

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

Step Increase
Schedule A

	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR	STEP INCREASE PRO FORMA ADJUSTMENTS	STEP INCREASE PRO FORMA TEST YEAR	PRO FORMA ADJUSTMENTS and STEP INCREASE	COMBINED PRO FORMA TEST YEAR
Consolidated Rate Base (Sch 3)	\$ 4,071,544	\$ 1,322,899	\$ 5,394,444	\$ 1,477,166	\$ 6,871,610	\$ 2,800,065	\$ 6,871,610
RATE of Return	7.03%	\$ -	7.03%		7.03%		7.03%
Income Required	\$ 286,155	\$ -	\$ 379,130		\$ 482,947		\$ 482,947
Adjusted Net Operating Income (Sch 1)	\$ (165,766)	\$ (33,424)	\$ (199,190)	\$ (34,377)	\$ 344,753	\$ (67,801)	\$ (233,567)
Deficiency	\$ 451,921	\$ -	\$ 578,320		\$ 138,194		\$ 716,514
Tax Factor	60.39%	\$ -	60.39%		60.39%		60.39%
Revenue Deficiency	\$ 748,337	\$ -	\$ 957,642		\$ 228,836		\$ 1,186,478
Water Revenues	\$ 771,674	\$ -	\$ 771,674		\$ 771,674		\$ 771,674
Proposed Revenue Inc	96.98%	\$ -	124.10%		29.65%		153.75%

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

Step Increase
Schedule A
Exhibit 1

	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR	STEP INCREASE PRO FORMA ADJUSTMENTS	STEP INCREASE PRO FORMA TEST YEAR	PRO FORMA ADJUSTMENTS and STEP INCREASE	COMBINED PRO FORMA TEST YEAR
Consolidated Rate Base (Sch 3)	\$ 2,096,704	\$ 1,232,616	\$ 3,329,320	\$ 1,477,166	\$ 4,806,486	\$ 2,709,782	\$ 4,806,486
RATE of Return	7.03%		7.03%		7.03%		7.03%
Income Required	\$ 147,360		\$ 233,990		\$ 337,807		\$ 337,807
Adjusted Net Operating Income (Sch 1)	\$ (115,992)	\$ (107,253)	\$ (223,246)	\$ (34,377)	\$ 199,613	\$ (141,631)	\$ (257,623)
Deficiency	\$ 263,352		\$ 457,236		\$ 138,194		\$ 595,430
Tax Factor	60.39%		60.39%		60.39%		60.39%
Revenue Deficiency	\$ 436,085		\$ 757,138		\$ 228,836		\$ 985,974
Water Revenues	\$ 316,109		\$ 316,109		\$ 316,109		\$ 316,109
Proposed Revenue Inc	137.95%		239.52%		72.39%		311.91%

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

Step Increase
Schedule A
Exhibit 2

	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR	STEP INCREASE PRO FORMA ADJUSTMENTS	STEP INCREASE PRO FORMA TEST YEAR	PRO FORMA ADJUSTMENTS and STEP INCREASE	COMBINED PRO FORMA TEST YEAR
Consolidated Rate Base (Sch 3)	\$ 1,974,842	\$ 90,283	\$ 2,065,125	\$ -	\$ -	\$ 90,283	\$ 2,065,125
RATE of Return (1)	7.03%		7.03%		7.03%		7.03%
Income Required	\$ 138,795		\$ 145,140	\$ -			\$ 145,140
Adjusted Net Operating Income (Sch 1)	\$ (49,774)	\$ 73,831	\$ 24,056	\$ -	\$ -	\$ 73,831	\$ 24,056
Deficiency	\$ 188,569		\$ 121,084	\$ -			\$ 121,084
Tax Factor	60.39%		60.39%		60.39%		60.39%
Revenue Deficiency	\$ 312,252		\$ 200,503	\$ -			\$ 200,503
Water Revenues	\$ 455,564	\$ -	\$ 455,564	\$ -	\$ 455,564		\$ 455,564
Proposed Revenue Inc	68.54%		44.01%		0.00%		44.01%

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

STEP INCREASE
Schedule 1

	TWELVE MONTHS 12/31/07	PRO FORMA ADJUSTMENTS	PRO FORMA 12 MONTHS 12/31/07	STEP INCREASE PRO FORMA ADJUSTMENTS	STEP INCREASE PRO FORMA 12 MONTHS 12/31/07
Water Sales	\$ 771,674	\$ -	\$ 771,674	\$ -	\$ 771,674
Other Operating Revenue	11,177	-	11,177	-	11,177
Total Revenues	782,851	-	782,851	-	782,851
Production Expenses	259,353	\$ (827)	258,526	19,038 (1)	277,564
Transmission & Distribution Expense	169,999	7,382	177,381	-	177,381
Customer Acct & Collection Exp	33,364	79	33,442	-	33,442
Administrative & General Expense	58,401	(3,056)	55,345	-	55,345
Inter Div Management Fee	477,611	(21,894)	455,717	-	455,717
Total Operating Expense	998,727	(18,316)	980,412	19,038	999,449
Depreciation Exp/Acq Adj (Credit)	134,766	19,707	154,473	10,935 (2)	165,408
Amortization Expense: CIAC	(24,310)	-	(24,310)	-	(24,310)
Amortization Expense	16,948	772	17,720	(2,322) (3)	15,398
Taxes Other Than Income Tax	42,710	53,182	95,893	29,275 (4)	125,168
Income Tax	(220,224)	(21,922)	(242,146)	(22,549) (5)	(264,695)
Total Operating Deductions	948,617	33,424	982,041	34,377	1,016,418
Net Operating Income	\$ (165,766)	\$ (33,424)	\$ (199,190)	\$ (34,377)	\$ (233,567)

Notes:

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

PITTSFIELD AQUEDUCT COMPANY, INC.
Pro Forma Adjustment Income or Expense
PROPERTY AND OTHER TAXES
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 1
Attachment A

I PROPERTY TAXES

- A.** In 2008, the Company expects to increase its taxable utility property per Schedule 3, Attachment A, Exhibit 1. The expected property tax for these items is listed below and detailed in Schedule 3, Attachment A, Exhibit 1.

City/Town	Taxable Property	Tax Rate per \$1,000	Total Prop Tax	
Conway	1,519,900	\$ 13.53	\$ 20,564	
State NH	1,519,900	\$ 6.60	\$ 10,031	
Total			\$ 30,595	
Therefore				<u>\$ 30,595</u>

- B.** In 2008, the Company expects to retire its taxable utility property per Schedule 3, Attachment A, Exhibit 3. The property taxes for those items are listed below:

City/Town	Taxable Property	Tax Rate per \$1,000	Total Prop Tax	
Conway	65,533	\$ 13.53	\$ (887)	
State NH	65,533	\$ 6.60	\$ (433)	
Total			\$ (1,320)	
Therefore				<u>\$ (1,320)</u>

TOTAL PROPERTY AND OTHER TAXES PRO FORMA: \$ 29,275

PITTSFIELD AQUEDUCT COMPANY, INC.
Pro Forma Adjustment Income or Expense
DEPRECIATION ACCOUNT
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 1
Attachment B

I DEPRECIATION

- A.** In 2008, the Company expects to add depreciable assets and 1/2 year depreciation expense is reflected in the proforma step increase.

(See Schedule 3, Attachment A, Exhibit 1)

Therefore:

\$ 12,063

- B.** In 2008, the Company expects to retire depreciable assets. The total depreciation expense reduction is reflected in the proforma step increase.

(Schedule 3, Attachment A, Exhibit 3)

Therefore:

\$ (1,128)

TOTAL DEPRECIATION EXPENSE PRO FORMA:

\$ 10,935

PITTSFIELD AQUEDUCT COMPANY, INC.
Pro Forma Adjustment Income or Expense
Amortization Account
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 1
Attachment C

I AMORTIZATION

A. In 2008, the Company expects to add deferred debits and prorated amortization expense is reflected in the proforma step increase.

(See Schedule 3, Attachment D)

Therefore:

\$ 5,042

B. In 2008, the Company expects to add deferred gain on SRF loan and the prorated amortization credit is reflected in the proforma step increase.

(Schedule 3, Attachment E)

Therefore:

\$ (7,364)

TOTAL AMORTIZATION EXPENSE PRO FORMA:

\$ (2,322)

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

STEP INCREASE
Schedule 1
Attachment D

I Production Expense

- A.** As a result of the Birch Hill Interconnect capital project, the Company will incur annual costs related to purchased water as follows:

Purchased Water (NCWP) - Birch Hill	
Annual Gallons per customer	31,025
Number of customers	206
Rate per 1,000 gallons	\$ 2.50
Annual Volumetric costs	\$ 15,978
Annual Meter Charge (4" meter)	\$ 3,060
Total Annual Charges	\$ 19,038

Therefore:

\$ 19,038

TOTAL PRODUCTION EXPENSE PRO FORMA:

\$ 19,038

PITTSFIELD AQUEDUCT COMPANY, INC.
Pro Forma Adjustment Income or Expense
INCOME TAXES
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 1
Attachment E

I INCOME TAXES

- A.** To reflect the pro forma adjustment to record the income tax effect of the pro forma adjustments for the test year.

Therefore:

	Operating Revenues	\$ -
Less:	Expenses	
(Sch1, Attach A)	Total Prop & Other Taxes	29,275
(Sch1, Attach B)	Depreciation	10,935
(Sch1, Attach C)	Amortization	(2,322)
(Sch1, Attach D)	Production	19,038
	Total	<u>\$ (56,926)</u>

Pro Forma NHBP Tax @ 8.5%.

Therefore:

\$ (56,926)	8.5%	\$ (4,839)	\$ (4,839)
		<u>\$ (52,087)</u>	

Sub Total

Pro Forma FIT Tax 34%

Therefore:

\$ (52,087)	34%	\$ (17,710)	
		<u>\$ (17,710)</u>	\$ (17,710)

Sub Total

TOTAL PRO FORMA INCOME TAXES:

NHBPT	\$ (4,839)
FIT	\$ (17,710)
TOTAL	\$ (22,549)

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

STEP INCREASE
Schedule 3

Description	Test Year Average (Sch 3B)	Year End Rate Base	Pro Forma Adjustments Permanent Rates	Pro Forma Test Year	Step Increase Pro Forma Adjustments	Step Increase Pro Forma Test Year
Plant in Service	\$ 5,769,464	\$ 7,122,986	\$ 1,340,905	\$ 7,110,369	\$ 1,454,367 (1)	\$ 8,564,735
Accum Deprec	945,575	994,109	16,856	962,431	10,193 (2)	972,624
Accum Deprec Loss	113,286	201,511	-	113,286	63,663 (3)	176,948
Acquisition Adjustment	-	-	-	-	-	63,663
Accum Amort Acq Adj	-	-	-	-	-	-
CIAC	1,152,974	1,162,733	-	1,152,974	-	1,152,974
Amort of CIAC	208,156	220,362	-	-	-	-
	<u>3,992,357</u>	<u>5,388,018</u>	<u>1,324,049</u>	<u>5,316,406</u>	<u>1,528,222</u>	<u>6,844,628</u>
ADD:						
Working Cap	124,132	100,863	(2,258)	121,874	2,347 (6)	124,221
Materials & Supplies	-	-	-	-	-	115,958
Prepayments	9,205	13,762	-	9,205	-	9,205
Other & Deferred Charges	81,770	57,857	1,109	82,878	115,958 (4)	198,837
	<u>215,107</u>	<u>172,482</u>	<u>(1,149)</u>	<u>213,957</u>	<u>118,305</u>	<u>332,263</u>
DEDUCT:						
Deferred Gain on SRF Loan	-	-	-	-	169,361 (5)	169,361
Customer Advances	-	-	-	-	-	-
Customer Deposits	86	86	-	86	-	86
Deferred Income Tax	135,833	246,512	-	135,833	-	135,833
	<u>135,919</u>	<u>246,598</u>	<u>-</u>	<u>135,919</u>	<u>169,361</u>	<u>305,281</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL Rate Base	\$ 4,071,544	\$ 5,313,902	\$ 1,322,899	\$ 5,394,444	\$ 1,477,166	\$ 6,871,610

Notes:

- (1) increase plant for the additions/deletions per Schedule 3, Attachment A
- (2) increase accumulated depreciation for associated additions/deletions to plant per Schedule 3, Attachment B
- (3) increase accumulated depreciation loss for associated retirement of plant per Schedule 3, Attachment C
- (4) increase/decrease for additions/deletions and adjustments to deferred charges per Schedule 3, Attachment D
- (5) increase/decrease for the deferred gain on the SRF loan and the associated accumulated amortization per Schedule, Attachment E.
- (6) reflect impact of the expense proforma adjustments on working capital per Schedule 3, Attachment F

**PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Plant in Service
For The Twelve Months Ended December 31, 2007**

**STEP INCREASE
Schedule 3
Attachment A**

I PLANT IN SERVICE

A Schedule 3, Attachment A, Exhibit 2, details additions to plant in service that are expected to be completed in 2008. The Birch Hill additions are capital improvements that are necessitated to provide appropriate water quality and pressure. All of these plant additions are considered non-revenue producing in nature. All assets are estimated to be placed in service by November 2008.

