

TAB 13

Filing Requirement Schedules

Pennichuck Water Works, Inc.
Rate Impact on Average Single Family Residential Customer
Permanent + Step Increase

Exhibit DLW-1
Customer Impact

	(A)		(B)	
	Post Acquisition - Current Rate Model	Post Acquisition - Modified Rate Model	Pre Acquisition Rate Model	Difference - Pre to Modified Rate Model (A-B)
Overall Revenue Requirement/Increase (3)	\$ 32,682,223	\$ 33,432,344	\$ 38,034,512	\$ 4,602,168
Current Water Revenues with CBFRR, excluding WICA (1)	\$ 28,920,120	\$ 28,524,428	\$ 28,920,120	
Overall Revenue % Increase	13.01%	17.21%	31.52%	14.31%
<u>Base Rates (2):</u>				
Monthly 5/8 inch Meter Customer Charge	\$ 20.34			
Monthly Volumetric Charge based on Usage (5)	\$ 28.31			
Total Average Single Family Residential Monthly Bill	\$ 48.65			
Current Monthly WICA Surcharge	\$ 1.48			
Total Average Single Family Residential Monthly Bill w/WICA Surcharge	\$ 50.13			
<u>Customer Impact from New Rates:</u>				
Increase to the Total Average Single Family Residential Base Monthly Bill	\$ 6.33	\$ 8.51	\$ 15.33	\$ 6.82
Increase to the Total Average Single Family Residential Monthly Bill with WICA	\$ 4.85	\$ 7.03		

Notes:

- (1) The Post Acquisition-Current Rate Model and the Pre Acquisition Rate Model Revenues are based on 2015 Test Year Revenues. The Post Acquisition - Modified Rate Model Revenues are proformed to reflect the five year average revenues.
- (2) Base rates do not include the impact of the WICA surcharge for 2013, 2014 and 2015.
- (3) The Overall Revenue requirements reflect the requested revenue increase for both the permanent and step rate increases.

Pennichuck Water Works, Inc.
Schedule A Perm-Conventional
Computation of Revenue Deficiency
For The Twelve Months Ended December 31, 2015

Schedule A Perm-Conventional

	Post Acquisition						
	Twelve Months 12/31/15	PRO FORMA Adjustments to Test Year	PRO FORMA 12 Months Ending 12/31/15	PRO FORMA Adjustments for 2016 Step Increase	PRO FORMA 2016 Step Increase for Capital Additions	PRO FORMA Adjustments From Post to Preacquisition Ownership	PRO FORMA 2016 Step Increase for Preacquisition Ownership
Consolidated Rate Base (Sch 3)	\$ 176,272,452	\$ (122,082,072)	\$ 54,190,380	\$ 19,733,892	\$ 73,924,272	\$ 52,515,126 (1)	\$ 126,439,398
RATE of Return (1604.08 Sch 1)	4.83%		4.83%		4.83%		7.19% (2)
Income Required	\$ 8,521,572		\$ 2,619,736		\$ 3,573,735		\$ 9,096,981
Adjusted Net Operating Income (Sch 1)	\$ 5,130,455	\$ (3,107,102)	\$ 2,023,354	\$ (721,553)	\$ 1,301,801	\$ 2,290,999 (3)	\$ 3,592,800
Deficiency	\$ 3,391,117		\$ 596,382		\$ 2,271,934		\$ 5,504,181
Tax Factor	60.39%		60.39%		60.39%		60.39%
Revenue Deficiency	\$ 5,615,362		\$ 987,552		\$ 3,762,103		\$ 9,114,392
Current Water Revenues w/CBFRR and WICA	\$ 29,287,668	\$ (8,273,307) (4)	\$ 21,014,361		\$ 21,014,361	\$ 7,905,759 (5)	\$ 28,920,120
Add back CBFRR and City Eminent Domain Payment	\$ -		\$ 7,905,759 (5)		\$ 7,905,759		\$ -
Current Water Revenues with CBFRR, City Eminent Domain Payment excluding WICA surcharge	\$ 29,287,668		\$ 28,920,120		\$ 28,920,120		\$ 28,920,120
Proposed Percent Revenue Increase			3.41%		13.01%		31.52%
Proposed New Revenue Levels			\$ 29,907,672		\$ 32,682,223		\$ 38,034,512

Notes:

(1) Consolidated rate base for Preacquisition Ownership per Sch 3

(2) Rate of return for Preacquisition Ownership per Rate of Return Schedule A1

(3) The CBFRR Revenues, equity related depreciation expense, recovery of eminent domain costs and preacquisition company costs are added back to net operating income of the post acquisition company costs:

CBFRR Revenues	\$ 7,465,139	
Equity Assets related depreciation expense	\$ (1,368,501)	per Sch 1 Attach E
Amortization of Preacquisition Company Eminent Domain Costs	\$ (884,137)	per Sch 3 Attach A
Preacquisition Company Expenses per DW 11-026	\$ (1,260,610)	
Inflationary growth of Preacquisition Company Expenses	\$ (158,218) @	3% per year
	\$ 3,793,673	
Income Tax 39.61%	\$ (1,502,674)	
	\$ 2,290,999	

(4) Reduce Test Year ending revenues by the CBFRR, City Eminent Domain Recovery Revenue Requirement and WICA revenues per Sch 1

CBFRR -	\$ (7,465,139)	per Sch 1 Attach A
Recovery of City Eminent Domain Payment -	\$ (+40,620)	per Sch 1 Attach A
WICA Surcharge -	\$ (367,548)	per Sch 1 Attach A1
Proforma Revenue Reduction -	\$ (8,273,307)	

Pennichuck Water Works, Inc.
Schedule A Perm-Five Year Average
Computation of Revenue Deficiency
For The Twelve Months Ended December 31, 2015

	From Schedule A Perm-Conventional Work Sheet			Post Acquisition			Schedule A Perm-Five Year Average		
	PRO FORMA 12 Months 12/31/15	PRO FORMA Adjustments for 2016 Step Increase	PRO FORMA 2016 Step Increase for Capital Additions	PRO FORMA Adjustments Based on Five Year Ave	PRO FORMA 12 Months 12/31/15 Based on Five Year Ave	PRO FORMA Adjustments for 2016 Step Increase Based on Five Year Ave	PRO FORMA 2016 Step Increase for Capital Additions Based on Five Year Ave	PRO FORMA Adjustments From Post to Preacquisition Ownership	PRO FORMA 2016 Step Increase for Preacquisition Ownership
Consolidated Rate Base (Sch 3)	\$ 54,190,380	\$ 19,733,892	\$ 73,924,272	\$ (20,574) (1)	\$ 54,169,806	\$ 19,733,892	\$ 73,903,698	\$ 52,515,126 (4)	\$ 126,418,825
RATE of Return (1604.08 Sch 1)	4.83%		4.83%		4.83%		4.83%		7.19%
Income Required	\$ 2,619,736		\$ 3,573,735		\$ 2,618,741		\$ 3,572,740		\$ 9,095,501
Adjusted Net Operating Income (Sch 1)	\$ 2,023,354	\$ (721,553)	\$ 1,301,801	(129,194) (2)	\$ 1,894,160	\$ (721,553)	\$ 1,172,607	\$ 2,290,999 (5)	\$ 3,463,606
Deficiency	\$ 596,382		\$ 2,271,934		\$ 724,581		\$ 2,400,133		\$ 5,631,895
Tax Factor	60.39%		60.39%		60.39%		60.39%		60.39%
Revenue Deficiency	\$ 987,552		\$ 3,762,103		\$ 1,199,837		\$ 3,974,388		\$ 9,325,874
Current Water Revenues without CBFRR and WICA	\$ 21,014,361		\$ 21,014,361	\$ (395,692) (3)	\$ 20,618,669		\$ 20,618,669	\$ 7,905,759 (6)	\$ 28,920,120
Add: City Bond Fixed Revenue Requirement	\$ 7,905,759		\$ 7,905,759		\$ 7,905,759		\$ 7,905,759		\$ -
Water Revenues with CBFRR, less WICA	\$ 28,920,120		\$ 28,920,120		\$ 28,524,428		\$ 28,524,428		\$ 28,920,120
Proposed Percent Revenue Increase	3.41%		13.01%		4.21%		13.93%		32.25%
Proposed New Revenue Levels	\$ 29,907,672		\$ 32,682,223		\$ 29,724,265		\$ 32,498,816		\$ 38,245,994

Notes:

- (1) Reduction in Consolidated rate base for Post Acquisition Company related to reduction in operating expenses which results in a reduction in the Companies working capital per Sch 3
- (2) Change to 2015 TY Net Operating Income resulting from normalizing the 2015 TY revenues to the five year average and change in production expenses associated with the 5 year average per Sch 1
- (3) Reduction in revenues resulting from normalizing the 2015 TY to the five year Revenue average per Sch 1, Att A1
- (4) Add back Preacquisition Company equity and unamortized portion of Preacquisition Company recover of Eminent Domain Costs per Sch A Perm-conventional
- (5) The CBFRR Revenues, equity related depreciation expense, recovery of eminent domain costs and preacquisition company costs are added back to net operating income of the post acquisition company costs per Sch A Perm-Conventional
- (6) Add back the CBFRR Revenues and Post Acquisition recovery of eminent domain costs per Sch A Perm-Conventional

Pennichuck Water Works, Inc.
Schedule A - Modified (1)
Computation of Revenue Deficiency
For The Twelve Months Ended December 31, 2015

Schedule A-Modified

	PRO FORMA 12 Months 12/31/15	PRO FORMA Adjustments for 2016 Step Increase	Step Rate For 2016 Capital Additions	Perm Rate PRO FORMA Adjustments based on FIVE YEAR AVE	Perm Rate Based on Five Year Ave	2016 Step Rate PROF FORMA Adjustments Based on Five Year Ave	Step Rate For 2016 Capital Additions Based on Five Year Ave
City Bond Fixed Revenue Requirement (CBFRR)	\$ 7,905,759 (2)	\$ -	\$ 7,905,759	\$ -	\$ 7,905,759	\$ -	\$ 7,905,759
Operating Expense Revenue Requirement	\$ 17,237,365 (3)	\$ 598,028 (5)	\$ 17,835,393	\$ (166,859)	\$ 17,070,506	\$ (166,859)	\$ 17,668,534
Annual Principal and Interest Payments	\$ 4,632,538 (4)	\$ 1,653,903 (6)	\$ 6,286,441	\$ -	\$ 4,632,538	\$ -	\$ 6,286,441
Principal and Interest Coverage Requirement	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Principal and Interest Revenue Requirement	\$ 5,790,672	\$ 2,067,379	\$ 7,858,051	\$ -	\$ 5,790,672	\$ -	\$ 7,858,051
Proposed Revenue Requirement	\$ 30,933,796	\$ 2,665,407	\$ 33,599,203	\$ (166,859)	\$ 30,766,937	\$ (166,859)	\$ 33,432,344
Current Water Revenues excluding CBFRR and WICA	\$ 21,014,361	\$ -	\$ 21,014,361	\$ (395,692)	\$ 20,618,669	\$ (395,692)	\$ 20,618,669
Add: City Bond Fixed Revenue Requirement	\$ 7,905,759	\$ -	\$ 7,905,759	\$ -	\$ 7,905,759	\$ -	\$ 7,905,759
Water Revenues with CBFRR, less WICA	\$ 28,920,120	\$ -	\$ 28,920,120	\$ (395,692)	\$ 28,524,428	\$ (395,692)	\$ 28,524,428
Proposed Percent Revenue Increase	6.96%		16.18%		7.86%		17.21%
Principal and Interest Coverage Requirement -	1.25						

Notes:

- (1) Schedule A reflects a modified approach to the calculation of the Company's Revenue Requirement. This schedule calculates the revenue requirement as the sum of the CBFRR (2), the operating expense revenue requirement and the annual total debt service revenue requirement.
- (2) The CBFRR includes the revenues necessary to repay the City Bond and the City's Eminent Domain Expenses per Sch A Perm-Conventional.
- (3) Operating Expense Revenue requirement is the sum of the Total Operating Expenses, Property Tax Expense, Amortization Expense and Payroll Tax Expense from Sch 1
- (4) Annual Principal and interest payments for debt associated with all plant in service as of 12/31/2015 per 1604.08, Schedule 5
- (5) Reflects the net increase in property taxes associated with the plant placed in service between 12/31/2015 and 12/31/2016 and reduction in property taxes for plant retired between 12/31/2015 and 12/31/2016 per Sch 3 - STEP ADDITIONS
- (6) Annual Principal and interest payments for debt associated with all plant placed in service between 12/31/2015 and 12/31/2016 per 1604.08, Schedule 5

Pennichuck Water Works, Inc.
Overall Rate of Return
For the Twelve Months Ended December 31, 2015
Post Acquisition Company vs Preacquisition Company

Rate of Return - Sch 1A

Capital Component	Post Acquisition Amount	Post Acquisition Component Ratio	Post Acquisition Component Cost Rate	Post Acquisition Average Cost Rate	PRO FORMA Adjustment from Post to Preacquisition Capital Structure	Preacquisition Adjusted Amount	Preacquisition Component Ratio	Preacquisition Component Cost Rate	Preacquisition Average Cost Rate
Long-term Debt	\$ 83,716,732	95.73%	4.79% (2)	4.59%	\$ (15,555,919)	\$ 68,160,813	50.00%	4.79%	2.39%
Short-term Debt	\$ -	0.00%	0.00%	0.00%	\$ -	\$ -	0.00%	0.00%	0.00%
Preferred Stock	\$ -	0.00%	0.00%	0.00%	\$ -	\$ -	0.00%	0.00%	0.00%
Common Equity	\$ 3,729,845	4.27%	5.84% (1)	0.25%	\$ 64,430,969	\$ 68,160,813 (3)	50.00%	9.60%	4.80%
Overall Rate of Return	<u>\$ 87,446,576</u>	<u>100.00%</u>		<u>4.83%</u>	<u>\$ 48,875,050</u>	<u>\$ 136,321,626</u>	<u>100.00%</u>		<u>7.19%</u>

Notes:

(1) The return on equity based on Order 25,292 in DW 11-026 is as follows:

Average 2015 30 year Treasury bonds	2.84%
Plus 3.0%	3.00%
Total	<u>5.84%</u>

(2) Per Order 25,230 in DW 10-091, the interest rate as reflected on Schedules 5 is calculated on debt net of debt issuance costs

(3) To reverse the 1/25 fresh start entry related to equity per Sch 3 Attach A as follows:

Paid in Capital	\$ 39,011,140
Retained Earnings	\$ 9,863,910
Pre Acquisition Company Equity at 12/31/2011	<u>\$ 48,875,050</u>
Proforma equity raises (2013-2015) that would maintain 50/50 Debt/Equity ratio	\$ 15,555,919
Add 2015 Retained Earnings	\$ 3,729,845
Projected Pre Acquisition Company Equity at 12/31/2015	<u>\$ 68,160,813</u>

Pennichuck Water Works, Inc.
Operating Income Statement
For The Twelve Months Ended December 31, 2015

