **$ 8,697**

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

Schedule 1
Attachment E
Modified Filing

I DEPRECIATION

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

Therefore: $ 3,982

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

Therefore: $ (1,859)

C. In 2007, the Company placed in service a raw water (supply) main. The assets was intially recorded to transmission mains (331). Upon subsequent review, in 2008, the assets were reclassified to the appropriate accounts. The impact on depreciation for the test year, inclusive of IA above, is as follows: (Schedule 3, Attachment A, Exhibit 4)

Therefore: $ (1,586)

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

Depreciation Expense with proforma A thru C:				
Pittsfield	76,158	47.92%		
North Country	82,757	52.08%		
Total	158,915	100.00%		
Adjustment per Depreciation Study:				
Total	(5,185)			
Pittsfield	(2,485)			
North Country	(2,700)			
Therefore:			$	(2,485)
Revised Adjustment per Staff 3-2:				
Current Depreciation Rate		74,097		
Depreciation Study Expense		69,882		
Difference		4,215		
Therefore:				$ (4,215)

TOTAL DEPRECIATION EXPENSE PRO FORMA: **$ (3,679)**

Schedule 1
Attachment F
Modified Filing

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

I AMORTIZATION OF DEFERRED CHARGES

A. In 2007, the Company began amortizing deferred charges.
The following is to reflect the full year impact
(Schedule 2, Attachment D)
Therefore: $ 56

B. In 2007, the Company completed amortizing certain deferred assets.
An adjustment is made to remove the related amortization expense
as non-recurring (Schedule 2, Attachment E)
Therefore: $ -
Revised Adjustment per Staff 1-13 and Staff 2-9:
Therefore: $ (9,708)

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

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

<u>Revised Adjustment per Staff 1-9:</u>

Amort Sarbanes Costs		$ 3,253
Allocated to North Country	54.15%	$ 1,761

Therefore: $ (1,761)

TOTAL AMORTIZATION EXPENSE PRO FORMA: **$ (11,414)**

<u>Per Staff 3-2:</u>

II AMORTIZATION OF CIAC

A. As a result of the depreciation analysis performed by J. Guastella dated 2/25/08 and revised per Staff 2-8, he is recommending revised depreciation rates. Subsequently, the Company utilized the study to calculate the annual impact on CIAC amortization expense and reflected the impact in response to Staff 2-8 as follows:

Current Amortization Rate	(24,335)
Amortization as result of Depreciation Study	(23,030)
Difference	1,305
Pittsfield Portion (all but acct 304.1)	1,441

Therefore: $ 1,441

TOTAL CIAC AMORTIZATION EXPENSE PRO FORMA: **$ 1,441**

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

I INCOME TAXES

A. To reflect the pro forma adjustment to record the income tax effect of the pro forma adjustments for the twelve months ended December 31, 2005.
Therefore:

(Sch1, Attach A)	Operating Revenues		$	-
Less:	Expenses			
(Sch1, Attach B, pg 1)	Production Expense			411
(Sch1, Attach B, pg 2)	Distribution Expense			1,658
(Sch1, Attach C, pg 1)	Customer Accounting			56
(Sch1, Attach C, pg 1)	Administrative & General			(8,019)
(Sch1, Attach C, pg 3)	Management Fee			(271,381)
(Sch1, Attach D)	Total Prop & Other Taxes			8,697
(Sch1, Attach E)	Depreciation			(3,679)
(Sch1, Attach F)	Amortization			(11,414)
(Sch1, Attach F)	Amortization CIAC			1,441
		Total	$	(282,230)

Pro Forma NHBP Tax @ 8.5%.
Therefore:

$	(282,230)	8.5%	$	(23,990)	**$**	**23,990**
		Sub Total	$	(258,240)		

Pro Forma FIT Tax 34%
Therefore:

$	(258,240)	34%	**$**	**87,802**

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

	Combined:				
(Sch F-2 Annual Report)	Net Operating Income		(165,766)		
(Sch F-2 Annual Report)	Income Taxes		(220,224)		
	NOI before Income Taxes		(385,990)		
	Income Tax Allocation		**57.05%**		
	Pittsfield				
Schedule 1	Net Operating Income		(49,774)		
	Income Taxes		(220,224)		
	NOI before Income Taxes		(269,998)		
	Income Tax Allocation		57.05%		
	Allocation				
	Pittsfield portion	$	(154,046)		
	Test Year	$	(220,225)		
	Allocation to North Country	$	(66,179)		
Therefore:				**$**	**66,179**
TOTAL INCOME TAXES PRO FORMA:				**$**	**177,971**

Schedule 1A
Modified Filing

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

TOWN	TAX YEAR	TEST YEAR	Dec 2007 RATE per $1,000	TOTAL PAID FOR TEST YEAR Jan 07 to Dec 07	1/2 OF DEC 2006 TAX BILL WHICH RELATES TO FIRST QUARTER 2007	AMOUNT PAID JUNE 2007 TAX BILL	CREDITS FOR JUNE 2007 TAX BILL (1)	1/2 OF DEC 2007 TAX BILL WHICH RELATES TO FOURTH QUARTER 2007	PRO FORMA PROPERTY TAX	PROPERTY TAX ADJUSTMENTS	PRO FORMA PROPERTY TAX ADJUSTMENT
PITTSFIELD	04/01/06 - 03/31/07	01/01/07 - 12/31/07	21.70	20,263	5,923	11,205		4,529	$ (1,394)	-	$ (1,394)
STATE OF NH (1)	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
Pittsfield				8,045	-	-	-	8,045		255	
				8,045	-	-		8,045	$ -	255	$ 255
TOTAL EXPENSE				-	-	-		-	$ -	-	$ -
				$ 28,308	$ 5,923	$ 11,205	$ -	$ 12,574	$ (1,394)	$ 255	$ (1,139)
				-					-		-

Note:
(1) The proforma adjustment reflects the increase in the 2007 vs. 2006 taxes not reflected in the test year.

Pittsfield Aqueduct Company, Inc.
Taxable Assets of Assets Acquired
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 1A
Attachment A
Modified Filing

Asset ID	ASSET BALANCES Beginning	Acquisition Date	Additions	Tax Rate per $1,000	Property Tax
Asset GL Acct #: 6306-000-001					
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	2,700.00	21.70	58.59
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	12/01/2007	26,350.00	21.70	571.80
Subtotal: 6306-000-001 (2)			29,050.00		
Asset GL Acct #: 6309-000-001					
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	4,551.15	21.70	98.76
Subtotal: 6309-000-001 (1)			4,551.15		
Asset GL Acct #: 6331-100-001					
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	03/01/2007	147,660.73	21.70	3,204.24
60000-	RAW WATER TRANS MAINS - PITTSFIELD	03/01/2007	687.30	21.70	14.91
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	04/01/2007	120,763.78	21.70	2,620.57
60000-	RAW WATER TRANS MAINS - PITTSFIELD	04/01/2007	4,110.32	21.70	89.19
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	06/01/2007	5,123.18	21.70	111.17
60000-	RAW WATER TRAN MAINS - PITTSFIELD	08/01/2007	7,652.94	21.70	166.07
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	10/01/2007	25,559.29	21.70	554.64
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	1,905.08	21.70	41.34
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	462.27	21.70	10.03
Subtotal: 6331-100-001 (9)			313,924.89		
2007 Total			**347,526.04**		**7,541.32**