Therefore:

\$ 1,519,900

B Schedule 3, Attachment A, Exhibit 3, details retirements of plant in service that are expected to occur in 2008 as a result of the Birch Hill additions.

Therefore:

\$ (65,533)

TOTAL PRO FORMA PLANT IN SERVICE

\$ 1,454,367

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Accumulated Depreciation
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 3
Attachment B

I ACCUMULATED DEPRECIATION

- A** To reflect the accumulated depreciation associated with 2008 plant additions.

(See Schedule 3, Attachment A, Exhibit 1)

Therefore:

\$ 12,063

- B** To reflect the accumulated depreciation reduction related to the 2008 retirements of plant in service.

(See Schedule 3, Attachment A, Exhibit 3)

Therefore:

\$ (1,871)

TOTAL ACCUMULATED DEPRECIATION PRO FORMA:

\$ 10,193

**PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Accumulated Depreciation: Loss
For The Twelve Months Ended December 31, 2007**

**STEP INCREASE
Schedule 3
Attachment C**

I ACCUMULATED DEPRECIATION: LOSS

A To reflect the loss on the 2008 retirements of
plant in service.

(See Schedule 3, Attachment A, Exhibit 3)

Therefore: **\$ 63,663**

TOTAL ACCUMULATED DEPRECIATION: LOSS PRO FORMA: **\$ 63,663**

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Deferred Debits
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 3
Attachment D

I DEFERRED DEBITS

- A.** Schedule 3, Attachment A, Exhibit 2, details deferred debits that are expected to be incurred in 2008 related to the North Conway Water Precinct (NCWP) agreement. The agreement provides the right to purchase water and the initial costs are assessed to provide for capital investment in the NCWP system.

Therefore:

\$ 121,000

- B.** To reflect the amortization expense pro forma of for Birch Hill deferred debits as follows:

NCWP Agreement	<u>\$ 121,000</u>
Annual Amortization (20 years)	<u>\$ 6,050</u>
Prorated 10 Months	<u>\$ 5,042</u>

Therefore:

\$ (5,042)

TOTAL DEFERRED CHARGES PRO FORMA:

\$ 115,958

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Deferred Gain on SRF Loan
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 3
Attachment E

I DEFERRED GAIN ON SRF LOAN

- A.** Schedule 3, Attachment A, Exhibit 2, details plant additions related to Birch Hill Interconnection Costs. The costs will be funded through a 20 year SRF loan. This type of capital improvement is eligible for 25% principal forgiveness over the loan period as payments are made.

Birch Hill Interconnection Costs	<u>\$ 706,900</u>
25% forgiveness on principal	<u>\$ 176,725</u>

Therefore:

\$ 176,725

- B.** To reflect the amortization credit pro forma of the deferred gain on the SRF Loan

Deferred Gain	<u>\$ 176,725</u>
Annual Amortization (20 years)	<u>\$ 8,836</u>
Prorated 10 Months	<u>\$ 7,364</u>

Therefore:

\$ (7,364)

TOTAL DEFERRED GAIN ON SRF LOAN:

\$ 169,361

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Working Capital
For the Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 3
Attachment F

I WORKING CAPITAL

- A.** A pro forma adjustment for working capital is calculated at 45 days divided by 365 days or 12.33%. (As found in the Company's last case DW-03-107.) Total pro forma operation and maintenance expenses (Schedule 1) are for the twelve months of the test year.

Therefore:

		Working	
Total O & M Expenses		Capital Rate	
\$	19,038	12.33%	\$ 2,347

TOTAL PRO FORMA WORKING CAPITAL:

\$ 2,347

PITTSFIELD AQUEDUCT COMPANY, INC.
ASSET ACQUISITIONS
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 3
Attachment A
Exhibit 1

Birch Hill Interconnection Costs					13.53	6.6		
Acct No.	Account Description	Contract Cost	Accumulated Depreciation	Depreciation Rate (1)	1/2 Year Depreciation	Property Taxes	State Property Taxes	Total Taxes
303	Land and Land Rights	\$ 212,400	\$ -	-	\$ -	\$ 2,874	\$ 1,402	
304	Structures & Improvements	\$ 43,000	\$ 495	2.30%	\$ 495	\$ 582	\$ 284	
331	Transmission and Distribution Mains	\$ 330,500	\$ 2,594	1.57%	\$ 2,594	\$ 4,472	\$ 2,181	
		\$ 585,900	\$ 3,089	1.65%	\$ 3,089	\$ 7,927	\$ 3,867	
	AFUDC	\$ -	\$ -	1.65%	\$ -	\$ -	\$ -	
	Plant Accounts :	\$ 585,900	\$ 3,089		\$ 3,089	\$ 7,927	\$ 3,867	
186	NCWP Buy In Fee	\$ 121,000		5.00%				
	Total Project	\$ 706,900						
North Conway On Site Improvements								
Acct No.	Account Description	Contract Cost	Accumulated Depreciation	Depreciation Rate	1/2 Year Depreciation	Property Taxes	State Property Taxes	
303	Land and Land Rights	\$ -	\$ -					
304	Structures & Improvements	\$ 450,000	\$ 5,175	2.30%	\$ 5,175	\$ 6,089	\$ 2,970	
331	Transmission and Distribution Mains	\$ 484,000	\$ 3,799	1.57%	\$ 3,799	\$ 6,549	\$ 3,194	
		\$ 934,000	\$ 8,974	1.65%	\$ 8,974	\$ 12,637	\$ 6,164	
	AFUDC	\$ -	\$ -	1.65%	\$ -	\$ -	\$ -	
	Plant Accounts :	\$ 934,000	\$ 8,974		\$ 8,974	\$ 12,637	\$ 6,164	
	Total Project	\$ 934,000						
Total Birch Hill Projects								
Acct No.	Account Description	Contract Cost	Accumulated Depreciation	Depreciation Rate	1/2 Year Depreciation	Property Taxes	State Property Taxes	
303	Land and Land Rights	\$ 212,400	\$ -			\$ 2,874	\$ 1,402	
304	Structures & Improvements	\$ 493,000	\$ 5,670	2.30%	\$ 5,670	\$ 6,670	\$ 3,254	
331	Transmission and Distribution Mains	\$ 814,500	\$ 6,394	1.57%	\$ 6,394	\$ 11,020	\$ 5,376	
		\$ 1,519,900	\$ 12,063	1.65%	\$ 12,063	\$ 20,564	\$ 10,031	
	AFUDC	\$ -	\$ -	1.65%	\$ -	\$ -	\$ -	
	Plant Accounts :	\$ 1,519,900	\$ 12,063		\$ 12,063	\$ 20,564	\$ 10,031	\$ 30,596
186	NCWP Buy In Fee	\$ 121,000						
	Total Project	\$ 1,640,900						

Notes:

(1) The Depreciation rates reflect the rates recommended in J. Guastella's depreciation study dated 2/25/08.

PITTSFIELD AQUEDUCT COMPANY, INC.
NON REVENUE PRODUCING CAPITAL ADDITIONS
For The Twelve Months Ended December 31, 2007

Birch Hill Interconnection Costs (Placed in service February 2008)

Easements	Purpose	Purchase Price/ Construction Cost	Resale Value	Legal	Survey	Engineering	Totals	Account
Schasel Property Map 231 Lot 94	Pipeline	\$ 35,000	\$ -			\$	\$ 35,000	
Sheehan Purchase Map 231 Lot 109	Pipeline and Control Building	\$ 199,900	\$ (150,000)	\$ 22,000	\$ 20,000	\$ 8,000	\$ 99,900	
Tarberry Property Map 231 Lot 105	Pipeline	\$ 4,000				\$	\$ 4,000	
Hussey Estate Purchase Map 231 Lots 147 & 148	Pipeline	\$ 15,000				\$	\$ 15,000	
Brian & Allyssa Hussey Map 231 Lot 106	Pipeline & Wells	\$ 50,000				\$	\$ 50,000	
Justin Hussey Map 231 Lot 139 03	Pipeline & Meter Station	\$ 8,500				\$	\$ 8,500	
Totals		\$ 312,400	\$ (150,000)	\$ 22,000	\$ 20,000	\$ 8,000	\$ 212,400	303

Construction

Glen Builders	Transmission Main Meter Station	\$ 313,000 \$ 30,000		\$ 2,500 \$ 1,000	\$ 15,000 \$ 2,000	\$ 330,500 \$ 33,000	331 304
Electrical Installations	Meter Station	\$ 10,000			\$	\$ 10,000	304
NCWP Buy In Fee	NCWP Agreement Condition	\$ 121,000			\$	\$ 121,000	186
Total Construction		\$ 474,000	\$ -	\$ -	\$ 3,500	\$ 17,000	\$ 494,500
Project Totals		\$ 786,400	\$ (150,000)	\$ 22,000	\$ 23,500	\$ 25,000	\$ 706,900

North Conway On Site Improvements (Estimated Placed in Service November 2008)

Purpose	Estimated Construction Cost	Estimated Legal	Estimated Survey	Estimated Engineering	Totals
Construction					
Water Main Additions and Improvements	\$ 444,000.00	\$ 2,000.00	\$ 3,000.00	\$ 35,000.00	\$ 484,000.00
80,000 Gallon Storage Tank	\$ 165,000.00	\$	\$ 1,000.00	\$ 4,000.00	\$ 170,000.00
Booster Station	\$ 275,000.00	\$ -	\$ 1,000.00	\$ 4,000.00	\$ 280,000.00
Total Construction	\$ 884,000.00	\$ -	\$ 5,000.00	\$ 43,000.00	\$ 934,000.00
Project Totals	\$ 884,000.00	\$ -	\$ 5,000.00	\$ 43,000.00	\$ 934,000.00
			Total 2008 Plant Additions		\$ 1,519,900.00

PITTSFIELD AQUEDUCT COMPANY, INC.
ASSET DISPOSITIONS
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 3
Attachment A
Exhibit 3

Retirements								13.53	6.6		
Acct No.	Account Description	Cost	Accumulated Depreciation	Accumulated Depreciation Loss	Depreciation Rate (1)	1 year Depreciation	1/2 Year Depreciation	Property Taxes	State Property Taxes	Total Taxes	
304	Structures	\$ 20,803	416	\$ 20,387	2.30%	\$ 478	\$ 239	\$ 281	\$	137	
311	Pumping Equipment (electric)	\$ 36,164	\$ 1,141	\$ 35,023	4.40%	\$ 1,591	\$ 796	\$ 489	\$	239	
330	Distribution Reservoirs	\$ 8,566	\$ 313	\$ 8,253	2.18%	\$ 187	\$ 93	\$ 116	\$	57	
Total 2008 Retirements		\$ 65,533	\$ 1,871	\$ 63,663		\$ 2,256	\$ 1,128	\$ 887	\$	433	\$ 1,319

Notes:

(1) The Depreciation rates reflect the rates recommended in J. Guastella's depreciation study dated 2/25/08.

PITTSFIELD AQUEDUCT COMPANY, INC.
DETAILS OF ASSET DISPOSITIONS
For The Twelve Months Ended December 31, 2007

STEP INCREASE
Schedule 3
Attachment A
Exhibit 4

Asset ID	ASSET BALANCES	ACCUM DEPRECIATION	Net Book Value
Asset GL Acct #: 6304-100-002			
60000-000289	20,803.00	416.06	20,386.94
Total Structures (6304)	20,803.00	416.06	
Asset GL Acct #: 6311-000-002			
60000-000291.2	556.72	51.11	505.11
60000-000320			
60000-000365	8,387.55	255.76	8,130.79
60000-000397	16,104.99	493.01	15,611.98
60000-000427	1,636.21	50.09	1,586.12
60000-000428	2,931.08	88.73	2,841.35
60000-000445	4,537.12	138.89	4,398.23
Total Well Pumps (6311)	36,164.22	1,141.15	
Asset GL Acct #: 6330-000-002			
60000-000292	2,011.05	61.56	1,949.49
Total Distribution Reservoirs			
Total 2008 Retirements	65,533.22	1,870.60	



PENNICHUCK
PITTSFIELD AQUEDUCT COMPANY, INC.