Schedule 1

Account Number	Twelve Months 12/31/15	PRO FORMA Adjustments to Test Year	PRO FORMA 12 Months 12/31/15	PRO FORMA Adjustments for 2016 Step Increase	PRO FORMA 2016 Step Increase for Capital Additions	PRO FORMA Adjustments based on Five Year Ave	PRO FORMA for 2016 Step Increase Based on Five Year Ave	Twelve Months 12/31/14	Twelve Months 12/31/13
Water Sales	461 & 462 \$ 29,287,668	\$ (8,273,307) (1)	\$ 21,014,361	\$ -	\$ 21,014,361	\$ (395,692) (13)	\$ 20,618,669	\$ 27,793,862	\$ 27,331,117
Water Sales for Resale	466 11,151	-	11,151	-	11,151	-	11,151	5,321	5,322
Other Operating Revenue	471 to 474 221,722	160,406 (2)	382,129	-	382,129	-	382,129	218,315	218,636
Total Revenues	29,520,541	(8,112,900)	21,407,640	-	21,407,640	(395,692)	21,011,949	28,017,498	27,555,076
Production Expenses	601 to 652 & 926.7 4,515,441	56,179 (3)	4,571,620	-	4,571,620	(166,859) (14)	4,404,762	4,099,166	3,869,154
Transmission & Distribution Expenses	660 to 678 & 921, 926,950 1,858,477	24,529 (4)	1,883,006	-	1,883,006	-	1,883,006	1,868,516	1,547,952
Engineering Expense	660 to 662 1,065,646	44,904 (5)	1,110,550	-	1,110,550	-	1,110,550	964,081	833,292
Customer Acct & Collection Exp	902 to 904 463,937	3,057 (12)	466,994	-	466,994	-	466,994	442,290	436,394
Administrative & General Expense	920 to 950 6,106,621	1,147,022 (6)	7,253,643	-	7,253,643	-	7,253,643	5,785,972	6,386,960
Inter Div Management Fee	930 (2,120,673)	(321,333) (7)	(2,442,006)	-	(2,442,006)	-	(2,442,006)	(2,053,908)	(1,966,838)
Total Operating Expense	11,889,448	954,358	12,843,806	-	12,843,806	(166,859)	12,676,947	11,104,117	11,106,913
Dep Exp/Acq Adj Expense	403 & 406 4,736,225	(1,250,715) (8)	3,505,510	\$581,893 (15)	\$4,087,403	-	\$4,087,403	4,359,561	4,225,860
Amortization Expense: CIAC	405 (623,483)	-	(623,483)	-	(623,483)	-	(623,483)	(597,916)	(557,366)
Amortization Expense	407 1,550,010	(2,103,253) (9)	(553,243)	-	(553,243)	-	(553,243)	1,502,551	2,073,013
Gain on Loan Forgiveness	414 (53,925)	-	(53,925)	-	(53,925)	-	(53,925)	(53,925)	-
Property Taxes	408.1 4,022,844	328,944 (10)	4,351,788	\$598,028 (16)	\$4,949,816	-	\$4,949,816	3,898,576	3,583,507
Payroll Taxes	408.1 595,013	-	595,013	-	595,013	-	595,013	570,360	539,789
Income Tax	409 to 410 2,253,953	(2,935,133) (11)	(681,180)	(458,369) (17)	(\$1,139,549)	(99,639) (11)	(\$1,239,188)	2,474,292	2,512,870
Total Operating Deductions	12,500,638	(5,960,157)	6,540,481	721,553	7,262,033	(99,639)	7,162,394	12,153,498	12,377,674
Net Operating Income	5,130,455	(3,107,102)	2,023,354	(721,553)	1,301,801	(129,194)	1,172,607	4,759,883	4,070,489

Notes:

- (1) adjust revenue to eliminate CBFRR per Sch 1, Attach A, the WICA revenues per Sch 1, Attach A1 and the payment of City Eminent Domain Costs per Sch 1, Attach A
- (2) adjust other operating revenue to include jobbing revenues net of expenses per Schedule 1, Attachment A
- (3) adjust for production expenses for electricity, personnel, salary increases, and purchased water per Schedule 1, Attachment B, page 1
- (4) adjust for distribution expenses including personnel and salary increases per Schedule 1, Attachment B, page 2
- (5) adjust for engineering personnel and salary increases per Schedule 1, Attachment B, page 3
- (6) adjust for Admin & General expenses including personnel, salary increases, and other expenses per Schedule 1, Attachment C, page 1
- (7) adjust for Management Fees from expense allocation to affiliates and other expense increases per Schedule 1 Attachment C, page 5
- (8) adjust for additions/deletions to plant assets and an adjustment per Schedule 1, Attachment E
- (9) adjust amortization for additions to deferred charges and elimination of MARA amortization per Schedule 1, Attachment F
- (10) adjust property taxes for annualization of taxes and plant additions per Schedule 1, Attachment D
- (11) reflect income tax effect on proforma adjustments calculated per Schedule 1, Attachment G
- (12) adjust for customer account and collection costs per Schedule 1, Attachment B, page 4
- (13) adjust revenue to 5 Year Ave per Schedule 1, Attachment A1
- (14) adjust production expenses to reflect 5 Year Ave per Schedule 1, Attachment B, page 1
- (15) adjust expenses to reflect depreciation expense associated with 2016 additions to plant and property per Sch3 - STEP Additions
- (16) adjust expenses to reflect property taxes on 2016 additions to plant and property per Sch3 - STEP Additions
- (17) adjust expenses to reflect reduction in income taxes due to expenses associated with the 2016 additions to plant and property per Sch1, Attachment G

Pennichuck Water Works, Inc.
Operating & Maintenance Expenses
Reconciliation Filing to Annual Report
For The Twelve Months Ended December 31, 2015

Schedule 1
Exhibit 1

		Account Number	Per Filing	Account 926.7	Account 921	Account 926.0	Account 950	Engineering	Inter Div Mgt Fee	Per Annual Report
926700-001-2105	Production Expenses	601 to 652 & 926.7	\$ 4,515,441	(126,161)						\$ 4,389,280
	Transmission & Distribution Expenses	660 to 678 & 921, 926,950	1,858,477		(75,394)	(299,230)	(73,805)	1,065,646		2,475,693
	Engineering Expense	660 to 662	1,065,646					(1,065,646)		-
	Customer Acct & Collection Exp	902 to 904	463,937							463,937
	Administrative & General Expense	920 to 950	6,106,621	126,161	75,394	299,230	73,805		(2,120,673)	4,560,538
	Inter Div Management Fee	930	(2,120,673)						2,120,673	-
	Total Operating Expense		\$ 11,889,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,889,448

Note:

The test year operating and maintenance expenses in the rate filing are presented based on the function area responsible for the associated expenses. The annual report is presented based on type of expense per the NIIPUC Chart of Accounts. The above schedule reconciles the different presentations.

Account Description

926.0 & 926.7 - Union Labor Boot & Clothing Allowance, Holiday & Vacation Pay
921 - Office Expenses at the Will Street Facility
950 - Garage and Meter Shop Maintenance Expense at the Will Street Facility

921200-001-2106	RENTAL EXP PARKING: WILL ST	\$ 6,360	930500-001-2100	2930-500-001	INTERCOMPANY MGMT FEE: PCP	\$ 17,599
921300-001-2106	OFFICE SUPPLY & EXP- WILL ST	\$ 14,464	930510-001-2100	2930-510-001	INTCO MGMT FEE:TSC/PWS/PAC/PEU	\$ (203,340)
921310-001-2106	OFFICE EXPENSE: WILL ST-GAS	\$ 9,319	930520-001-2109	2930-520-001	INTERCO MGT:INSIDE GEN COUNSEL	\$ -
921320-001-2106	OFFICE EXPENSE: WILL ST-ELECT	\$ 10,156				\$ (185,741)
921330-001-2106	OFFICE EXPENSE: WILL ST-PHONE	\$ 35,095				
		\$ 75,394	926700-001-2105	2926-700-001	VAC,HOL, BOOT ALLOW-TRT PLT	\$ 5,992
926002-001-2106	EMP BENEFIT-BOOTS,VAC,HOL-OPS	\$ 299,230	660001-001-2107	2660-001-001	ENGINEERING VEHICLES	\$ 183
			660002-001-2107	2660-002-001	ENGINEERING - FUEL PURCHASED	\$ 1,543
950120-001-2109	MAINTENANCE: GARAGE	\$ 72,766	660003-001-2107	2660-003-001	ENGINEERING-VEH REGISTRATION	\$ -
950130-001-2109	MAINTENANCE: METER SHOP	\$ 1,039	660200-001-2107	2660-200-001	SALARIES & WAGES - ENGINEERING	\$ 74,201
		\$ 73,805	662001-001-2107	2662-001-001	ENGINEERING DEPT: EXPENSE	\$ 2,644
						\$ 78,571

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Total Revenues
For The Twelve Months Ended December 31, 2015

Schedule 1
Attachment A

I Water Sales

- A. Per Order 25,292 in DW 11-026, the following pro forma adjustment eliminates the annualized water sales associated with the City Bond Fixed Revenue Requirement (CBFRR).

Annualized CBFRR	\$ (7,465,139)	
Therefore:		\$ (7,465,139)

- B. The following proforma adjustment is seeking recovery of PWV's prorata share of the City of Nashua's Eminent Domain Costs of \$5,500,000 less as determined in DW11-026 less the \$500,000 paid to by PWV via a special dividend issued on August 23, 2013.

Balance of City Eminent Domain Costs -	\$ 5,000,000	
PWV Prorata Share as a percentage per Sch1 Attach A2 -	88.12%	
Amortization Period of -	10 Years	
Therefore:		\$ (440,620)

TOTAL WATER SALES PRO FORMA:

\$ (7,905,759)

III Other Operating Revenues

- A. The following pro forma adjustment reflects the inclusion of jobbing revenues net of expenses as follows: (Per F-2 Annual Report)

Jobbing Revenues	\$ 347,641	
Jobbing Expenses	\$ 191,027	
Net Revenues	\$ 156,614	
Therefore:		\$ 156,614

- B. Per Schedule 1B, the following pro forma adjustment reflects the expected increase for regulated utilities in net jobbing revenues due to wage increases that will be marked up 25% as follows:

Wage Increase	\$ 15,169	
Mark Up for Incremental Net Revenues	25.00% \$ 3,792	
Therefore:		\$ 3,792

TOTAL OTHER OPERATING REVENUES PRO FORMA:

\$ 160,406

Pennichuck Water Works, Inc.
2015 Test Year Revenues and Pumpage PRO FORMA

Schedule 1
Attachment A1

Revenue Type	2015 Test Year Billed	2015 Test Year Billed	2015 Test Year Billed	2015 Revenue	Proposed Rate Case
	Revenues w/o WICA	Revenues WICA Only	Revenues Total Sales	Proforma's ¹	TY Revenues based on Five Yr Ave ²
Total CWS Volumetric Charges	\$ 1,261,141	\$ -	\$ 1,261,141	\$ (147,136)	\$ 1,114,005
Total Core Volumetric Charges	\$ 14,111,790	\$ 203,296	\$ 14,315,086	\$ (347,986)	\$ 13,765,805
Anheuser-Busch Volumetric Charges	\$ 394,325	\$ 5,460	\$ 399,785	\$ (8,378)	\$ 385,947
Hudson Volumetric Charges	\$ 472,514	\$ 8,446	\$ 480,960	\$ (115,442)	\$ 357,073
Milford Volumetric Charges	\$ 66,533	\$ 1,065	\$ 67,598	\$ (6,899)	\$ 59,633
Tyngsborough Water District (TWID) Volumetric Charges ³	\$ 51,264	\$ 531	\$ 51,796	\$ -	\$ 51,264
Total Core Meter Charges (Fixed Fee)	\$ 7,176,516	\$ 96,157	\$ 7,272,673	\$ -	\$ 7,176,516
Total CWS Meter Charges (Fixed Fee)	\$ 661,657	\$ -	\$ 661,637	\$ -	\$ 661,657
Total Core Public Fire Protection (Fixed Fee)	\$ 2,865,042	\$ 38,248	\$ 2,903,290	\$ -	\$ 2,865,042
Total CWS Public Fire Protection (Fixed Fee)	\$ 210,058	\$ -	\$ 210,058	\$ -	\$ 210,058
Total Core Private Fire Protection (Fixed Fee)	\$ 1,045,156	\$ 13,977	\$ 1,059,133	\$ -	\$ 1,045,156
Total CWS Private Fire Protection (Fixed Fee)	\$ 13,125	\$ -	\$ 13,125	\$ -	\$ 13,125
Anheuser-Busch Meter Charge (Fixed Fee)	\$ 21,672	\$ 289	\$ 21,962	\$ -	\$ 21,672
TWID Meter Charge/Mthly Fixed (Fixed Fee)	\$ 7,379	\$ 79	\$ 7,458	\$ -	\$ 7,379
Anheuser-Busch Contract (Fixed Fee)	\$ 371,430	\$ -	\$ 371,430	\$ -	\$ 371,430
Hudson Contract (Fixed Fee)	\$ 32,800	\$ -	\$ 32,800	\$ -	\$ 32,800
Milford Contract (Fixed Fee)	\$ 81,000	\$ -	\$ 81,000	\$ -	\$ 81,000
TWID Contract (Fixed Fee) ³	\$ 76,716	\$ -	\$ 76,716	\$ 230,148	\$ 306,864
Total Billed Revenue	\$ 28,920,120	\$ 367,548	\$ 29,287,668	\$ (395,692)	\$ 28,524,428

	PWV Volumetric Sales and Pumpage in CCF's					2015 Volumetric Sales & Pumpage Proforma's (CCF) ²	Proformed 2015 Volumetric Sales & Pumpage	Five Year Average Volumetric Sales & Pumpage	Proformed 2015 Volumetric Sales & Pumpage as a Percentage of 2015
	2011	2012	2013	2014	2015				
Annual G-M Sales - PWV CWS (CCF)	316,784	336,451	324,822	322,530	380,880	(44,587)	336,293	336,293	
Annual G-M Sales - PWV Core (CCF)	4,031,611	4,218,099	4,090,408	4,113,299	4,245,167	(105,450)	4,139,717	4,139,717	
Anheuser-Busch Metered Sales (CCF)	432,302	405,563	396,800	374,300	413,186	(8,756)	404,430	404,430	
Hudson Metered Sales (CCF)	157,962	204,136	112,380	152,420	225,630	(55,124)	170,506	170,506	
Milford Metered Sales (CCF) ²	50,737	35,200	23,795	23,905	32,067	(3,325)	28,742	28,742	
Tyngsborough Water District (TWID) Metered Sales (CCF) ³	2,010	1,280	570	1,730	52,239	94,153	146,392	11,566	
Total Core Metered Sales (CCF)	4,674,622	4,864,278	4,623,953	4,665,654	4,968,289	(208,030)	4,759,359	4,759,359	-4.21%
Pumpage - WTP (CCF)	5,295,099	5,781,078	5,735,134	5,585,080	6,099,024	(399,941)	5,699,083	5,699,083	-6.56%
Pumpage - CWS (CCF)	132,063	124,956	122,750	125,909	144,356	(14,349)	130,007	130,007	-9.94%
Total PWV Pumpage (CCF)	5,427,162	5,906,034	5,857,884	5,710,989	6,243,380	(414,290)	5,829,090	5,829,090	-6.64%
Purchased Water - CWS (CCF)	216,705	241,324	189,642	232,925	281,124	(48,780)	232,344	232,344	-17.35%
% Unaccounted for in Core	11.7%	15.9%	19.4%	16.5%	18.5%		18.1%	16.6%	
% Unaccounted for in CWS	9.2%	8.1%	-4.1%	10.1%	10.3%		7.2%	9.5%	

Data:

	Rate w/o WICA	Jan - May 2015 w/WICA	Jun-Dec 2015 w/WICA
2015 PWV G-M Volumetric Rate w/WICA	\$ 3.3400	\$ 3.3221	\$ 3.3597
2015 Anheuser-Busch Volumetric Rate w/WICA	\$ 0.9568	\$ 0.9632	\$ 0.9741
2015 Hudson Volumetric Rate w/WICA	\$ 2.0943	\$ 2.1082	\$ 2.1321
2015 Milford Volumetric Rate w/WICA	\$ 2.0748	\$ 2.0887	\$ 2.1124
TWID Volumetric Rate w/WICA	\$ 2.1010	\$ 2.1151	\$ 2.1390

