

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

	TWELVE MONTHS 12/31/07	PRO FORMA ADJUSTMENTS	PRO FORMA 12 MONTHS 12/31/07	STEP INCREASE PRO FORMA ADJUSTMENTS	STEP INCREASE PRO FORMA 12 MONTHS 12/31/07	PRO FORMA ADJUSTMENTS	TOTAL PRO FORMA
Water Sales	\$ 316,109	\$ -	\$ 316,109	\$ -	\$ 316,109	600,556 (6)	\$ 916,665
Other Operating Revenue	5,805	-	5,805	-	5,805	-	\$ 5,805
Total Revenues	321,914	-	321,914	-	321,914	600,556	922,470
Production Expenses	188,267	\$ (1,237)	187,030	23,215 (1)	210,245	-	210,245
Transmission & Distribution Expense	126,877	5,724	132,601	-	132,601	-	132,601
Customer Acct & Collection Exp	21,283	22	21,306	-	21,306	-	21,306
Administrative & General Expense	29,535	4,963	34,498	-	34,498	-	34,498
Inter Div Management Fee	-	243,073	243,073	-	243,073	-	243,073
Total Operating Expense	365,963	252,545	618,508	23,215	641,723	-	641,723
Depreciation Exp/Acq Adj (Credit)	58,401	40,515	98,916	12,238 (2)	111,154	-	111,154
Amortization Expense, CIAC	(83)	(136)	(218)	-	(218)	-	(218)
Amortization Expense	-	2,478	2,478	(3,705) (3)	(1,227)	-	(1,227)
Taxes Other Than Income Tax	13,624	43,077	56,702	30,289 (4)	86,991	-	86,991
Income Tax	-	(200,250)	(200,250)	(24,572) (5)	(224,822)	237,880 (7)	13,058
Total Operating Deductions	437,907	138,229	576,136	37,464	613,600	237,880	851,480
	\$ -	-					
Net Operating Income	\$ (115,992)	\$ (138,229)	\$ (254,222)	\$ (37,464)	\$ (291,686)	\$ 362,676	\$ 70,990
Interest Expense							152,905
Net Loss							(81,915)

Notes:

- (1) increase production expenses for purchased water for Birch Hill per Schedule 1, Attachment D
- (2) increase/decrease depreciation for additions/deletions to plant assets per Schedule 1, Attachment B
- (3) increase/decrease amortization for additions to deferred charges and recognition of deferred gain on loan per Schedule 1, Attachment C
- (4) adjust property taxes for plant additions/deletions per Schedule 1, Attachment A
- (5) reflect income tax effect on proforma adjustments calculated on effective tax rate of 39.61% per Schedule 1, Attachment E
- (6) represents the proposed revenue increase per Section 8, exhibit 1.
- (7) reflects the tax impact of the revenue increase

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

	TWELVE MONTHS 12/31/07	PRO FORMA ADJUSTMENTS	PRO FORMA 12 MONTHS 12/31/07	STEP INCREASE PRO FORMA ADJUSTMENTS	STEP INCREASE PRO FORMA 12 MONTHS 12/31/07	PRO FORMA ADJUSTMENTS	TOTAL PROFORMA
Water Sales	\$ 316,109	\$ -	\$ 316,109	\$ -	\$ 316,109	439,074 (6)	\$ 755,184
Other Operating Revenue	5,805	-	5,805	-	5,805	-	\$ 5,805
Total Revenues	321,914	-	321,914	-	321,914	439,074	760,989
Production Expenses	188,267	\$ (1,237)	187,030	23,215 (1)	210,245	-	210,245
Transmission & Distribution Expense	126,877	5,724	132,601	-	132,601	-	132,601
Customer Acct & Collection Exp	21,283	22	21,306	-	21,306	-	21,306
Administrative & General Expense	29,535	4,963	34,498	-	34,498	-	34,498
Inter Div Management Fee	-	243,073	243,073	-	243,073	-	243,073
Total Operating Expense	365,963	252,545	618,508	23,215	641,723	-	641,723
Depreciation Exp/Acq Adj (Credit)	58,401	40,515	98,916	12,238 (2)	111,154	-	111,154
Amortization Expense: CIAC	(82)	(136)	(218)	-	(218)	-	(218)
Amortization Expense	-	2,478	2,478	(3,705) (3)	(1,227)	-	(1,227)
Taxes Other Than Income Tax	13,624	43,077	56,702	30,289 (4)	86,991	-	86,991
income Tax	-	(200,250)	(200,250)	(24,572) (5)	(224,822)	173,917 (7)	(50,905)
Total Operating Deductions	437,907	138,229	576,136	37,464	613,600	173,917	787,517
	\$ -	-	-	-	-	-	-
Net Operating Income	\$ (115,992)	\$ (138,229)	\$ (254,222)	\$ (37,464)	\$ (291,686)	\$ 265,157	\$ (26,529)
Interest Expense							152,905
Net Loss							(179,434)