DW 08-052

INDEX

Documents Filed Under NHPUC Rule 1604.06 AND 1604.08

1. COVER LETTER AND ATTESTATION
2. PETITION AND TESTIMONY FOR TEMPORARY RATES
3. TARIFF PAGES AS REVISED
4. REPORT OF PROPOSED RATE CHANGES
5. TESTIMONY OF DONALD L. WARE
6. TESTIMONY OF BONALYN J. HARTLEY
- A. SUPPORTING SCHEDULES AND EXHIBITS FOR 1604.06
7. PITTSFIELD AQUEDUCT COMPANY COMBINED WITH STEP INCREASE
8. PITTSFIELD AQUEDUCT COMPANY COMBINED
9. PITTSFIELD AQUEDUCT COMPANY – PITTSFIELD ONLY
10. PITTSFIELD AQUEDUCT COMPANY – NORTH COUNTRY ONLY
11. SUPPORTING SCHEDULES AND EXHIBITS FOR 1604.08

PITTSFIELD AQUEDUCT COMPANY, INC.
COMPUTATION OF REVENUE DEFICIENCY **Schedule A**
For The Twelve Months Ended December 31, 2007
Combined

	<u>TEST YEAR</u>	<u>PRO FORMA ADJUSTMENTS</u>	<u>PRO FORMA TEST YEAR</u>
Consolidated Rate Base (Sch 3)	\$ 4,071,544	\$ 1,322,899	\$ 5,394,444
RATE of Return (1)	7.03%		7.03%
Income Required	\$ 286,155		\$ 379,130
Adjusted Net Operating Income (Sch 1)	\$ (165,766)	\$ (33,424)	\$ (199,190)
Deficiency	\$ 451,921		\$ 578,320
Tax Factor	60.39%		60.39%
Revenue Deficiency	\$ 748,337		\$ 957,642
Water Revenues	\$ 771,674	\$ -	\$ 771,674
Proposed Revenue Inc	96.98%		124.10%

Notes:

(1) Test Year using return on equity of 9.75% and debt/equity mix as of 12/31/07

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

Schedule 1

Combined

	TWELVE MONTHS 12/31/07	PRO FORMA ADJUSTMENTS		PRO FORMA 12 MONTHS 12/31/07	TWELVE MONTHS 12/31/06	TWELVE MONTHS 12/31/05
Water Sales	\$ 771,674			\$ 771,674	\$ 661,420	\$ 464,566
Other Operating Revenue	11,177			11,177	4,029	4,874
Total Revenues	782,851			782,851	665,449	469,439
Production Expenses	259,353	(827)	(1)	258,526	159,619	59,139
Transmission & Distribution Expense	169,999	7,382	(2)	177,381	124,007	43,656
Customer Acct & Collection Exp	33,364	79	(3)	33,442	35,523	15,532
Administrative & General Expense	58,401	(3,056)	(4)	55,345	40,289	35,429
Inter Div Management Fee	477,611	(21,894)	(5)	455,717	309,000	156,000
Total Operating Expense	998,727	(18,316)		980,412	668,438	309,755
Depreciation Exp/Acq Adj (Credit)	134,766	19,707	(6)	154,473	83,249	76,663
Amortization Expense: CIAC	(24,310)			(24,310)	(13,172)	(23,888)
Amortization Expense	16,948	772	(7)	17,720	29,472	17,828
Taxes Other Than Income Tax	42,710	53,182	(8)	95,893	37,793	28,501
Income Tax	(220,224)	(21,922)	(9)	(242,146)	(94,152)	2,075
Total Operating Deductions	948,617	33,424		982,041	711,628	410,933
Net Operating Income	\$ (165,766)	\$ (33,424)		\$ (199,190)	\$ (46,179)	\$ 58,506

Notes:

(1) increases for union salary increases and adjustments for non-recurring expenses per Schedule 1, Attachment B, page 1

(2) increase for union salary increases per Schedule 1, Attachment B, page 2

(3) increases for union salary increases per Schedule 1, Attachment C, page 1

(4) adjust for non-recurring expenses and reclassification of expenses per Schedule 1, Attachment C, page 1

(5) adjust for salary increases, non-recurring expenses and other adjustments per Schedule 1 Attachment C, page 3

(6) increase/decrease depreciation for additions/deletions to plant assets per Schedule 1, Attachment E

(7) increase amortization for additions to deferred charges per Schedule 1, Attachment F

(8) adjust property taxes for annualization of taxes and plant additions per Schedule 1, Attachment D

(9) reflect income tax effect on proforma adjustments calculated on effective tax rate of 39.61% per Schedule 1, Attachment G

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

Schedule 1
Attachment A

I Operating Revenues

Therefore:

\$ -

TOTAL OPERATING REVENUES PRO FORMA:

\$ -

NONE

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

Schedule 1
Attachment B
Page 1

I Production Expense

- A. During the test year, the Company incurred some expenses that are non-recurring in nature. The following proforma adjustment reflect the elimination of these expense from the test period income as follows:

Account 6601 Purchased water for pump replacement \$ 1,320

\$ 1,320

Therefore:

\$ (1,320)

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

Wages		328
Benefits	50.3%	<u>165</u>
		<u>493</u>

Therefore:

\$ 493

TOTAL PRODUCTION EXPENSE PRO FORMA:

\$ (827)

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

Schedule 1
Attachment B
Page 2

I Distribution Expense

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

Wages		4,912
Benefits	50.3%	<u>2,471</u>
		<u>7,382</u>

Therefore:

\$ 7,382

TOTAL DISTRIBUTION EXPENSE PRO FORMA:

\$ 7,382

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

Schedule 1
Attachment C
Page 1

I Customer Accounting

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

Wages		52
Benefits	50.3%	<u>26</u>
		<u>79</u>

Therefore:

\$ 79

TOTAL CUSTOMER ACCOUNTING

\$ 79

II Administrative & General

- A. In the test year, the Company contributed to a non-profit organization.

Therefore:

\$ (100)

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

Debt Issuance Costs	\$ 1,075
Deferred Debits (Rate Case Exp)	<u>\$ 1,881</u>
	<u>\$ 2,956</u>

Therefore:

\$ (2,956)

TOTAL ADMINISTRATIVE & GENERAL PRO FORMA:

\$ (3,056)

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

Schedule 1
Attachment C
Page 2

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

- A. In 2007, Pennichuck Water will adjust non union wages by 4% effective 4/1/08. A portion of the increases will flow through the management fee as follows:

2007 Non-Union Salaries		\$ 4,071,849
4% Increase		\$ 162,874
Benefits	38.6%	\$ 62,869
Total Costs		<u>\$ 225,743</u>
% Allocated to PAC	5.6%	<u>\$ 12,642</u>

Therefore: \$ 12,642

- B. During the test year, the Company incurred some expenses that are non-recurring in nature. The following proforma adjustment reflect the elimination of these expense from the test period income as follows:

Nutter (Great American Claim)		\$ 377
Total		<u>\$ 377</u>
% Allocated to PAC	5.6%	<u>\$ 21</u>

Therefore: \$ (21)

- C. Through the management fee, the Company was charged with Superintendence salary that was also directly charged to the expense. The following proforma adjustment eliminates the charge through the management fee:

Therefore: \$ (55,036)

- D. The 2007 management fee did not include depreciation for leasehold improvements and HECOP III fit up allowance. The amounts are as follows:

Leasehold Improvements		\$ 124,151
HECOP III Fit Up Allowance		<u>\$ 77,869</u>
Total		<u>\$ 202,019</u>
% Allocated to PAC	5.6%	<u>\$ 11,313</u>

Therefore: \$ 11,313

- E. Per PWW 06-073, the depreciation of leasehold improvements, for rate making purposes, should be over 10 years. Per GAAP, the Company is depreciating over the life of the lease, 5 years. The proforma adjustment to reflect the lower depreciation is as follows:

Leasehold Improvements		\$ 124,151
Depreciation - 10 yrs		<u>\$ 62,075</u>
Depreciation Adjustment		<u>\$ (62,075)</u>
% Allocated to PAC	5.6%	<u>\$ (3,476)</u>

Therefore: \$ (3,476)

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

Schedule 1
Attachment C
Page 3

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

F. Per PEU 07-032, PCP is amortizing corporate board costs associated with the search for President/CEO in 2006. In 2007, the Company amortized 3 months of costs. The following proforma adjustment annualizes the amortization as follows:

Amortization costs recognized	\$ 2,520
Annualization of Amort Costs	<u>\$ 10,080</u>
Adjustment	<u>\$ 7,560</u>
% Allocated to PAC	5.6% <u>\$ 423</u>

Therefore:

\$ 423

G. In 2008, PWW filled 2 new salaried positions. The impact of the annual salaries will flow through the management fee as follows:

Lead Electrician	\$ 55,000
Customer Service Rep	<u>\$ 31,000</u>
	<u>\$ 86,000</u>
Benefits	38.6% <u>\$ 33,196</u>
Total Costs	<u>\$ 119,196</u>
% Allocated to PAC	5.6% <u>\$ 6,675</u>

Therefore:

\$ 6,675

H. The 2007 management fee allocation of work order overhead is adjusted as follows:

Allocation per 2007 mgt fee	78,476
(Per 1604.01 Section 26)	
Allocation adjusted to eliminate contractor invoices (Per Schedule	<u>84,062</u>
Adjustment	<u>5,586</u>

Therefore:

\$ 5,586

TOTAL MANAGEMENT FEE PRO FORMA:

\$ (21,894)

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

Schedule 1
Attachment D

I PROPERTY TAXES (Sch 1A, Pages 1-2)

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

Therefore:

\$ (878)

- B. In 2007, the Company's taxable utility property increased as part of plant additions. Schedule 1A, Attachment A, Pages 1-6 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
Various	2,135,547	Various	\$ 39,965
State NH	2,135,547	\$ 6.60	\$ 14,095
Total			\$ 54,060

Therefore

\$ 54,060

TOTAL PROPERTY AND OTHER TAXES PRO FORMA:

\$ 53,182

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

Schedule 1
Attachment E

I DEPRECIATION

- A.** In 2007, the Company added depreciable assets and only 1/2 year depreciation expense was reflected in the test year. (Schedule 3, Attachment A, Exhibit 1)

Therefore: \$ 29,654

- B.** In 2007, the Company disposed of depreciable assets. The total depreciation expense reflected in the test year for these assets was as follows: (Schedule 3, Attachment A, Exhibit 3)

Therefore: \$ (3,176)

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

Therefore: \$ (1,586)

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

Therefore: \$ (5,185)

TOTAL DEPRECIATION EXPENSE PRO FORMA: \$ 19,707

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

Schedule 1
Attachment F

I AMORTIZATION OF DEFERRED CHARGES

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

Therefore:

\$ 56

- B.** In 2007, the Company completed amortizing certain deferred assets.
An adjustment is made to remove the related amortization expense
from the test year. (Schedule 2, Attachment E)

Therefore:

NONE

\$ -

- C.** In 2007, the Company incurred costs in obtaining a 3 year waiver of
certain water sampling requirements from the NHDES. The following
proforma adjustment reflects a full year of amortization as follows:
(Schedule 2, Attachment C)

Phase II & IV Waiver

2,150

Amortization for 1 year

717

Therefore:

\$ 717

TOTAL AMORTIZATION EXPENSE PRO FORMA:

\$ 772

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

**Schedule 1
Attachment G**

I INCOME TAXES

A. To reflect the pro forma adjustment to record the income tax effect of the pro forma adjustments for the twelve months ended December 31, 2007.

Therefore:

(Sch1, Attach A)	Operating Revenues	\$ -
Less:	Expenses	
(Sch1, Attach B)	Production Expense	(827)
(Sch1, Attach B)	Distribution Expense	7,382
(Sch1, Attach C)	Customer Accounting	79
(Sch1, Attach C)	Administrative & General	(3,056)
(Sch1, Attach C)	Management Fee	(21,894)
(Sch1, Attach D)	Total Prop & Other Taxes	53,182
(Sch1, Attach E)	Depreciation	19,707
(Sch1, Attach F)	Amortization	772
	Total	<u>\$ 55,346</u>

Pro Forma NHBP Tax @ 8.5%.