WICA % January through May 2015 - 0.67%
WICA % June through December 2015 - 1.81%

Notes:

1. Revenues proformed to 5 year average consumption for volumetric charges only.
2. Proformed revenues for Milford Contract are based on 2012-2015 sales. The 5 year average included 2011 during which Milford had a failed well that resulted in usage well above their normal average usage.
3. Tyngsborough sales proformed to reflect a full year of sales at 250,000 gallons per day which is included in the base fixed fee.
4. Base Revenues without WICA Surcharge

Pennichuck Water Works Inc
PRO FORMA Adjustments to Revenue Requirement
Calculation of PWW's share of City Bond Fixed Revenue Requirement

Schedule 1
Attachment A2

Pro Forma
Adjustments

Revenue

1 To recognize adjustment of fixed annual revenue requirement to meet City Bond obligation.

	Total City Bond	\$	150,570,000	
	Bond Interest Rate		4.09%	
	Bond Period		30 yrs.	
<i>Calculated pro rata for City Bond based on a constant payment and a constant bond rate.</i>				
<i>Calculated as follows:</i>				
	PWW Pro Rata Share		\$ 132,688,434	(1)
	Less: Rate Stabilization Reserve	\$	5,000,000	
	PWW Pro Rata Share (Sch 3,A)		100.00%	
	Less: PWW Pro Rata Share of Rate Stabilization Reserve	\$	5,000,000	
	Less: City Eminent Domain Cost Recovery		\$0	
	Total PWW Pro Rata Share for CBFRR/MARA	\$	127,688,434	
	Bond Interest Rate		4.09%	
	Bond Period		30 yrs.	
			<u>\$ 7,465,139</u>	

Notes:

(1) Pro Rata Calculation as follows:

<u>PWW & Southwood Equity (12/31/2011) (2)</u>	<u>\$</u>	<u>56,442,675</u>	<u>88.12%</u>	
PEU Equity (12/31/2011)	\$	6,540,063	10.21%	
PAC Equity (12/31/2011)	\$	1,066,353	1.66%	
	<u>\$</u>	<u>64,049,091</u>	<u>100.00%</u>	
PWW & Southwood % CBFRR based on pro rata equity		88.12%	\$ 132,688,434	
PEU % CBFRR based on pro rata equity		10.21%	\$ 15,374,727	
PAC % CBFRR based on pro rata equity		1.66%	\$ 2,506,839	
Total City Bond		<u>100.00%</u>	<u>\$ 150,570,000</u>	

(2) Consists of Equity as of 12/31/2011 as follows:

	PWW	\$	54,395,626	
	Southwood	\$	2,047,049	
	Total	\$	<u>56,442,675</u>	

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Production Account
For the Twelve Months Ended December 31, 2015

	Test Year Proformas	Proformas based on 5 Year Ave.
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Union Contract

A. In 2015, the Company signed a two year contract with the United Steelworkers Union which called for a 2.5% increase 1/1/2016.

To calculate the pro forma adjustments for production union payroll, the payroll data was extracted from the work order detail report for the year 2015. (See Schedule 1B)

Therefore:

Annualize impact of wage increase granted on 01/01/2016	\$ 18,362
	\$ 18,362

Total Production Union Salaries Pro Forma:

\$ 18,362

Salary

A. During the test year and subsequent year, the Company experienced hirings, terminations and salary increases for production non-union personnel. The impact of the changes on base salaries are summarized below:

Department	Base Salaries		Proforma
	2016	2015 (1)	
Production	\$ 693,278	\$ 665,484	\$ 27,794

(1) Base Salaries exclude overtime, taxable fringe and other compensation items. Base Salary info can be found on Sch1 Attach C Pg 1A
 Production Non Union Salary Expense is shared with the affiliates via the Management Fee per Sch1 Attach C Pg 3

Total Production Non-Union Salaried Pro Forma:

\$ 27,794

Operating and Maintenance Expenses:

A. Effective during 2016 the rates for water purchased from the Manchester Water Works, Derry Water Works, Milford Water Department and the Merrimack Village District are projecting increases on both volumetric and meter charges. The calculation of the pro forma adjustment is as follows:

Provider	2015 Purchased Water Expense	Percent increase in rates in 2016	Proforma Increase
TOTAL DERRY WATER -	\$ 135,111	3.0%	\$ 4,053
MANCHESTER WATER WORKS -	\$ 144,318	5.6%	\$ 8,046
MERRIMACK VILLAGE DISTRICT -	\$ 141,043	6.0%	\$ 8,463
TOTAL MILFORD WATER -	\$ 36,142	6.0%	\$ 2,169
			\$ 22,730

Therefore:

\$ 22,730

Adjustment to Purchased water expense associated with 5 Year Average Flows

Provider	Proformed 2015 Purchased Water Expense	% Change	Proforma Increase
TOTAL DERRY WATER -	\$ 139,164	-17.4%	\$ (24,148)
MANCHESTER WATER WORKS -	\$ 152,364	-17.4%	\$ (26,438)
MERRIMACK VILLAGE DISTRICT -	\$ 149,506	-17.4%	\$ (25,942)
TOTAL MILFORD WATER -	\$ 38,311	-17.4%	\$ (6,648)
			\$ (83,175)

Therefore:

\$ (83,175)

B. During 2016, the Company negotiated a new electricity supply charge rate (per kilowatt hour) effective November 1, 2016 for G and GV Accounts

The calculation of the pro forma adjustment is as follows:

Accounts Accounts	2015 KWH	Old Rate	New 2016 Rate	Change in Rate	Change in Electric Supply Costs
	8,766,365	0.07422	0.07403	(0.00019)	\$ (1,666)
					\$ (1,666)

Therefore:

\$ (1,666)

C. Adjustment to Electric supply charge associated with 5 Year Average Flows

	2015	% Change	Change in KWH	New 2016 KWH Rate	Change in Electric Supply Costs
Total KWH	8,766,365	-6.64%	(581,707)	0.07403	\$ (43,064)

\$ (43,064)

D. Effective January 1, 2016 the cost for chemicals at the water treatment plant changed:
The calculation of the pro form adjustment is as follows:

Chemical	2015 Unit Cost	2016 Unit Cost	Change in Chemical cost 2016 vs. 2015	Percentage Change in Price (2016 to 2015)	2015 WTP Chemical Costs	Proformed Change in WTP Chemical Costs based Unit Price Change
50% Caustic Soda pH adjust	\$ 0.2418	\$ 0.2375	\$ (0.0043)	-1.78%	\$ 231,224	\$ (4,112)
Ferric Chloride	\$ 0.2343	\$ 0.2317	\$ (0.0026)	-1.11%	\$ 240,705	\$ (2,671)
Polymer	\$ 1.6500	\$ 1.6500	\$ -	0.00%	\$ 18,707	\$ -
Sodium Hypochlorite	\$ 0.8000	\$ 0.7760	\$ (0.0240)	-3.00%	\$ 44,282	\$ (1,328)
Zinc Ortho-phosphate	\$ 0.6010	\$ 0.5880	\$ (0.0130)	-2.16%	\$ 57,146	\$ (1,236)
TKPP	\$ 1.3200	\$ 1.2600	\$ (0.0600)	-4.55%	\$ 31,489	\$ (1,431)
25% Caustic Soda	\$ 0.3892	\$ 0.3745	\$ (0.0147)	-3.78%	\$ 6,930	\$ (262)
Total Proformed Change in WTP Chemical Costs -						\$ (11,041)

Therefore:

\$ (11,041)

E. Adjustment to chemical costs associated with 5 Year Average Flows

	2015 WTP Proformed Chemical Costs	Percentage Change in WTP Pumpage (5 Yr Ave to 2015)	Proformed Change in WTP Chemical Costs based on 5 Yr Ave
Total 2015 Chemical Costs	\$ 619,443	-6.56%	\$ (40,620)

Therefore:

\$ (40,620)

TOTAL PRODUCTION EXPENSE PRO FORMA:

\$ 56,179 \$ (166,859)

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Distribution Account
For the Twelve Months Ended December 31, 2015

Schedule 1
Attachment B
Page 2

I Union Contract

- A. In 2015, the Company signed a two year contract with the United Steelworkers Union which called for a 2.5% increase 1/1/2016.
 To calculate the pro forma adjustments for production union payroll, the payroll data was extracted from the work order detail report for the year 2015. (See Schedule 1B)
Therefore:

Annualize impact of wage increase granted on 01/01/2016	\$	32,171	
	\$	32,171	
Total Distribution Union Salaries Pro Forma:	\$		32,171

II Salary

- A. During the test year and subsequent year, the Company experienced hirings, terminations and salary increases for production non-union personnel . The impact of the changes on base salaries are summarized below:

Department	Base Salaries		Proforma
	2016	2015 (1)	
Distribution	\$ 309,231	\$ 316,873	\$ (7,642)

- (1) Base Salaries exclude overtime, taxable fringe and other compensation items. Base Salary info can be found on Sch1 Attach C Pg 1A
 Distribution Non Union Salary Expense is shared with the affiliates via the Management Fee per Sch1 Attach C Pg 3

Total Distribution Non-Union Salaries Pro Forma:	\$	(7,642)	
TOTAL DISTRIBUTION EXPENSE PRO FORMA:	\$	24,529	

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Engineering Account
For the Twelve Months Ended December 31, 2015

Schedule 1
Attachment B
 Page 3

III Engineering Salaried

A. During the test year and subsequent year, the Company experienced hirings, terminations and salary increases for engineering non-union personnel. The impact of the changes on base salaries are summarized below:

Department	Base Salaries		Proforma
	2016	2015 (1)	
Engineering	\$ 957,731	\$ 912,827	\$ 44,904

(1) Base Salaries exclude overtime, taxable fringe and other compensation items. Base Salary info can be found on Sch1 Attach C Pg 3
 Engineering Salary Expense is shared with the affiliates via the Management Fee per Sch1, Attach C Pg 5

Therefore: **\$ 44,904**

Total Engineering Salaries Pro Forma: **\$ 44,904**

**Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Customer Account and Collection Expense
For the Twelve Months Ended December 31, 2015**

**Schedule 1
Attachment B
Page 4**

IV Customer Account and Collection

A. In 2016 the cost of bill and notice processing increased in accordance with the Company's contract with Curtis1000. These cost increases were partially offset by a decrease in postage. The following pro forma adjustment reflects the impact on costs as follows:

Activity	Quantity	2016 Rate	2015 Rate	Rate Change	Pro Forma
Bill Processing	291,551	\$ 0.072	\$ 0.042	\$ 0.030	\$ 8,747
Notice Processing	14,144	\$ 0.072	\$ 0.042	\$ 0.030	\$ 424
Total Bill Processing Increase					<u>\$ 9,171</u>
Bill Postage	291,551	\$ 0.465	\$ 0.485	\$ (0.020)	\$ (5,831)
Notice Postage	14,144	\$ 0.465	\$ 0.485	\$ (0.020)	\$ (283)
Total Postage Savings					<u>\$ (6,114)</u>
Total increase -					<u><u>\$ 3,057</u></u>

Therefore: \$ 3,057

Total Customer Account and Collection Pro Forma: \$ 3,057

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Administrative and General Account
For the Twelve Months Ended December 31, 2015

Schedule 1
Attachment C
Page 1

I Salary¹

A. During the test year and subsequent year, the Company experienced hirings, terminations and salary increases for administrative and general non-union personnel per Schedule 1, Attachment C, Page 2 is as follows:
The impact of the changes on base salaries are summarized below by department:

2016 Estimated Expense	\$	2,531,078	
2015 Actual Expense	\$	2,261,222	
Additional expense	\$	269,856	
Therefore:			\$ 269,856

I Benefit Allocation¹

A To reflect the benefits costs associated with the increase in payroll, summarized on Schedule 1B.

	Non-Union	Union	Total	
Payroll Pro Forma	\$ 334,912	\$ 50,533	\$ 385,445	
Benefits Pro Forma	51.53%	70.28%		
Benefits \$ Pro Forma	\$ 172,580	\$ 35,514	\$ 208,094	
Therefore:				\$ 208,094

II Regulatory Commission Expense

A In 2015, the Company recorded regulatory commission expense based on quarterly assessments. Based on the latest assessment, the Company expects to incur higher levels in 2016 as follows:
2015 Regulatory Expense

	\$	88,942	
	\$	25,520	
Estimated Annualized 2016 Assessment	\$	102,080	
Additional Projected 2016 Expense	\$	13,138	
Therefore:			\$ 13,138

III Pension Expense¹

A In 2016, the Company is expecting a increase in pension expenses and health retirement plans based on actuarial valuation. The pro forma adjustment to reflect the increased costs is as follows:

	Pension	Health Retirement	Total Pro Forma	
2016 Estimated Expense	\$ 1,298,856	\$ 185,640		
2015 Actual Expense	\$ 1,214,820	\$ (209,326)		
Additional Expense	\$ 84,036	\$ (23,686)		
Therefore:				\$ 60,350

IV Insurance

A In 2016, the Company is expecting a reduction in insurance expenses. The pro forma adjustment to reflect the decreased costs is as follows:

2016 Estimated Insurance Expense	\$	674,192	
2015 Actual Insurance Expense	\$	765,242	
Additional Insurance Expense	\$	(91,050)	
Therefore:			\$ (91,050)

V Early Retirement Health Expense¹

A In 2015, the Company had a one time write off of \$647,750 resulting in a reduction of the expense from \$0 per year (this is an employee funded benefit). The proforma adjustment eliminates this one time reduction in this operating expense

2016 Early Retirement Health Expense	\$	-	
2015 Early Retirement Health Expense	\$	(674,750)	
Additional Early Retirement Health Expense	\$	674,750	
Therefore:			\$ 674,750

VI Computer Maintenance Expenses¹

A In 2016, the Company will experience increased computer maintenance costs in the area of new software support annual fees. The pro forma adjustment to reflect the increased costs is as reflected in Sch1, Attach C, Pg 4

Incremental Annual Costs associated with increases in software fees and new software

\$ 66,582

Therefore:

\$ 66,582

VII Outside Services¹

A In the test year, the Company included costs in outside services (923) that are non-recurring and should be eliminated as follows:

Revenue and Customer Service Temp-Perm Employees

\$ (54,698)

Therefore:

\$ (54,698)

TOTAL ADMINISTRATIVE & GENERAL PRO FORMA:

\$ 1,147,022

1. Changes in Salary, Benefit, Pension, Early Retirement, Computer Maintenance and Outside Services expense are shared with the affiliate Companies through the management fee allocation per Sch1 Attach C, Pg 5

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
 Administrative and General Account
 For the Twelve Months Ended December 31, 2015

Schedule 1
 Attachment C
 Page 2

I Salary

A. During the test year and subsequent year, the Company experienced hirings, terminations and salary increases for administrative and general non-union personnel per Schedule 1, Attachment C, Page 3.
 The impact of the changes on base salaries are summarized below by department:

Department	Base Salaries		
	2016	2015 (1)	Proforma
OFFICERS SALARIES & WAGES	\$ 449,515	\$ 615,782	\$ (166,267)
SALARIES & WAGES: ACCOUNTING	\$ 617,718	\$ 543,185	\$ 74,533
WAGES: REVENUE & CUSTOMER OPER (2)	\$ 831,408	\$ 590,107	\$ 241,301
SALARIES & WAGES - ADMIN	\$ 176,687	\$ 167,596	\$ 9,091
SALARIES & WAGES: IS	\$ 455,750	\$ 344,552	\$ 111,198
Total Base Salaries	\$ 2,531,078	\$ 2,261,222	\$ 269,856

- (1) Base Salaries exclude overtime, taxable fringe and other compensation items. Base Salary info can be found on Sch1 Attach C Pg 3
 (2) During 2015 a substantial number of Revenue and Customer Service employees were temporary to Permanent employees whose payroll was carried in outside services. See Schedule 1, Attachment C, Page 1 (see VII) for a proforma reduction in the 2015 Outside Services expenses reflecting this transition from temporary to permanent employees.