PITTSFIELD AQUEDUCT COMPANY, INC.
PAYROLL SUMMARY
Pro Forma Adjustments
For The Twelve Months Ended
December 31, 2007
Pittsfield Only

Schedule 1B
Modified Filing

	Twelve Months Ending 12/31/07	Normalize Union Pro Forma Jan 1, 2007 Feb 15, 2007	Proforma Union Pro Forma Feb 16, 2008 - Dec 31, 2008	Total Proforma for Payroll	Total Proformed Twelve Months 12/31/07
Customer Service - Union	$ 935	$ 5	$ 33	37	$ 972
Production - Union	$ 6,830	$ 34	$ 239	273	$ 7,103
Distribution - Union	$ 27,582	$ 138	$ 965	1,103	$ 28,685
Construction	$ 8,345	$ 42	$ 292	334	$ 8,679
Other Accounts:	$ -	$ -	$ -	-	$ -
Total	43,692	218	1,529	1,748	45,440
Wage Increase		4.0%	4.0%	-	-

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

Summary of 2007 Allocated Costs
Year to Date Costs through December 31, 2007
Pennichuck Corporation and Subsidiaries
(Dollar amounts in $ 000's)

		Penn Water	Penn East	Pittsfield	Total 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
%		76.0%	15.2%	3.7%	94.9%	4.0%	1.1%	100.0%
Allocated Return on Common Assets		244,950	46,415	9,592	$ 300,957	18,284	1,775	$ 321,016
		76.3%	14.5%	3.0%	93.8%	5.7%	0.6%	100.0%
Allocated Pennichuck Water Costs - Work Orders		808,771	140,677	78,476	$ 1,027,924	248,853	-	$ 1,276,777
%		63.3%	11.0%	6.1%	80.5%	19.5%	0.0%	100.0%
Allocated Pennichuck Water Costs - Management Fee		4,327,642	845,587	352,674	$ 5,525,903	357,896	58,859	$ 5,942,658
%		72.8%	14.2%	5.9%	93.0%	6.0%	1.0%	100.0%
Total Allocated 2007 Costs		$ 6,138,080	$ 1,184,338	$ 477,611	$ 7,800,030	$ 664,531	$ 71,828	$ 8,536,389
%		71.9%	13.9%	5.6%	91.4%	7.8%	0.8%	100.0%
North Country Share of Mgt Fee	54.1%			$ 258,388				
Pittsfield Share of Mgt Fee	45.9%			$ 219,223				
Total				$ 477,611				

Notes:
(1) The allocation of management fees is based on avg percentage of assets and customers as follows:

Period Ending December 31, 2007	Pittsfield	North Country	Total
Assets	4,166,928	3,423,711	7,590,639
	54.90%	45.10%	100.00%
Customers	646	1,109	1,755
	36.81%	63.19%	100.00%
Average Percentage	45.9%	54.1%	100.0%

Schedule 1D
Modified Filing

PITTSFIELD AQUEDUCT COMPANY, INC.
2007 Workorder Costs
Pro Forma Adjustment

	PWW Capital	070 WTP Maintenance	080 OPS Maintenance	Fleet	PWW Jobbing	PWS Maintenance	PWS Jobbing	PAC Capital	PAC Maintenance	PEU Capital	PEU Maintenance	Total	
Labor	60,167.70	534,927.05	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	2,412,399.29	
Contractor Clearing	6,936.85	-	4,233.63	110,948.81	10,034.56	132.30	327,620.65	2,897.25	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	-	12,988.08	-	915.21	-	31,966.16	653,185.39	
Inventory: Fleet	-	-	31.27	2,454.99	-	-	-	-	-	-	-	2,486.26	
Misc 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	8,891.14	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	-	-	-	143	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	545,543	5,811,793.38	
Less:													
Overhead	4,691.44	-	-	-	45,320.67	-	-	1,679.86	-	1,770.21	-	53,462.18	
Contractor Clearing	6,936.85	-	4,233.63	110,948.81	10,034.56	132.30	327,620.65	2,897.25	2,638.84	978.75	312.00	466,733.64	
Total Adjusted Costs	228,834.97	1,446,423.42	1,426,418.57	67,864.81	345,907.72	647,929.27	146,654.54	81,459.10	266,936.30	87,938.21	545,230.64	5,291,597.56	
												-	
% of Total Adjusted Costs	4.32%	27.33%	26.96%	1.28%	6.54%	12.24%	2.77%	1.54%	5.04%	1.66%	10.30%	100.00%	
Ovhd Allocable to Work Orders													
1,276,778	55,214	348,999	344,172	16,375	83,462	156,335	35,385	19,655	64,407	21,218	131,555	1,276,778	
Totals by Company:													
PWW	55,214	348,999	344,172	16,375	83,462							848,222	66.43%
PEU										21,218	131,555	152,774	11.97%
PAC								19,655	64,407			84,062	6.58%
PWS						156,335	35,385					191,720	15.02%
Total Overhead	55,214	348,999	344,172	16,375	83,462	156,335	35,385	19,655	64,407	21,218	131,555	1,276,778	100.00%
% Labor	4.32%	27.33%	26.96%	1.28%	6.54%	12.24%	2.77%	1.54%	5.04%	1.66%	10.30%	100.00%	

Notes:
(1) Contractor Clearing Costs have been deducted from the workorder costs as the costs do not represent the total cost activity.
Much of the activity related to Maintenance activity is charged directly to each company's P&L and do not flow through work orders.

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

Schedule 2
Modified Filing

	12/31/2007	13 MONTH TEST YR AVERAGE	12/31/2006	12/31/2005
PLANT ASSETS				
Plant in Service	3,762,472	3,659,565	3,539,199	3,503,720
Work in process	963,383	1,103,671	988,242	-
Accumulated depreciation	800,655	802,045	797,738	725,033
Net Plant	3,925,200	3,961,191	3,729,703	2,778,687
Acquisition Adjustment	-	-	-	-
Accumulated amortization	-	-	-	-
Net Acquisition Adjustment	-	-	-	-
Total Net Utility Plant	3,925,200	3,961,191	3,729,703	2,778,687
CURRENT ASSETS				
Cash	200	200	200	-
Short term investments: FHLB	-	-	-	-
Short term investments: MM	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable-billed, net	116,432	178,809	252,630	300,225
Accounts receivable-unbilled, net	47,011	46,412	45,314	49,557
Accounts receivable-other	-	-	-	-
Inventory	-	-	-	3,435
Prepaid expenses	6,738	4,781	6,920	-
Prepaid property taxes	4,314	2,414	5,922	-
Prepaid income taxes	-	-	-	-
Intercompany receivable	-	-	-	-
	174,695	232,615	310,987	353,217
OTHER ASSETS				
Deferred land costs	-	-	-	-
Debt issuance expenses	12,158	9,521	5,863	2,142
Investment in partnerships	-	-	-	-
Other	54,875	50,980	141,959	118,589
	67,033	60,502	147,822	120,732
TOTAL ASSETS	$ 4,166,928	$ 4,254,307	$ 4,188,512	$ 3,252,635

PITTSFIELD AQUEDUCT COMPANY,INC.
BALANCE SHEET
EQUITY AND LIABILITIES
For The Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 2A
Modified Filing

