

**PITTSFIELD AQUEDUCT COMPANY, INC.**  
**North Country Customers at PEU rates**  
**For the Period Ending December 31, 2007**

**Exhibit 1**  
**Modified Filing**

	<u>Locke Lake</u>	<u>Birch Hill</u>	<u>Sunrise Estates</u>	<u>Total</u>
Customers	824	206	79	1,109
<b>NC Customers at PEU rates:</b>				
5/8 inch Meter (Fixed) Charge (3)	\$ 16.49	\$ 16.49	\$ 16.49	
Total Monthly Charge	\$ 13,589	\$ 3,397	\$ 1,303	
Total Annual Charge	\$ 163,069	\$ 40,767	\$ 15,634	
<b>Unmetered &amp; Unaccounted Customers (7)</b>				
	37	44	14	
<b>Unmetered &amp; Unaccounted Customers at Min Usage</b>	1,776	2,112	672	
Minimum Avg Monthly Usage 4 CCF (5)	23,444	4,368	1,832	
Usage above 4 CCF (4)	27,661	6,835	2,960	
Total Annual Usage	52,881	13,315	5,464	
PEU Volumetric Charge	\$ 5.61	\$ 5.61	\$ 5.61	
Annual Usage Charge	\$ 296,619	\$ 74,686	\$ 30,649	
<b>Revenues at PEU rates with min volume</b>	\$ 459,688	\$ 115,453	\$ 46,283	\$ 621,424
Annual Charge Per Customer	\$ 557.87	\$ 560.45	\$ 585.86	
<b>Capital Recovery Surcharge:</b>				
<b>Capital Recovery Period (months)</b>	360	360	360	
Capital Recovery Items (2)	2,705,841	1,878,504	168,052	4,752,397
Cost of Capital (1)	4.68%	4.68%	4.68%	
<b>Monthly Capital Recovery (6)</b>	\$14,008	\$9,725	\$870	
Monthly Charge Per Customer	\$17.00	\$47.21	\$11.01	
<b>Annual Capital Recovery</b>	\$ 168,100	\$ 116,702	\$ 10,440	\$ 295,242
Annual Charge Per Customer	\$ 204.00	\$ 566.51	\$ 132.15	
<b>Total Proposed Revenues</b>	\$ 627,788	\$ 232,155	\$ 56,723	\$ 916,666
Current Water Revenues	\$ 232,021	\$ 59,302	\$ 24,787	\$ 316,109
Proposed Revenue Inc	\$ 395,766	\$ 172,854	\$ 31,936	\$ 600,556
Revenue Increase %	170.57%	291.48%	128.85%	189.98%
<b>Min Annual Revenue per Customer</b>	48 CCF	\$ 671.14	\$ 1,033.65	\$ 599.29
<b>Min Monthly Revenue per Customer</b>	4 CCF	\$ 55.93	\$ 86.14	\$ 49.94
<b>Annual Revenue per Customer</b>	84 CCF	\$ 873.07	\$ 1,235.58	\$ 801.22
<b>Monthly Revenue per Customer</b>	7 CCF	\$ 72.76	\$ 102.97	\$ 66.77

**Notes:**

- (1) Cost of Capital based on the North Country weighted average cost of debt per rate of return, Schedule 1 and 5.  
(2) Capital Recovery items in Schedule 3 by system as follows:

	<u>Locke Lake</u>	<u>Birch Hill</u>	<u>Sunrise Estates</u>
Plant in Service	\$ 2,776,141	\$ 1,862,192	\$ 171,099
Accum Deprec	74,022	16,639	3,856
Accum Deprec: Loss/COR	7,890	130,175	809
CIAC	4,337		
Amort of CIAC	168		
NCWP Buy in Fee (Net)		114,557	
Deferred Gain on SRF Loan (Net)		211,781	
Total Capital Recovery items	\$ 2,705,841	\$ 1,878,504	\$ 168,052

(3) Per PEU Tariff page 38 for Metered General Service

(4) Based on 2007 actual customer usage for customers with greater than 4 CCF monthly usage.

(5) Reflects using 4 CCF monthly usage for customers with 4 CCF monthly usage or less in 2007.

The % of customers with 4 CCF or less monthly usage was 62%, 56% and 58% for Locke Lake, Birch Hill and Sunrise Estates, respectively.

(6) Monthly Capital Recovery is based on the recovery of the capital items over a 30 year period at the wgt'd avg cost of debt.