Therefore:

\$ 269,856

Total Administrative Salaries Pro Forma:

\$ 269,856

**Pennichuck Water Works
Non Union Salary PRO FORMA
6/10/2016**

Schedule I
Attachment C
Page 3

Redacted per Motion for Protective Order at Tab 5

	Job Title	Date of Hire	Date of Separation	Annualized Salary between 1/1/15 and 3/31/15	Annualized Salary between 4/1/15 and 3/31/16	2015 Base Salary ¹	Annualized Salary as of 4/1/2016	
Officers:				\$ 50,482	\$ 62,717	\$ 59,658	\$ 66,312	
	Chief Executive Officer	1/25/2012	11/6/2015	\$ 197,500	\$ 197,500	\$ 182,325	\$ -	
				\$ 150,257	\$ 156,417	\$ 154,369	\$ -	
	Chief Executive Officer	11/7/2015	None	\$ -	\$ 190,000	\$ 31,667	\$ 190,000	
	Chief Operating Officer	4/17/1995	None	\$ 187,563	\$ 187,563	\$ 187,563	\$ 193,003	
	2015 Department Total -					\$ 615,782	\$ 449,515	\$ (166,267)
Administration:				\$ 99,181	\$ 111,777	\$ 108,628	\$ 115,577	
				\$ 57,720	\$ 59,384	\$ 58,968	\$ 61,110	
	2015 Department Total -					\$ 167,596	\$ 176,687	\$ 9,091
Information Systems:				\$ -	\$ -	\$ -	\$ 88,500	
				\$ 124,041	\$ 129,623	\$ 128,228	\$ 133,642	
				\$ 96,758	\$ 100,145	\$ 99,298	\$ 103,150	
				\$ 43,451	\$ 44,616	\$ 44,325	\$ -	
				\$ -	\$ -	\$ -	\$ 55,120	
				\$ 71,157	\$ 73,216	\$ 72,701	\$ 75,338	
	2015 Department Total -					\$ 344,552	\$ 455,750	\$ 111,198
Accounting:				\$ 45,032	\$ 46,509	\$ 46,140	\$ 49,430	
				\$ 57,470	\$ 59,113	\$ 58,702	\$ 60,819	
				\$ 67,980	\$ 70,019	\$ 69,509	\$ 72,190	
				\$ 41,475	\$ 42,682	\$ 42,380	\$ 43,826	
				\$ 68,000	\$ 68,986	\$ 68,740	\$ 68,986	
				\$ -	\$ -	\$ -	\$ 4,493	
				\$ 110,000	\$ 110,000	\$ 110,000	\$ 115,248	
				\$ -	\$ -	\$ -	\$ 55,000	
				\$ -	\$ 39,520	\$ 21,407	\$ 41,101	
				\$ 99,022	\$ 102,092	\$ 101,325	\$ 111,118	
				\$ -	\$ -	\$ 30,490	\$ -	
	2015 Department Total -					\$ 543,185	\$ 617,718	\$ 74,533
Revenue & Customer Ops:				\$ 34,008	\$ 34,923	\$ 34,694	\$ -	
				\$ -	\$ -	\$ -	\$ 81,120	
				\$ 42,494	\$ 44,346	\$ 43,883	\$ 45,718	
				\$ 21,247	\$ 32,379	\$ 29,521	\$ 33,056	
				\$ 96,646	\$ 100,222	\$ 99,328	\$ 103,529	
				\$ 42,494	\$ 44,824	\$ 44,242	\$ 48,859	
				\$ 55,058	\$ 57,034	\$ 56,540	\$ 59,030	
				\$ -	\$ 34,923	\$ 8,731	\$ 37,440	
				\$ 33,987	\$ 34,923	\$ 34,689	\$ -	
				\$ -	\$ -	\$ -	\$ 34,923	
				\$ 33,987	\$ 35,007	\$ 15,790	\$ -	
				\$ 68,000	\$ 68,000	\$ 32,536	\$ -	
				\$ -	\$ 34,923	\$ 26,192	\$ -	
				\$ 34,008	\$ 31,923	\$ 34,694	\$ 36,254	
				\$ 35,069	\$ 36,192	\$ 35,911	\$ 39,520	
				\$ 51,210	\$ 53,061	\$ 52,598	\$ 57,429	
				\$ 37,565	\$ 38,688	\$ 38,407	\$ 40,123	
				\$ -	\$ -	\$ -	\$ 34,923	
				\$ 36,171	\$ 37,336	\$ 37,045	\$ 38,605	
				\$ -	\$ -	\$ -	\$ 34,923	
				\$ -	\$ -	\$ -	\$ 34,923	
				\$ -	\$ -	\$ -	\$ 34,923	
	2015 Department Total -					\$ 590,107	\$ 831,408	\$ 241,301
Engineering:				\$ 117,904	\$ 122,030	\$ 120,999	\$ 127,936	
				\$ 44,574	\$ 46,157	\$ 45,761	\$ 46,738	
				\$ 80,340	\$ 83,634	\$ 82,811	\$ 86,143	
				\$ 67,600	\$ 70,304	\$ 69,628	\$ 72,405	
				\$ 80,000	\$ 82,736	\$ 82,052	\$ 86,045	
				\$ 72,779	\$ 75,150	\$ 74,357	\$ 77,189	
				\$ 50,700	\$ 53,215	\$ 52,586	\$ 61,198	
				\$ 63,336	\$ 65,041	\$ 64,615	\$ 67,059	
				\$ 52,270	\$ 53,830	\$ 53,440	\$ 55,453	
				\$ 34,008	\$ 34,923	\$ 34,694	\$ 36,358	
				\$ 47,133	\$ 53,643	\$ 52,016	\$ 55,307	
				\$ 99,675	\$ 102,366	\$ 101,693	\$ 104,925	
				\$ 76,050	\$ 78,617	\$ 77,975	\$ 80,975	
	2015 Department Total -					\$ 912,827	\$ 957,731	\$ 44,904
Water Supply:				\$ 69,959	\$ 71,635	\$ 71,216	\$ 73,674	
				\$ 119,975	\$ 124,774	\$ 123,374	\$ 131,141	
				\$ 73,986	\$ 75,982	\$ 75,483	\$ 77,958	
				\$ 66,477	\$ 68,869	\$ 68,271	\$ 71,282	
				\$ 80,047	\$ 82,849	\$ 82,149	\$ 85,500	
				\$ 48,672	\$ 50,669	\$ 50,170	\$ 52,686	
				\$ 86,976	\$ 90,624	\$ 89,712	\$ 92,565	
				\$ 42,349	\$ 43,451	\$ 43,176	\$ 44,075	
				\$ 60,112	\$ 62,275	\$ 61,734	\$ 64,397	
	2015 Department Total -					\$ 665,484	\$ 693,278	\$ 27,794
Distribution:				\$ 70,555	\$ 72,742	\$ 72,195	\$ -	
				\$ 72,170	\$ 74,335	\$ 73,794	\$ 76,640	
				\$ -	\$ -	\$ -	\$ 55,000	
				\$ 85,100	\$ 87,228	\$ 86,696	\$ 90,106	
				\$ 38,272	\$ 39,562	\$ 39,240	\$ 40,955	
				\$ 44,012	\$ 45,261	\$ 44,949	\$ 46,530	
	2015 Department Total -					\$ 316,873	\$ 309,231	\$ (7,642)
Company Non Union Salary Totals -				\$ 4,156,406	\$ 4,491,318	\$ 4,491,318	\$ 334,912	

1 Base year 2015 salary does not include benefits or fringes
2 The meter supervisor replaced the Asst Distribution Supervisor who transitioned to another position in the Company on 1/4/2016

Pennichuck Water Works
Admin and General Expense
Computer Maintenance PRO FORMA
For the Twelve Months Ended December 31, 2015

Schedule 1
Attachment C
Page 4

Description	2015 Expense	2016 Projected Expense	2016 Annualized Expense	PRO FORMA Expense	Comment
APC UPS	\$ -	\$ 919	\$ 919	\$ 919	New for 2016
ATL - SampleMaster	\$ 16,893	\$ 17,418	\$ 17,418	\$ 525	Contractural Annual Increase
BNA - Fixed Assets	\$ 6,446	\$ 1,074	\$ 1,074	\$ (5,372)	Decreasing user count from 6 to 1
C2C Archine One (Now owned by Baracuda)	\$ 1,588	\$ 1,823	\$ 1,823	\$ 235	Increase in user count
Ccleaner	\$ 2,300	\$ 1,647	\$ 1,647	\$ (653)	Decrease in annual cost due to new multiyear contract
Clicksoft with Mobility	\$ 29,205	\$ 29,790	\$ 29,790	\$ 585	2% increase annually
Exact Software	\$ 7,484	\$ 7,633	\$ 7,633	\$ 149	2% increase annually
HACH WIMS	\$ 3,287	\$ 3,345	\$ 3,345	\$ 58	2%-3% annually
DoForm Credits for North Country	\$ -	\$ 150	\$ 150	\$ 150	New for 2016
Geo-Nexus Sync - GIS	\$ -	\$ 2,600	\$ 7,800	\$ 7,800	New for 2016, \$650/mo for 4 months in 2016
Geo-Nexus Mobile Server - GIS	\$ -	\$ 1,668	\$ 5,004	\$ 5,004	New for 2016, \$417/mo for 4 months in 2016
Geo-Nexus Map Server - GIS	\$ -	\$ 2,919	\$ 5,004	\$ 5,004	New for 2016, \$417/mo for 7 months in 2016
Geo-Nexus Mobile Client - GIS	\$ -	\$ 834	\$ 5,004	\$ 5,004	New for 2016, \$417/mo for 2 months in 2016
Geo-Nexus Map Client - GIS	\$ -	\$ 125	\$ 750	\$ 750	New for 2016, \$62.5/mo for 2 months in 2016
Opex Falcon	\$ -	\$ 12,730	\$ 12,730	\$ 12,730	New for 2016
Maas360 by Fibertlink	\$ 2,352	\$ 4,032	\$ 4,032	\$ 1,680	New for 2015, \$336/mo for 7 months in 2015
MalWareBytes	\$ -	\$ 500	\$ 500	\$ 500	New for 2016
Munis - Utility Billing	\$ 55,195	\$ 57,955	\$ 57,955	\$ 2,760	Contractural Annual Increase
Munis - OSDBA	\$ 11,181	\$ 11,862	\$ 11,862	\$ 681	Contractural Annual Increase, added a device
Neptune	\$ 20,903	\$ 21,659	\$ 21,659	\$ 756	Contractural Annual Increase
Quest/Dell Enterprise Reporter	\$ 457	\$ 982	\$ 982	\$ 525	Software decommissioned, replaced w/New offering
Real Asset Management	\$ -	\$ 3,636	\$ 4,848	\$ 4,848	New for 2016, \$404/mo for 9 months in 2016
Sophos Anti-Virus	\$ 3,250	\$ 4,384	\$ 4,384	\$ 1,134	Change in Contract price and scope of service
SpectorSoft/Veriato	\$ -	\$ 675	\$ 675	\$ 675	New for 2016
Synergen/Oracle - Work Orders - CSI 2171536	\$ 35,229	\$ 36,285	\$ 36,285	\$ 1,056	Contractural Annual Increase
Synergen/Oracle - Work Orders - CSI 3182292 - Service Contract 4927799	\$ 1,056	\$ 1,088	\$ 1,088	\$ 32	Contractural Annual Increase
LanSweeper	\$ -	\$ 595	\$ 595	\$ 595	New for 2016
Trimble - 1 User License, Desktop - GIS	\$ -	\$ 1,200	\$ 1,200	\$ 1,200	New for 2016
Trimble - Operations - 8 Field units - GIS	\$ -	\$ 19,200	\$ 19,200	\$ 19,200	New for 2016 @ \$2,400 ea, License & Maintenance
Vmware - vCenter	\$ 1,250	\$ 1,499	\$ 1,499	\$ 249	Contractural Annual Increase
Veeam	\$ 2,197	\$ -	\$ -	\$ (2,197)	Retired
Totals -	\$ 200,273	\$ 250,227	\$ 266,855	\$ 66,582	

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Management Fee Account
For the Twelve Months Ended December 31, 2015

Schedule I
Attachment C
Page 5

I Management Fee Allocated to Affiliates (Rule 1601.01, Section 26)

A. Schedule 1B reflects the payroll pro forma adjustment. Per the management fee (1604.01 Section 26) the allocation to affiliates, including benefits, is as follows:

Non Union O&M Payroll Pro Forma	\$	334,912
Benefits Pro Forma	\$	208,094
Total Pro Forma	\$	<u>543,006</u>
% Allocated to Allocated to Affiliates	26.00%	\$ <u>141,158</u>

Therefore: **\$ (141,158)**

B. Under the current lease at Manchester Street, lease payments remained constant. The CAM charges increased in 2016. The following pro forma adjustment annualizes the current lease payments:

Annualized Fee at current rate	\$	305,974
2015 Lease Expense	\$	<u>268,812</u>
Increase in Lease Expense	\$	<u>37,162</u>
% Allocated to Allocated to Affiliates	26.00%	\$ <u>9,661</u>

Therefore: **\$ (9,661)**

C. In 2016, the Company is expecting an increase in pension expenses and health retirement plans based on actuarial valuation. The pro forma adjustment to reflect the increased costs is as follows:

	Health		Total Pro Forma
	Pension	Retirement	
2016 Estimated Expense	\$ 1,298,856	\$ 185,640	
2015 Actual Expense	\$ 1,214,820	\$ (209,326)	
Additional Expense	\$ 84,036	\$ (23,686)	
% Allocated to Allocated to Affiliates	26.00%	\$ 21,846	\$ (6,157) \$ 15,688

Therefore: **\$ (15,688)**

D. In 2016, the Company is expecting a reduction in insurance expenses. The pro forma adjustment to reflect the decreased costs is as follows:

2016 Estimated Insurance Expense	\$	674,192
2015 Actual Insurance Expense	\$	<u>765,242</u>
Additional Insurance Expense	\$	<u>(91,050)</u>
% Allocated to Affiliates	26.00%	\$ (23,669)

Therefore: **\$ 23,669**

E. In 2015, the Company had a one time write off of \$647,750 resulting in a reduction of the expense from \$0 per year (this is an employee funded benefit). The proforma adjustment eliminates this one time reduction in this operating expense is as follows:

2016 Early Retirement Health Expense	\$	-
2015 Early Retirement Health Expense	\$	<u>(674,750)</u>
Additional Early Retirement Health Expense	\$	<u>674,750</u>
% Allocated to Allocated to Affiliates	26.00%	\$ <u>175,406</u>

Therefore: **\$ (175,406)**

F. In 2016, the Company will experience increased computer maintenance costs in the area of new software support annual fees. The pro forma adjustment to reflect the increased costs is as reflected in Sch1, Attach C, Pg 4

Incremental Annual Costs associated with increases in software fees and new software	\$	<u>66,582</u>
% Allocated to Allocated to Affiliates	26.00%	\$ <u>17,308</u>

Therefore: **\$ (17,308)**

G. In the test year, the Company included costs in outside services (923) that are non-recurring and should be eliminated as follows:

Revenue and Customer Service Temp-Perm Employees	\$	<u>(54,698)</u>
% Allocated to Allocated to Affiliates	26.00%	\$ <u>(14,219)</u>

Therefore: **\$ 14,219**

TOTAL MANAGEMENT FEE PRO FORMA: **\$ (321,333)**

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Property and Other Taxes Account
For the Twelve Months Ended December 31, 2015

Schedule 1
Attachment D

I PROPERTY TAXES (Sch 1A, Pages 1-5)

A. To reflect a pro forma property tax adjustment for the net change in property taxes for all of the communities and the State of New Hampshire. Schedule 1A reflects the tax rate, taxes paid in the test year, the pro forma adjustments for increases in property taxes based on the tax year for each community, and the consolidated property tax adjustment.