	12/31/2007	13 MONTH TEST YR AVERAGE	12/31/2006	12/31/2005
STOCKHOLDERS' EQUITY				
Common stock	$ 100	$ 100	$ 100	$ 100
Paid in capital	2,237,129	1,314,052	237,129	237,129
Retained earnings	582,416	665,282	802,473	912,077
	2,819,645	1,979,434	1,039,702	1,149,306
LONG TERM DEBT				
Bonds, notes and mortgages	-	-	-	-
Intercompany advances	(1,119,966)	(281,850)	233,969	1,008,052
Intercompany advances Pittsfield	298,384	586,314	869,026	-
Intercompany advances North Country	790,898	765,820	741,233	-
	(30,684)	1,070,284	1,844,228	1,008,052
CURRENT LIABILITIES				
Accounts payable	40,421	85,383	210,267	10,354
Accr'd property taxes	-	1,159	-	(9,344)
Accrued interest payable	-	-	-	-
Other accrued expenses	162,593	41,618	15,036	1,817
Income taxes payable	-	-	-	-
Customer deposits & other	85	85	85	82
	203,100	128,245	225,388	2,910
OTHER LIABILITIES AND DEFERRED CREDITS				
Deferred income taxes	246,512	135,833	126,610	126,610
Regulatory liability	-	-	-	-
CIAC, net	928,356	940,511	952,585	965,757
Customer advances	-	-	-	-
	1,174,869	1,076,345	1,079,195	1,092,367
TOTAL EQUITY AND LIABILITIES	**$ 4,166,928**	**$ 4,254,307**	**$ 4,188,512**	**$ 3,252,635**

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

Schedule 2
Attachment A
Modified Filing

Pittsfield Only

ACCOUNT CLASSIFICATION	**12/31/2007**	**12/31/2006 (2)**
Organization Costs	$ 18,888	$ - **(1)**
Structures	243,274	220,990
Pumping and Distribution Equipment	5,901	6,622
Transmission and Distribution Mains	503,946	475,750
Services	59,462	57,144
Meters	21,260	69,221
Hydrants	17,247	16,235
Other Equipment	44,990	43,705
TOTAL	**$ 914,966**	**$ 889,666**
Accumulated Depreciation - Loss	$ 111,292	$ 91,596
Accumulated Depreciation - Cost of Removal	$ 3,019	$ 333
GRAND TOTAL	**$ 800,655**	**$ 797,738**

Notes:
(1) In 2007, Accumulated Amortization of Organization Costs was reclassifed to Accumulated Depreciation.
(2) In 2006, Accumulated Depreciation for both North Country and Pittsfield were recorded in the Pittsfield accounts. The accounts were segregated in 2007.

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

Schedule 2
Attachment B
Modified Filing

	12/31/2007	13 Month Average	12/31/2006	12/31/2005
Repair Parts	-	-	-	3,435
	-	**-**	**-**	**3,435**

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

Schedule 2
Attachment C
Modified Filing

ACCT #	DESCRIPTION	12/31/2007	12/31/2006	12/31/2005	EXPLANATION
6186-150	CONSOLIDATED WATER CO ACQUISITION	-	84,205	58,265	1
6186-175	E CONWAY NH/FRYEBURG ME ACQUIS	-	-	4,390	
6186-200	COST OF SERVICE STUDY	-	-	1,700	
6186-201	SOURCE OF SUPPLY STUDY	-	8,632	17,264	
6186-225	NO COUNTRY NEW METER PROJECT	3,202	3,202	-	
6186-240	SARBANES-OXLEY	18,434	19,898	6,555	3
6186-245	TILTON HILL RD MAIN BREAK	6,268	7,160	8,052	
6186-255	MAIN BREAK - OCTOBER 2003	2,802	3,290	3,777	
6186-260	SOUTH MAIN LEAK RESEARCH	4,772	5,401	6,031	
6186-350	LOUDON ROAD MAIN BREAK	2,775	3,202	3,630	
6186-360	FAIRVIEW RD MAIN BREAK	2,482	2,831	3,180	
6186-380	2007 RATE CASE EXPENSE	12,279	-	-	2
6186-400	MAIN BREAKS - FEBRUARY 1998	118	1,312	2,506	
6186-450	CONCORD HILL ROAD SERVICE REPAIR	1,295	2,267	3,238	
6186-675	WEB SITE UPGRADE 2006	448	559	-	
	TOTAL DEFERRED CHARGES	**54,875**	**141,959**	**118,588**	

(1) North Country acquisition costs transferred to Organization Expense (Intangible Plant) in 2007.

(2) 2007 costs incurred related to preliminary efforts on rate case.

(3) Amortization effective April 2007 in accordance with Order 24,771

Schedule 2
Attachment D
Modified Filing

Pittsfield Aqueduct Company, Inc.
Deferred Charges Additions
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Asset ID	Acquisition Date	cquisition Co	Placed In Service	Book Cost	Useful Life Months	Amort	Full Yr Amort	Pro Forma Adjustment
Year Ending December, 2007								
Asset GL Acct #: 6186-240-001								
Life Yr Mo: 5 yr 0 mo								
16.1	SARBANES-OXLEY		01/01/2007	202.56	60	40.51	40.51	-
16.2	SARBANES-OXLEY		02/01/2007	-163.04	60	(29.89)	(32.61)	(2.72)
16.3	SARBANES-OXLEY		03/01/2007	1,749.87	60	291.65	349.97	58.33
Subtotal: 6186-240-001 (4)				1,789.39				
Asset GL Acct #: 6186-380-001								
Life Yr Mo: 0 yr 0 mo								
20	RATE CASE EXPENSE: 2007							
Subtotal: 0 yr 0 mo (6)				12,279.08				
Subtotal: 6186-380-001 (6)				12,279.08				
Asset GL Acct #: 6186-650-001								
Life Yr Mo: 0 yr 0 mo								
2007 Total				14,068.47				**55.61**

Schedule 2
Attachment E
Modified Filing

Pittsfield Aqueduct Company
Deferred Assets
For the Period January 1, 2007 to December 31, 2007
Net Book Value [Amortization]

	ASSET BALANCES				AMORTIZATION						
Asset ID	Beginning	Additions	Deletions	Ending	Beg. Balance	Amort. Exp	Oth. Additions	Deletions	End. Balance	Net Book Value	**Pro Forma Adjustment**
Asset GL Acct #: 6186-201-001											
1	PAC: SOURCE OF SUPPLY STUDY										
	86,318.00	0.00	0.00	86,318.00	77,686.20	8,631.80	0.00	0.00	86,318.00	0.00	
Subtotal: 6186-201-001 (1)	86,318.00	0.00	0.00	86,318.00	77,686.20	**8,631.80**	0.00	0.00	86,318.00	**0.00**	-8,631.80
Asset GL Acct #: 6186-400-001											
7	MAIN BREAKS: FEBRUARY 1998										
	11,490.96	0.00	0.00	11,490.96	10,246.14	1,149.10	0.00	0.00	11,395.24	95.72	
7.1	MAIN BREAKS: FEBRUARY 1998										
	581.01	0.00	0.00	581.01	498.69	58.10	0.00	0.00	556.79	24.22	
7.2	MAIN BREAKS: FEBRUARY 1998										
	-400.00	0.00	0.00	-400.00	-333.33	-40.00	0.00	0.00	-373.33	-26.67	
7.3	MAIN BREAKS: FEBRUARY 1998										
	270.38	0.00	0.00	270.38	218.57	27.04	0.00	0.00	245.61	24.77	
Subtotal: 6186-400-001 (4)	11,942.35	0.00	0.00	11,942.35	10,630.07	**1,194.24**	0.00	0.00	11,824.31	**118.04**	-1,076.20
										Total Pro Forma	**-9,708.00**