Notes:

- (1) increase production expenses for purchased water for Birch Hill per Schedule 1, Attachment D
- (2) increase/decrease depreciation for additions/deletions to plant assets per Schedule 1, Attachment B
- (3) increase/decrease amortization for additions to deferred charges and recognition of deferred gain on loan per Schedule 1, Attachment C
- (4) adjust property taxes for plant additions/deletions per Schedule 1, Attachment A
- (5) reflect income tax effect on proforma adjustments calculated on effective tax rate of 39.61% per Schedule 1, Attachment E
- (6) represents the proposed revenue increase per Section 8, exhibit 1, adjusted for OCA capital surcharge proposal.
- (7) reflects the tax impact of the revenue increase.

PITTSFIELD AQUEDUCT COMPANY, INC.

DW 08-052

Petition for Temporary and Permanent Rates

OCA Data Requests – Set 1 on Revised Filing

Date Request Received: April 27, 2009
Request No. OCA 1-12

Date of Response: May 8, 2009
Witness: Bonalyn J. Hartley

REQUEST: Please list all charges that a PEU North Country customer would pay, under the Company's proposed rates for the North Country systems, when the customer's meter is not in service (e.g., seasonal customer). Please provide a citation to the Company's filing (e.g., proposed tariff pages) that supports the response.

RESPONSE: Per the Joint Prefiled Testimony of Bonalyn Hartley and Donald Ware, p.25. lines 19-24, a customer removing their meter for more than one month will still be required to pay the following:

Monthly Meter (Fixed) Charge
Volumetric Charge for a minimum of 4 CCF usage
Capital Recovery Surcharge for the applicable water system

In Section 8, Exhibit 1, the Minimum Monthly and Annual Revenue per Customer reflects the amount a 5/8 inch Meter customer would pay under these circumstances for the applicable water system.

Upon subsequent review, please see attached PEU tariff page that reflects the above proposal.

NHPUC NO. 1 WATER

Proposed First Revised Page 33

PENNICHUCK EAST UTILITY, INC.

Superseding Original Page 33

TERMS AND CONDITIONS, cont.

28. PUBLIC HYDRANTS

- A. Hydrants may not be used for any purpose other than the extinguishment of fires and for such other purposes as may be mutually agreed to by the Company and the municipality.
- B. In no case shall hydrants be opened by any person other than an agent of the Company or a duly authorized representative of the municipality.

29. PRIVATE FIRE PROTECTION

- A. An application for private fire service must be accompanied by a plan of the proposed piping system, together with a statement telling for what other purpose the system might be used.
- B. All water supplied through fire service pipes may, at the option of the Company, be metered and special measuring or detecting devices may be installed, and all such meters and devices shall be approved, furnished and set by the Company at the customer's expense.
- C. Where a standpipe, reservoir, tank or cistern is used it shall be constructed so as to shield and protect the water from all possible contamination in a manner satisfactory to the Company.
- D. In the construction of standpipes, reservoirs, tanks and cisterns, provision shall be made for means of easy access to their interiors by agents of the Company for the purpose of inspection and to permit cleaning as required by the Company; also, a draw-off pipe shall be fitted for the purpose of drawing off all water periodically for inspection and such draw-off pipe shall not be connected with a sewer or drain in any way that would permit pollution of the water.

30. OTHER CHARGES

A. Service Connection and Disconnection Charge

1. There will be a service charge for turning off or turning on water at customer's request. The service charge is a flat fee, equivalent to the sum of the cost of one hour of labor time and one hour of equipment use time and will vary depending upon whether the connection or disconnection is made during regular hours or during non-regular hours.
 - a. Effective until further notice, the service charge will be as set forth in Paragraph C on Page 46. This service charge will apply to other sections of this tariff as specified.
 - b. For the North Country water systems, a customer removing their meter for more than 1 month will continued to be charged the minimum monthly charge (meter charge) and the minimum volumetric charge of 4 CCF of usage as set forth in page 47 of this tariff and the capital recovery surcharge as set forth in page 48 of this tariff.