Therefore:

\$ 55,346	8.5%	<u>\$ (4,704)</u>
	Sub Total	<u>\$ 50,642</u>

Pro Forma FIT Tax 34%

Therefore:

\$ 50,642	34%	<u>\$ (17,218)</u>
	Sub Total	<u>\$ (17,218)</u>

TOTAL INCOME TAXES PRO FORMA:

\$ (21,922)

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

TOWN	TAX YEAR	TEST YEAR	Dec 2007 RATE per \$1,000	TOTAL PAID FOR TEST YEAR Jan 07 to Dec 07	1/2 OF DEC 2006 TAX BILL WHICH RELATES TO FIRST QUARTER 2007	AMOUNT PAID TO JUNE 2007 TAX BILL	CREDITS FOR JUNE 2007 TAX BILL (1)	1/2 OF DEC 2007 TAX BILL WHICH RELATES TO FOURTH QUARTER 2007	PRO FORMA PROPERTY TAX	PROPERTY TAX ADJUSTMENTS	PRO FORMA PROPERTY TAX ADJUSTMENT
BARNSTEAD	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
2 Monroe Drive			\$ 18.40	\$ 673	\$ 164	\$ 297		\$ 188			
137 Peacham Road			18.40	2,891	189	1,275		808			
Peacham Road (014/009)			18.40	34	10	15		10			
North Barnstead Road			18.40	339	-	149		95			
12 Danbury Road			16.14	3,007	1,296	2,244		382			
				6,944	1,658	3,980		1,482	\$ (176)	-	\$ (176)
CONWAY (1)	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
West Side Road (2)			16.08	1,227	-	-		614		1,188	
Richard Lane			16.08	238	151	287	(49)	119			
Randall Farm Road			13.53	479	129	242		240			
Acorn Link			13.53	239	129	242	(3)	120			
Allard Farm Circuit (43)			13.53	158	127	239	(81)	79			
Allard Farm Circuit (71)			13.53	199	150	282	(83)	100			
Allard Farm Circuit (56)			13.53	198	138	260	(62)	99			
				2,738	824	1,552	(278)	756	\$ (116)	1,188	\$ 1,073
MIDDLETON	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
Beech & Jordan			12.82	1,705	637	983		361			
Lincoln Road			14.87	24	8	13		6			
Harold Drive (12)			14.87	277	241	277		-			
Harold Drive (13)			14.87	482	242	273		105			
				2,488	1,127	1,546		471	\$ (656)	-	\$ (656)
PITTSFIELD	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
			21.70	20,263	5,923	11,205		4,529	\$ (1,394)	-	\$ (1,394)
STATE OF NH (3)	04/01/06 - 03/31/07	01/01/07 - 12/31/07									
North Country				575	-	-		575		20	
Pittsfield				7,470	-	-		7,470		255	
				8,045	-	-		8,045	\$ -	275	\$ 275
TOTAL EXPENSE											
				\$ 41,053	\$ 9,531	\$ 18,283	\$ (278)	\$ 15,283	\$ (2,341)	\$ 1,463	\$ (878)

Note:

- (1) In the December 2007 bills, the town of Conway included a credit and refund of \$278 related to assessment adjustment for the June 2007 bills.
- (2) In 2007, the Company acquired the property and paid the appropriate portion of the annual property tax. The proforma adjustment reflects the additional property taxes needed for a full year.
- (3) The proforma adjustment reflects the increase in the 2007 vs. 2006 taxes not reflected in the test year.

Pittsfield Aqueduct Company, Inc.
Taxable Assets for Assets Acquired
for the Twelve Months Ended December 31, 2007
PAC Combined

Schedule 1A
Attachment A
Page 1

ASSET BALANCES					
Asset ID	Beginning	Acquisition Date	Additions	Tax Rate per \$1,000	Property Tax
Asset GL Acct #: 6304-100-002					
60000- -----	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION	01/01/2007	14,386.83	18.40	264.72
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION	02/01/2007	779.56	18.40	14.34
60000-	CONFINED SPACE - SUNRISE EST.	02/01/2007	11,042.38	14.87	164.20
60000- -----	CONFINED SPACE - SUNRISE EST.	02/01/2007	2,645.49	14.87	39.34
60000-	CONFINED SPACE - SUNRISE EST.	03/01/2007	1,932.24	14.87	28.73
60000-	CONFINED SPACE - SUNRISE ESTATES	07/01/2007	1,000.00	14.87	14.87
60000- -----	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION	07/01/2007	75.44	18.40	1.39
60000-	LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	476,047.80	18.40	8,759.28
60000- -----	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE	09/01/2007	6,061.96	18.40	111.54
60000-	CONFINED SPACE - SUNRISE ESTATES	10/01/2007	72.70	14.87	1.08
60000-	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE	10/01/2007	5,553.81	18.40	102.19
60000- -----	LOCKE LAKE ARSENIC TREATMENT	11/01/2007	2,267.86	18.40	41.73
60000-	LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	326,162.97	18.40	6,001.40
Subtotal: 6304-100-002 (15)			848,029.04		
Asset GL Acct #: 6306-000-001					
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	2,700.00	20.50	55.35
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	12/01/2007	26,350.00	20.50	540.18
Subtotal: 6306-000-001 (2)			29,050.00		
Asset GL Acct #: 6309-000-001					

Pittsfield Aqueduct Company, Inc.
Taxable Assets for Assets Acquired
for the Twelve Months Ended December 31, 2007
PAC Combined

ASSET BALANCES

Asset ID Beginning
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD

Subtotal: 6309-000-001 (1)

Asset GL Accl #: 6309-000-002

60000- LOCKE LAKE ARSENIC TREATMENT

60000- LOCKE LAKE ARSENIC TREATMENT

60000- LOCKE LAKE ARSENIC TREATMENT

Subtotal: 6309-000-002 (3)

Asset GL Accl #: 6310-000-002

60000- LOCKE LAKE ARSENIC TREATMENT

Subtotal: 6310-000-002 (1)

Asset GL Accl #: 6311-000-002

60000- LOCKE LAKE ARSENIC TREATMENT

60000- LOCKE LAKE ARSENIC TREATMENT

60000- LOCKE LAKE ARSENIC TREATMENT

Subtotal: 6311-000-002 (16)

Asset GL Accl #: 6320-200-002

60000- LOCKE LAKE ARSENIC TREATMENT

60000- LOCKE LAKE ARSENIC TREATMENT

60000- LOCKE LAKE ARSENIC TREATMENT

Subtotal: 6320-200-002 (4)

Asset GL Accl #: 6330-000-002

60000- LOCKE LAKE STORAGE TANK - 250,000 GALLON

Acquisition	Additions	Tax Rate	Property Tax
12/01/2007	4,551.15	20.50	93.30
	4,551.15		
09/01/2007	9,379.57	18.40	172.58
09/01/2007	1,867.37	18.40	34.36
11/01/2007	263.46	18.40	4.85
	11,510.40		
09/01/2007	32,515.61	18.40	598.29
	32,515.61		
08/01/2007	1,636.21	18.40	30.11
09/01/2007	157,543.38	18.40	2,898.80
09/01/2007	73.90	18.40	1.36
10/01/2007	10,559.63	18.40	194.30
	169,813.12		
09/01/2007	215,274.76	18.40	3,961.06
09/01/2007	14,157.50	18.40	260.50
11/01/2007	7,736.23	18.40	142.35
	237,168.49		

Pittsfield Aqueduct Company, Inc.
Taxable Assets for Assets Acquired
for the Twelve Months Ended December 31, 2007
PAC Combined

Schedule 1A
Attachment A
Page 3

ASSET BALANCES		Acquisition	Additions	Tax Rate	Property Tax
AssetID	Beginning				
60000-	LOCKE LAKE STORAGE TANK - 250,000 GALLON	08/01/2007	447,347.89	18.40	8,231.20
60000-	GOLF COURSE PUMP HOUSE: LOCKE LAKE STORAGE TANK	08/01/2007	32,517.22	18.40	598.32
60000-	LOCKE LAKE STORAGE TANK - 250,000 GALLON	09/01/2007	8,148.05	18.40	149.92
		11/01/2007	970.91	18.40	17.86
<i>Subtotal: 6330-000-002 (5)</i>			488,984.07		
<i>Asset GL Acct #: 6331-100-001</i>					
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	03/01/2007	147,660.73	20.50	3,027.04
60000-	RAW WATER TRANS MAINS - PITTSFIELD	03/01/2007	687.30	20.50	14.09
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	04/01/2007	120,763.78	20.50	2,475.66
60000-	RAW WATER TRANS MAINS - PITTSFIELD	04/01/2007	4,110.32	20.50	84.26
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	06/01/2007	5,123.18	20.50	105.03
60000-	RAW WATER TRAN MAINS - PITTSFIELD	08/01/2007	7,652.94	20.50	156.89
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	10/01/2007	25,559.29	20.50	523.97
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	1,905.08	20.50	39.05
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	462.27	20.50	9.48
<i>Subtotal: 6331-100-001 (9)</i>			313,924.89		
Yearly Subtotal			2,135,546.77		39,964.94

PITTSFIELD AQUEDUCT COMPANY, INC.

PAYROLL SUMMARY

Schedule 1B

Pro Forma Adjustments

For The Twelve Months Ended

December 31, 2007

Combined

Proforma

Normalize

	Twelve Months Ending 12/31/07	Union Pro Forma Jan 1, 2007 Feb 15, 2007	Union Pro Forma Feb 16, 2008 - Dec 31, 2008	Total Proforma for Payroll	Total Proformed Twelve Months 12/31/07
Customer Service - Union	\$ 1,307	\$ 7	\$ 46	52	\$ 1,359
Production - Union	\$ 8,207	\$ 41	\$ 287	328	\$ 8,536
Distribution - Union	\$ 122,795	\$ 614	\$ 4,298	4,912	\$ 127,707
Construction	\$ 55,323	\$ 277	\$ 1,936	2,213	\$ 57,536
Other Accounts:	\$ -	\$ -	\$ -	-	\$ -
Total	\$ 187,633	\$ 938	\$ 6,567	\$ 7,505	\$ 195,138
Wage Increase		4.0%	4.0%	-	-

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

Schedule 1C

	PWW Capital	070 WTP Maintenance	080 OPS Maintenance	Fleet	PWW Jobbing	PWS Maintenance	PWS Jobbing	PAC Capital	PAC Maintenance	PEU Capital	PEU Maintenance	Total	
Labor	60,167.70	534,927.05	817,726.73	42,798.76	54,584.77	366,650.65	59,297.08	27,536.44	149,768.47	24,324.84	274,616.80	2,412,399.29	
Contractor Clearing	6,936.85	-	4,233.63	110,948.81	10,034.56	132.30	327,620.65	2,897.25	2,638.84	978.75	312.00	466,733.64	
Inventory: Pipes & Fittings	57,284.06	185.23	47,632.35	-	60,475.75	3,924.92	14,856.57	15,641.47	6,056.00	18,002.45	7,528.79	231,587.59	
Inventory: Meters	51,497.80	-	-	-	64.53	-	9,922.61	8,351.49	-	20,658.02	-	90,494.45	
Inventory: Misc T&D	3,703.92	34.59	12,973.16	-	1,827.21	-	1,563.25	1,009.23	1,191.77	1,238.74	2,368.00	25,909.87	
Inventory: Chemicals	-	605,197.11	-	-	2,118.83	-	12,988.08	-	915.21	-	31,966.16	653,185.39	
Inventory: Fleet	-	-	31.27	2,454.99	-	-	-	-	-	-	-	2,486.26	
Misc T&D Supplies	-	-	-	129.00	2,651.86	-	-	-	-	-	-	2,780.86	
Truck	18,923.18	44,593.54	134,185.90	1,596.27	16,566.31	104,063.54	15,434.85	10,743.56	35,862.79	9,267.55	86,837.23	478,074.72	
Backhoe	7,612.50	441.50	11,358.52	-	7,795.13	178.75	3,048.64	4,583.27	5,068.38	2,325.50	8,891.14	51,303.33	
Compressor	228.00	-	3,460.00	-	-	-	12.00	-	731.00	168.00	192.00	4,791.00	
Inspection Fees	-	-	-	-	172,503.43	-	-	-	-	-	-	172,503.43	
Overhead	4,691.44	-	-	-	45,320.67	-	-	1,679.86	-	1,770.21	-	53,462.18	
Labor Overhead	29,397.81	261,044.40	399,050.64	20,885.79	27,319.90	173,058.91	29,276.46	13,593.64	67,342.68	11,953.11	132,688.02	1,165,611.37	
Misc General Equipment	20.00	-	-	-	-	52.50	255.00	-	-	-	143	470.00	
Total Costs	240,463.26	1,446,423.42	1,430,652.20	178,813.62	401,262.95	648,061.57	474,275.19	86,036.21	269,575.14	90,687.17	545,543	5,811,793.38	
Less:													
Overhead	4,691.44	-	-	-	45,320.67	-	-	1,679.86	-	1,770.21	-	53,462.18	
Contractor Clearing	6,936.85	-	4,233.63	110,948.81	10,034.56	132.30	327,620.65	2,897.25	2,638.84	978.75	312.00	466,733.64	
Total Adjusted Costs	228,834.97	1,446,423.42	1,426,418.57	67,864.81	345,907.72	647,929.27	146,654.54	81,459.10	266,936.30	87,938.21	545,230.64	5,291,597.56	
% of Total Adjusted Costs	4.32%	27.33%	26.96%	1.28%	6.54%	12.24%	2.77%	1.54%	5.04%	1.66%	10.30%	100.00%	
Ovhd Allocable to Work Orders	1,276,778	55,214	348,999	344,172	16,375	83,462	156,335	35,385	19,655	64,407	21,218	131,555	1,276,778
Totals by Company:													
PWW	55,214	348,999	344,172	16,375	83,462							848,222	66.43%
PEU										21,218	131,555	152,774	11.97%
PAC								19,655	64,407			84,062	6.58%
PWS						156,335	35,385					191,720	15.02%
Total Overhead	52,277	320,710	317,214	39,648	78,922	143,693	105,160	18,704	59,772	19,715	120,962	1,276,778	100.00%
% Labor	2.49%	22.17%	33.90%	1.77%	2.26%	15.20%	2.46%	1.14%	6.21%	1.01%	11.38%	100.00%	

