

Pennichuck East Utility, Inc.  
Summary of Cost of Service

Required from Rates & Charges	Total		Water Sales		Fire Protection		Customer	
	Cost of Service	Allocation	Percent	Amount	Percent	Amount	Percent	Amount
Operation & Maintenance	\$ 5,833,508	Total O&M	74.1%	\$ 4,319,796	4.8%	\$ 280,879	21.1%	\$ 1,232,833
Amortization	52,281	Depreciation	68.0%	35,537	14.1%	7,397	17.9%	9,347
Taxes - Federal & State	23,882	Composite Allocation	71.1%	16,987	10.3%	2,470	18.5%	4,425
Taxes - Property	1,132,107	Plant in Service	66.7%	754,850	18.8%	212,700	14.5%	164,558
Material Operating Expense Factor (MOEF)	279,293	Total O&M	74.1%	206,821	4.8%	13,448	21.1%	59,025
Debt Service Revenue Requirement	1,918,617	Plant in Service	66.7%	1,279,267	18.8%	360,469	14.5%	278,881
City Bond Fixed Revenue Requirement	926,309	Plant in Service	66.7%	617,631	18.8%	174,035	14.5%	134,644
Less Other Revenues	(30,188)	Composite Allocation	71.1%	(21,472)	10.3%	(3,122)	18.5%	(5,594)
<b>Total: Required from Rates &amp; Charges</b>	<b>\$ 10,135,809</b>	Composite Allocation	71.1%	<b>\$ 7,209,416</b>	10.3%	<b>\$ 1,048,275</b>	18.5%	<b>\$ 1,878,119</b>

**Pennichuck East Utility, Inc.**  
**Allocation of O&M Expenses**

Source of Supply Expenses	Pro-Forma	Allocation	Percent	Water Sales		Fire Protection		Customer	
				Amount	Percent	Amount	Percent	Amount	
<b><u>Operation</u></b>									
Operation Supervision and Engineering	\$ -	Average Day Demand	99.5%	\$ -	0.5%	\$ -	0.0%	\$ -	-
Operation Labor and Expenses	45,186	Average Day Demand	99.5%	44,960	0.5%	226	0.0%	-	-
Purchased Water	1,094,877	Average Day Demand	99.5%	1,089,403	0.5%	5,474	0.0%	-	-
Miscellaneous Expenses	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Rents	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Subtotal: Operation	\$ 1,140,063			\$ 1,134,363		\$ 5,700		\$ -	
<b><u>Maintenance</u></b>									
Maintenance Supervision & Engineering	\$ -	Average Day Demand	99.5%	\$ -	0.5%	\$ -	0.0%	\$ -	-
Maintenance of Supply Mains	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Maintenance of Miscellaneous Water Source Plant	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Subtotal: Maintenance	\$ -			\$ -		\$ -		\$ -	
<b>Total: Source of Supply Expenses</b>	\$ 1,140,063			\$ 1,134,363		\$ 5,700		\$ -	
<b><u>Pumping Expenses</u></b>									
<b><u>Operation</u></b>									
Operation Supervision and Engineering	\$ -	Average Day Demand	99.5%	\$ -	0.5%	\$ -	0.0%	\$ -	-
Fuel for Power Production	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Fuel or Power Purchased for Production	337,595	Average Day Demand	99.5%	335,907	0.5%	1,688	0.0%	-	-
Pumping Labor and Expenses	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Miscellaneous Expenses	15,383	Average Day Demand	99.5%	15,306	0.5%	77	0.0%	-	-
Rents	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Subtotal: Operation	\$ 352,978			\$ 351,213		\$ 1,765		\$ -	
<b><u>Maintenance</u></b>									
Maintenance Supervision and Engineering	\$ -	Average Day Demand	99.5%	\$ -	0.5%	\$ -	0.0%	\$ -	-
Maintenance of Structures and Improvements	11,812	Average Day Demand	99.5%	11,753	0.5%	59	0.0%	-	-
Maintenance of Power Production Equipment	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-	-
Maintenance of Pumping Equipment	683,819	Average Day Demand	99.5%	680,400	0.5%	3,419	0.0%	-	-
Subtotal: Maintenance	\$ 695,631			\$ 692,153		\$ 3,478		\$ -	
<b>Total: Pumping Expenses</b>	\$ 1,048,609			\$ 1,043,366		\$ 5,243		\$ -	