Therefore: **\$ 137,418**

B. In 2015, the Company's taxable utility property increased. Schedule 1A, Attachment A reflects those plant items by the various communities. 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
Amherst	\$ 537,830	\$24.07	\$ 12,946
Bedford	20,024	20.21	405
Derry	110,034	26.62	2,929
Epping	-	-	-
Hollis	-	-	-
Merrimack	1,485,567	22.65	33,648
Milford	75,159	28.56	2,147
Nashua	5,441,036	24.53	133,469
Newmarket	-	-	-
Plaistow	10,195	21.67	221
Salem	-	-	-
Sub Total	\$ 7,679,845		\$ 185,765
State NHI	\$ 7,679,845	\$ 6.60	\$ 50,687
Total			\$ 236,452

Therefore: **\$ 236,452**

C. In 2015, the Company's taxable utility property decreased. Schedule 1A, Attachment B reflects those plant items by the various communities. The property tax for these items is included in the test year and are summarized on the schedule below.

City/Town	Taxable Property	Tax Rate per \$1,000	Total Prop Tax
Amherst	\$ 12,005	24.07	\$ 289
Bedford	13,944	20.21	282
Derry	61,703	26.62	1,643
Epping	487	23.59	11
Hollis	232	20.55	5
Merrimack	218,297	22.65	4,944
Milford	1,396	28.56	40
Nashua	1,145,285	24.53	28,094
Newmarket	-	-	-
Plaistow	771	21.67	17
Salem	141	21.39	3
Sub Total	\$ 1,454,260		\$ 35,328
State NHI	\$ 1,454,260	\$ 6.60	\$ 9,598
Total			\$ 44,926

Therefore: **\$ (44,926)**

TOTAL PROPERTY AND OTHER TAXES PRO FORMA: **\$ 328,944**

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Depreciation Account
For the Twelve Months Ended December 31, 2015

Schedule 1
Attachment E

I DEPRECIATION

<p>A. In 2015, the Company added depreciable assets and only 1/2 year depreciation expense was reflected in the test year. An additional 1/2 year depreciation expense is added per the following pro forma adjustment in order to reflect a full year depreciation expense in the test year. (See Schedule 3, Attachment A, Exhibit 1) Therefore:</p>	<p>\$ 234,166</p>									
<p>B. In 2015, the Company disposed of depreciable assets and the associated depreciation expense reflected in the test year is eliminated per the following pro forma adjustment. (Schedule 3, Attachment A, Exhibit 3) Therefore:</p>	<p>\$ (46,679)</p>									
<p>C. In Order 24,751(DW 06-073) dated May 25, 2007, the NHPUC approved a settlement agreement in which the settling parties agreed to a proforma adjustment for depreciation expense related to treatment of cost of removal (COR). In a subsequent letter, the settling parties agreed to continue to use the pro forma adjustment approach and modify the number as new information became available. The Company is reflecting the pro forma amount from the settlement agreement. Therefore:</p>	<p>\$ (69,701)</p>									
<p>D. In Order 25,292 (DW11-026) dated November 23, 2011, the NHPUC approved a settlement agreement in which the settling parties agreed to a proforma adjustment for depreciation expense related to certain amount of equity related assets. The Company is reflecting the proforma adjustment as follows:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <tr> <td style="padding-right: 20px;">Equity related assets as of 1/25/12</td> <td style="text-align: right;">48,875,050</td> <td></td> </tr> <tr> <td>Composite Depreciation Rate</td> <td style="text-align: right;">2.80%</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,368,501</td> <td style="text-align: right; vertical-align: bottom;">(1,368,501)</td> </tr> </table> <p>Therefore:</p>	Equity related assets as of 1/25/12	48,875,050		Composite Depreciation Rate	2.80%			1,368,501	(1,368,501)	<p>(1,368,501)</p>
Equity related assets as of 1/25/12	48,875,050									
Composite Depreciation Rate	2.80%									
	1,368,501	(1,368,501)								
<p>TOTAL DEPRECIATION EXPENSE PRO FORMA:</p>	<p><u>\$ (1,250,715)</u></p>									

Pennichuck Water Works Inc
PRO FORMA Adjustment Income or Expense
Amortization Account
For the Twelve Months Ended December 31, 2015

Schedule 1
Attachment F

I AMORTIZATION

A. In 2015, the Company began amortizing deferred charges.
The following is to reflect the full year impact
(See Schedule 2, Attachment D, page 1)

Therefore: \$ 12,078

B. In 2015, the Company completed amortizing certain deferred assets.
An adjustment is made to remove the related amortization expense
from the test year.
(See Schedule 2, Attachment D, page 1)

Therefore: \$ (36,799)

C. In 2016, certain accounts will be fully amortized. The following
pro forma adjustment reflects the 2016 amortization:
(Schedule F-28 Annual Report)

	<u>2015</u>	<u>12/31/15 Asset</u>	<u>Pro Forma</u>
	<u>Amortization</u>	<u>Balance</u>	<u>Adjustment</u>
Deferred Debits (F-28):			
RATE CASE EXPENSE: 2012	\$ 102,695	\$ 12,738	\$ 89,957
Watershed: BMP Retrofit Evaluation	\$ 847	\$ 71	\$ 776
OSHA Compliance	\$ 19,723	\$ 14,792	\$ 4,931
		Total	\$ 95,664

Therefore: \$ (95,664)

D. Per Order 25,292 in DW 11-026, the following pro forma adjustment
eliminates the amortization of the Municipal Acquisition Regulatory
Asset (MARA). Additionally, the MARA amortization was not tax
affected and is considered a permanent difference item between book
and taxable income. Therefore, on Schedule 1, Attachment G, the
elimination of the MARA amortization has no tax impact.

Therefore: \$ (1,735,394)

E. To reflect the amortization of the deferred credit related to the Rate
Stabilization Fund (RSF) (See Schedule 3, Attachment F)

Therefore: \$ (247,474)

TOTAL AMORTIZATION EXPENSE PRO FORMA: **\$ (2,103,253)**

Pennichuck Water Works, Inc.
Payroll Summary
PRO FORMA Adjustments
For the Twelve Months Ended December 31, 2015

Schedule 1B

	Twelve Months Ending 12/31/15	Union Pro Forma Jan 1, 2016 Wage Increase	Non Union Pro Forma Salary and Personnel Changes (1)	Total Proforma for Payroll	Total Proformed Twelve Months 12/31/15
Operations & Maintenance					
Production Salaried	\$ 554,092	\$ -	\$ 27,794	\$ 27,794	\$ 581,886
Production Union	734,473	18,362	-	18,362	752,834
Distribution/Meter Salaried	338,278	-	(7,642)	(7,642)	330,636
Engineering Salaried	1,012,323	-	44,904	44,904	1,057,228
Distribution/Meter Union	1,286,837	32,171	-	32,171	1,319,008
Admin & General Salaried	2,491,120	-	269,856	269,856	2,760,976
O&M Salaries & Wages	6,417,123	50,533	334,912	385,445	6,802,567
Construction					
Recurring	194,258	4,856	-	4,856	199,115
Non-recurring	149,014	3,725	-	3,725	152,740
Other Accounts:					
Jobbing - PWSCO	555,588	13,890	-	13,890	569,478
Jobbing - PAC	64,026	1,601	-	1,601	65,627
Jobbing - PEU	501,843	12,546	-	12,546	514,389
Jobbing - PWW	40,904	1,023	-	1,023	41,926
Total	\$ 7,922,757	\$ 88,174	\$ 334,912	\$ 423,085	\$ 8,345,842

2016 Union Contract
Wage Increase
2.50%

Notes:

- (1) The Company is reflecting the salary and personnel changes for 12 months to reflect the Company's full costs on a going forward basis per Sch 1 Attach C Pg 3.

PENNICHUCK WATER WORKS, INC.
Salaried Payroll
For The Twelve Months Ended
December 31, 2015

Schedule 1B Support

		Salaried Payroll for 12/31/2015
920100-001-2109	OFFICERS SALARIES & WAGES	594,916
660200-001-2107	SALARIES & WAGES - ENGINEERING	1,012,323
920000-001-2109	SALARIES & WAGES - ADMIN	175,446
920001-001-2109	WAGES: REVENUE & CUSTOMER OPER	645,044
920002-001-2109	SALARIES & WAGES: ACCOUNTING	593,347
920003-001-2109	SALARIES & WAGES: IS	357,022
920004-001-2109	SALARIES & WAGES: PWS	125,346
920005-001-2109	SALARIES & WAGES: PWS ADMIN	-
610200-001-2105	SUPERINTENDENCE - WTP	294,031
610300-001-2105	OFFICE SALARIES & WAGES: WTP	260,061
660000-001-2106	SUPERINTENDENCE: OPERATIONS	239,519
660300-001-2106	OFFICE SALARIES & WAGES: OPS	98,759
		4,395,813

Schedule 1B Support Union

	2015 Workorder Costs												Total
	PWW Capital	070 WTP Maintenance	080 OPS Maintenance	Fleet	PWW Jobbing	PWS Maintenance	PWS Jobbing	PAC Capital	PAC Maintenance	PEU Capital	PEU Maintenance		
Labor	99,166.28	734,472.50	1,232,332.82	54,503.96	40,903.72	488,746.95	66,841.05	6,077.26	64,026.31	43,770.89	601,843.39	3,332,685.13	
Contractor Clearing	29,997.46	-	311.56	175,931.33	44,868.26	15.96	564,361.30	1,176.98	-	7,462.96	-	814,025.79	
Inventory: Pipes & Fittings	50,810.28	137.91	45,271.45	-	81,195.36	217.54	20,488.46	2,450.81	1,602.32	14,491.06	19,528.85	236,193.64	
Inventory: Meters	184,044.38	-	21,437.21	-	274.84	-	9,383.52	7,341.06	544.39	72,364.77	6,957.12	302,347.20	
Inventory: Misc T&D	9,053.66	359.23	12,135.11	-	1,793.44	-	3,261.77	376.82	276.43	919.50	5,736.20	33,914.16	
Inventory: Chemicals	-	666,536.13	-	-	-	-	26,763.33	-	1,090.53	-	25,625.07	719,915.06	
Inventory: Fleet	-	-	10.89	1,200.34	-	-	-	-	-	-	-	1,211.23	
Inventory: Backup Gen Fuel	-	1,139.23	-	-	-	-	-	-	-	-	-	1,139.23	
Misc T&D Supplies	-	-	-	-	-	-	-	-	-	-	-	-	
Truck	37,890.76	71,940.64	204,807.61	1,852.59	16,580.63	158,972.78	24,873.13	2,019.00	9,527.36	16,265.17	167,715.49	712,435.16	
Backhoe	6,464.25	1,410.75	23,124.27	-	4,524.38	143.25	20,955.80	294.00	981.63	2,427.14	15,301.52	75,626.99	
Compressor	-	-	6,050.89	-	-	-	-	-	-	-	1,295.50	7,346.39	
Inspection Fees	-	-	-	-	97,672.00	-	1,200.00	-	-	-	-	98,872.00	
Overhead	9,008.38	-	-	-	52,004.88	-	-	463.62	-	3,544.09	-	65,020.97	
Labor Overhead	87,015.43	403,372.30	676,787.16	29,933.57	36,218.20	276,036.51	49,272.95	3,467.21	29,235.80	24,481.68	293,532.59	1,679,353.43	
Misc General Equipment	-	-	-	-	130.00	2,580.00	460.00	-	80.00	-	1,685.00	4,935.00	
Total Costs	483,450.88	1,879,368.69	2,222,278.99	283,321.79	376,166.71	926,712.99	777,861.31	23,656.54	107,366.77	185,717.26	1,039,120.53	8,285,021.47	
Total Costs w/o OH & CWIP	444,445.04	1,879,368.69	2,221,957.43	87,490.46	279,292.67	926,697.03	223,600.01	22,015.96	107,366.77	174,710.21	1,039,120.53	7,405,974.71	
% of Total	5.84%	22.68%	26.82%	3.18%	4.54%	11.19%	9.39%	0.28%	1.30%	2.24%	12.54%	100.00%	
% of Total w/o OH & CWIP	6.00%	25.38%	30.00%	1.18%	3.77%	12.51%	3.02%	0.30%	1.45%	2.36%	14.03%	100.00%	
Ovhd Allocable to Work Orders	2,031,525	118,544	460,830	544,914	64,568	92,238	227,234	190,735	5,801	26,327	45,539	254,797	2,031,527
Totals by Company:													
PWW	118,544	460,830	544,914	64,568	92,238							1,281,094	63.1%
PEU										45,539	254,797	300,336	14.8%
PAC								5,801	26,327			32,128	1.6%
PWS						227,234	190,735					417,969	20.6%
Total Overhead	118,544	460,830	544,914	64,568	92,238	227,234	190,735	5,801	26,327	45,539	254,797	2,031,527	100.0%
% Labor	2.98%	22.04%	36.98%	1.64%	1.23%	14.67%	2.01%	0.18%	1.92%	1.31%	15.06%	100.00%	

**070, 080 & Fleet Labor Overhead has been calculated per Charlie.

1.00

	Cap Labor	Labor Expense
Total Union Labor per Synergen	3,526,943	
Total Labor per Schedule Spec Projects	3,332,685	194,258
Union Labor Capitalized		
PWW Capital	99,166	
PAC Capital	6,077	
PEU Capital	43,771	(149,014)
Totals	343,273	3,183,671
Totals	343,273	3,526,943

Pennichuck Water Works, Inc.
Balance Sheet
Assets and Deferred Charges
For the Twelve Months Ended December 31, 2015

Schedule 2

Account Number	12/31/2015	13 Month Test Year Average	12/31/2014	12/31/2013	
<u>PLANT ASSETS</u>					
Plant in Service	301 to 348	185,720,845	181,719,810	179,434,201	172,641,985
Work in process	105	4,342,517	2,622,648	1,393,003	1,752,214
Utility Plant		190,063,362	184,342,458	180,827,204	174,394,199
Accumulated depreciation	108	48,328,099	47,702,725	46,015,735	42,687,140
Net Plant		141,735,263	136,639,733	134,811,469	131,707,059
Acquisition Adjustment, net	114 & 115	(372,716)	(386,229)	(399,742)	(426,767)
Net Utility Plant		141,362,547	136,253,504	134,411,727	131,280,292
<u>CURRENT ASSETS</u>					
Cash	131	25,474,451	25,564,984	45,841,516	5,568,819
Accounts receivable-billed, net	141 & 143	1,650,550	1,982,200	1,616,414	1,676,606
Accounts receivable-unbilled, net	173	1,713,913	1,899,866	1,635,389	1,579,350
Accounts receivable-other	142	(35,277)	(34,588)	(31,848)	(6,063)
Materials & Supplies	151	701,929	766,338	750,469	735,996
Prepaid expenses	162	523,737	521,973	431,946	431,171
Prepaid property taxes	163 & 236	846,204	118,542	786,452	812,765
Prepaid income taxes	162.3	-	-	-	-
		30,875,507	30,819,316	51,030,338	10,798,643
<u>OTHER ASSETS</u>					
Debt issuance expenses	181	4,562,389	4,440,214	4,439,485	3,474,262
	180,182,183,184 &				
Other & Def Charges	186	81,109,504	81,844,467	82,927,752	81,256,532
		85,671,893	86,284,681	87,367,237	84,730,793
TOTAL ASSETS		\$ 257,909,947	\$ 253,357,501	\$ 272,809,302	\$ 226,809,728