Notes:

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

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

Schedule 2

	12/31/2007	13 MONTH TEST YR AVERAGE	12/31/2006	12/31/2005
<u>PLANT ASSETS</u>				
Plant in Service	7,122,986	5,769,464	4,807,661	3,503,720
Work in process	963,383	1,103,671	988,242	-
Accumulated depreciation	792,597	832,290	797,738	725,033
Net Plant	7,293,772	6,040,845	4,998,165	2,778,687
Acquisition Adjustment	-	-	-	-
Accumulated amortization	-	-	-	-
Net Acquisition Adjustment	-	-	-	-
Total Net Utility Plant	7,293,772	6,040,845	4,998,165	2,778,687
<u>CURRENT ASSETS</u>				
Cash	200	200	200	-
Short term investments: FHLB	-	-	-	-
Short term investments: MM	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable-billed, net	146,859	206,278	284,429	300,225
Accounts receivable-unbilled, net	66,031	70,056	63,437	49,557
Accounts receivable-other	-	-	-	-
Inventory	-	-	-	3,435
Prepaid expenses	6,738	4,781	6,920	-
Prepaid property taxes	7,024	4,424	9,531	9,343
Prepaid income taxes	-	-	-	-
Intercompany receivable	-	-	-	-
	226,852	285,739	364,517	362,560
<u>OTHER ASSETS</u>				
Deferred land costs	-	-	-	-
Debt issuance expenses	12,158	9,521	5,863	2,142
Investment in partnerships	-	-	-	-
Other	57,857	81,770	141,959	118,589
	70,015	91,291	147,822	120,731
TOTAL ASSETS	\$ 7,590,639	\$ 6,417,875	\$ 5,510,504	\$ 3,261,978

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

Schedule 2A

	12/31/2007	13 MONTH TEST YR AVERAGE	12/31/2006	12/31/2005
STOCKHOLDERS' EQUITY				
Common stock	\$ 100	\$ 100	\$ 100	\$ 100
Paid in capital	2,237,129	1,314,052	237,129	237,129
Retained earnings	432,358	604,263	768,407	912,077
	<u>2,669,587</u>	<u>1,918,416</u>	<u>1,005,636</u>	<u>1,149,306</u>
LONG TERM DEBT				
Bonds, notes and mortgages	-	-	-	-
Intercompany advances	2,434,043	1,931,603	1,580,877	1,008,052
Intercompany advances Pittsfield	298,384	586,314	869,026	-
Intercompany advances North Country	790,898	765,820	741,233	-
	<u>3,523,324</u>	<u>3,283,737</u>	<u>3,191,136</u>	<u>1,008,052</u>
CURRENT LIABILITIES				
Accounts payable	45,679	91,335	218,860	10,354
Accr'd property taxes	-	1,383	-	-
Accrued interest payable	-	-	-	-
Other accrued expenses	163,080	42,268	15,591	1,817
Income taxes payable	-	-	-	-
Customer deposits & other	86	86	86	82
	<u>208,845</u>	<u>135,071</u>	<u>234,537</u>	<u>12,253</u>
OTHER LIABILITIES AND DEFERRED CREDITS				
Deferred income taxes	246,512	135,833	126,610	126,610
Regulatory liability	-	-	-	-
CIAC, net	942,371	944,817	952,585	965,757
Customer advances	-	-	-	-
	<u>1,188,883</u>	<u>1,080,651</u>	<u>1,079,195</u>	<u>1,092,367</u>
TOTAL EQUITY AND LIABILITIES	<u>\$ 7,590,639</u>	<u>\$ 6,417,875</u>	<u>\$ 5,510,504</u>	<u>\$ 3,261,978</u>

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

Schedule 2
Attachment A

<u>ACCOUNT CLASSIFICATION</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
Organization Costs	\$ 34,824	\$ - (1)
Structures	252,998	220,990
Pumping and Distribution Equipment	22,217	6,622
Transmission and Distribution Mains	523,027	475,750
Services	62,758	57,144
Meters	30,587	69,221
Hydrants	17,247	16,235
Other Equipment	50,450	43,705
Accumulated Depreciation	\$ 994,109	\$ 889,666
Accumulated Depreciation - Loss	\$ 188,031	\$ 91,596
Accumulated Depreciation - Cost of Removal	13,481	333
Accumulated Depreciation: Loss	\$ 201,512	\$ 91,928
 Total Accumulated Depreciation	 \$ 792,597	 \$ 797,738

Notes:

(1) In 2007, Accumulated Amortization of Organization Costs was reclassified to Accumulated Depreciation.

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

Schedule 2
Attachment B

	12/31/2007	13 Month Average	12/31/2006	12/31/2005
Repair Parts	-	-	-	3,435
	-	-	-	<u>3,435</u>

Pittsfield Aqueduct Company, Inc.
Other Deferred Charges Other Assets
For the Twelve Months Ended June 30, 2005 - 2007
Combined

Schedule 2
Attachment C

ACCT #	DESCRIPTION	12/31/2007	12/31/2006	12/31/2005	EXPLANATION
6186-000	PHASE II & V WAIVER - NO CNTRY	2,150	-	-	4
6186-150	CONSOLIDATED WATER CO ACQUISITION	-	84,205	58,265	1
6186-175	E CONWAY NH/FRYEBURG ME ACQUIS	-	-	4,390	
6186-200	COST OF SERVICE STUDY	-	-	1,700	
6186-201	SOURCE OF SUPPLY STUDY	-	8,632	17,264	
6186-225	NO COUNTRY NEW METER PROJECT	3,202	3,202	-	
6186-240	SARBANES-OXLEY	18,434	19,898	6,555	3
6186-245	TILTON HILL RD MAIN BREAK	6,268	7,160	8,052	
6186-255	MAIN BREAK - OCTOBER 2003	2,802	3,290	3,777	
6186-260	SOUTH MAIN LEAK RESEARCH	4,772	5,401	6,031	
6186-260	NORTH COUNTRY RATE RELIEF	832	-	-	2
6186-350	LOUDON ROAD MAIN BREAK	2,775	3,202	3,630	
6186-360	FAIRVIEW RD MAIN BREAK	2,482	2,831	3,180	
6186-380	2007 RATE CASE EXPENSE	12,279	-	-	2
6186-400	MAIN BREAKS - FEBRUARY 1998	118	1,312	2,506	
6186-450	CONCORD HILL ROAD SERVICE REPAIR	1,295	2,267	3,238	
6186-675	WEB SITE UPGRADE 2006	448	559	-	
TOTAL DEFERRED CHARGES		57,857	141,959	118,588	

Notes:

- (1) North Country acquisition costs transferred to Organization Expense (Intangible Plant) in 2007.
- (2) 2007 costs incurred related to preliminary efforts on rate case.
- (3) Amortization effective April 2007 in accordance with Order 24,771
- (4) The costs relate to obtaining a waiver of certain water sampling requirements from the NHDES.

Pittsfield Aqueduct Company, Inc.
Deferred Charges Additions
For the Year Ended December 31, 2007

Combined

Asset ID	Acquisition Date	Acquisition Co:	Placed In Service	Book Cost	Useful Life Months	Amort	Full Yr Amort	Pro Forma Adjustment
Year Ending December, 2007								
Asset GL Acct #: 6186-000-002								
17		PHASE II & V WAIVER - NO COUNTRY	03/01/2007	2,150.00				
				2,150.00				
Subtotal: 6186-000-002 (1)								
Asset GL Acct #: 6186-240-001								
16.1		SARBANES-OXLEY	01/01/2007	202.56	60	40.51	40.51	-
16.2		SARBANES-OXLEY	02/01/2007	-163.04	60	(29.89)	(32.61)	(2.72)
16.3		SARBANES-OXLEY	03/01/2007	1,749.87	60	291.65	349.97	58.33
				1,789.39				
Subtotal: 6186-240-001 (4)								
Asset GL Acct #: 6186-275-002								
21		EMERGENCY RATE RELIEF - NC	11/01/2007	832.00				
				832.00				
Subtotal: 6186-275-002 (1)								
Asset GL Acct #: 6186-380-001								
20		RATE CASE EXPENSE: 2007		12,279.08				
				12,279.08				
Subtotal: 6186-380-001 (6)								
Asset GL Acct #: 6186-650-001								
Grand Total								
				17,050.47				55.61

**Pennichuck East Utility , Inc.
Deferred Charges Dispositions
For the Year Ended December 31, 2007**

**Schedule 2
Attachment E**

<u>Combined</u>									
Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr & S179/A & AFYD	Net Proceeds	Realized Gain (Loss)	Useful Life Months	Amort	Proforma Adjustment
		NONE							

PITTSFIELD AQUEDUCT COMPANY, INC.
CONTRIBUTIONS IN AID OF CONSTRUCTION
For The Twelve Months Ended December 31, 2003 - 2007

Schedule 2B

		<u>Combined</u>			
	Contributions in Aid of Construction 6271-200	CIAC: Water Filtration Grant 6271-201	Sub Total of CIAC	Reserve for Amort of CIAC 6272-101	Grand Total of CIAC and Reserve for Amort of CIAC
2003	(758,263)	(400,143)	(1,158,406)	139,142	(1,019,264)
2004	(758,263)	(400,143)	(1,158,406)	165,071	(993,335)
2005	(750,286)	(398,350)	(1,148,636)	182,879	(965,757)
2006	(750,286)	(398,350)	(1,148,636)	196,052	(952,585)
2007	(764,382)	(398,350)	(1,162,732)	220,362	(942,371)

PITTSFIELD AQUEDUCT COMPANY, INC.

COMPUTATION OF RATE BASE

For The Thirteen Months Ended December 31, 2007

Schedule 3

Combined

Description	Test Year Average (Sch 3B)	Period Ending December 31, 2007 Rate Base	Pro Forma Adjustments Permanent Rates	Pro Forma Test Year
Plant in Service	5,769,464	7,122,986	1,340,905 (1)	7,110,369
Accum Deprec	945,575	994,109	16,856 (2)	962,431
Accum Deprec: Loss/(Gain)	113,286	201,511	-	113,286
Acquisition Adjustment	-	-	-	-
Accum Amort Acq Adj	-	-	-	-
CIAC	1,152,974	1,162,733	-	1,152,974
Amort of CIAC	208,156	220,362	-	208,156
	3,992,357	5,388,018	1,324,049	5,316,406
ADD:				
Working Cap	124,132	100,863	(2,258) (3)	121,874
Materials & Supplies	-	-	-	-
Prepayments	9,205	13,762	-	9,205
Other & Deferred Charges	81,770	57,857	1,109 (4)	82,878
	215,107	172,482	(1,149)	213,957
DEDUCT:				
Customer Advances	-	-	-	-
Customer Deposits	86	86	-	86
Deferred Income Tax	135,833	246,512	-	135,833
	135,919	246,598	-	135,919
TOTAL Rate Base	4,071,544	5,313,902	1,322,899	5,394,444

Notes:

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

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Plant in Service
For the Twelve Months Ended December 31, 2007
Combined

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 following proforma adjustment is to reflect the non revenue producing asset additions with their respective year end balances as follows:

Year End Balance	\$ 2,184,248
Test Year Amount	840,493
Pro Forma Adjustment	<u>\$ 1,343,755</u>

Therefore: \$ 1,343,755

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

Therefore: (as reflected on page 2 of Exhibit 5) \$ (2,851)

TOTAL PRO FORMA PLANT IN SERVICE \$ 1,340,905

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Deferred Debits
For the Twelve Months Ended December 31, 2007
Combined

Schedule 3
Attachment B

II DEFERRED DEBITS

- A.** To reflect amortization expense for deferred charges placed in service or retired during 2006 and not reflected in the test year. (Schedule 1, Attachment F)

Therefore:

(772)

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

Deferred Debits (Rate Case Exp)	<u>\$ 1,881</u>
	<u>\$ 1,881</u>

Therefore:

\$ 1,881

TOTAL PRO FORMA UNAMORTIZED DEFERRED ASSETS:

\$ 1,109

PITTSFIELD AQUEDUCT, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Accumulated Depreciation
For the Twelve Months Ended December 31, 2007
Combined

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: \$ 29,654

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

Therefore: \$ (3,176)

- C.** To reflect the adjustment of depreciation expense
related to the reclassification of assets.
(See Schedule 1, Attachment E)

Therefore: \$ (1,586)

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

Therefore: \$ (5,185)

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

Therefore: (as reflected on page 2 of Exhibit 5) \$ (2,851)

TOTAL ACCUMULATED DEPRECIATION PRO FORMA:

\$ 16,856

PITTSFIELD AQUEDUCT COMPANY, INC.
Pro Forma Adjustment to Rate Base
Working Capital
For the Twelve Months Ended December 31, 2007
Combined

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 last case DW-03-107.) Total pro forma operation and maintenance expenses (Schedule 1) are for the twelve months of the test year.