**Pennichuck East Utility, Inc.**  
**Allocation of O&M Expenses**

	Pro-Forma	Allocation	Water Sales		Fire Protection		Customer	
			Percent	Amount	Percent	Amount	Percent	Amount
<b>Water Treatment Expenses</b>								
<u>Operation</u>								
Operation Supervision and Engineering	\$ -	Average Day Demand	99.5%	\$ -	0.5%	\$ -	0.0%	\$ -
Chemicals	87,745	Average Day Demand	99.5%	87,306	0.5%	439	0.0%	-
Operation Labor and Expenses	51,051	Average Day Demand	99.5%	50,796	0.5%	255	0.0%	-
Miscellaneous Expenses	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-
Subtotal: Operation	\$ 138,796			\$ 138,102		\$ 694		\$ -
<u>Maintenance</u>								
Maintenance of Water Treatment Equipment	\$ 21,856	Average Day Demand	99.5%	\$ 21,747	0.5%	\$ 109	0.0%	\$ -
Subtotal: Maintenance	\$ 21,856			\$ 21,747		\$ 109		\$ -
<b>Total: Water Treatment Expenses</b>	\$ 160,652			\$ 159,849		\$ 803		\$ -
<b>Transmission and Distribution Expenses</b>								
<u>Operation</u>								
Operation Supervision and Engineering	\$ -	Trans. & Distr.	8.1%	\$ -	19.9%	\$ -	72.0%	\$ -
Transmission and Distribution Lines Expenses	-	Max Day plus Fire	63.3%	-	36.7%	-	0.0%	-
Meter Expenses	163,377	Customer Service	0.0%	-	0.0%	-	100.0%	163,377
Customer Installation Expense	7,706	Customer Service	0.0%	-	0.0%	-	100.0%	7,706
Miscellaneous Expenses	-	Trans. & Distr.	8.1%	-	19.9%	-	72.0%	-
Rents	-	Max Day plus Fire	63.3%	-	36.7%	-	0.0%	-
Subtotal: Operation	\$ 171,083			\$ -		\$ -		\$ 171,083
<u>Maintenance</u>								
Maintenance Supervision and Engineering	\$ -	Trans. & Distr.	8.1%	\$ -	19.9%	\$ -	72.0%	\$ -
Maintenance of Structures and Improvements	-	Trans. & Distr.	8.1%	-	19.9%	-	72.0%	-
Maintenance of Dist. Reservoirs & Standpipes	-	Storage	72.1%	-	27.9%	-	0.0%	-
Maintenance of Trans. & Distribution Mains	79,034	Max Day plus Fire	63.3%	50,009	36.7%	29,025	0.0%	-
Maintenance of Fire Mains	-	Hydrants	0.5%	-	99.5%	-	0.0%	-
Maintenance of Services	264,299	Customer Service	0.0%	-	0.0%	-	100.0%	264,299
Maintenance of Meters	10,595	Customer Service	0.0%	-	0.0%	-	100.0%	10,595
Maintenance of Hydrants	94,774	Hydrants	0.5%	474	99.5%	94,300	0.0%	-
Maintenance of Miscellaneous Plant	56,642	Trans. & Distr.	8.1%	4,614	19.9%	11,271	72.0%	40,758
Subtotal: Maintenance	\$ 505,344			\$ 55,096		\$ 134,596		\$ 315,652
<b>Total: Transmission &amp; Distribution Expenses</b>	\$ 676,427	Trans. & Distr.	8.1%	\$ 55,096	19.9%	\$ 134,596	72.0%	\$ 486,735

**Pennichuck East Utility, Inc.**  
**Allocation of O&M Expenses**

	Pro-Forma	Allocation	Water Sales		Fire Protection		Customer	
			Percent	Amount	Percent	Amount	Percent	Amount
<b>Customer Accounts Expenses</b>								
<u>Operation</u>								
Supervision	\$ -	Customer Service	0.0%	\$ -	0.0%	\$ -	100.0%	\$ -
Meter Reading Salaries	58,102	Customer Service	0.0%	-	0.0%	-	100.0%	58,102
Customer Records & Coll. Expenses-Labor	115,781	Customer Service	0.0%	-	0.0%	-	100.0%	115,781
Uncollectible Accounts	25,101	Customer Service	0.0%	-	0.0%	-	100.0%	25,101
Miscellaneous Customer Account Expense	-	Customer Service	0.0%	-	0.0%	-	100.0%	-
Subtotal: Operation	\$ 198,984			\$ -		\$ -		\$ 198,984
<b>Total: Customer Accounts Expenses</b>	\$ 198,984			\$ -		\$ -		\$ 198,984
<b>Administrative and General Expenses</b>								
<u>Operation</u>								
Administrative and General Salaries	\$ -	Total O&M	74.2%	\$ -	4.5%	\$ -	21.3%	\$ -
Office Supplies and Other Expenses	7,298	Total O&M	74.2%	5,415	4.5%	331	21.3%	1,552
Administrative Expenses Transferred	-	Total O&M	74.2%	-	4.5%	-	21.3%	-
Outside Services Employed	18,316	Total O&M	74.2%	13,590	4.5%	831	21.3%	3,895
Property Insurance	113,306	Plant In Service	66.7%	75,549	18.8%	21,288	14.5%	16,470
Injuries and Damages	-	Total O&M	74.2%	-	4.5%	-	21.3%	-
Employee Pension and Benefits	-	Total O&M	74.2%	-	4.5%	-	21.3%	-
Regulatory Commission Expenses	35,170	Total O&M	74.2%	26,095	4.5%	1,596	21.3%	7,479
Miscellaneous General Expenses	2,434,683	Total O&M	74.2%	1,806,474	4.5%	110,489	21.3%	517,719
Rents	-	Total O&M	74.2%	-	4.5%	-	21.3%	-
Subtotal: Operation	\$ 2,608,773			\$ 1,927,123		\$ 134,536		\$ 547,114
<u>Maintenance</u>								
Maintenance of General Plant	\$ -	Total O&M	74.2%	\$ -	4.5%	\$ -	21.3%	\$ -
Subtotal: Maintenance	\$ -			\$ -		\$ -		\$ -
Total Administrative and General Expenses	\$ 2,608,773			\$ 1,927,123		\$ 134,536		\$ 547,114
<b>Total Operation and Maintenance Expenses</b>	\$ 5,833,508	<b>Total O&amp;M</b>	<b>74.1%</b>	\$ 4,319,796	<b>4.8%</b>	\$ 280,879	<b>21.1%</b>	\$ 1,232,833