PITTSFIELD AQUEDUCT COMPANY, INC.
CONTRIBUTIONS IN AID OF CONSTRUCTION
For The Twelve Months Ended December 31, 2007

Schedule 2B
Modified Filing

Pittsfield Only

	Contributions in Aid of Construction 6271-200	**CIAC: Water Filtration Grant 6271-201**	**Sub Total of CIAC**	**Reserve for Amort of CIAC 6272-101**	**Grand Total of CIAC and Reserve for Amort of CIAC**
2003	(758,263)	(400,143)	**(1,158,406)**	139,142	**(1,019,264)**
2004	(758,263)	(400,143)	**(1,158,406)**	165,071	**(993,335)**
2005	(750,286)	(398,350)	**(1,148,636)**	182,879	**(965,757)**
2006	(750,286)	(398,350)	**(1,148,636)**	196,051	**(952,585)**
2007	(750,286)	(398,350)	**(1,148,636)**	220,280	**(928,356)**

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

Schedule 3
Modified Filing

Description	Test Year Average (Sch 3B)	Test Period Ending Rate Base	Pro Forma Adjustments Permanent Rates		Pro Forma Test Year
Plant in Service	3,659,565	3,762,009	146,047	(1)	3,805,611
Accum Deprec	901,515	914,967	(6,530)	(2)	894,986
Accum Deprec: Loss/COR	99,470	112,123	-		99,470
Acquisition Adjustment	-	-			
Accum Amort Acq Adj	-	-	-		
CIAC	1,148,636	1,148,637	-		1,148,636
Accum Amort CIAC	208,125	220,198	(1,441)	(6)	206,683
	1,917,008	2,030,727	151,135		2,068,143
					-
ADD:					-
Working Cap	78,724	57,288	(34,188)	(3)	44,536
Materials & Supplies	-	-	-		-
Prepayments	7,194	11,053	-		7,194
Other & Deferred Charges	50,980	51,673	(9,597)	(4)	41,383
	136,898	120,014	(43,785)		93,113
					-
DEDUCT:					-
Customer Advances	-	-	-		-
Customer Deposits	86	86	-		86
Deferred Income Tax	135,833	246,512	(6,454)	(5)	129,379
	135,919	246,598	(6,454)		129,465
					-
TOTAL Rate Base	**1,917,988**	**1,904,143**	**113,803**		**2,031,791**

Notes:

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

Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment to Rate Base
Plant in Service
For the Twelve Months Ended December 31, 2007
Pittsfield Only

I PLANT IN SERVICE

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

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

Test Year Amount	$	220,284
Year End Balance	$	369,181
Pro Forma Adjustment	$	148,897

Therefore: $ 148,897

B. Schedule 3, Attachment A, Exhibit 5, details the estimated cost of removal adjustment for the years 1998 through 2006. In 2005 and 2006, the Company recognized the cost of removal on retirements for services, meters and hydrants. The proposed adjustment is to recognize the cost of removal on all retirements since the Company's acquisition. In 2007, the Company has recognized cost of removal on 2007 retirements and the impact is reflected in the test year.

Therefore: $ (2,851)

TOTAL PRO FORMA PLANT IN SERVICE **$ 146,047**

Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment to Rate Base
Deferred Debits
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3
Attachment B
Modified Filing

I DEFERRED DEBITS

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

Test Year Amount	$ 79,988	
Test Year Amount w/o Acquistion Costs	$ 54,182	
Pro Forma Adjustment	$ 25,805	
Therefore:		$(25,805)

Above Adjustment reflected in revised Schedule 3B per Staff 2-5

B. To reflect the allocation of Sarbanes Oxley costs based on assets and customers as follows: (Schedule 1C and Schedule 2C)

	Pittsfield	North Country	Total		
Assets	$ 4,166,928	$ 3,423,711	$ 7,590,639		
		45.10%			
Customers	646	1,109	1,755		
		63.19%			
Allocation %		54.15%			
Sarbanes Costs		$ 18,434			
Allocated Amount		$ 9,982			
Pro Forma Adjustment		$ (8,453)			
Therefore:				$ (8,453)	
Revised per Staff 1-15:					
Sarbanes Oxley Costs			$ 18,434		
Allocated to North Country		54.15%	$ 9,982		
Therefore:					$ (9,982)

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

Therefore: $ 1,706

D. In the test year, the Company included costs in outside services (923) that should be reclassified to other assets as follows: (Schedule 1 Attachment C, page 2)

Deferred Debits (Rate Case Exp)	$ 1,881	
	$ 1,881	
Therefore:		$ 1,881

E. In the test year, the Company included deferred charges, account 6186-225-001 that should be reclassified to North Country. (Schedule 2 Attachment C)

Therefore: $ (3,202)

TOTAL PRO FORMA UNAMORTIZED DEFERRED ASSETS: **$ (9,597)**

Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment to Rate Base
Accumulated Depreciation
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3
Attachment C
Modified Filing

I ACCUMULATED DEPRECIATION

A To reflect the additional 1/2 year depreciation expense pro forma for capital assets added in the test year (See Schedule 3, Attachment A, Exhibit 1)
Therefore: $ 3,982

B To reflect 1/2 year depreciation expense less pro forma for capital assets retired in the test year (See Schedule 3, Attachment A, Exhibit 3)
Therefore: $ (1,859)

C. In 2007, the Company placed in service a raw water (supply) main. The assets were intially recorded to transmission mains (331). Upon subsequent review, in 2008, the assets were reclassified to the appropriate accounts. The impact on depreciation for the test year, inclusive of IA above, is as follows: (Schedule, Attachment A, Exhibit 4)
Therefore: $ (1,586)

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

Depreciation Expense with proforma A thru C:				
Pittsfield	76,158	47.92%		
North Country	82,757	52.08%		
Total	158,915	100.00%		
Adjustment per Depreciation Study:				
Total	(5,185)			
Pittsfield	(2,485)			
North Country	(2,700)			
Therefore:			$ (2,485)	
Revised Adjustment per Staff 3-2:				
Current Depreciation Rate		74,097		
Depreciation Study Expense		69,882		
Difference		4,215		
Therefore:				$ (4,215)

B. Schedule 3, Attachment A, Exhibit 5, details the estimated cost of removal adjustment for the years 1998 through 2006. In 2005 and 2006, the Company recognized the cost of removal on retirements for services, meters and hydrants. The proposed adjustment is to recognize the cost of removal on all retirements since the Company's acquisition. In 2007, the Company has recognized cost of removal on 2007 retirements and the impact is reflected in the test year.
Therefore: $ (2,851)

TOTAL ACCUMULATED DEPRECIATION PRO FORMA: **$ (6,530)**

Per Staff 3-2:

II ACCUMULATED AMORTIZATION OF CIAC

A. As a result of the depreciation analysis performed by J. Guastella dated 2/25/08 and revised per Staff 2-8, he is recommending revised depreciation rates. Subsequently, the Company utilized the study to calculate the annual impact on CIAC amortization expense and reflected the impact in response to Staff 2-8 as follows:

Current Amortization Rate	(24,335)	
Amortization as result of Depreciation Study	(23,030)	
Difference	1,305	
Pittsfield Portion (all but acct 304.1)	1,441	
Therefore:		$ (1,441)

TOTAL ACCUMULATED AMORTIZATION CIAC PRO FORMA: **$ (1,441)**

Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment to Rate Base
Working Capital
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3
Attachment D
Modified Filing

I WORKING CAPITAL

A. A pro forma adjustment for working capital is calculated at 45 days divided by 365 days or 12.33%. (As found in the Company's last case DW-05-072.) Total pro forma operation and maintenance expenses (Schedule 1) are for the twelve months of the test year.