Therefore:

		Working
Total O & M Expenses		Capital Rate
\$	(18,316)	12.33%
		\$ (2,258)

TOTAL PRO FORMA WORKING CAPITAL: \$ (2,258)

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

Schedule 3
Attachment A
Exhibit 1
Page 1

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Asset GL Acct #: 6301-000-002</i>					
12.7	CONSOLIDATED WATER CO. ACQUISITION 02/01/2007	1,540.00			
12.8	CONSOLIDATED WATER CO. ACQUISITION 03/01/2007	244.90			
60000-000434	CONSOLIDATED WATER COMPANY ACQUISITION 10/01/2007	360.00			
<i>Subtotal: 6301-000-002 (3)</i>		2,144.90			
<i>Asset GL Acct #: 6303-300-002</i>					
60000-000330	SUNRISE ESTATES EASEMENTS 02/01/2007	700.00			
60000-000410	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	4,757.08			
60000-000421	LOCKE LAKE ARSENIC TREATMENT 10/01/2007	-941.40			
<i>Subtotal: 6303-300-002 (3)</i>		4,515.68			
<i>Asset GL Acct #: 6304-100-002</i>					
<i>Life: 75 yr 0 mo</i>					
60000-000319	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 01/01/2007	14,386.83	900	191.82	95.91
60000-000326	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 02/01/2007	779.56	900	10.39	5.20
60000-000327	CONFINED SPACE - SUNRISE EST. 02/01/2007	11,042.38	900	147.23	73.62
60000-000328	CONFINED SPACE - SUNRISE EST. 02/01/2007	2,645.49	900	35.27	17.64
60000-000342	CONFINED SPACE - SUNRISE EST. 03/01/2007	1,932.24	900	25.76	12.88
60000-000381	CONFINED SPACE - SUNRISE ESTATES 07/01/2007	1,000.00	900	13.33	6.67
60000-000384	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION 07/01/2007	75.44	900	1.01	0.50
60000-000409	LOCKE LAKE ARSENIC TREATMENT 09/01/2007	476,047.80	900	6,347.30	3,173.65
60000-000415	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE 09/01/2007	6,061.96	900	80.83	40.41
60000-000423	CONFINED SPACE - SUNRISE ESTATES 10/01/2007	72.70	900	0.97	0.48
60000-000424	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE 10/01/2007	5,553.81	900	74.05	37.03
60000-000442	LOCKE LAKE ARSENIC TREATMENT				

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

Schedule 3
Attachment A
Exhibit 1
Page 2

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
60000-00414.22	11/01/2007 LOCKE LAKE ARSENIC TREATEMNT	2,267.86	900	30.24	15.12
	09/01/2007	326,162.97	900	4,348.84	2,174.42
<i>Subtotal: 6304-100-002 (15)</i>		848,029.04			
<i>Asset GL Acct #: 6304-800-001</i>					
<i>Life: 36 yr 9 mo</i>					
60000-000425	10/01/2007 CLEARWELL AT PITTSFIELD TREATMENT PLANT	21,655.00	441	589.25	294.63
<i>Subtotal: 6304-800-001 (1)</i>		21,655.00			
<i>Asset GL Acct #: 6306-000-001</i>					
<i>Life: 50 yr 0 mo</i>					
60000-000440	11/01/2007 RAW WATER TRANSMISSION MAINS - PITTSFIELD	2,700.00	600	54.00	27.00
60000-000454	12/01/2007 RAW WATER TRANS. MAINS - PITTSFIELD	26,350.00	600	527.00	263.50
<i>Subtotal: 6306-000-001 (2)</i>		29,050.00			
<i>Asset GL Acct #: 6307-100-002</i>					
<i>Life: 50 yr 0 mo</i>					
60000-000353	05/01/2007 WELL DEEPENING BRW #13, LOCKE LAKE	140.80	600	2.82	1.41
<i>Subtotal: 6307-100-002 (1)</i>		140.80			
<i>Asset GL Acct #: 6309-000-001</i>					
<i>Life: 75 yr 9 mo</i>					
60000-000448	12/01/2007 RAW WATER TRANSMISSION MAINS - PITTSFIELD	4,551.15	909	60.08	30.04
<i>Subtotal: 6309-000-001 (1)</i>		4,551.15			
<i>Asset GL Acct #: 6309-000-002</i>					
<i>Life: 75 yr 9 mo</i>					
60000-000408	09/01/2007 LOCKE LAKE ARSENIC TREATEMNT	9,379.57	909	123.82	61.91
60000-000413	09/01/2007 LOCKE LAKE ARSENIC TREATEMNT	1,867.37	909	24.65	12.33
60000-000441	11/01/2007 LOCKE LAKE ARSENIC TREATMENT	263.46	909	3.48	1.74
<i>Subtotal: 6309-000-002 (3)</i>		11,510.40			

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

Schedule 3
Attachment A
Exhibit 1
Page 3

Asset ID	Placed in Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Asset GL Acct #: 6310-000-002</i>					
<i>Life: 16 yr 4 mo</i>					
60000-000407	LOCKE LAKE ARSENIC TREATEMNT 09/01/2007	32,515.61	196	1,990.75	995.38
<i>Subtotal: 6310-000-002 (1)</i>		32,515.61			
<i>Asset GL Acct #: 6311-000-002</i>					
<i>Life: 16 yr 4 mo</i>					
60000-000320	BIRCH HILL LOT 56 PUMP REPLACEMENT 01/01/2007	8,387.55	196	513.52	256.76
60000-000344.2	LOCKE LAKE SEC S PUMP REPLACEMENT 04/01/2007	6,232.18	196	381.56	190.78
60000-000354	LOCKE LAKE, SEC S PUMP REPLACEMENT 05/01/2007	45.00	196	2.76	1.38
60000-000365	BIRCH HILL LOT 149 PUMP REPLACEMENT 05/01/2007	16,104.99	196	986.02	493.01
60000-000366	AIRSTRIIP BOOSTER PUMP REPAIR 06/01/2007	606.48	196	37.13	18.57
60000-000373	REPLACEMENT OF WELL PUMP #3 - SUNRISE ESTATES 06/01/2007	12,092.74	196	740.37	370.19
60000-000397	PUMP REPLACEMENT AT LOT 139, BIRCH HILL 08/01/2007	1,636.21	196	100.18	50.09
60000-000406	LOCKE LAKE ARSENIC TREATEMNT 09/01/2007	157,543.38	196	9,645.51	4,822.76
60000-000412	LOCKE LAKE ARSENIC TREATEMNT 09/01/2007	73.90	196	4.52	2.26
60000-000422	LOCKE LAKE ARSENIC TREATMENT 10/01/2007	10,559.63	196	646.51	323.25
60000-000426	REPLACEMENT OF WELL PUMP #3, MIDDLETON 10/01/2007	117.00	196	7.16	3.58
60000-000427	LOT 43S WELL PUMP/MOTOR REPLACEMENT, BIRCH HILL 10/01/2007	2,931.08	196	179.45	89.73
60000-000428	LOT 71 WELL PUMP/MOTOR REPLACEMENT, BIRCH HILL 10/01/2007	4,537.12	196	277.78	138.89
60000-000445	LOT 43N WELL PUMP MOTOR REPLACEMENT 12/01/2007	2,011.05	196	123.13	61.56
60000-000446	LOCKE LAKE WELL #11 REPLACEMENT 12/01/2007	5,234.52	196	320.48	160.24
<i>Subtotal: 6311-000-002 (16)</i>		228,112.83			
<i>Asset GL Acct #: 6320-200-002</i>					
<i>Life: 32 yr 2 mo</i>					
60000-000380	AIRSTRIIP TREATMENT PIPING				

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

Schedule 3
Attachment A
Exhibit 1
Page 4

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
	07/01/2007	2,371.17	386	73.72	36.86
60000-000405	LOCKE LAKE ARSENIC TREATEMNT				
	09/01/2007	215,274.76	386	6,692.48	3,346.24
60000-000411	LOCKE LAKE ARSENIC TREATEMNT				
	09/01/2007	14,157.50	386	440.13	220.06
60000-000443	LOCKE LAKE ARSENICTREATMENT				
	11/01/2007	7,736.23	386	240.50	120.25
<i>Subtotal: 6320-200-002 (4)</i>		239,539.66			
<i>Asset GL Acct #: 6330-000-002</i>					
<i>Life: 41 yr 0 mo</i>					
60000-000396.2	LOCKE LAKE STORAGE TANK - 250,000 GALLON				
	08/01/2007	447,347.89	492	10,910.92	5,455.46
60000-000399	LOCKE LAKE STORAGE TANK - 250,000 GALLON				
	08/01/2007	32,517.22	492	793.10	396.55
60000-000402	GOLF COURSE PUMP HOUSE: LOCKE LAKE STORAGE TANK				
	09/01/2007	8,148.05	492	198.73	99.37
60000-000444	LOCKE LAKE STORAGE TANK - 250,000 GALLON				
	11/01/2007	970.91	492	23.68	11.84
<i>Subtotal: 6330-000-002 (5)</i>		488,984.07			
<i>Asset GL Acct #: 6331-003-002</i>					
<i>Life: 78 yr 9 mo</i>					
60000-000385	GATES - PAVING: LOCKE LAKE				
	07/01/2007	460.24	945	5.84	2.92
<i>Subtotal: 6331-003-002 (1)</i>		460.24			
<i>Asset GL Acct #: 6331-100-001</i>					
<i>Life: 50 yr 0 mo</i>					
60000-000341	RAW WATER TRANS. MAINS - PITTSFIELD				
	03/01/2007	147,660.73	600	2,953.21	1,476.61
60000-000343	RAW WATER TRANS MAINS - PITTSFIELD				
	03/01/2007	687.30	600	13.75	6.87
60000-000345	RAW WATER TRANSMISSION MAINS - PITTSFIELD				
	04/01/2007	120,763.78	600	2,415.28	1,207.64
60000-000352	RAW WATER TRANS MAINS - PITTSFIELD				
	04/01/2007	4,110.32	600	82.21	41.10
60000-000367	RAW WATER TRANS. MAINS - PITTSFIELD				
	06/01/2007	5,123.18	600	102.46	51.23
60000-000398	RAW WATER TRAN MAINS - PITTSFIELD				
	08/01/2007	7,652.94	600	153.06	76.53
60000-000429	RAW WATER TRANSMISSION MAINS - PITTSFIELD				
	10/01/2007	25,559.29	600	511.19	255.59

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

Schedule 3
Attachment A
Exhibit 1
Page 5

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
60000-000439	RAW WATER TRANSMISSION MAINS - PITTSFIELD 11/01/2007	1,905.08	600	38.10	19.05
60000-000447	RAW WATER TRANSMISSION MAINS - PITTSFIELD 12/01/2007	462.27	600	9.25	4.62
<i>Subtotal: 6331-100-001 (9)</i>		313,924.89			
<i>Asset GL Acct #: 6331-250-002</i>					
<i>Life: 72 yr 5 mo</i>					
60000-000311	DISTRIBUTION MAINS - GATES: LOCKE LAKE 01/01/2007	2,000.25	869	27.62	13.81
60000-000325	DISTRIBUTION MAINS - GATES: LOCKE LAKE 02/01/2007	7,471.50	869	103.17	51.59
60000-000333	DISTRIBUTION MAINS: GATES - SUNRISE ESTATES 03/01/2007	1,775.06	869	24.51	12.26
60000-000334	DISTRIBUTION MAINS: GATE - LOCKE LAKE 03/01/2007	2,161.46	869	29.85	14.92
60000-000346	DISTRIBUTION MAINS - GATES: LOCKE LAKE 04/01/2007	6,859.66	869	94.72	47.36
60000-000355	DISTRIBUTION MAINS: GATES - LOCKE LAKE 05/01/2007	498.72	869	6.89	3.44
60000-000389	DISTRIBUTION MAINS - GATES: BIRCH HILL 08/01/2007	2,881.44	869	39.79	19.89
60000-000449	DISTRIBUTION MAINS: GATES - LOCKE LAKE 12/01/2007	2,062.45	869	28.48	14.24
<i>Subtotal: 6331-250-002 (8)</i>		25,710.54			
<i>Asset GL Acct #: 6333-100-001</i>					
<i>Life: 40 yr 0 mo</i>					
60000-000391	2" CT SERVICE: PITTSFIELD, 1 08/01/2007	2,984.77	480	74.62	37.31
<i>Subtotal: 6333-100-001 (1)</i>		2,984.77			
<i>Asset GL Acct #: 6333-100-002</i>					
<i>Life: 40 yr 0 mo</i>					
60000-000356	1" CT SERVICE: LOCKE LAKE (1) 05/01/2007	1,077.48	480	26.94	13.47
60000-000390	1" CT SERVICE: LOCKE LAKE, 1 08/01/2007	1,492.16	480	37.30	18.65
60000-000430	1" CT SERVICE: LOCKE LAKE, 1 10/01/2007	1,040.85	480	26.02	13.01
60000-000437	1" CT SERVICE: LOCKE LAKE, 1 11/01/2007	4,519.87	480	113.00	56.50