(7) The number of customers not represented in the metered usage data for 2007 due to unmetered customers, seasonal customers and customer changes during the year.

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

**Exhibit 2**  
**Response to Staff 2-6 & Staff 3-2**  
Schedule 3  
**Locke Lake**

Description	Test Year Average (Sch 3B)	Pro Forma Adjustments Permanent Rates		Pro Forma Test Year	Step Increase Pro Forma Adjustments	Step Increase Pro Forma Test Year
Plant in Service	1,586,612	1,189,529	(3)	2,776,141	-	2,776,141
Accum Deprec	36,097	37,924	(4)	74,022	-	74,022
Accum Deprec: Loss/COR	7,890	-		7,890	-	7,890
Acquisition Adjustment	-	-		-	-	-
Accum Amort Acq Adj	-	-		-	-	-
CIAC	4,337	-		4,337	-	4,337
Amort of CIAC	32	136	(8)	168	-	168
	1,554,100	1,151,741		2,705,841	-	2,705,841
ADD:						
Working Cap	30,428	20,866	(5)	51,295	-	51,295
Materials & Supplies	-	-		-	-	-
Prepayments	1,200	-		1,200	-	1,200
Other & Deferred Charges	22,782	11,019	(6)	33,801	-	33,801
	54,410	31,885		86,295	-	86,295
DEDUCT:						
Deferred Gain on SRF Loans	-	-		-	-	-
Customer Advances	-	-		-	-	-
Customer Deposits	-	-		-	-	-
Deferred Income Tax	-	4,795	(7)	4,795	-	4,795
	-	4,795		4,795	-	4,795
				-	-	-
<b>TOTAL Rate Base</b>	<b>1,608,510</b>	<b>1,178,831</b>		<b>2,787,341</b>	<b>-</b>	<b>2,787,341</b>

**Notes:**

(1) 13 month average reflects adjustments in response to Staff 2-5; Step Increase reflects revised step increase per Modified Filing for North Country.

(2) The Company maintains one general ledger for Pittsfield Aqueduct Company, Inc. The Company has segregated Pittsfield and combined North Country assets by sub account in the general ledger.

For individual systems within North Country, the Company has tracked certain assets in the Company's CPR system (BNA). A portion of North Country assets are shared assets such as organization costs and general plant. Shared assets have been allocated primarily on the basis of the number of customers as follows:

	Locke Lake	Birch Hill	Sunrise Estates	Total
Total Customers	824	206	79	1,109
% of Total	74%	19%	7%	100%

(3) Amounts per system derived from North Country Schedule 3, Attachment A, Exhibit 2

(4) Amounts per system derived from Schedule 3, Attachment A, Exhibit 1 and 3. General plant & intangible related accumulated depreciation are shared and allocated based on percentage of customers in each system to the total North Country customers as shown above.

(5) Working Capital and pro forma are allocated based on percentage of each system O&M Expenses to the total North Country O&M expenses for the test year as follows:

Total Expenses	\$ 245,231	\$ 99,321	\$ 21,410	\$ 365,962
% of Total	67%	27%	6%	100%
Working Capital	\$ 30,428	\$ 12,324	\$ 2,657	\$ 45,409
Pro Forma Working Capital	\$ 20,866	\$ 8,451	\$ 1,822	\$ 31,139

(6) Other & Deferred Charges and pro forma are primarily allocated on the basis of the number of customers as shown above.

(7) Deferred Income Tax pro forma is allocated on the basis of the number of customers as shown above.