Therefore:

Total O & M Expenses	Working Capital Rate	
$ (277,275)	12.33%	**$ (34,188)**

TOTAL PRO FORMA WORKING CAPITAL: **$ (34,188)**

Pittsfield Aqueduct Company, Inc
Pro Forma Adjustment to Rate Base
Deferred Income Taxes
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3
Attachment E
Modified Filing

I DEFERRED INCOME TAXES

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

	NOI	% NOI			
Pittsfield	$ (115,992)	69.97%			
North Country	(49,774)	30.03%			
	$ (165,766)	100.00%			
	Def Inc Taxes		**NC Portion**		
2007	$ 246,512				
2006	126,610				
Increment	$ 119,902	30.03%	$ 36,003		
1 month of 13 month average			$ 2,769		
Therefore:				$ (2,769)	
Revised per Staff 1-17:					
	NOI	% NOI			
North Country	$ (115,992)	69.97%			
Pittsfield	(49,774)	30.03%			
	$ (165,766)	100.00%			
	Def Inc Taxes		**NC Portion**		
2007	$ 246,512				
2006	126,610				
Increment	$ 119,902	69.97%	$ 83,899		
1 month of 13 month average			$ 6,454		
Therefore:					$ (6,454)
					$ (6,454)

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

Asset ID	Description	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
Asset GL Acct #: 6304-800-001						
Life: 36 yr 9 mo						
60000-000425	CLEARWELL AT PITTSFIELD TREATMENT PLANT	10/01/2007	21,655.00	441	589.25	294.63
Subtotal: 6304-800-001 (1)			21,655.00			
Asset GL Acct #: 6306-000-001						
Life: 50 yr 0 mo						
60000-000440	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	2,700.00	600	54.00	27.00
60000-000454	RAW WATER TRANS. MAINS - PITTSFIELD	12/01/2007	26,350.00	600	527.00	263.50
Subtotal: 6306-000-001 (2)			29,050.00			
Asset GL Acct #: 6309-000-001						
Life: 75 yr 9 mo						
60000-000448	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	4,551.15	909	60.08	30.04
Subtotal: 6309-000-001 (1)			4,551.15			
Asset GL Acct #: 6331-100-001						
Life: 50 yr 0 mo						
60000-000341	RAW WATER TRANS. MAINS - PITTSFIELD	03/01/2007	147,660.73	600	2,953.21	1,476.61
60000-000343	RAW WATER TRANS MAINS - PITTSFIELD	03/01/2007	687.30	600	13.75	6.87
60000-000345	RAW WATER TRANSMISSION MAINS - PITTSFIELD	04/01/2007	120,763.78	600	2,415.28	1,207.64
60000-000352	RAW WATER TRANS MAINS - PITTSFIELD	04/01/2007	4,110.32	600	82.21	41.10
60000-000367	RAW WATER TRANS. MAINS - PITTSFIELD	06/01/2007	5,123.18	600	102.46	51.23
60000-000398	RAW WATER TRAN MAINS - PITTSFIELD	08/01/2007	7,652.94	600	153.06	76.53
60000-000429	RAW WATER TRANSMISSION MAINS - PITTSFIELD	10/01/2007	25,559.29	600	511.19	255.59
60000-000439	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	1,905.08	600	38.10	19.05
60000-000447	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	462.27	600	9.25	4.62
Subtotal: 6331-100-001 (9)			313,924.89			

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

Asset ID		Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
Asset GL Acct #: 6333-100-001						
Life: 40 yr 0 mo						
60000-000391	2" CT SERVICE: PITTSFIELD, 1	08/01/2007	2,984.77	480	74.62	37.31
Subtotal: 6333-100-001 (1)			2,984.77			
Asset GL Acct #: 6334-000-001						
Life: 20 yr 0 mo						
60000-000340	5/8" METERS: PITTSFIELD, 4 RENEWED	03/01/2007	563.19	240	28.16	14.08
60000-000347	CHAMBER COMPS: PITTSFIELD	04/01/2007	48.95	240	2.45	1.22
60000-000364	5/8" METERS: PITTSFIELD, 2 RENEWED	05/01/2007	128.52	240	6.43	3.21
60000-000372	1" METERS: PITTSFIELD, 1 RENEWED	06/01/2007	171.00	240	8.55	4.28
60000-000378	5/8" METERS: PITTSFIELD, 1 RENEWED	07/01/2007	182.69	240	9.13	4.57
60000-000387	5/8" METERS: PITTSFIELD, 1 RENEWED	08/01/2007	96.22	240	4.81	2.41
60000-000419	5/8" METERS: PITTSFIELD, 1 NEW	09/01/2007	127.37	240	6.37	3.18
60000-000420	NEPTUNE REPLACEMENT: PITTSFIELD	09/01/2007	128.52	240	6.43	3.21
60000-000431	5/8" METERS: PITTSFIELD, 2 RENEWED	10/01/2007	227.18	240	11.36	5.68
60000-000435	5/8" METERS: PITTSFIELD, 1 NEW	11/01/2007	198.87	240	9.94	4.97
60000-000450	5/8" METERS: LOCKE LAKE, 3 NEW	12/01/2007	374.29	240	18.71	9.36
Subtotal: 6334-000-001 (11)			2,246.80			
Asset GL Acct #: 6335-000-001						
Life: 75 yr 2 mo						
60000-000374	INSTALL RENEWED HYDRANTS: PITTSFIELD	07/01/2007	2,555.08	902	33.99	17.00
Subtotal: 6335-000-001 (1)			2,555.08			
Asset GL Acct #: 6346-000-001						
Life: 20 yr 0 mo						
60000-000379	PITTSFIELD LIGHTENING STRIKE AT WTP	07/01/2007	3,896.87	240	194.84	97.42
60000-000401	PITTSFIELD LIGHTENING STRIKE AT WTP	09/01/2007	363.73	240	18.19	9.09
60000-000433	PITTSFIELD LIGHTENING STRIKE AT WTP	10/01/2007	416.00	240	20.80	10.40
Subtotal: 6346-000-001 (3)			4,676.60			
2007 Total			**381,644.29**			**3,981.81**