Pennichuck Water Works, Inc.
Balance Sheet
Equity and Liabilities
For the Twelve Months Ended December 31, 2015

Schedule 2A

	Account Number	12/31/2015	13 Month Test Year Average	12/31/2014	12/31/2013
STOCKHOLDERS' EQUITY					
Common stock	201	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Paid in capital	211	122,792,758	123,450,874	125,644,596	124,070,662
Retained earnings	215 & 438	1,782,661	1,368,055	2,139,009	1,535,203
		<u>124,605,419</u>	<u>124,848,929</u>	<u>127,813,605</u>	<u>125,635,866</u>
LONG TERM DEBT					
Bonds, notes and mortgages	221	82,068,100	79,476,519	97,294,846	49,736,169
Current portion of long term debt	221	1,702,556	752,567	851,863	839,000
Intercompany advances	223	(16,620,944)	(15,383,931)	(16,753,043)	(5,502,812)
		<u>67,149,712</u>	<u>64,845,155</u>	<u>81,393,666</u>	<u>45,072,357</u>
CURRENT LIABILITIES					
Accounts payable	231	801,123	784,021	692,276	596,078
Accrued taxes	236	1,079	(1,952)	4,171	6,452
Accrued interest	237	1,290,437	777,839	663,432	556,503
Other accrued expenses	241	4,217,212	4,479,999	4,333,287	4,070,042
Customer deposits & other	235	143,148	153,001	178,282	108,954
		<u>6,452,999</u>	<u>6,192,907</u>	<u>5,871,449</u>	<u>5,338,030</u>
OTHER LIABILITIES AND DEFERRED CREDITS					
Deferred income taxes	282	20,503,566	19,648,150	19,532,502	18,574,875
Unamortized ITC	255	569,706	586,224	602,742	635,778
Deferred Tax liability & Other	253 & 283	267,994	273,462	270,359	246,109
Customer advances	252	84,000	84,000	84,000	84,000
CLAC, net	271 & 272	26,747,551	26,666,573	26,892,453	25,539,086
Accrued Pension liability	241	8,285,918	7,925,263	8,017,005	5,256,919
Unamortized Premium on Debt	251	3,243,081	2,286,838	2,331,521	426,710
		<u>59,701,817</u>	<u>57,470,510</u>	<u>57,730,583</u>	<u>50,763,476</u>
TOTAL EQUITY AND LIABILITIES		\$ 257,909,947	\$ 253,357,501	\$ 272,809,302	\$ 226,809,728

Account Number	Description	12/31/2015	13 Month Test Year Average	12/31/2014	12/31/2013	
180440-001-2000	VEBA TRUST - UNION	448,051	632,781	672,890	647,859	2186-440-001
180445-001-2000	VEBA TRUST - NON-UNION	170,489	276,481	288,966	285,143	2186-445-001
241305-001-2000	EARLY RETIREE LIABILITY-HEALTH	-	(158,678)	(106,714)	(430,388)	2241-305-001
241315-001-2000	POST-45 HEALTH LIABILITY	(2,860,844)	(2,853,801)	(2,869,183)	(2,840,234)	2241-315-001
Accrued post retirement benefits		(2,241,430)	(2,065,217)	(2,016,041)	(1,857,435)	
253001-001-2000	DEFERRED RENT LIABILITY	-	-	-	-	2253-001-001
253002-001-2000	DEFERENT CR-HECOP III FTUP ALC	-	-	-	-	2253-002-001
253005-001-2000	OTHER DEFERRED CREDITS	(31,885)	(614,635)	(24,250)	-	
253100-001-2000	DEFERRED GAIN-ARMORY ARRA	-	(10,671,021)	-	-	
253101-001-2000	DEFERRED GAIN-ASHLEY CMNS ARRA	-	-	-	-	
241306-001-2000	ACC LIAB: SUP EXEC RETIRE PLAN	(612,038)	(614,655)	(634,256)	(703,028)	2241-306-001
Other long term liabilities		(634,823)	(11,900,331)	(658,506)	(703,028)	

ACCOUNT #	DESCRIPTION	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average	End-15		
180440-001-2000	VEBA TRUST UNION	672,890.22	672,890.22	672,890.22	672,890.22	672,890.22	672,890.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	647,859.42	2186-440-001
180445-001-2000	VEBA TRUST NON-UNION	288,966.24	288,966.24	288,966.24	288,966.24	288,966.24	288,966.24	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	285,143.14	2186-445-001
241305-001-2000	ACCURD LIAB: MEMOR SHORT TRM	(8,017,805.00)	(7,934,281.00)	(7,934,281.00)	(8,064,501.00)	(7,820,787.00)	(7,886,985.00)	(7,953,181.00)	(7,870,477.00)	(7,912,673.00)	(7,871,669.00)	(7,943,805.00)	(7,869,261.00)	(7,905,261.00)	(7,856,261.00)	(7,856,261.00)	(8,286,119.00)	2241-305-001
241304-001-2000	EARLY RETIREE LIAB-HEALTH ST	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(22,214.00)	(26,561.00)	2241-204-001
241305-001-2000	EARLY RETIREE LIABILITY-HEALTH	(168,714.00)	(169,203.50)	(169,873.00)	(170,452.00)	(171,032.00)	(171,611.50)	(172,191.00)	(172,770.50)	(173,350.00)	(173,930.50)	(174,510.00)	(175,089.50)	(175,669.00)	(176,248.50)	(176,828.00)	(180,228.00)	2241-305-001
241306-001-2000	ACC LIAB: SUP EXEC RETIRE PLAN	(612,038.00)	(621,145.21)	(631,242.00)	(641,338.80)	(651,435.60)	(661,532.40)	(671,629.20)	(681,726.00)	(691,822.80)	(701,919.60)	(712,016.40)	(722,113.20)	(732,210.00)	(742,306.80)	(752,403.60)	(762,500.40)	2241-306-001
241315-001-2000	POST-45 HEALTH LIABILITY	(2,860,844.00)	(2,817,252.50)	(2,825,266.00)	(2,833,279.50)	(2,841,293.00)	(2,849,306.50)	(2,857,320.00)	(2,865,333.50)	(2,873,347.00)	(2,881,360.50)	(2,889,374.00)	(2,897,387.50)	(2,905,401.00)	(2,913,414.50)	(2,921,428.00)	(2,929,441.50)	2241-315-001
253001-001-2000	DEFERRED RENT LIABILITY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2253-001-001
253002-001-2000	DEFERENT CR-HECOP III FTUP ALC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2253-002-001
253005-001-2000	OTHER DEFERRED CREDITS	(31,885.00)	(22,750.00)	(22,750.00)	(22,750.00)	(26,743.00)	(35,200.00)	(33,655.00)	(32,110.00)	(30,565.00)	(29,020.00)	(27,475.00)	(25,930.00)	(24,385.00)	(22,840.00)	(21,295.00)	(19,750.00)	2253-005-001
253100-001-2000	DEFERRED GAIN-ARMORY ARRA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2253-100-001
253101-001-2000	DEFERRED GAIN-ASHLEY CMNS ARRA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2253-101-001
Balance Sheet		11,075,652	11,509,218	11,577,528	11,649,048	11,720,356	11,791,664	11,862,972	11,934,280	12,005,588	12,076,896	12,148,204	12,219,512	12,290,820	12,362,128	12,433,436	12,504,744	
Variances		926,846	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	926,842	
180440-001-2000	VEBA TRUST UNION	672,890.22	672,890.22	672,890.22	672,890.22	672,890.22	672,890.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	666,946.22	647,859.42	2186-440-001
180445-001-2000	VEBA TRUST NON-UNION	288,966.24	288,966.24	288,966.24	288,966.24	288,966.24	288,966.24	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	281,661.81	285,143.14	2186-445-001
		0.00	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(22,244.00)	(18,823.00)	

Pennichuck Water Works, Inc.
Accumulated Depreciation
For the Twelve Months Ended December 31, 2015

Schedule 2
Attachment A

Account Classification	Asset Account Number	12/31/2015	12/31/2014
Structures	301	\$ 14,788,806	\$ 13,829,858
Pumping and Distribution Equipment	304 to 310	9,041,608	8,415,316
Transmission and Distribution Mains	311 to 320	20,767,920	19,577,807
Services	331	5,274,402	4,983,235
Meters	333	2,388,382	2,227,290
Hydrants	334	1,570,721	1,489,381
Intangible Plant	335	180,739	170,876
Other Equipment	339 to 348	<u>7,013,706</u>	<u>6,309,774</u>
TOTAL		<u>\$ 61,026,283</u>	<u>\$ 57,003,539</u>
Accumulated Depreciation - Loss		\$ (5,748,113)	\$ (5,052,921)
Accumulated Depreciation - Cost of Removal		\$ (3,771,631)	\$ (3,109,603)
Theoretical Depreciation Reserve		<u>\$ (3,178,440)</u>	<u>\$ (2,825,280)</u>
GRAND TOTAL		<u>\$ 48,328,099</u>	<u>\$ 46,015,735</u>

Pennichuck Water Works, Inc.
Material and Supplies
For the Twelve Months Ended December 31, 2015

Schedule 2B

	12/31/2015	13 Month Average	12/31/2014	12/31/2013
INVENTORY: PIPES & FITTINGS	397,135	456,442	469,754	428,666
INVENTORY: NEW METERS	137,682	128,823	95,484	127,283
INVENTORY: MISC T & D	14,813	12,128	11,691	15,057
INVENTORY: WTP SPARE PARTS	-	-	-	-
INVENTORY: WTP CHEMICALS	116,184	126,740	131,894	131,753
INVENTORY: FLEET/VEHICLES	3,579	3,728	3,800	3,312
INVENTORY: BACKUP GENERAT FUEL	20,553	19,585	17,407	17,440
INV: CUSTOMER HANDBOOK/FOLDER	-	-	-	-
INV: CUSTOMER BROCHURE/INSERTS	2,516	2,840	3,100	3,632
INVENTORY: BILLING & ACCTING	9,467	16,052	17,338	8,852
	701,929	766,338	750,469	735,996

Pennichuck Water Works, Inc
 Materials and Supply (Inventory)
 For The Thirteen Months Ended December 31, 2015

Schedule 2B Support

ACCOUNT #	DESCRIPTION	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average	Dec-15	
151100-001-2000	INVENTORY: PIPES & FITTINGS	469,754.25	467,928.06	467,154.84	458,403.67	463,101.03	464,726.94	485,261.57	473,177.22	459,034.26	464,333.62	461,992.99	397,682.87	397,134.53	456,442	428,865	2151-100-001
151101-001-2000	INVENTORY: NEW METERS	95,483.72	75,541.70	132,221.00	124,729.24	144,483.16	124,501.50	156,246.88	131,593.02	151,970.54	138,691.79	144,872.50	135,083.31	137,682.37	139,833	127,283	2151-101-001
151150-001-2000	INVENTORY: MISC T & D	11,661.32	13,429.27	13,208.69	12,247.12	12,353.98	10,490.70	13,022.06	15,488.46	7,907.31	9,913.43	7,938.69	15,154.62	14,812.87	12,128	15,057	2151-150-001
151200-001-2000	INVENTORY: WTP SPARE PARTS																2151-200-001
151201-001-2000	INVENTORY: WTP CHEMICALS	131,824.68	144,862.54	141,723.71	124,323.08	119,079.88	89,025.22	145,152.50	137,268.44	122,675.94	101,177.91	147,627.79	134,549.33	116,194.21	130,740	131,753	2151-201-001
151250-001-2000	INVENTORY: FLEET/VEHICLES	3,799.86	3,781.13	3,835.80	3,834.71	3,796.85	3,666.24	3,681.16	3,674.91	3,654.33	3,687.80	3,769.14	3,719.21	3,576.53	3,728	3,512	2151-250-001
151300-001-2000	INVENTORY: BACKUP GENERAT FUEL	17,407.42	17,407.42	17,407.42	17,407.42	20,553.00	20,553.00	20,553.00	20,553.00	20,553.00	20,553.00	20,553.00	20,553.00	20,553.00	19,585	17,440	2151-300-001
151600-001-2000	INV: CUSTOMER HANDBOOK/ FOLDER																2151-600-001
151615-001-2000	INV: CUSTOMER BROCHURE/INSERTS	3,170.48	3,073.22	3,050.27	3,010.03	2,580.46	2,912.49	2,859.27	2,792.93	2,721.43	2,658.85	2,658.85	2,365.69	2,515.58	2,846	3,632	2151-615-001
151625-001-2000	INVENTORY: CUST CONSERVATION																2151-625-001
151650-001-2000	INVENTORY: BILLING & ACCTING	17,338.07	17,192.26	22,607.33	23,629.76	18,512.27	15,833.99	12,056.20	7,366.78	6,250.29	14,019.32	15,729.90	14,328.03	9,467.17	16,052	8,883	2151-650-001
151700-001-2000	INVENTORY: POCKET HOLDERS																2151-700-001
151725-001-2000	INVENTORY: EDUCATIONAL SUPPLIES																2151-725-001
151730-001-2000	INVENTORY: CCRS																2151-730-001
		750,469	744,316	801,619	767,584	787,253	731,800	836,633	786,315	764,776	755,016	811,143	723,635	701,929	766,334	735,990	
Balance Sheet		750,469	744,316	801,619	767,584	787,253	731,800	836,633	786,315	764,776	755,016	811,143	723,635	701,929	766,334	735,990	
Variance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Pennichuck Water Works, Inc.
Deferred Charges and Other Assets
For the Twelve Months Ended December 31, 2015