(8) Per Staff 3-2, reflects the impact of Depreciation Study on CIAC



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

**Exhibit 3**  
**Response to Staff 2-6 & Staff 3-2**  
**Schedule 3**  
**Birch Hill**

Description	Test Year Average (Sch 3B)	Pro Forma Adjustments Permanent Rates		Pro Forma Test Year	Step Increase Pro Forma Adjustments	Step Increase Pro Forma Test Year
Plant in Service	355,743	1,773	(3)	357,516	1,504,676	1,862,192
Accum Deprec	4,990	1,707	(4)	6,697	9,942	16,639
Accum Deprec: Loss/COR	5,116	-		5,116	125,059	130,175
Acquisition Adjustment	-	-		-	-	-
Accum Amort Acq Adj	-	-		-	-	-
CIAC	-	-		-	-	-
Amort of CIAC	-	-		-	-	-
	355,868	66		355,934	1,619,793	1,975,727
ADD:						
Working Cap	12,324	8,451	(5)	20,775	2,862	23,637
Materials & Supplies	-	-		-	-	-
Prepayments	414	-		414	-	414
Other & Deferred Charges	5,823	2,755	(6)	8,578	114,557	123,135
	18,561	11,206		29,767	117,419	147,186
DEDUCT:						
	-	-		-	211,781	211,781
Customer Advances	-	-		-	-	-
Customer Deposits	-	-		-	-	-
Def Income Tax & Credits	-	1,199	(7)	1,199	-	1,199
	-	1,199		1,199	211,781	212,980
				-	-	-
<b>TOTAL Rate Base</b>	<b>374,429</b>	<b>10,073</b>		<b>384,503</b>	<b>1,525,431</b>	<b>1,909,934</b>

**Notes:**

(1) 13 month average reflects adjustments in response to Staff 2-5; Step Increase reflects revised step increase per Modified Filing for North Country.

(2) The Company maintains one general ledger for Pittsfield Aqueduct Company, Inc. The Company has segregated Pittsfield and combined North Country assets by sub account in the general ledger.

For individual systems within North Country, the Company has tracked certain assets in the Company's CPR system (BNA). A portion of North Country assets are shared assets such as organization costs and general plant. Shared assets have been allocated primarily on the basis of the number of customers as follows:

	Locke Lake	Birch Hill	Sunrise Estates	Total
Total Customers	824	206	79	1,109
% of Total	74%	19%	7%	100%

(3) Amounts per system derived from North Country Schedule 3, Attachment A, Exhibit 2

(4) Amounts per system derived from Schedule 3, Attachment A, Exhibit 1 and 3. General plant & intangible related accumulated depreciation are shared and allocated based on percentage of customers in each system to the total North Country customers as shown above.

(5) Working Capital and pro forma are allocated based on percentage of each system O&M Expenses to the total North Country O&M expenses for the test year as follows:

Total Expenses	\$ 245,231	\$ 99,321	\$ 21,410	\$ 365,962
% of Total	67%	27%	6%	100%
Working Capital	\$ 30,428	\$ 12,324	\$ 2,657	\$ 45,409
Pro Forma Working Capital	\$ 20,866	\$ 8,451	\$ 1,822	\$ 31,139

(6) Other & Deferred Charges and pro forma are primarily allocated on the basis of the number of customers as shown above.

(7) Deferred Income Tax pro forma is allocated on the basis of the number of customers as shown above.

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

**Exhibit 4**  
**Response to Staff 2-6 & Staff 3-2**  
Schedule 3  
**Sunrise Estates**

Description	Test Year Average (Sch 3B)	Pro Forma Adjustments Permanent Rates		Pro Forma Test Year	Step Increase Pro Forma Adjustments	Step Increase Pro Forma Test Year
Plant in Service	167,543	3,556	(3)	171,099	-	171,099
Accum Deprec	2,973	884	(4)	3,856	-	3,856
Accum Deprec: Loss/COR	809	-		809	-	809
Acquisition Adjustment	-	-		-	-	-
Accum Amort Acq Adj	-	-		-	-	-
CIAC	-	-		-	-	-
Amort of CIAC	-	-		-	-	-
	165,380	2,672		168,052	-	168,052
ADD:						
Working Cap	2,657	1,822	(5)	4,478	-	4,478
Materials & Supplies	-	-		-	-	-
Prepayments	396	-		396	-	396
Other & Deferred Charges	2,184	1,056	(6)	3,241	-	3,241
	5,237	2,878		8,115	-	8,115
DEDUCT:						
Deferred Gain on SRF Loans	-	-		-	-	-
Customer Advances	-	-		-	-	-
Customer Deposits	-	-		-	-	-
Deferred Income Tax	-	460	(7)	460	-	460
	-	460		460	-	460
				-	-	-
<b>TOTAL Rate Base</b>	<b>170,617</b>	<b>5,090</b>		<b>175,707</b>	<b>-</b>	<b>175,707</b>

**Notes:**

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(2) The Company maintains one general ledger for Pittsfield Aqueduct Company, Inc. The Company has segregated Pittsfield and combined North Country assets by sub account in the general ledger.