Schedule 3
Attachment A
Exhibit 2
Modified Filing

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

Asset ID		Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
Asset GL Acct #: 6304-800-001						
60000-	CLEARWELL AT PITTSFIELD TREATMENT PLANT	10/01/2007	21,655.00	3/13	4,997.31	16,657.69
Subtotal: 6304-800-001 (1)			21,655.00			
Asset GL Acct #: 6306-000-001						
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	2,700.00	2/13	415.38	2,284.62
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	12/01/2007	26,350.00	1/13	2,026.92	24,323.08
Subtotal: 6306-000-001 (2)			29,050.00			
Asset GL Acct #: 6309-000-001						
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	4,551.15	1/13	350.09	4,201.06
Subtotal: 6309-000-001 (1)			4,551.15			
Asset GL Acct #: 6331-100-001						
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	03/01/2007	147,660.73	10/13	113,585.18	34,075.55
60000-	RAW WATER TRANS MAINS - PITTSFIELD	03/01/2007	687.30	10/13	528.69	158.61
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	04/01/2007	120,763.78	9/13	83,605.69	37,158.09
60000-	RAW WATER TRANS MAINS - PITTSFIELD	04/01/2007	4,110.32	9/13	2,845.61	1,264.71
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	06/01/2007	5,123.18	7/13	2,758.64	2,364.54
60000-	RAW WATER TRAN MAINS - PITTSFIELD	08/01/2007	7,652.94	5/13	2,943.44	4,709.50
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	10/01/2007	25,559.29	3/13	5,898.30	19,660.99
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	1,905.08	2/13	293.09	1,611.99
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	462.27	1/13	35.56	426.71
Subtotal: 6331-100-001 (9)			313,924.89			
2007 Total			**369,181.04**		**220,283.89**	**148,897.15** -

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

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
Asset GL Acct #: 6334-000-001								
Life Yr Mo: 20 yr 0 mo								
6000-174.22	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1996	07/01/2007	2,757.00	1,516.36	0.00	-1,240.64	137.85	68.93
60000-000054	BEDELLS TRAILER PARK							
	07/01/1999	07/01/2007	6,817.78	2,727.11	0.00	-4,090.67	340.89	170.44
60000-000170.2	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1992	07/01/2007	88.00	66.00	0.00	-22.00	4.40	2.20
60000-000172	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1994	07/01/2007	223.00	144.96	0.00	-78.04	11.15	5.58
60000-000177	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1988	07/01/2007	6,005.00	5,704.76	0.00	-300.24	300.25	150.13
60000-000178	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1987	07/01/2007	8,490.00	8,490.00	0.00	0.00	424.50	212.25
60000-000179	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1986	07/01/2007	7,654.00	7,654.00	0.00	0.00	382.70	191.35
60000-000180	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1985	07/01/2007	6,242.00	6,242.00	0.00	0.00	312.10	156.05
60000-000181	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1984	07/01/2007	7,799.00	7,799.00	0.00	0.00	389.95	194.98
60000-000183.2	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1983	07/01/2007	265.00	265.00	0.00	0.00	13.25	6.63
60000-00030.21	5/8" METERS: 7 NEW & 6 RENEWED							
	05/01/2002	12/01/2007	200.00	50.00	0.00	-150.00	10.00	5.00
60000-00175.2	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1989	07/01/2007	4,725.00	4,252.51	0.00	-472.49	236.25	118.13
60000-0056.221	METER REPLACEMENT PROGRAM 1998 - 102 Meters							
	07/01/1998	07/01/2007	16,145.58	7,265.52	0.00	-8,880.06	807.28	403.64
60000-0171.2	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1993	07/01/2007	501.00	350.71	0.00	-150.29	25.05	12.53
Subtotal: 20 yr 0 mo (14)			67,912.36	52,527.93	0.00	-15,384.43		
Life Yr Mo: 25 yr 0 mo								

Pittsfield Aqueduct Company, Inc.
Asset Dispositions
For the Twelve Months Ended December 31, 2007
<u>Pittsfield Only</u>

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
60000-000176	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1988	07/01/2007	602.00	457.52	0.00	-144.48	24.08	12.04
60000-000182	BEGINNING BALANCE METERING EQUIPMENT							
	07/01/1984	07/01/2007	811.00	746.12	0.00	-64.88	32.44	16.22
Subtotal: 25 yr 0 mo (2)			1,413.00	1,203.64	0.00	-209.36		
Subtotal: 6334-000-001 (16)			69,325.36	53,731.57	0.00	-15,593.79		
Asset GL Acct #: 6343-000-001								
Life Yr Mo: 15 yr 0 mo								
60000-000271	FLOW AND PRESSURE RECORDER							
	12/01/2006	12/01/2007	2,856.00	190.40	0.00	-2,665.60	190.40	95.20
Subtotal: 6343-000-001 (1)			2,856.00	190.40	0.00	-2,665.60		
Asset GL Acct #: 6346-000-001								
Life Yr Mo: 20 yr 0 mo								
60000-000251.1	PITTSFIELD WTP SCADA UPGRADE							
	10/01/2006	10/01/2007	1,513.00	75.66	0.00	-1,437.34	75.65	37.83
Subtotal: 6346-000-001 (1)			1,513.00	75.66	0.00	-1,437.34		
2007 Total			73,694.36	53,997.63	0.00	-19,696.73	3,718.19	**1,859.09**

Schedule 3
Attachment A
Exhibit 4
Modified Filing

Pittsfield Aqueduct Company, Inc
Raw Water Transmission Mains
For the Twelve Months Ended December 31, 2007
Pittsfield Only

	Account	Cost	2007 Depr	Full Year	Depr Rate	Revised Depr Rate	Full Year	Difference
Transmission Mains **(1)**	6331-100-001	313,924.89	3,139.24	6,278.48	2.00%			
Easements	6303-300-001	16,153.19	161.53	323.06	2.00%	0.00%	-	323.06
Lakes, Rivers & Intakes	6306-000-001	2,700.00	27.00	54.00	2.00%	2.20%	59.40	(5.40)
Supply Mains	6309-000-001	295,071.70	2,950.71	5,901.42	2.00%	1.57%	4,632.63	1,268.79
		313,924.89	3,139.24	6,278.48			4,692.03	1,586.45

Notes:
(1) Details of Asset cost:

Asset ID	Cost
60000-000429	25,559.29
60000-000439	1,905.08
60000-000447	462.27
60000-000345	120,763.78
60000-000341	147,660.73
60000-000343	687.30
60000-000352	4,110.32
60000-000367	5,123.18
60000-000398	7,652.94
Totals	313,924.89

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Pittsfield Aqueduct Company, Inc.
Cost of Removal 1998 to 2006
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3
Attachment A
Exhibit 5
Page 1
Modified Filing

Retirements 1998-2006

	Composite Deprec. Rate (1)	Net Salvage % (1)	1998	1999	2000	2001	2002	2003	2004	2005	2006
Source of Supply and Pumping Plant											
303 Land & Land Rights	0.00%		-	-	-	-	-	-	-	-	
304 Structures and Improvements	2.59%	-10%	9,759	-	-	-	-	-	-	-	
307 Wells and Springs	2.00%	-10%	-	-	-		-	-	-	-	
311 Pumping Equipment	4.80%	-10%	-	-	-	-	-	-	-	-	
Water Treatment Plant											
320 Treatment Equipment	3.67%	-15%	7,473	-	-	-	-	-	-	-	
Transmission and Distribution											
330 Reservoirs and Standpipes	2.44%	-10%	-	-	-	-		-	-	-	
331 T&D Mains	1.32%	-8%	-	-	-	3,779	709	3,641	-	-	
332 Services	2.47%	-22%	-	-	-	-	-	154	136	136	-
334 Meters	4.75%	5%	-	24,448	200	-	-	-	7,800	108,594	10,212
335 Hydrants	2.00%	-10%	-	-	-	66	66	264	-	-	
General Plant											
340 Ofc. Furniture and Fixtures	13.18%	3%	8,815	-	-	-	-	-	-	-	
341 Transportation Equipment	10.63%	15%	-	10,901	-	-	-	-	-	-	
343 Tools, Shop & Garage Equip	6.67%	0%	-	-	-	-	-	-	-	-	
344 Lab Equipment	5.00%	0%	-	-	-	-	-	-	-	-	
346 Communication Equipment	5.00%	0%	-	-	-	-	-	-	-	-	
347 Misc. Equipment	4.00%	0%	-	-	-	-	-	-	-	-	
348 Other Tangible Equipment	4.00%	0%	-	-	-	-		-	-	-	-
Total per Annual Reports			$ 26,047	$ 35,349	$ 200	$ 3,845	$ 775	$ 4,059	$ 7,936	$ 108,730	$ 10,212

Notes:
(1) For the periods 1998 to 2006, the depreciation rates and net salvage % utilized for PAC was based on the approved 1997 PWW Depreciation Study.