Schedule 2
Attachment C

Account #	Description	12/31/2015	12/31/2014	12/31/2013	
186100-001-2000	ACQUISITION PREMIUM - MARA	72,000,524	73,735,918	75,450,818	(2) 2186-100-001
186126-001-2000	MAST ROAD RAILROAD CROSSING	3,093	3,976	4,860	2186-126-001
186150-001-2000	BOND DEFEASANCE PREMIUM	25,140	34,872	44,603	2186-150-001
186242-001-2000	RATE CASE EXPENSE: 2012	12,738	114,281	70,926	2186-242-001
186245-001-2000	DEFERRED ASSET - SERP	645,261	649,226	624,595	2186-245-001
186275-001-2000	2007 CELL TOWER LEASE SALF	-	-	(23,950)	2186-275-001
186300-001-2000	HI-LO WELL #4 REDEVELOP 2010	14,848	15,878	16,908	2186-300-001
186420-001-2000	WATERSHED STUDY	(402)	(402)	(313)	2186-420-001
186425-001-2000	NRPC - MUTUAL AID STUDY	2,522	4,413	6,305	2186-425-001
186430-001-2000	CATCH BASIN MARKING 2004	-	-	529	2186-430-001
186440-001-2000	VEBA TRUST - UNION	448,931	672,890	647,859	2186-440-001
186445-001-2000	VEBA TRUST - NON-UNION	170,489	288,966	285,143	2186-445-001
186450-001-2000	PENNICHUCK BROOK WATERSHED STY	10,875	17,090	23,304	2186-450-001
186455-001-2000	HARRIS POND BATHYMETRIC SURVEY	29,816	34,855	39,895	(3) 2186-455-001
186475-001-2000	UPPER MERRIMACK WTRSHED STUDY	25,850	32,450	39,050	2186-475-001
186480-001-2000	FACILIT STUDY:NASHUA/MERRIMACK	2,871	3,667	4,464	2186-480-001
186485-001-2000	WATERSHED MONITOR-SEDIMENT DEP	28,359	32,459	36,559	(4) 2186-485-001
186500-001-2000	WATERSHED:BMP RETROFIT EVAL	71	918	1,765	2186-500-001
186510-001-2000	WATERSHED RESTORATION PLAN	50,172	57,456	62,447	(5) 2186-510-001
186550-001-2000	OSHA COMPLIANCE	14,792	34,515	54,239	2186-550-001
186680-001-2000	WEB-SITE UPGRADE 2011	2,786	5,572	8,358	2186-680-001
186860-001-2000	MSDC EXP - BEDFORD/POWDER HILL	304,997	332,235	359,474	2186-860-001
186950-001-2000	DEFERRED ASSET: PENSION	6,657,662	6,667,669	3,815,045	(1) 2186-950-001
186955-001-2000	DEFERRED ASSET:POST 65 HEALTH	237,033	298,737	(6,363)	(1) 2186-955-001
186960-001-2000	DEF ASSET:EARLY RETIRE HEALTH	-	(483,792)	(466,835)	(1) 2186-960-001
	TOTAL 186	80,688,428	82,553,849	81,099,684	
183001-001-2000	GROSS-UP TO REG ASSET AFUDC	-	-	-	2183-001-001
183100-001-2000	PRELIM SURVEY/INVESTIGATE CHRG	2,954	17,592	17,592	2183-100-001
184100-001-2000	CLEARING ACCOUNT	27,791	4,523	1,596	2184-100-001
	Total Other	30,745	22,115	19,188	
	Total Deferred Charges & Other Assets	81,109,504	82,927,752	81,256,532	

Notes:

- (1) The Company adopted SFAS 158 and recorded underfunded pension and postretirement obligations with offsets to deferred charges. The account activity reflects the changes in the unfunded benefit obligation and updated actuarial valuation.
- (2) Order 25,292 (DW 11-026) approved the establishment and amortization of the regulatory asset known as the MARA for the Company. MARA is treated as an Equity-Related Item that is removed for the traditional ratemaking process and is subject to recovery only through the CBFRR.
- (3) Represents costs to determine the volume of useable storage and thereby, manage the water supply through either wet or dry conditions.
- (4) Represents costs to establish locations and methods to accurately measure the build up of sediments in the ponds associated with Pennichuck Brook.
- (5) Represents costs associated with updating the 2007 Pennichuck Brook Watershed Plan to reflect local and State regulations changes.

Pennichuck Water Works, Inc.
Contributions In Aid of Construction
For the Twelve Months Ended December, 2011-2015

Schedule 2C

	2011	2012	2013	2014	2015
271200-001-2000 CONTRIBUTIONS IN AID OF CONST	24,129,447	25,211,562	26,883,224	28,825,721	29,285,884
271201-001-2000 CIAC: BON TERRAIN	959,061	959,061	959,061	959,061	959,061
271202-001-2000 CIAC: TAYLOR FALLS BOOSTER STA	150,000	150,000	150,000	150,000	150,000
271205-001-2000 CIAC: TOWN OF AMHERST	43,000	43,000	43,000	43,000	43,000
271210-001-2000 CIAC: MAST ROAD	8,500	8,500	8,500	8,500	8,500
271220-001-2000 CIAC: LITTLE POND MAINS	148,435	148,435	148,435	148,435	148,435
271225-001-2000 CIAC: PWDRHILL/DUNLAP WDS TANK	40,000	55,080	55,080	55,080	55,080
271230-001-2000 CIAC: URBAN RUNOFF	62,600	62,600	62,600	62,600	62,600
271240-001-2000 CIAC-NEW SERVICES:ENGLISH WOOD	7,611	7,611	7,611	7,611	7,611
271250-001-2000 CIAC: SAFE WATER DRINKING ACT	55,366	55,366	55,366	55,366	55,366
271260-001-2000 CIAC: AUTUMN WOODS BOOSTER STA	82,592	82,592	82,592	82,592	82,592
271270-001-2000 CIAC: CHERRY LANE WELL	35,000	35,000	35,000	35,000	35,000
271275-001-2000 CIAC: MANCHESTER INTERCONNECT	422,612	422,612	422,612	422,612	422,612
271310-001-2000 CIAC - MAPLEWOOD	205,875	209,243	214,040	217,829	233,827
271320-001-2000 CIAC - LAUREL WOODS	229,843	234,607	238,180	242,349	242,349
271400-001-2000 CONTR IN AID OF CONST-DEV INST	2,348,456	2,348,456	2,348,456	2,348,456	2,348,456
271550-001-2000 CIAC: AUTUMN WOODS	189,755	189,755	189,755	189,755	189,755
TOTAL CIAC	29,118,152	30,223,478	31,903,510	33,853,965	34,330,126
272101-001-2000 RESERVE FOR AMORT' OF CIAC:PWV	(5,277,744)	(5,806,396)	(6,364,424)	(6,961,512)	(7,582,575)
TOTAL RESERVE FOR AMORT OF CIAC	(5,277,744)	(5,806,396)	(6,364,424)	(6,961,512)	(7,582,575)
 TOTAL OF CIAC & RESERVE FOR CIAC	 23,840,408	 24,417,083	 25,539,086	 26,892,453	 26,747,551

Pennichuck Water Works, Inc.
Computation of Rate Base
For The Thirteen Months Ended December 31, 2015

Schedule 3

Description	Test Year Average (Sch 3B)	Pro Forma Adjustments Permanent Rates	Pro Forma Test Year	PRO FORMA ADJUSTMENTS for 2016 Step Increase	PRO FORMA 2016 Step Increase for Capital Additions	PRO FORMA Adjustments Based on Five Year Ave (12)	PRO FORMA 12 MONTHS 12/31/15 BASED ON FIVE YEAR AVE - PERM	PRO FORMA 12 MONTHS 12/31/15 BASED ON FIVE YEAR AVE - Step	Pro Forma Adjustments from Post Acquisition to Pre Acquisition Ownership	Pro Forma Pre Acquisition Ownership for 2016 Step Increase
Plant in Service	181,719,810	(45,219,165) (1)	136,500,645	19,733,892 (11)	156,234,538	-	136,500,645	156,234,538	-48,875,050 (8)	205,109,588
Accum Deprec	59,173,271	234,166 (2)	59,407,437	-	59,407,437	-	59,407,437	59,407,437	-	59,407,437
Accum Deprec: Loss	5,149,441	-	5,149,441	-	5,149,441	-	5,149,441	5,149,441	-	5,149,441
Accum Deprec: COR	3,319,246	-	3,319,246	-	3,319,246	-	3,319,246	3,319,246	-	3,319,246
Theoretical Reserve	3,001,860	-	3,001,860	-	3,001,860	-	3,001,860	3,001,860	-	3,001,860
Acquisition Adjustment	844,905	-	844,905	-	844,905	-	844,905	844,905	-	844,905
Accum Amort Acq Adj	458,676	-	458,676	-	458,676	-	458,676	458,676	-	458,676
CIAC	33,936,232	-	33,936,232	-	33,936,232	-	33,936,232	33,936,232	-	33,936,232
Amort of CIAC	7,269,659	-	7,269,659	-	7,269,659	-	7,269,659	7,269,659	-	7,269,659
	<u>106,964,284</u>	<u>(45,453,331)</u>	<u>61,510,953</u>	<u>19,733,892</u>	<u>81,244,846</u>	<u>-</u>	<u>61,510,953</u>	<u>81,244,846</u>	<u>-48,875,050</u>	<u>130,119,896</u>
ADD:										
Rate Stabilization Fund	5,363,435	(376,389) (7)	4,987,046	-	4,987,046	-	4,987,046	4,987,046	(4,987,046) (9)	-
Working Cap	1,438,250	117,672 (3)	1,555,922	-	1,555,922	(20,574) (3)	1,535,348	1,535,348	174,941 (3)	1,730,863
Materials & Supplies	766,338	-	766,338	-	766,338	-	766,338	766,338	-	766,338
Prepaid Expenses	521,973	-	521,973	-	521,973	-	521,973	521,973	-	521,973
Prepaid Property Taxes	118,542	-	118,542	-	118,542	-	118,542	118,542	-	118,542
Prepaid Income Taxes	-	-	-	-	-	-	-	-	-	-
Other & Deferred Charges	81,844,467	(72,881,037) (4)	8,963,430	-	8,963,430	-	8,963,430	8,963,430	7,957,232 (12)	16,920,662
	<u>90,053,005</u>	<u>(73,139,754)</u>	<u>16,913,251</u>	<u>-</u>	<u>16,913,251</u>	<u>(20,574)</u>	<u>16,892,677</u>	<u>16,892,677</u>	<u>3,145,127</u>	<u>20,058,378</u>
DEDUCT:										
Customer Advances	84,000	-	84,000	-	84,000	-	84,000	84,000	-	84,000
Customer deposits & other	153,001	-	153,001	-	153,001	-	153,001	153,001	-	153,001
Deferred Income Tax	19,648,150	-	19,648,150	-	19,648,150	-	19,648,150	19,648,150	-	19,648,150
Deferred Tax Liability	246,109	-	246,109	-	246,109	-	246,109	246,109	-	246,109
Unamort ITC	586,224	-	586,224	-	586,224	-	586,224	586,224	-	586,224
Deferred Credits	27,353	1,336,715 (6)	1,364,068	-	1,364,068	-	1,364,068	1,364,068	(494,949) (10)	869,119
Unfunded FAS 106 and 158 Costs	-	2,152,272 (5)	2,152,272	-	2,152,272	-	2,152,272	2,152,272	-	2,152,272
	<u>20,744,837</u>	<u>3,488,987</u>	<u>24,233,824</u>	<u>-</u>	<u>24,233,824</u>	<u>-</u>	<u>24,233,824</u>	<u>24,233,824</u>	<u>(494,949)</u>	<u>23,738,875</u>
TOTAL Rate Base	176,272,452	(122,062,072)	54,190,380	19,733,892	73,924,272	(20,574)	54,169,806	73,903,698	52,515,126	126,439,398

Notes:

- (1) adjust test year average to year end for for assets added and eliminate equity related assets per Schedule 3, Attachment A
- (2) adjust for the additional accumulated depreciation proforma for plant additions/retirements per Schedule 3, Attachment C
- (3) reflect impact of the expense proforma adjustments on working capital per Schedule 3, Attachment D
- (4) adjust for additions/deletions and adjustments to deferred charges and elimination of MARA per Schedule 3, Attachment B
- (5) adjust test year average for unfunded FAS 106 and 158 Costs per Schedule 3, Attachment E
- (6) adjust for the surplus Rate Stabilization Fund (RSF) and debt principal forgiveness per Schedule 3, Attachment F
- (7) adjust for the true up of the Rate Stabilization Fund (RSF) per Schedule 3, Attachment B
- (8) increase rate base by equity related assets detailed in Schedule 3 Attachment A
- (9) eliminate Rate Stabilization Fund from rate base
- (10) eliminate deferred credit for Rate Stabilization Fund per schedule 3, Attachment F
- (11) increase in Plant in Service per Sch3 - STEP Additions

Pennichuck Water Works, Inc
PRO FORMA Adjustments to Rate Base
Plant in Service
For the Twelve Months Ended December 31, 2015

Schedule 3
Attachment A

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 pro forma adjustment reflects the difference between the total cost of the assets and the portion reflected in the thirteen month average.

Therefore: \$ 4,879,748

B Schedule 3, Attachment A, Exhibit 4, details retirements to plant in service that were completed within the test year. All of these plant retirements are considered non-revenue producing in nature.

These non revenue producing capital retirements were calculated as part of the thirteen month average of plant in service for the test year. The pro forma adjustment reflects the difference between the total cost of the assets retired and the portion reflected in the thirteen month average.

Therefore: \$ (1,223,863)

C. Per Order 25.292 in DW 11-026, eliminate the equity related assets as of 1/25/12. The amounts can be found in Schedule 3(b) page 2 of 6 of the Pennichuck Corporation's 90 day filing dated 4/13/12 and detailed as follows:

Paid in Capital	\$ 39,011,140
Retained Earnings	\$ 9,863,910
Total Equity 1/25/12	\$ 48,875,050

Therefore: \$ (48,875,050)

TOTAL PRO FORMA PLANT IN SERVICE **\$ (45,219,165)**

D. Preacquisition Company recovery of Eminent Domain Costs	\$ 8,841,369
Less Year 1 Amortization costs -	\$ (884,137)
Therefore:	\$ 7,957,232

Pennichuck Water Works, Inc.
PFO FORMA Adjustments to Rate Base
Deferred Debits and Rate Stabilization Fund
For the Twelve Months Ended December 31, 2015

Schedule 3
Attachment B

I DEFERRED DEBITS

A. To reflect amortization expense for deferred charges placed in service during 2016 and not reflected in the test year.
(See Schedule 2, Attachment D, Pg. 1)
Therefore:

\$ (12,078)

B. Per Order 25.292 in DW 11-026, the following pro forma adjustment eliminates the Municipal Acquisition Regulatory Asset (MARA) from rate based calculated on the 13 month average.
(See Schedule 3B - By Account Name)
Therefore:

\$ (72,868,959)

TOTAL PRO FORMA UNAMORTIZED DEFERRED ASSETS:

\$ (72,881,037)

II RATE STABILIZATION FUND

A. The Rate Stabilization Fund (RSF) is calculated on a thirteen month average. The pro forma adjustment reflects the difference between the initial RSF and the portion reflected in the thirteen month average, less any affiliated loans outstanding as follows:

Adjusted Rate Stabilization Fund Balance (Schedule 3, Attachment F)	\$ 5,729,469
Less: Pro Forma Reduction to Deferred Credits (Sch 3, Attachment F)	<u>\$ 729,469</u>
Initial Rate Stabilization Fund	\$ 5,000,000
Less; PAC Loan	<u>\$ 12,954</u>
Pro Forma Rate Stabilization Fund	\$ 4,987,046
Rate Stabilization Fund 13 month average (Schedule 3B - By Account Name)	<u>\$ 5,363,435</u>
	<u>\$ (376,389)</u>

Therefore:

\$ (376,389)

TOTAL PRO FORMA RATE STABILIZATION FUND:

\$ (376,389)

Pennichuck Water Works, Inc.
PRO FORMA Adjustments to Rate Base
Accumulated Depreciation
For the Twelve Months Ended December 31, 2015

Schedule 3
Attachment C

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: **\$ 234,166**

TOTAL ACCUMULATED DEPRECIATION PRO FORMA: **\$ 234,166**

Pennichuck Water Works, Inc.
PRO FORMA Adjustment to Rate Base
Working Capital
For the Twelve Months Ended December 31, 2015

Schedule 3
Attachment D

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 DW 08-073 case.) Total pro forma operation and maintenance expenses (Schedule 1) for the test year are as follows:
Therefore:

	Total O & M Expenses	Working Capital Rate			
	\$ 954,358	12.33%		\$ 117,672	
5 Year Average -	\$ (166,859)	12.33%		\$ (20,574)	
Preacquisition to Post Acquisition -	\$ 1,418,828	12.33%			\$ 174,941

TOTAL PRO FORMA WORKING CAPITAL:

\$ 117,672 \$ (20,574) \$ 174,941

Pennichuck Water Works, Inc.
PRO FORMA Adjustment to Rate Base
Unfunded FAS 106 and 158 Costs

Schedule 3
Attachment E

I UNFUNDED FAS 106 and 158 COSTS

A. A pro forma adjustment for unfunded FAS 106 costs is calculated to comply with Commission Order 20,806 in DA 92-199 as follows: In 2012, the allocation of the unfunded portion to affiliates was accomplished through the management fee return on assets allocation.