Pennichuck East Utility, Inc.  
Allocation of Depreciation

		Pro-Forma	Allocation	Water Sales		Fire Protection		Customer	
				Percent	Amount	Percent	Amount	Percent	Amount
<b>Depreciation</b>									
Organization	1%	\$ 15,284	Customer Service	0.0%	\$ -	0.0%	\$ -	100.0%	\$ 15,284
Franchise	0%	3,494	Customer Service	0.0%	-	0.0%	-	100.0%	3,494
S & I: Supply & Pumping	12%	192,328	Average Day Demand	99.5%	191,366	0.5%	962	0.0%	-
Collecting & Impounding Reserv.	0%	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-
Lake, River & Other Intake	0%	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-
Wells & Springs	6%	91,764	Average Day Demand	99.5%	91,305	0.5%	459	0.0%	-
Infiltration Galleries & Tunnels	0%	-	Average Day Demand	99.5%	-	0.5%	-	0.0%	-
Supply Mains	1%	8,618	Average Day Demand	99.5%	8,575	0.5%	43	0.0%	-
Power Generation Equipment	3%	39,459	Average Day Demand	99.5%	39,262	0.5%	197	0.0%	-
Pumping Equipment	6%	91,864	Average Day Demand	99.5%	91,405	0.5%	459	0.0%	-
Water Treatment Equipment	5%	81,771	Average Day Demand	99.5%	81,362	0.5%	409	0.0%	-
Distribution Reserv. & Standpipes	2%	37,614	Storage	72.1%	27,120	27.9%	10,494	0.0%	-
T&D Mains Providing Fire Protection	31%	483,720	Max Day plus Fire	63.3%	306,072	36.7%	177,648	0.0%	-
T&D Mains Not Providing Fire Protection	12%	190,569	Average Day Demand	99.5%	189,617	0.5%	953	0.0%	-
Services	11%	165,428	Customer Service	0.0%	-	0.0%	-	100.0%	165,428
Meters & Meter Installation	6%	85,713	Customer Service	0.0%	-	0.0%	-	100.0%	85,713
Hydrants	1%	22,095	Hydrants	0.5%	110	99.5%	21,985	0.0%	-
Other Plant & Misc. Equipment	0%	1,769	Depreciation	68.0%	1,202	14.1%	250	17.9%	316
Office Furniture & Equipment	0%	-	Depreciation	68.0%	-	14.1%	-	17.9%	-
Transportation Equipment	0%	-	Depreciation	68.0%	-	14.1%	-	17.9%	-
Stores Equipment	0%	-	Depreciation	68.0%	-	14.1%	-	17.9%	-
Tools, Shop & Garage Equip.	0%	211	Depreciation	68.0%	143	14.1%	30	17.9%	38
Laboratory Equipment	0%	480	Depreciation	68.0%	326	14.1%	68	17.9%	86
Power Operated Equipment	0%	-	Depreciation	68.0%	-	14.1%	-	17.9%	-
Communications Equipment	2%	27,710	Depreciation	68.0%	18,835	14.1%	3,921	17.9%	4,954
Miscellaneous Equipment	1%	8,413	Depreciation	68.0%	5,719	14.1%	1,190	17.9%	1,504
Other Tangible Plant	0%	942	Depreciation	68.0%	640	14.1%	133	17.9%	168
Adjustment	0%	(27)	Depreciation	68.0%	(18)	14.1%	(4)	17.9%	(5)
<b>Total Depreciation</b>	<b>100%</b>	<b>\$ 1,549,219</b>	<b>Depreciation</b>	<b>68.0%</b>	<b>\$ 1,053,042</b>	<b>14.1%</b>	<b>\$ 219,196</b>	<b>17.9%</b>	<b>\$ 276,981</b>