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

Schedule 3
Attachment A
Exhibit 1
Page 6

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Subtotal: 6333-100-002 (4)</i>		8,130.36			
<i>Asset GL Acct #: 6333-200-002</i>					
<i>Life: 40 yr 0 mo</i>					
60000-000312	3/4" RENEWED SERVICE: LOCKE LAKE, 1 01/01/2007	2,982.98	480	74.57	37.29
60000-000318	3/4" RENEWED SERVICE: LOCKE LAKE, 1 01/01/2007	2,511.45	480	62.79	31.39
60000-000357	3/4" CT RENEWED SERVICE: LOCKE LAKE (1) 05/01/2007	1,380.17	480	34.50	17.25
60000-000358	3/4" CT RENEWED SERVICE: LOCKE LAKE (1) 05/01/2007	4,603.48	480	115.09	57.54
60000-000388	1" CT SERVICES: LOCKE LAKE, 3 08/01/2007	4,414.64	480	110.37	55.18
60000-000416	3/4" RENEWED SERVICE: LOCKE LAKE, 1 09/01/2007	2,316.06	480	57.90	28.95
60000-000438	1" CT RENEWED SERVICE: LOCKE LAKE, 2 11/01/2007	3,435.16	480	85.88	42.94
<i>Subtotal: 6333-200-002 (7)</i>		21,643.94			
<i>Asset GL Acct #: 6334-000-001</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000340	5/8" METERS: PITTSFIELD, 4 RENEWED 03/01/2007	563.19	240	28.16	14.08
60000-000347	CHAMBER COMPS: PITTSFIELD 04/01/2007	48.95	240	2.45	1.22
60000-000364	5/8" METERS: PITTSFIELD, 2 RENEWED 05/01/2007	128.52	240	6.43	3.21
60000-000372	1" METERS: PITTSFIELD, 1 RENEWED 06/01/2007	171.00	240	8.55	4.28
60000-000378	5/8" METERS: PITTSFIELD, 1 RENEWED 07/01/2007	182.69	240	9.13	4.57
60000-000387	5/8" METERS: PITTSFIELD, 1 RENEWED 08/01/2007	96.22	240	4.81	2.41
60000-000419	5/8" METERS: PITTSFIELD, 1 NEW 09/01/2007	127.37	240	6.37	3.18
60000-000420	NEPTUNE REPLACEMENT: PITTSFIELD 09/01/2007	128.52	240	6.43	3.21
60000-000431	5/8" METERS: PITTSFIELD, 2 RENEWED 10/01/2007	227.18	240	11.36	5.68
60000-000435	5/8" METERS: PITTSFIELD, 1 NEW 11/01/2007	198.87	240	9.94	4.97
60000-000450	5/8" METERS: LOCKE LAKE, 3 NEW 12/01/2007	374.29	240	18.71	9.36

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

Schedule 3
Attachment A
Exhibit 1
Page 7

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Subtotal: 6334-000-001 (11)</i>		2,246.80			
<i>Asset GL Acct #: 6334-000-002</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000313	CHAMBER COMPS: LOCKE LAKE 01/01/2007	32.62	240	1.63	0.82
60000-000314	5/8" METERS: SUNRISE ESTATES, 2 NEW 01/01/2007	248.97	240	12.45	6.22
60000-000315	3/4" METERS: SUNRISE ESTATES, 1 NEW 01/01/2007	183.55	240	9.18	4.59
60000-000316	5/8" METERS: LOCKE LAKE, 14 RENEWED 01/01/2007	1,848.93	240	92.45	46.22
60000-000317	2" METERS: LOCKE LAKE, 1 RENEWED 01/01/2007	1,927.56	240	96.38	48.19
60000-000321	5/8" METERS: BIRCH HILL, 4 NEW 02/01/2007	956.34	240	47.82	23.91
60000-000322	5/8" METERS: MIDDLETON, 1 NEW 02/01/2007	309.88	240	15.49	7.75
60000-000323	5/8" METERS: LOCKE LAKE, 3 RENEWED 02/01/2007	381.51	240	19.08	9.54
60000-000324	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 02/01/2007	64.26	240	3.21	1.61
60000-000335	5/8" METERS: BIRCH HILL, 1 NEW 03/01/2007	509.94	240	25.50	12.75
60000-000336	5/8" METERS: LOCKE LAKE, 1 NEW 03/01/2007	175.76	240	8.79	4.39
60000-000337	5/8" METERS: SUNRISE ESTATES, 2 NEW 03/01/2007	430.70	240	21.54	10.77
60000-000338	5/8" METERS: LOCKE LAKE, 29 RENEWED 03/01/2007	4,592.22	240	229.61	114.81
60000-000339	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 03/01/2007	64.26	240	3.21	1.61
60000-000348	5/8" METERS: BIRCH HILL, 1 NEW 04/01/2007	325.71	240	16.29	8.14
60000-000349	5/8" METERS: BIRCH HILL, 1 RENEWED 04/01/2007	64.26	240	3.21	1.61
60000-000350	5/8" METERS: LOCKE LAKE, 9 RENEWED 04/01/2007	927.68	240	46.38	23.19
60000-000351	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 04/01/2007	64.26	240	3.21	1.61
60000-000359	CHAMBER COMPS: LOCKE LAKE 05/01/2007	445.91	240	22.30	11.15
60000-000360	5/8" METERS: BIRCH HILL, 2 NEW 05/01/2007	618.02	240	30.90	15.45
60000-000361	5/8" METERS: LOCKE LAKE, 4 NEW 05/01/2007	755.81	240	37.79	18.90

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

Schedule 3
Attachment A
Exhibit 1
Page 8

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
60000-000362	5/8" METERS: LOCKE LAKE, 13 RENEWED 05/01/2007	910.12	240	45.51	22.75
60000-000363	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 05/01/2007	64.26	240	3.21	1.61
60000-000368	CHAMBER COMPS: LOCKE LAKE 06/01/2007	16.32	240	0.82	0.41
60000-000369	5/8" METERS: LOCKE LAKE, 3 NEW 06/01/2007	601.36	240	30.07	15.03
60000-000370	5/8" METERS: SUNRISE ESTATES, 1 NEW 06/01/2007	491.86	240	24.59	12.30
60000-000371	5/8" METERS: LOCKE LAKE, 1 RENEWED 06/01/2007	65.49	240	3.27	1.64
60000-000375	5/8" METERS: LOCKE LAKE, 1 NEW 07/01/2007	180.43	240	9.02	4.51
60000-000376	5/8" METERS: SUNRISE ETATES, 1 NEW 07/01/2007	197.31	240	9.87	4.93
60000-000377	5/8" METERS: LOCKE LAKE, 1 RENEWED 07/01/2007	65.49	240	3.27	1.64
60000-000386	5/8" METERS: LOCKE LAKE, 2 RENEWED 08/01/2007	311.40	240	15.57	7.79
60000-000392	CHAMBER COMPS: LOCKE LAKE 08/01/2007	375.36	240	18.77	9.38
60000-000393	CHAMBER COMPS: SUNRISE ESTATES 08/01/2007	48.96	240	2.45	1.22
60000-000394	5/8" METERS: LOCKE LAKE, 5 NEW 08/01/2007	566.73	240	28.34	14.17
60000-000395	5/8" METERS: SUNRISE ESTATES, 1 NEW 08/01/2007	323.26	240	16.16	8.08
60000-000403	NEW RADIO INSTALLS: LOCKE LAKE, 472 NEPTUNES 09/01/2007	39,831.99	240	1,991.60	995.80
60000-000417	5/8" METERS: SUNRISE ESTATES, 1 RENEWED 09/01/2007	45.61	240	2.28	1.14
60000-000418	5/8" METERS: BIRCH HILL, 1 NEW 09/01/2007	239.59	240	11.98	5.99
60000-000432	5/8" METERS: LOCKE LAKE, 1 NEW 10/01/2007	223.49	240	11.17	5.59
60000-000436	5/8" METERS: LOCKE LAKE, 2 NEW 11/01/2007	388.87	240	19.44	9.72
60000-000451	NEW RADIO INSTALLS FOR LOCKE LAKE, 11 NEPTUNES INSTALLED 12/01/2007	835.75	240	41.79	20.89

Subtotal: 6334-000-002 (41)

60,711.80

Asset GL Acct #: 6335-000-001

Life: 75 yr 2 mo

60000-000374 INSTALL RENEWED HYDRANTS: PITTSFIELD

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

Schedule 3
Attachment A
Exhibit 1
Page 9

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
	07/01/2007	2,555.08	902	33.99	17.00
<i>Subtotal: 6335-000-001 (1)</i>		2,555.08			
<i>Asset GL Acct #: 6339-000-002</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000382	LOCKE LAKE SAMPLE STATION				
	07/01/2007	2,587.71	240	129.39	64.69
60000-000383	MIDDLETON SAMPLE STATION				
	07/01/2007	1,187.26	240	59.36	29.68
60000-000400	BIRCH HILL SAMPLE STATIONS				
	08/01/2007	3,586.88	240	179.34	89.67
<i>Subtotal: 6339-000-002 (3)</i>		7,361.85			
<i>Asset GL Acct #: 6346-000-001</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000379	PITTSFIELD LIGHTENING STRIKE AT WTP				
	07/01/2007	3,896.87	240	194.84	97.42
60000-000401	PITTSFIELD LIGHTENING STRIKE AT WTP				
	09/01/2007	363.73	240	18.19	9.09
60000-000433	PITTSFIELD LIGHTENING STRIKE AT WTP				
	10/01/2007	416.00	240	20.80	10.40
<i>Subtotal: 6346-000-001 (3)</i>		4,676.60			
<i>Asset GL Acct #: 6346-000-002</i>					
<i>Life: 20 yr 0 mo</i>					
60000-000452	RUGGED PALM PILOTS - NORTH COUNTRY				
	12/01/2007	875.00	240	43.75	21.88
<i>Subtotal: 6346-000-002 (1)</i>		875.00			
Yearly Subtotal		2,362,031.01			29,654.11

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

Schedule 3
Attachment A
Exhibit 2
Page 1

Asset ID	Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
<i>Asset GL Acct #: 6304-100-002</i>					
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION				
	01/01/2007	14,386.83	12/13	13,280.15	1,106.68
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION				
	02/01/2007	779.56	11/13	659.63	119.93
60000-	CONFINED SPACE - SUNRISE EST.				
	02/01/2007	11,042.38	11/13	9,343.55	1,698.83
60000-	CONFINED SPACE - SUNRISE EST.				
	02/01/2007	2,645.49	11/13	2,238.49	407.00
60000-	CONFINED SPACE - SUNRISE EST.				
	03/01/2007	1,932.24	10/13	1,486.34	445.90
60000-	CONFINED SPACE - SUNRISE ESTATES				
	07/01/2007	1,000.00	6/13	461.54	538.46
60000-	ELIMINATION OF CONFINED SPACE AT THE AIRPORT PUMP STATION				
	07/01/2007	75.44	6/13	34.82	40.62
60000-	LOCKE LAKE ARSENIC TREATMENT				
	09/01/2007	476,047.80	4/13	146,476.25	329,571.55
60000-	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE				
	09/01/2007	6,061.96	4/13	1,865.22	4,196.74
60000-	CONFINED SPACE - SUNRISE ESTATES				
	10/01/2007	72.70	3/13	16.78	55.92
60000-	CONFINED SPACE - SECTION S PUMP HOUSE, LOCKE LAKE				
	10/01/2007	5,553.81	3/13	1,281.65	4,272.16
60000-	LOCKE LAKE ARSENIC TREATMENT				