Retirement - Cost of Removal

	1998	1999	2000	2001	2002	2003	2004	2005	Account Total
Source of Supply and Pumping Plant									
303 Land & Land Rights	-								-
304 Structures and Improvements	-	-	-	-	-	-	-	-	-
307 Wells and Springs	(976)	-	-	-	-	-	-	-	(976)
311 Pumping Equipment	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Water Treatment Plant	-	-	-	-	-	-	-	-	-
320 Treatment Equipment	-	-	-	-	-	-	-	-	-
	(1,121)	-	-	-	-	-	-	-	(1,121)

Pittsfield Aqueduct Company, Inc.
Cost of Removal 1998 to 2006
For the Twelve Months Ended December 31, 2007
Pittsfield Only

	Composite Deprec. Rate	Net Salvage %	1998	1999	2000	2001	2002	2003	2004	2005	2006
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
Transmission and Distribution			-	-	-	-	-	-	-	-	-
330 Reservoirs and Standpipes			-	-	-	-	-	-	-	-	-
331 T&D Mains			-	-	-	-	-	-	-	-	-
332 Services (1)			-	-	-	(302)	(57)	(291)	-	-	(650)
334 Meters (1)			-	-	-	-	-	(34)	(30)	-	(64)
335 Hydrants (1)			-	-	-	-	-	-	-	-	-
			-	-	-	(7)	(7)	(26)	-	-	(40)
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
General Plant			-	-	-	-	-	-	-	-	-
340 Ofc. Furniture and Fixtures			-	-	-	-	-	-	-	-	-
341 Transportation Equipment			-	-	-	-	-	-	-	-	-
343 Tools, Shop & Garage Equip			-	-	-	-	-	-	-	-	-
344 Lab Equipment			-	-	-	-	-	-	-	-	-
346 Communication Equipment			-	-	-	-	-	-	-	-	-
347 Misc. Equipment			-	-	-	-	-	-	-	-	-
348 Other Tangible Equipment			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			$ (2,097)	$ -	$ -	$ (309)	$ (63)	$ (352)	$ (30)	$ -	$ (2,851)

Notes:
(1) For 2005 and 2006, the Company has recognized the cost of removal on the retirements of services, meters and hydrants only.
Also note that in 2006 the only retirements were services and meters so there no addt'l cost of removal needs to be calculated

1998-2006 Depreciation Adjustment

Source of Supply and Pumping Plant

			Retirement 1998	1999	2000	2001	2002	2003	2004	2005	Total
304 Structures and Improvements		Salvage	(976)	-	-	-	-	-	-	-	(975.90)
	Annual Depreciation	1998	(12.64)	-	-	-	-	-	-	-	(12.64)
		1999	(12.64)	-	-	-	-	-	-	-	(12.64)
		2000	(12.64)	-	-	-	-	-	-	-	(12.64)
		2001	(12.64)	-	-	-	-	-	-	-	(12.64)
		2002	(12.64)	-	-	-	-	-	-	-	(12.64)
		2003	(12.64)	-	-	-	-	-	-	-	(12.64)
		2004	(12.64)	-	-	-	-	-	-	-	(12.64)
		2005	(12.64)	-	-	-	-	-	-	-	(12.64)
		2006	(12.64)	-	-	-	-	-	-	-	(12.64)
			(113.76)	-	-	-	-	-	-	-	(113.76)
											-
307 Wells and Springs		Salvage	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
	Annual Depreciation	1998	-	-	-	-	-	-	-	-	-
		1999	-	-	-	-	-	-	-	-	-
		2000	-	-	-	-	-	-	-	-	-
		2001	-	-	-	-	-	-	-	-	-
		2002	-	-	-	-	-	-	-	-	-
		2003	-	-	-	-	-	-	-	-	-
		2004	-	-	-	-	-	-	-	-	-
		2005	-	-	-	-	-	-	-	-	-
		2006	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
											-
311 Pumping Equipment		Salvage	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-

Pittsfield Aqueduct Company, Inc.
Cost of Removal 1998 to 2006
For the Twelve Months Ended December 31, 2007
Pittsfield Only

	Composite Deprec. Rate	Net Salvage %	1998	1999	2000	2001	2002	2003	2004	2005	2006
Annual Depreciation	1998		-	-	-	-	-	-	-	-	-
	1999		-	-	-	-	-	-	-	-	-
	2000		-	-	-	-	-	-	-	-	-
	2001		-	-	-	-	-	-	-	-	-
	2002		-	-	-	-	-	-	-	-	-
	2003		-	-	-	-	-	-	-	-	-
	2004		-	-	-	-	-	-	-	-	-
	2005		-	-	-	-	-	-	-	-	-
	2006		-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-

Water Treatment Plant

		Retirement 1998	1999	2000	2001	2002	2003	2004	2005	Total
										-
320 Treatment Equipment	Salvage	(1,121)	-	-	-	-	-	-	-	(1,120.95)
Annual Depreciation	1998	(20.57)	-	-	-	-	-	-	-	(20.57)
	1999	(20.57)	-	-	-	-	-	-	-	(20.57)
	2000	(20.57)	-	-	-	-	-	-	-	(20.57)
	2001	(20.57)	-	-	-	-	-	-	-	(20.57)
	2002	(20.57)	-	-	-	-	-	-	-	(20.57)
	2003	(20.57)	-	-	-	-	-	-	-	(20.57)
	2004	(20.57)	-	-	-	-	-	-	-	(20.57)
	2005	(20.57)	-	-	-	-	-	-	-	(20.57)
	2006	(20.57)	-	-	-	-	-	-	-	(20.57)
		(185.13)	-	-	-	-	-	-	-	(185.13)

Transmission and Distribution

		Retirement 1998	1999	2000	2001	2002	2003	2004	2005	Total
										-
330 Reservoirs and Standpipes	Salvage	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Annual Depreciation	1998	-	-	-	-	-	-	-	-	-
	1999	-	-	-	-	-	-	-	-	-
	2000	-	-	-	-	-	-	-	-	-
	2001	-	-	-	-	-	-	-	-	-
	2002	-	-	-	-	-	-	-	-	-
	2003	-	-	-	-	-	-	-	-	-
	2004	-	-	-	-	-	-	-	-	-
	2005	-	-	-	-	-	-	-	-	-
	2006	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
										-
331 T&D Mains	Salvage	-	-	-	(302.32)	(56.72)	(291.28)	-	-	(650.32)
Annual Depreciation	1998	-	-	-	-	-	-	-	-	-
	1999	-	-	-	-	-	-	-	-	-
	2000	-	-	-	-	-	-	-	-	-
	2001	-	-	-	(2.00)	-	-	-	-	(2.00)