Pennichuck East Utility, Inc.  
Explanation of Allocations

	<u>Water Service</u>	<u>Fire Prot.</u>	<u>Customer</u>	<u>Total</u>	
Average Day Demand	99.5%	0.5%	0.0%	100.0%	Facilities used to meet average demands or maximum day water
Max Day plus Fire	63.3%	36.7%	0.0%	100.0%	Facilities Used for Maximum Day plus Fire
		<u>Gal/Min</u>	<u>Percent</u>		
	Maximum Day	3,446	63.3%		Product/Purch 603,710 1000 gal/yr
	Fire Demand	<u>2,000</u>	<u>36.7%</u>		50,309 1000 gal/month avg
	Max Day Plus Fire	5,446	100.0%		66,912 1000 gal max month
					1.33 max month
					3.00 max day
Customer Service	0.0%	0.0%	100.0%	100.0%	All Customer Service
Depreciation	68.0%	14.1%	17.9%	100.0%	Based on all allocable Depreciation Items
Composite Allocation	71.1%	10.3%	18.5%	100.0%	Based on all allocable expenses
Total O&M	74.2%	4.5%	21.3%	100.0%	Based on all allocable O&M Expenses
Hydrants	0.5%	99.5%	0.0%	100.0%	For Hydrants
Plant In Service	66.7%	18.8%	14.5%	100.0%	Based on all allocable Utility Plant Items
Storage	72.1%	27.9%	0.0%	100.0%	For Storage Facilities
		<u>Gal/Min</u>	<u>Percent</u>		
	Maximum Hour	5,169	72.1%		Assume Max Hour = 1.5 X Max Day
	Fire Demand	<u>2,000</u>	<u>27.9%</u>		
	Total	7,169	100.0%		
Transmission & Distribution	8.1%	19.9%	72.0%	100.0%	General T&D O&M Expenses



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**Pennichuck East Utility, Inc.**  
**Fire Protection Units of Service**

<u>Inch Feet</u>		Hydrants	Settlement Rate per month In-ft	Settlement Rate per Month per Hydant	Settlement Revenues
Londonderry	1,951,858	201	\$ 0.01062	19.65	\$ 296,130
Pelham	461,000	36	\$ 0.01062	19.65	\$ 67,236
Litchfield	2,665,012	248	\$ 0.01062	19.65	\$ 398,094
Bow	10,775	5	\$ 0.01062	19.65	\$ 2,552
Windham	235,199	41	\$ 0.01062	19.65	\$ 39,640
Birch Hill	73,641	6	\$ 0.01062	19.65	\$ 10,799
Exeter	30,923	6	\$ 0.01062	19.65	\$ 5,355
Lee	22,508	7	\$ 0.01062	19.65	\$ 4,519
Raymond	97,666	12	\$ 0.01062	19.65	\$ 15,276
<b>Total: Inch Feet</b>	<b>5,548,582</b>	<b>562</b>			

	<u>Number</u>	<u>Factor *</u>	<u>Equivs.</u>	<u>Percent</u>
<i>Public</i>				
Hydrants	562	111.3	62,556.7	<b>72.65%</b>
<i>Private</i>				
1 1/2"	111	2.9	322.4	
2"	83	6.2	513.8	
3"	0	18.0	0.0	
4"	22	38.3	843.0	
6"	48	111.3	5,342.9	
8"	30	237.2	7,116.2	
10"	0	426.6	0.0	
12"	3	689.0	2,067.1	
Hydrants	66	111.3	7,346.5	

Subtotal: Private	363	23,552.0	<b>27.35%</b>
<b>Total</b>		<b>86,108.8</b>	100.00%

\* Nominal size to the 2.63 power.

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**Pennichuck East Utility, Inc.**  
**Calculation of Fire Protection Charges**

<b>Total Fire Protection Allocation (a)</b>	<b>\$ 1,048,275</b>	
Hydrants O&M	94,300	
Plus O&M Admin	42,171	Based on General & Admin % of Total = 42.65%
Hydrants Cap.	61,282	Based on Hydrant % of Fire Assets: 11.31%
Hydrants Taxes	<u>24,333</u>	
Total Direct Hydrant (b)	<b>\$ 222,087</b>	
Net Non-Hydrant Fire (a) - (b)	<b>\$ 826,187</b>	

	<u>Percent</u> <u>Allocated *</u>	<u>Revenue</u> <u>Required</u>
<b>Allocation Between Public and Private</b>		
Public Fire Service	72.65%	\$ 600,213
Private Fire Service	<u>27.35%</u>	<u>225,975</u>
Total	100.0%	\$ 826,187

\* From Units of Service

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**Pennichuck East Utility, Inc.**  
**Calculation of Fire Protection Charges**