For individual systems within North Country, the Company has tracked certain assets in the Company's CPR system (BNA). A portion of North Country assets are shared assets such as organization costs and general plant. Shared assets have been allocated primarily on the basis of the number of customers as follows:

	Locke Lake	Birch Hill	Sunrise Estates	Total
Total Customers	824	206	79	1,109
% of Total	74%	19%	7%	100%

(3) Amounts per system derived from North Country Schedule 3, Attachment A, Exhibit 2

(4) Amounts per system derived from Schedule 3, Attachment A, Exhibit 1 and 3. General plant & intangible related accumulated depreciation are shared and allocated based on percentage of customers in each system to the total North Country customers as shown above.

(5) Working Capital and pro forma are allocated based on percentage of each system O&M Expenses to the total North Country O&M expenses for the test year as follows:

Total Expenses	\$ 245,231	\$ 99,321	\$ 21,410	\$ 365,962
% of Total	67%	27%	6%	100%
Working Capital	\$ 30,428	\$ 12,324	\$ 2,657	\$ 45,409
Pro Forma Working Capital	\$ 20,866	\$ 8,451	\$ 1,822	\$ 31,139

(6) Other & Deferred Charges and pro forma are primarily allocated on the basis of the number of customers as shown above.

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

**Exhibit 5**  
**Response to Staff 2-6 & Staff 3-2**  
Schedule 3  
Combined

Description	Test Year Average (Sch 3B)	Pro Forma Adjustments Permanent Rates		Pro Forma Test Year	Step Increase Pro Forma Adjustments	Step Increase Pro Forma Test Year
Plant in Service	2,109,899	1,194,858	(3)	3,304,757	1,504,676	4,809,434
Accum Deprec	44,060	40,515	(4)	84,575	9,942	94,518
Accum Deprec: Loss/COR	13,815	-		13,815	125,059	138,874
Acquisition Adjustment	-	-		-	-	-
Accum Amort Acq Adj	-	-		-	-	-
CIAC	4,337	-		4,337	-	4,337
Amort of CIAC	32	136	(8)	168	-	168
	2,075,349	1,154,479		3,229,828	1,619,793	4,849,621
ADD:						
Working Cap	45,409	31,139	(5)	76,548	2,862	79,410
Materials & Supplies	-	-		-	-	-
Prepayments	2,010	-		2,010	-	2,010
Other & Deferred Charges	30,789	14,830	(6)	45,619	114,557	160,176
	78,208	45,969		124,177	117,419	241,596
DEDUCT:						
Deferred Gain on SRF Loans	-	-		-	211,781	211,781
Customer Advances	-	-		-	-	-
Customer Deposits	-	-		-	-	-
Def Income Tax & Credits	-	6,454	(7)	6,454	-	6,454
	-	6,454		6,454	211,781	218,235
<b>TOTAL Rate Base</b>	<b>2,153,556</b>	<b>1,193,995</b>		<b>3,347,551</b>	<b>1,525,431</b>	<b>4,872,982</b>

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	Locke Lake	Birch Hill	Sunrise Estates	Total
Total Customers	824	206	79	1,109
% of Total	74%	19%	7%	100%

(3) Amounts per system derived from North Country Schedule 3, Attachment A, Exhibit 2

(4) Amounts per system derived from Schedule 3, Attachment A, Exhibit 1 and 3. General plant & intangible related accumulated depreciation are shared and allocated based on percentage of customers in each system to the total North Country customers as shown above. Pro Forma Adjustments are assigned by system as follows:

Pro Forma Accum Depr:	Locke Lake	Birch Hill	Sunrise Estates	Total
A. Plant Additions	\$ 23,793	\$ 1,289	\$ 590	\$ 25,672
B. Plant Retirements	\$ (766)	\$ (527)	\$ (24)	\$ (1,317)
C. Rev Depreciation Study	\$ 14,898	\$ 944	\$ 317	\$ 16,160
Total Pro Forma by System	\$ 37,924	\$ 1,707	\$ 884	\$ 40,515

(5) Working Capital and pro forma are allocated based on percentage of each system O&M Expenses to the total North Country O&M expenses for the test year as follows:

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% of Total	67%	27%	6%	100%
Working Capital	\$ 30,428	\$ 12,324	\$ 2,657	\$ 45,409
Pro Forma Working Capital	\$ 20,866	\$ 8,451	\$ 1,822	\$ 31,139

(6) Other & Deferred Charges and pro forma are primarily allocated on the basis of the number of customers as shown above.

(7) Deferred Income Tax pro forma is allocated on the basis of the number of customers as shown above.

(8) Per Staff 3-2, reflects the impact of Depreciation Study on CIAC