Pittsfield Aqueduct Company, Inc.
Cost of Removal 1998 to 2006
For the Twelve Months Ended December 31, 2007
Pittsfield Only

		Composite Deprec. Rate	Net Salvage %	1998	1999	2000	2001	2002	2003	2004	2005	2006
		2002		-	-	-	(4.00)	(0.37)	-	-	-	(4.37)
		2003		-	-	-	(4.00)	(0.74)	(1.92)	-	-	(6.66)
		2004		-	-	-	(4.00)	(0.74)	(3.84)	-	-	(8.58)
		2005		-	-	-	(4.00)	(0.74)	(3.84)	-	-	(8.58)
		2006		-	-	-	(4.00)	(0.74)	(3.84)	-	-	(8.58)
				-	-	-	(22.00)	(3.33)	(13.44)	-	-	(38.77)
332 Services		Salvage		-	-	-	-	-	(33.88)	(29.92)	-	(63.80)
	Annual Depreciation	1998		-	-	-	-	-	-	-	-	-
		1999		-	-	-	-	-	-	-	-	-
		2000		-	-	-	-	-	-	-	-	-
		2001		-	-	-	-	-	-	-	-	-
		2002		-	-	-	-	-	-	-	-	-
		2003		-	-	-	-	-	(0.42)	-	-	(0.42)
		2004		-	-	-	-	-	(0.84)	(0.37)	-	(1.21)
		2005		-	-	-	-	-	(0.84)	(0.74)	-	(1.58)
		2006		-	-	-	-	-	(0.84)	(0.74)	-	(1.58)
				-	-	-	-	-	(2.94)	(1.85)	-	(4.79)
												-
334 Meters		Salvage		-	-	-	-	-	-	-	-	-
	Annual Depreciation	1998		-	-	-	-	-	-	-	-	-
		1999		-	-	-	-	-	-	-	-	-
		2000		-	-	-	-	-	-	-	-	-
		2001		-	-	-	(0.07)	-	-	-	-	(0.07)
		2002		-	-	-	(0.14)	-	-	-	-	(0.14)
		2003		-	-	-	(0.14)	-	(0.26)	-	-	(0.40)
		2004		-	-	-	(0.14)	-	(0.52)	-	-	(0.66)
		2005		-	-	-	(0.14)	-	(0.52)	-	-	(0.66)
		2006		-	-	-	(0.14)	-	(0.52)	-	-	(0.66)
				-	-	-	(0.77)	-	(1.82)	-	-	(2.59)

			Retirement							-
			1998	1999	2000	2001	2002	2003	2004	2005	Total
335 Hydrants		Salvage	-	-	-	(6.60)	(6.60)	(26.40)	-	-	(39.60)
	Annual Depreciation	1998	-	-	-	-	-	-	-	-	-
		1999	-	-	-	-	-	-	-	-	-
		2000	-	-	-	-	-	-	-	-	-
		2001	-	-	-	(0.07)	-	-	-	-	(0.07)
		2002	-	-	-	(0.14)	(0.07)	-	-	-	(0.21)
		2003	-	-	-	(0.14)	(0.14)	(0.26)	-	-	(0.54)
		2004	-	-	-	(0.14)	(0.14)	(0.52)	-	-	(0.80)
		2005	-	-	-	(0.14)	(0.14)	(0.52)	-	-	(0.80)
		2006	-	-	-	(0.14)	(0.14)	(0.52)	-	-	(0.80)
			-	-	-	(0.77)	(0.63)	(1.82)	-	-	(3.22)

Totals 1998 -2006	(348.26)
Annual - 2006 **(1)**	(44.83)

Notes:
(1) The impact on annual depreciation expense is minimal and as a result, no proforma adjustment has been proposed by the Company.

PITTSFIELD AQUEDUCT COMPANY

COMPUTATION OF WORKING CAPITAL (O&M) ALLOWANCE

For The Twelve Months Ended December 31, 2007

Pittsfield Only

Schedule 3A

Modified Filing

	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Average
Production Expenses	7,348	4,057	4,879	8,217	895	3,800	5,716	4,521	2,672	12,974	11,925	5,093	6,336	
Transmission & Distribution Expense	3,422	2,383	518	1,556	1,255	2,909	4,820	3,108	5,627	8,738	5,912	3,300	3,458	
Customer Acct & Collection Exp	2,334	1,788	1,780	2,151	(3,037)	754	965	814	999	2,796	866	502	1,703	
Administrative & General Expense	4,811	1,155	1,962	1,130	1,842	1,511	2,533	867	2,207	1,112	7,287	1,920	4,878	
Inter Div Management Fee	41,000	31,522	23,641	70,628	39,401	39,744	43,280	25,256	46,997	40,458	44,344	49,996	22,344	
Total Operating Expense	58,915	40,904	32,780	83,682	40,355	48,719	57,315	34,567	58,502	66,077	70,335	60,811	38,719	53,206
Allocation Factor	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	12.33%	
Working Capital	7,264	5,043	4,042	10,318	4,976	6,007	7,067	4,262	7,213	8,147	8,672	7,498	4,774	
Annualized	87,170	60,522	48,502	123,816	59,709	72,084	84,803	51,145	86,559	97,767	104,067	89,976	57,288	78,724

Schedule 3B
Revised per Staff 2-5
Modified Filing

PITTSFIELD AQUEDUCT COMPANY, INC.
COMPUTATION OF THIRTEEN MONTH AVERAGE BALANCE
For the Thirteen Months Ended December 31, 2007
(Pittsfield Only)

Description	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Average
Plant in Service	3,642,670	3,439,006	3,438,690	3,603,342	3,728,265	3,728,394	3,733,687	3,671,196	3,681,931	3,682,552	3,728,899	3,733,701	3,762,009	3,659,565
Accum Deprec	877,489	879,967	884,952	911,221	917,666	924,113	930,567	883,130	889,401	895,674	902,036	908,518	914,967	901,515
Accum Deprec: Loss/COR	91,652	91,653	91,653	91,666	91,666	91,665	91,665	107,263	107,266	107,266	108,706	108,873	112,123	99,470
CIAC	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,637	1,148,637	1,148,637	1,148,637	1,148,636
Reserve of CIAC Amort	196,052	198,064	200,076	202,088	204,100	206,112	208,125	210,137	212,149	214,161	216,173	218,186	220,198	208,125
O&M Allowance	87,170	60,522	48,502	123,816	59,709	72,084	84,803	51,145	86,559	97,767	104,067	89,976	57,288	78,724
Materials & Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	12,842	10,145	6,440	5,842	5,720	5,241	9,715	7,538	4,812	3,033	2,351	8,796	11,053	7,194
Other & Def Charges	54,552	53,623	52,328	52,946	51,814	50,682	48,466	49,168	49,193	47,586	50,509	50,205	51,673	50,980
Cust Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cust Deposit	86	86	86	86	86	86	86	86	86	86	86	86	86	86
Deferred Income Tax	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	246,512	135,833
Regulatory Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unamortized ITC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,932,118	1,697,714	1,677,405	1,893,146	1,948,275	1,954,733	1,970,562	1,937,985	1,977,176	1,981,358	2,033,336	2,025,886	1,904,143	1,917,988