**Public Fire Service**

Total Costs Allocated to Public Fire	\$	822,300
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**Hydrant Maintenance Charge**

Hydrant Allocation	\$	222,087	Direct Hydrant Costs
Hydrants		562	
Annual \$/Hydrant Cost	\$	395.17	
Per Month	\$	32.93	

**Inch-Foot Charge**

Inch-Foot Allocation	\$	600,213	Public Fire (Excluding Direct Hydrant)
Inch-Feet		5,548,582	
Annual \$/Inch-Foot	\$	0.1082	
Per Month	\$	0.0090	

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**Pennichuck East Utility, Inc.**  
**Calculation of Fire Protection Charges**

**Private Fire Service**

Allocated Cost	\$	225,975	
-----		-----	= \$9.59 per 1" equivalent per year
Number of Equivs		23,552.0	

<u>Service Size</u>	<u>Factor</u>		<u>Demand Charge</u>		<u>Billing Charge</u>		<u>Monthly Charge</u>
1 1/2"	2.9	\$	2.32	\$	3.77	\$	6.09
2"	6.2		4.95		3.77		8.72
3"	18.0		14.38		3.77		18.14
4"	38.3		30.64		3.77		34.40
6"	111.3		89.00		3.77		92.77
8"	237.2		189.66		3.77		193.43
10"	426.6		341.08		3.77		344.84
12"	689.0		550.93		3.77		554.70
Hydrants	111.3		89.00		3.77		92.77

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**Pennichuck East Utility, Inc.**  
**Summary of Customer Expense Allocations**

Required from Customer Charges	Customer		<u>METERS/SERVICES</u>		<u>BILLINGS</u>	
	<u>Total *</u>	<u>Allocation</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
Operation & Maintenance	\$ 1,232,833	Customer O&M	71.0%	\$ 875,086	29.0%	\$ 357,750
Amortization	9,347	Customer Depreciation	100.0%	9,347	0.0%	-
Taxes - Federal & State	4,425	All Customer Expenses	80.1%	3,542	19.9%	883
Taxes - Property	164,558	Customer Plant	100.0%	164,558	0.0%	-
Operating Expense Contingency	59,025	Customer O&M	71.0%	41,897	29.0%	17,128
Debt Service Revenue Requirement	278,881	Customer Plant	100.0%	278,881	0.0%	-
City Bond Fixed Revenue Requirement	134,644	Customer Plant	100.0%	134,644	0.0%	-
Less Other Revenues	(5,594)	All Customer Expenses	80.1%	(4,478)	19.9%	(1,116)
<b>Total: Required from Customer Charges</b>	<b>\$ 1,878,119</b>	All Customer Expenses	80.1%	<b>\$ 1,503,476</b>	19.9%	<b>\$ 374,645</b>

\* From allocation of O&M, Plant & Depreciation allocated to Customer Costs

**Pennichuck East Utility, Inc.**  
**Allocation of Customer Expenses**

	Customer <u>Total</u>	<u>Allocation</u>	<u>METERS/SERVICES</u>		<u>BILLINGS</u>	
			<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
<b>Transmission and Distribution Expenses</b>						
<u>Operation</u>						
Operation Supervision and Engineering	\$ -	Meter	100.0%	\$ -	0.0%	\$ -
Transmission and Distribution Lines Expenses	-	Meter	100.0%	-	0.0%	-
Meter Expenses	163,377	Meter	100.0%	163,377	0.0%	-
Customer Installation Expense	7,706	Meter	100.0%	7,706	0.0%	-
Miscellaneous Expenses	-	Meter	100.0%	-	0.0%	-
Rents	-	Meter	100.0%	-	0.0%	-
Subtotal: Operation	\$ 171,083			\$ 171,083		\$ -
<u>Maintenance</u>						
Maintenance Supervision and Engineering	\$ -	Meter	100.0%	\$ -	0.0%	\$ -
Maintenance of Structures and Improvements	-	Meter	100.0%	-	0.0%	-
Maintenance of Dist. Reservoirs & Standpipes	-	Meter	100.0%	-	0.0%	-
Maintenance of Trans. & Distribution Mains	-	Meter	100.0%	-	0.0%	-
Maintenance of Fire Mains	-	Meter	100.0%	-	0.0%	-
Maintenance of Services	264,299	Meter	100.0%	264,299	0.0%	-
Maintenance of Meters	10,595	Meter	100.0%	10,595	0.0%	-
Maintenance of Hydrants	-	Meter	100.0%	-	0.0%	-
Maintenance of Miscellaneous Plant	40,758	Meter	100.0%	40,758	0.0%	-
Subtotal: Maintenance	\$ 315,652			\$ 315,652		\$ -
<b>Total: Transmission &amp; Distribution Expenses</b>	<b>\$ 486,735</b>			<b>\$ 486,735</b>		<b>\$ -</b>
<b>Customer Accounts Expenses</b>						
<u>Operation</u>						
Supervision	\$ -	Billing/Cust. Svc.	0.0%	\$ -	100.0%	\$ -
Meter Reading Salaries	58,102	Billing/Cust. Svc.	0.0%	-	100.0%	58,102
Customer Records & Coll. Expenses-Labor	115,781	Billing/Cust. Svc.	0.0%	-	100.0%	115,781
Uncollectible Accounts	25,101	Billing/Cust. Svc.	0.0%	-	100.0%	25,101
Miscellaneous Customer Account Expense	-	Billing/Cust. Svc.	0.0%	-	100.0%	-
Subtotal: Operation	\$ 198,984			\$ -		\$ 198,984
<b>Total: Customer Accounts Expenses</b>	<b>\$ 198,984</b>			<b>\$ -</b>		<b>\$ 198,984</b>