Unfunded FAS 106 Costs (Schedule 3C)		\$ 2,083,217
After Tax Amount	60.39%	\$ <u>1,258,055</u>

Therefore:

\$ 1,258,055

B. In 2006, the Company adopted FAS 158 that requires the recognition of the overfunded or underfunded status for defined benefit and other post retirement plans. In accordance with the guidance provided by FAS 71, the Company records the appropriate deferred asset or liability which otherwise would be recognized as Other Comprehensive Income. Following the criteria for unfunded FAS 106 costs, noted in I A, a pro forma adjustment would be calculated for the unfunded costs. However, in 2015, per Schedule 3C, there are no unfunded costs.

Unfunded FAS 158 Costs (Schedule 3C)		\$ 1,480,738
After Tax Amount	60.39%	\$ <u>894,218</u>

Therefore:

\$ 894,218

TOTAL PRO FORMA UNFUNDED FAS 106 AND 158 COSTS:

\$ 2,152,272

Pennichuck Water Works, Inc.
PRO FORMA Adjustments To Rate Base
Deferred Credits
For the Twelve Months Ended December, 2015

Schedule 3
Attachment F

I DEFERRED CREDITS

A. In accordance with Exhibit C to the Settlement Agreement in DW 11-026, at the time of each rate filing, the Rate Stabilization Fund (RSF) will be subject to replenishment or reduction to an amount equal to the Initial RSF amount less the amount of any then outstanding loans to affiliated companies, PEU and PAC. The replenishment or reduction amount will be reflected in rates through a deferred debit or credit amortized over 3 years. The pro forma adjustment to reflect the deferred credit is as follows:

Rate Stabilization Fund Balance	12/31/2015		\$	5,729,469	
Initial Rate Stabilization Fund			\$	5,000,000	
Reduction			\$	729,469	
Add Back:					
PAC Loan as of 12/31/2015			\$	12,954	
Deferred Credit			\$	742,423	
Amortization	3 years		\$	(247,474)	
Net Deferred Credit			\$	494,949	
Therefore:					\$ 494,949

B. In 2015, the Company determined that the treatment of the principal forgiveness of ARRA loans should be treated as long term debt as the total amount of the ARRA loans are repayable in the event of default. For GAAP purposes, the forgivable portion of the ARRA loans amounts were established in separate term debt accounts. In an associated company's (PEU) docket DW 07-032, the NHPUC determined that the unamortized principal forgiveness should reduce rate base. As a result the Company is proposing the following pro forma adjustment, based on a 13 month average to establish the unamortized principal forgiveness as a deferred credit per Schedule 3B - By Account Name as follows:

LTD SRF	Ashley Commons		\$	166,632	
LTD SRF	French Hill		\$	519,456	
LTD SRF	Armory - South Nashua		\$	116,109	
LTD SRF	Glenn Ridge		\$	39,569	
	Total Forgivable Debt		\$	841,766	
Therefore:					\$ 841,766

TOTAL PRO FORMA DEFERRED CREDIT:

\$ 1,336,715

Pennichuck Water Works, Inc.
Computation of Working Capital (O&M) Allowance
For The Thirteen Months Ended December 31, 2015

Schedule 3A

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average
Production Expenses	339,427	321,858	333,328	325,899	303,483	364,160	454,890	447,083	468,467	467,644	357,774	343,407	327,450	373,451
Transmission & Distribution Expenses	213,420	169,041	150,758	114,596	214,530	85,638	116,076	139,718	130,587	219,405	203,598	122,956	191,574	159,377
Engineering Expense	89,698	77,480	78,190	85,531	84,895	93,212	107,342	104,859	88,425	95,515	92,482	79,145	78,571	88,873
Customer Acct & Collection Exp	36,154	28,345	40,755	36,664	36,548	43,367	37,861	42,024	31,612	41,747	27,437	46,408	51,170	38,469
Administrative & General Expense	259,726	528,189	514,964	561,347	514,256	545,883	554,069	537,370	481,710	530,686	530,704	601,144	206,300	489,719
Inter Div Management Fee	(191,177)	(317,388)	(177,641)	(197,385)	(192,999)	(170,263)	(191,488)	(179,229)	(141,340)	(176,947)	(10,846)	(179,406)	(185,741)	(177,835)
Total Operating Expense	747,248	807,524	940,353	926,652	960,713	961,996	1,078,750	1,091,824	1,059,460	1,178,049	1,201,148	1,013,655	669,324	972,054
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	92,136	99,568	115,946	114,256	118,456	118,614	133,010	134,622	130,631	145,253	148,102	124,984	82,528	119,854
Annualized	1,105,628	1,194,812	1,391,347	1,371,074	1,421,472	1,423,370	1,596,118	1,615,463	1,567,578	1,743,042	1,777,218	1,499,804	990,331	1,438,250

Pennichuck Water Works, Inc.
Computation of Thirteen Month Average Balance
For The Thirteen Months Ended December 31, 2015

Schedule 3B
By Account Name

Description	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average
Plant in Service	179,434,201	179,632,251	179,734,173	179,861,673	179,980,356	180,161,088	180,881,999	181,123,291	182,059,058	183,169,460	184,530,790	186,068,340	185,720,845	181,719,810
Accum Deprec	57,003,539	57,379,123	57,754,368	58,099,473	58,474,007	58,851,640	59,174,561	59,554,489	59,936,513	60,173,175	60,695,681	61,129,668	61,026,283	59,173,271
Accum Deprec: Loss	5,052,921	5,052,421	5,052,386	5,066,906	5,066,906	5,062,482	5,073,818	5,073,818	5,072,792	5,206,722	5,206,722	5,206,722	5,748,113	5,149,441
Accum Deprec: COR	3,109,603	3,126,332	3,136,988	3,143,555	3,150,312	3,161,011	3,230,205	3,259,074	3,323,568	3,402,712	3,617,590	3,717,611	3,771,631	3,319,246
Theoretical Reserve	2,825,280	2,854,710	2,884,140	2,913,570	2,943,000	2,972,430	3,001,860	3,031,290	3,060,720	3,090,150	3,119,580	3,149,010	3,178,440	3,001,860
Acquisition Adjustment	844,905	844,905	844,905	844,905	844,905	844,905	844,905	844,905	844,905	844,905	844,905	844,905	844,905	844,905
Accum Amort Acq Adj	445,164	447,416	449,668	451,920	454,172	456,424	458,676	460,929	463,181	465,433	467,685	469,937	472,189	458,676
CIAC	33,853,965	33,865,912	33,870,483	33,873,199	33,720,160	33,738,392	33,747,638	33,795,944	33,933,028	34,059,049	34,093,062	34,290,056	34,330,126	33,936,232
Reserve of CIAC Amort	6,961,512	7,013,028	7,064,538	7,116,052	7,165,046	7,216,487	7,267,948	7,319,474	7,371,241	7,423,358	7,475,610	7,528,695	7,582,575	7,269,659
Rate Stabilization Fund	5,263,282	5,162,222	5,069,945	5,031,134	4,976,462	4,976,128	5,352,690	5,437,634	5,553,801	5,911,534	5,727,469	5,532,887	5,729,469	5,363,435
C&M Allowance	1,105,628	1,194,812	1,391,347	1,371,074	1,421,472	1,423,370	1,596,118	1,615,463	1,567,578	1,743,042	1,777,218	1,499,804	990,331	1,438,250
Materials & Supplies	750,469	744,216	801,619	767,584	787,263	731,800	836,633	786,315	764,776	755,016	811,143	723,635	701,929	766,338
Prepaid expenses	431,946	380,756	469,596	301,648	367,613	521,515	636,738	678,736	629,673	673,623	642,496	527,576	523,737	521,973
Prepaid Property Taxes	786,452	456,316	126,180	(203,956)	(322,187)	(644,384)	762,509	440,354	118,199		(350,113)	(474,525)	846,204	118,542
Prepaid Income Taxes														
Other & Def Charges	82,927,752	82,749,373	82,563,990	82,370,493	82,170,421	81,984,864	81,784,706	81,599,232	81,413,854	81,258,681	81,102,495	80,942,709	81,109,504	81,844,467
Cust Advance	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Customer deposits & other	178,282	173,365	167,443	155,276	164,170	141,182	138,624	143,760	139,098	152,368	159,401	132,891	143,148	153,001
Deferred Income Tax	19,532,502	19,532,502	19,532,502	19,532,502	19,532,502	19,532,502	19,532,502	19,532,502	19,532,502	19,532,502	19,532,502	20,064,860	20,503,566	19,648,150
Deferred Tax Liability	246,109	246,109	246,109	246,109	246,109	246,109	246,109	246,109	246,109	246,109	246,109	246,109	246,109	246,109
Unamortized ITC	602,742	599,989	597,236	594,483	591,730	588,977	586,224	583,471	580,718	577,965	575,212	572,459	569,706	586,224
Deferred Rental Credits	24,250	22,750	22,750	22,750	36,745	35,200	33,655	32,110	30,565	29,020	22,725	21,180	21,885	27,353
	176,723,915	176,065,198	175,624,774	174,738,955	174,466,508	173,960,308	176,495,682	176,008,320	176,071,003	177,400,638	177,875,088	177,506,272	178,605,240	176,272,452
MARA														
MARA	73,735,918	73,592,900	73,448,139	73,303,377	73,158,616	73,013,854	72,869,093	72,724,331	72,579,570	72,434,809	72,290,046	72,145,285	72,000,524	72,868,959
Total MARA	73,735,918	73,592,900	73,448,139	73,303,377	73,158,616	73,013,854	72,869,093	72,724,331	72,579,570	72,434,809	72,290,046	72,145,285	72,000,524	72,868,959
Ashley Commons	(172,280)	(171,339)	(170,397)	(169,456)	(168,515)	(167,573)	(166,631)	(165,690)	(164,749)	(163,808)	(162,866)	(161,925)	(160,983)	(166,632)
French Hill	(535,774)	(533,054)	(530,335)	(527,615)	(524,895)	(522,176)	(519,456)	(516,736)	(514,017)	(511,297)	(508,577)	(505,857)	(503,138)	(519,456)
Armory - South Nashua	(119,874)	(119,247)	(118,619)	(117,991)	(117,364)	(116,736)	(116,109)	(115,481)	(114,853)	(114,226)	(113,598)	(112,970)	(112,343)	(116,109)
Glenn Ridge	(40,799)	(40,594)	(40,389)	(40,184)	(39,979)	(39,774)	(39,569)	(39,364)	(39,159)	(38,954)	(38,749)	(38,544)	(38,339)	(39,569)
Total Forgivable Debt	(868,727)	(864,234)	(859,740)	(855,246)	(850,753)	(846,259)	(841,765)	(837,271)	(832,778)	(828,285)	(823,790)	(819,296)	(814,803)	(841,766)

Pennichuck Water Works, Inc.
Computation of Thirteen Month Average Balance
For The Thirteen Months Ended December 31, 2015

Schedule 3C

Description	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Average
Unfunded FAS 106 Costs:														
EARLY RETIREE LIABILITY-HEALTH	(168,714)	(169,294)	(169,873)	(170,453)	(171,032)	(171,612)	(172,191)	(172,771)	(173,350)	(173,930)	(174,509)	(175,089)		(158,678)
POST-65 HEALTH LIABILITY	(2,809,183)	(2,817,225)	(2,825,266)	(2,833,315)	(2,841,431)	(2,849,509)	(2,857,654)	(2,865,956)	(2,873,883)	(2,881,587)	(2,888,184)	(2,895,371)	(2,860,844)	(2,853,801)
VEBA TRUST - UNION	672,890	672,890	672,890	672,890	672,890	672,890	666,646	666,646	666,646	666,646	666,646	666,646	448,931	652,781
VEBA TRUST - NON-UNION	<u>288,966</u>	<u>288,966</u>	<u>288,966</u>	<u>288,966</u>	<u>288,966</u>	<u>288,966</u>	<u>281,662</u>	<u>281,662</u>	<u>281,662</u>	<u>281,662</u>	<u>281,662</u>	<u>281,662</u>	<u>170,489</u>	<u>276,481</u>
Unfunded FAS 106 Costs:	<u>(2,016,041)</u>	<u>(2,024,663)</u>	<u>(2,033,283)</u>	<u>(2,041,912)</u>	<u>(2,050,607)</u>	<u>(2,059,265)</u>	<u>(2,068,537)</u>	<u>(2,090,419)</u>	<u>(2,098,925)</u>	<u>(2,107,309)</u>	<u>(2,114,385)</u>	<u>(2,122,152)</u>	<u>(2,241,424)</u>	<u>(2,083,217)</u>
Unfunded FAS 158 Costs:														
DEFERRED ASSET: PENSION	6,067,669	6,643,293	6,618,917	6,594,542	6,570,166	6,545,790	6,521,414	6,497,038	6,472,662	6,448,287	6,423,911	6,399,535	6,657,662	6,543,145
DEFERRED ASSET: POST 65 HEALTH	298,737	297,959	297,180	296,402	295,623	294,845	294,066	293,288	292,510	291,731	290,953	290,174	237,033	290,039
DEF ASSET: EARLY RETIRE HEALTH	(483,792)	(476,386)	(468,981)	(461,575)	(454,170)	(446,764)	(439,359)	(431,953)	(424,547)	(417,142)	(409,736)	(402,331)		(408,980)
DEFERRED ASSET - SERP	649,226	649,226	649,226	648,127	648,127	648,127	647,003	647,003	647,003	676,911	676,911	689,454	645,261	655,508
ACCURED LIAB PENSION-SHORT TRM														
ACCURED LIABILITY: PENSION	(8,017,005)	(7,872,201)	(7,938,397)	(8,004,593)	(7,820,789)	(7,886,985)	(7,953,181)	(7,879,477)	(7,945,673)	(7,871,869)	(7,743,065)	(7,809,261)	(8,285,918)	(7,925,263)
EARLY RETIREE LIAB-HEALTH - ST	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)	(22,244)		(20,533)
POST-65 HEALTH LIABILITY - ST														
ACC LIAB: SUP EXEC RETIRE PLAN	<u>(634,256)</u>	<u>(627,749)</u>	<u>(621,242)</u>	<u>(638,857)</u>	<u>(632,359)</u>	<u>(625,865)</u>	<u>(616,134)</u>	<u>(609,640)</u>	<u>(603,146)</u>	<u>(595,936)</u>	<u>(589,441)</u>	<u>(582,947)</u>	<u>(612,938)</u>	<u>(614,655)</u>
Unfunded FAS 158 Costs:	<u>(1,541,665)</u>	<u>(1,408,102)</u>	<u>(1,485,541)</u>	<u>(1,588,198)</u>	<u>(1,415,646)</u>	<u>(1,493,096)</u>	<u>(1,568,435)</u>	<u>(1,505,985)</u>	<u>(1,583,435)</u>	<u>(1,490,262)</u>	<u>(1,372,711)</u>	<u>(1,437,620)</u>	<u>(1,358,900)</u>	<u>(1,480,738)</u>