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**Pennichuck East Utility, Inc.**  
**Allocation of Customer Expenses**

	Customer <u>Total</u>	<u>Allocation</u>	<u>METERS/SERVICES</u>		<u>BILLINGS</u>	
			<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
<b>Administrative and General Expenses</b>						
<u>Operation</u>						
Administrative and General Salaries	\$ -	Customer O&M	71.0%	\$ -	29.0%	\$ -
Office Supplies and Other Expenses	1,552	Customer O&M	71.0%	1,102	29.0%	450
Administrative Expenses Transferred	-	Customer O&M	71.0%	-	29.0%	-
Outside Services Employed	3,895	Customer O&M	71.0%	2,765	29.0%	1,130
Property Insurance	16,470	Customer O&M	71.0%	11,690	29.0%	4,779
Injuries and Damages	-	Customer O&M	71.0%	-	29.0%	-
Employee Pension and Benefits	-	Customer O&M	71.0%	-	29.0%	-
Regulatory Commission Expenses	7,479	Customer O&M	71.0%	5,308	29.0%	2,170
Miscellaneous General Expenses	517,719	Customer O&M	71.0%	367,486	29.0%	150,233
Rents	-	Customer O&M	71.0%	-	29.0%	-
Subtotal: Operation	\$ 547,114			\$ 388,351		\$ 158,763
<u>Maintenance</u>						
Maintenance of General Plant	\$ -	Customer O&M	71.0%	\$ -	29.0%	\$ -
Subtotal: Maintenance	\$ -			\$ -		\$ -
<b>Total Administrative and General Expenses</b>	\$ 547,114			\$ 388,351		\$ 158,763
<b>Total Oper. and Maint. Expenses</b>	\$ 1,232,833	Customer O&M	71.0%	\$ 875,086	29.0%	\$ 357,750

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**Pennichuck East Utility, Inc.**  
**Allocation of Customer Plant Investment**

	Customer <u>Total</u>	<u>Allocation</u>	<u>METERS/SERVICES</u>		<u>BILLINGS</u>	
			<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
<b><u>Plant Investment</u></b>						
Organization	\$ 386,400	Customer Plant	100.0%	\$ 386,400	0.0%	\$ -
Franchises	69,878	Customer Plant	100.0%	69,878	0.0%	-
Services	8,383,066	Meter	100.0%	8,383,066	0.0%	-
Meters & Meter Installation	2,055,998	Meter	100.0%	2,055,998	0.0%	-
Other Plant & Misc. Equipment	13,048	Customer Plant	100.0%	13,048	0.0%	-
Office Furniture & Equipment	391	Billing/Cust. Svc.	0.0%	-	100.0%	391
Transportation Equipment	-	Customer Plant	100.0%	-	0.0%	-
Stores Equipment	-	Customer Plant	100.0%	-	0.0%	-
Tools, Shop & Garage Equip.	10,602	Customer Plant	100.0%	10,602	0.0%	-
Laboratory Equipment	1,394	Customer Plant	100.0%	1,394	0.0%	-
Power Operated Equipment	-	Customer Plant	100.0%	-	0.0%	-
Communications Equipment	76,781	Customer Plant	100.0%	76,781	0.0%	-
Miscellaneous Equipment	13,419	Customer Plant	100.0%	13,419	0.0%	-
Other Tangible Plant	1,506	Customer Plant	100.0%	1,506	0.0%	-
<b>Total Cust. Plant In Service</b>	<b>\$ 11,012,483</b>	<b>Customer Plant</b>	<b>100.0%</b>	<b>\$ 11,012,092</b>	<b>0.0%</b>	<b>\$ 391</b>

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**Pennichuck East Utility, Inc.**  
**Allocation of Customer Depreciation**

	Customer		<u>METERS/SERVICES</u>		<u>BILLINGS</u>	
	<u>Total</u>	<u>Allocation</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
<b><u>Depreciation</u></b>						
Organization	\$ 15,284	Customer Depreciation	100.0%	\$ 15,284	0.0%	\$ -
Franchise	3,494	Customer Depreciation	100.0%	3,494	0.0%	-
Services	165,428	Meter	100.0%	165,428	0.0%	-
Meters & Meter Installation	85,713	Meter	100.0%	85,713	0.0%	-
Other Plant & Misc. Equipment	316	Customer Depreciation	100.0%	316	0.0%	-
Office Furniture & Equipment	-	Billing/Cust. Svc.	0.0%	-	100.0%	-
Transportation Equipment	-	Customer Depreciation	100.0%	-	0.0%	-
Stores Equipment	-	Customer Depreciation	100.0%	-	0.0%	-
Tools, Shop & Garage Equip.	38	Customer Depreciation	100.0%	38	0.0%	-
Laboratory Equipment	86	Customer Depreciation	100.0%	86	0.0%	-
Power Operated Equipment	-	Customer Depreciation	100.0%	-	0.0%	-
Communications Equipment	4,954	Customer Depreciation	100.0%	4,954	0.0%	-
Miscellaneous Equipment	1,504	Customer Depreciation	100.0%	1,504	0.0%	-
Other Tangible Plant	168	Customer Depreciation	100.0%	168	0.0%	-
Adjustment	(5)	Customer Depreciation	100.0%	(5)	0.0%	-
<b>Total Depreciation</b>	<b>\$ 276,981</b>	<b>Customer Depreciation</b>	<b>100.0%</b>	<b>\$ 276,981</b>	<b>0.0%</b>	<b>\$ -</b>

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**Pennichuck East Utility, Inc.**  
**Explanation of Customer Allocations**

	Meters	Billings	Total	
Billing/Cust. Svc.	0.0%	100.0%	100.0%	Billing & Customer Service
Meter	100.0%	0.0%	100.0%	Meter/Service Related
Customer O&M	71.0%	29.0%	100.0%	Based on all other Customer Related O&M
Customer Plant	100.0%	0.0%	100.0%	Based on all other Customer Related Plant
Customer Depreciation	100.0%	0.0%	100.0%	Based on all other Customer Related Depreciation
All Customer Expenses	80.1%	19.9%	100.0%	Based on all allocable expenses

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**Pennichuck East Utility, Inc.**  
**Calculation of Customer Service Charges**

**BILLING CHARGE**

Billing Cost	\$374,645	
----- =	----- =	\$3.766 per billing
No. of Billings (including Priv. Fire)	99,480	

**METER/SERVICE CHARGE**

Meter/Service Cost	\$1,503,476	
----- =	----- =	\$174.153 per equivalent per year
No. of Meter Equivs.	8,633.1	

**READY TO SERVE (PORTION OF FIXED COSTS)**

1/3 of Water Related Debt Service Requirements	\$ 632,299	
----- =	----- =	\$72.586 per equivalent per year
No. of Capacity Equivs.	8,711.0	

<u>Monthly</u>		<u>Billing Charge</u>	<u>Meter Charge</u>	<u>Readiness-to-Serve</u>	<u>Total Charge</u>	<u>Revenue</u>
5/8"	\$	3.77	\$ 14.51	\$ 6.05	\$ 24.33	2,227,144
3/4"		3.77	18.63	9.07	31.47	24,927
1"		3.77	36.53	15.12	55.42	93,105
1 1/2"		3.77	72.20	30.24	106.21	57,351
2"		3.77	80.75	48.39	132.91	68,580
3"		3.77	376.72	96.78	477.26	22,909
4"		3.77	876.50	151.22	1,031.49	-
6"		3.77	1,226.45	302.44	1,532.65	-
8" and up		3.77	2,539.73	483.91	3,027.40	-
					<u>\$</u>	<u>2,494,016</u>

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**Pennichuck East Utility, Inc.**  
**Calculation of Metered Rates**

Total Cost of Service	\$	10,135,809
Less Revenues from Fire Charges		(1,048,275)
Less Revenues from Customer Service Charges		(2,510,421)
Equals Required Volumetric Revenue	\$	<u>6,577,113</u>
Metered Sales (Ccf/year)		687,005
<b>Cost Based Metered Rate (per Ccf)</b>	<b>\$</b>	<b>9.57</b>

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**Pennichuck East Utility, Inc.**  
**Summary of Cost of Service with Settlement Rates**

<u>Customer Service Charge (\$/month)</u>	<u>Current</u>	<u>Settlement Rate</u>	<u>% Change</u>	<u>\$ Change</u>
<u>Meter Size</u>				
5/8" \$	20.70	\$ 22.56	9%	\$ 1.86
3/4"	44.03	44.03	0%	-
1"	62.32	62.32	0%	-
1 1/2"	135.68	135.68	0%	-
2"	201.30	201.30	0%	-
3"	427.09	465.53	9%	38.44
4"	670.55	730.90	9%	60.35
6"	1,341.07	1,461.77	9%	120.70
8" and up	1,674.93	1,825.67	9%	150.74
 <u>Metered Rate (\$/100 cubic feet)</u>				
\$	7.51	\$ 9.50	26%	\$ 1.99

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**Pennichuck East Utility, Inc.**  
**Summary of Cost of Service**

		<u>Current</u>	<u>Settlement Rate</u>	<u>% Change</u>	<u>\$ Change</u>
<u>Public Fire Protection (per month)</u>					
\$/hydrant/month (HM)	\$	16.07	\$ 19.65	22%	\$ 3.58
\$/inch-foot/month (IF)	\$	0.01231	\$ 0.01062	-14%	\$ (0.00169)
		<u>Current</u>	<u>Cost of Service</u>	<u>% Change</u>	<u>\$ Change</u>
<u>Private Fire Protection</u>					
	<u>Service Size</u>				
	1 1/2"	\$ 9.71	\$ 9.71	0%	\$ -
	2"	17.25	17.25	0%	-
	3"	38.82	38.82	0%	-
	4"	69.02	69.02	0%	-
	6"	155.33	155.33	0%	-
	8"	276.10	276.10	0%	-
	10"	455.26	455.26	0%	-
	12"	733.22	733.22	0%	-
	Hydrants	121.37	121.37	0%	-

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**Pennichuck East Utility, Inc.**  
**Revenue Proof**

Customer Service Charge:

		Number of <u>Bills</u>	Cost of Service Rates	
			<u>Rate</u>	<u>Revenue</u>
Monthly	5/8"	91,548	\$ 22.56	\$ 2,065,598
	3/4"	792	44.03	34,872
	1"	1,680	62.32	104,698
	1 1/2"	540	135.68	73,267
	2"	516	201.30	103,871
	3"	48	465.53	22,345
	4"	-	730.90	-
	6"	-	1,461.77	-
	8" and up	-	1,825.67	-
<b>Total Customer Service Charges</b>				<b>\$ 2,404,650</b>

Consumption Charges

	<u>Use (ccf)</u>			
Metered Rate	687,005	\$	9.50	\$ 6,526,548
<b>Total Consumption Charges</b>				<b>\$ 6,526,548</b>

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Pennichuck East Utility, Inc.  
Revenue Proof

Fire Protection - Monthly Charges

		<u>Cost of Service Rates</u>	
		<u>Rate</u>	<u>Revenue</u>
	Hydrants	Hyd.Maint. Chg	HydMaint Rev
<u>Hydrant Maintenance</u>	562	\$ 19.65	\$ 132,528
	Inch-Feet	In-Ft Cng	In-Ft Rev
<u>Inch-Foot</u>	5,548,582	\$ 0.01062	\$ 707,082
<u>Total Public Fire Revenue</u>			\$ 839,610
<u>Private Fire</u>			
1 1/2"	111	\$ 9.71	\$ 12,934
2"	83	17.25	17,181
3"	0	38.82	-
4"	22	69.02	18,221
6"	48	155.33	89,470
8"	30	276.10	99,396
10"	0	455.26	-
12"	3	733.22	26,396
Hydrants	66	121.37	96,125
Total Private Fire			\$ 359,723
Total Private & Public Fire			\$ 1,199,333
<b>Grand Total Revenue</b>			<b>\$ 10,130,531</b>

**Pennichuck East Utility, Inc.  
Customer Impacts Schedule**

<u>Cons. (Ccf/Month)</u>	<u>Meter Size</u>	<u>Volumetric Charge</u>	<u>Existing Monthly Cust. Charge</u>	<u>Monthly Total Bill</u>	<u>Volumetric Charge</u>
3	5/8"	\$ 22.53	\$ 20.70	\$ 43.23	\$ 28.50
5	5/8"	37.55	20.70	58.25	47.50
10	5/8"	75.10	20.70	95.80	95.00
25	1"	187.75	62.32	250.07	237.50
50	1"	375.50	62.32	437.82	475.00
50	1 1/2"	375.50	135.68	511.18	475.00
75	2"	563.25	201.30	764.55	712.50
150	2"	1,126.50	201.30	1,327.80	1,425.00
250	2"	1,877.50	201.30	2,078.80	2,375.00
500	2"	3,755.00	201.30	3,956.30	4,750.00

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**Cost of Service**

<u>Monthly Cust.</u>	<u>Monthly</u>	<u>Change</u>	
<u>Charge</u>	<u>Total Bill</u>	<u>\$</u>	<u>%</u>
\$ 22.56	\$ 51.06	\$ 7.83	18.1%
22.56	70.06	11.81	20.3%
22.56	117.56	21.76	22.7%
62.32	299.82	49.75	19.9%
62.32	537.32	99.50	22.7%
135.68	610.68	99.50	19.5%
201.30	913.80	149.25	19.5%
201.30	1,626.30	298.50	22.5%
201.30	2,576.30	497.50	23.9%
201.30	4,951.30	995.00	25.1%