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

Schedule 3
Attachment A
Exhibit 2
Page 2

Asset ID	Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
60000- LOCKE LAKE ARSENIC TREATEMNT	11/01/2007	2,267.86	2/13	348.90	1,918.96
	09/01/2007	326,162.97	4/13	100,357.84	225,805.13
<i>Subtotal: 6304-100-002 (15)</i>		848,029.04			
<i>Asset GL Acct #: 6304-800-001</i>					
60000- CLEARWELL AT PITTSFIELD TREATMENT PLANT	10/01/2007	21,655.00	3/13	4,997.31	16,657.69
<i>Subtotal: 6304-800-001 (1)</i>		21,655.00			
<i>Asset GL Acct #: 6306-000-001</i>					
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	2,700.00	2/13	415.38	2,284.62
60000- RAW WATER TRANS. MAINS - PITTSFIELD	12/01/2007	26,350.00	1/13	2,026.92	24,323.08
<i>Subtotal: 6306-000-001 (2)</i>		29,050.00			
<i>Asset GL Acct #: 6307-100-002</i>					
60000- WELL DEEPENING BRW #13, LOCKE LAKE	05/01/2007	140.80	8/13	86.65	54.15
<i>Subtotal: 6307-100-002 (1)</i>		140.80			
<i>Asset GL Acct #: 6309-000-001</i>					
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	4,551.15	1/13	350.09	4,201.06
<i>Subtotal: 6309-000-001 (1)</i>		4,551.15			
<i>Asset GL Acct #: 6309-000-002</i>					
60000- LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	9,379.57	4/13	2,886.02	6,493.55
60000- LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	1,867.37	4/13	574.58	1,292.79
60000- LOCKE LAKE ARSENIC TREATMENT	11/01/2007	263.46	2/13	40.53	222.93

**Pittsfield Aqueduct Company, Inc.
Non Revenue Producing Capital Additions
For the Twelve Months Ended December 31, 2007
PAC Combined**

**Schedule 3
Attachment A
Exhibit 2
Page 3**

Asset ID	Placed in Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
<i>Subtotal: 6309-000-002 (3)</i>		11,510.40			
<i>Asset GL Acct #: 6310-000-002</i>					
60000- LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	32,515.61	4/13	10,004.80	22,510.81
<i>Subtotal: 6310-000-002 (1)</i>		32,515.61			
<i>Asset GL Acct #: 6311-000-002</i>					
60000- LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	157,543.38	4/13	48,474.89	109,068.49
60000- LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	73.90	4/13	22.74	51.16
60000- LOCKE LAKE ARSENIC TREATMENT	10/01/2007	10,559.63	3/13	2,436.84	8,122.79
<i>Subtotal: 6311-000-002 (16)</i>		168,176.91			
<i>Asset GL Acct #: 6320-200-002</i>					
60000- AIRSTRIP TREATMENT PIPING	07/01/2007	2,371.17	8/13	1,094.39	1,276.78
60000- LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	215,274.76	4/13	66,238.39	149,036.37
60000- LOCKE LAKE ARSENIC TREATEMNT	09/01/2007	14,157.50	4/13	4,356.15	9,801.35
60000- LOCKE LAKE ARSENIC TREATMENT	11/01/2007	7,736.23	2/13	1,190.19	6,546.04
<i>Subtotal: 6320-200-002 (4)</i>		239,539.66			
<i>Asset GL Acct #: 6330-000-002</i>					
60000- LOCKE LAKE STORAGE TANK - 250,000 GALLON	08/01/2007	447,347.89	5/13	172,056.88	275,291.01
60000- LOCKE LAKE STORAGE TANK - 250,000 GALLON	08/01/2007	32,517.22	5/13	12,506.62	20,010.60
60000- GOLF COURSE PUMP HOUSE: LOCKE LAKE STORAGE TANK	09/01/2007	8,148.05	4/13	2,507.09	5,640.96
60000- LOCKE LAKE STORAGE TANK - 250,000 GALLON	11/01/2007	970.91	2/13	149.37	821.54

**Pittsfield Aqueduct Company, Inc.
Non Revenue Producing Capital Additions
For the Twelve Months Ended December 31, 2007
PAC Combined**

**Schedule 3
Attachment A
Exhibit 2
Page 4**

Asset ID	Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
<i>Subtotal: 6330-000-002 (5)</i>		488,984.07			
<i>Asset GL Acct #: 6331-003-002</i>					
60000- GATES - PAVING, LOCKE LAKE	07/01/2007	460.24	6/13	212.42	247.82
<i>Subtotal: 6331-003-002 (1)</i>		460.24			
<i>Asset GL Acct #: 6331-100-001</i>					
60000- RAW WATER TRANS. MAINS - PITTSFIELD	03/01/2007	147,660.73	10/13	113,585.18	34,075.55
60000- RAW WATER TRANS MAINS - PITTSFIELD	03/01/2007	687.30	10/13	528.69	158.61
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	04/01/2007	120,763.78	9/13	83,605.69	37,158.09
60000- RAW WATER TRANS MAINS - PITTSFIELD	04/01/2007	4,110.32	9/13	2,845.61	1,264.71
60000- RAW WATER TRANS. MAINS - PITTSFIELD	06/01/2007	5,123.18	7/13	2,758.64	2,364.54
60000- RAW WATER TRAN MAINS - PITTSFIELD	08/01/2007	7,652.94	5/13	2,943.44	4,709.50
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	10/01/2007	25,559.29	3/13	5,898.30	19,660.99
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	1,905.08	2/13	293.09	1,611.99
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	462.27	1/13	35.56	426.71
<i>Subtotal: 6331-100-001 (9)</i>		313,924.89			
<i>Asset GL Acct #: 6331-250-002</i>					
60000- DISTRIBUTION MAINS - GATES: LOCKE LAKE	01/01/2007	2,000.25	12/13	1,846.38	153.87
60000- DISTRIBUTION MAINS - GATES: LOCKE LAKE	02/01/2007	7,471.50	11/13	6,322.04	1,149.46
60000- DISTRIBUTION MAINS: GATES - SUNRISE ESTATES	03/01/2007	1,775.06	10/13	1,365.43	409.63
60000- DISTRIBUTION MAINS: GATE - LOCKE LAKE	03/01/2007	2,161.46	10/13	1,662.66	498.80
60000- DISTRIBUTION MAINS - GATES: LOCKE LAKE					

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

Schedule 3
Attachment A
Exhibit 2
Page 5

Asset ID		Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
60000-	DISTRIBUTION MAINS: GATES - LOCKE LAKE	04/01/2007	6,859.66	9/13	4,749.00	2,110.66
		05/01/2007	498.72	8/13	306.90	191.82
60000-	DISTRIBUTION MAINS - GATES: BIRCH HILL	08/01/2007	2,881.44	5/13	1,108.25	1,773.19
60000-	DISTRIBUTION MAINS: GATES - LOCKE LAKE	12/01/2007	2,062.45	1/13	158.65	1,903.80
<i>Subtotal: 6331-250-002 (8)</i>			25,710.54			
Yearly Subtotal			2,184,248.31		840,492.89	1,343,755.42 -

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

Schedule 3
Attachment A
Exhibit 3
Page 1

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
<i>Asset GL Acct #: 6307-100-002</i>								
<i>Life Yr Mo: 50 yr 0 mo</i>								
60000-000274.1	LOCKE LAKE GOLF COURSE WELLS 12/01/2006	10/01/2007	2,208.97	44.18	0.00	-2,164.79	44.18	22.09
60000-000283.1	SUNRISE ESTATES WELLS 12/01/2006	10/01/2007	1,478.54	29.54	0.00	-1,447.00	29.53	14.77
60000-000290.1	BIRCH HILL HALES LOCATION WELL 12/01/2006	10/01/2007	2,847.80	52.95	0.00	-2,594.84	52.95	26.48
60000-000290.2	BIRCH HILL HALES LOCATION WELL 12/01/2006	12/01/2007	38,935.40	778.70	0.00	-38,156.70	778.71	389.35
<i>Subtotal: 6307-100-002 (4)</i>			45,288.51	905.38	0.00	-44,353.13		
<i>Asset GL Acct #: 6311-000-002</i>								
<i>Life Yr Mo: 16 yr 4 mo</i>								
60000-000275.1	LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	10/01/2007	5,005.98	306.48	0.00	-4,699.50	306.55	153.28
60000-000291.1	BIRCH HILL ELECTRIC PUMPING EQUIPMENT 12/01/2006	10/01/2007	3,059.56	187.32	0.00	-2,872.24	187.36	93.68
60000-000291.3	HALES LOCATION Well House - BIRCH HILL ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	556.22	34.06	0.00	-522.16	34.06	17.03
60000-00275.21	Section S - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	10/01/2007	556.22	34.06	0.00	-522.16	34.06	17.03
60000-00275.22	Monroe - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	3,893.54	238.38	0.00	-3,655.16	238.43	119.21
60000-00275.23	Winwood - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	3,893.54	238.38	0.00	-3,655.16	238.43	119.21
60000-00275.24	Golf Course - LOCKE LAKE ELECTRIC PUMPING EQUIPMENT 12/01/2006	12/01/2007	6,118.72	374.62	0.00	-5,744.10	374.69	187.35
<i>Subtotal: 6311-000-002 (7)</i>			23,063.78	1,413.30	0.00	-21,670.48		

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

Schedule 3
Attachment A
Exhibit 3
Page 2

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
<i>Asset GL Acct #: 6330-000-002</i>								
<i>Life Yr Mo: 41 yr 0 mo</i>								
60000-000277.1	LOCKE LAKE PUMP STATION TANK 12/01/2006	10/01/2007	7,230.86	176.36	0.00	-7,054.50	176.36	88.18
<i>Subtotal: 6330-000-002 (1)</i>			7,230.86	176.36	0.00	-7,054.50		
<i>Asset GL Acct #: 6333-100-002</i>								
<i>Life Yr Mo: 40 yr 0 mo</i>								
60000-000279.1	LOCKE LAKE SERVICES - 18 (dual) 12/01/2006	09/01/2007	1,674.18	41.86	0.00	-1,632.32	41.85	20.93
60000-000279.21	LOCKE LAKE SERVICES - 2 (dual) 12/01/2006	12/01/2007	372.04	9.30	0.00	-362.74	9.30	4.65
<i>Subtotal: 6333-100-002 (2)</i>			2,046.22	51.16	0.00	-1,995.06		
<i>Asset GL Acct #: 6334-000-001</i>								
<i>Life Yr Mo: 20 yr 0 mo</i>								
6000-174.22	BEGINNING BALANCE METERING EQUIPMENT 07/01/1996	07/01/2007	2,757.00	1,516.36	0.00	-1,240.64	137.85	68.93
60000-000054	BEDELLS TRAILER PARK 07/01/1999	07/01/2007	6,817.78	2,727.11	0.00	-4,090.67	340.89	170.44
60000-000170.2	BEGINNING BALANCE METERING EQUIPMENT 07/01/1992	07/01/2007	88.00	66.00	0.00	-22.00	4.40	2.20
60000-000172	BEGINNING BALANCE METERING EQUIPMENT 07/01/1994	07/01/2007	223.00	144.96	0.00	-78.04	11.15	5.58
60000-000177	BEGINNING BALANCE METERING EQUIPMENT 07/01/1988	07/01/2007	6,005.00	5,704.76	0.00	-300.24	300.25	150.13
60000-000178	BEGINNING BALANCE METERING EQUIPMENT 07/01/1987	07/01/2007	8,490.00	8,490.00	0.00	0.00	424.50	212.25
60000-000179	BEGINNING BALANCE METERING EQUIPMENT 07/01/1986	07/01/2007	7,654.00	7,654.00	0.00	0.00	382.70	191.35

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

Schedule 3
Attachment A
Exhibit 3
Page 3

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
60000-000180	BEGINNING BALANCE METERING EQUIPMENT 07/01/1985	07/01/2007	6,242.00	6,242.00	0.00	0.00	312.10	156.05
60000-000181	BEGINNING BALANCE METERING EQUIPMENT 07/01/1984	07/01/2007	7,799.00	7,799.00	0.00	0.00	389.95	194.98
60000-000183.2	BEGINNING BALANCE METERING EQUIPMENT 07/01/1983	07/01/2007	265.00	265.00	0.00	0.00	13.25	6.63
60000-00030.21	5/8" METERS: 7 NEW & 6 RENEWED 05/01/2002	12/01/2007	200.00	50.00	0.00	-150.00	10.00	5.00
60000-00175.2	BEGINNING BALANCE METERING EQUIPMENT 07/01/1989	07/01/2007	4,725.00	4,252.51	0.00	-472.49	236.25	118.13
60000-0056.221	METER REPLACEMENT PROGRAM 1998 - 102 Meters 07/01/1998	07/01/2007	16,145.58	7,265.52	0.00	-8,880.06	807.28	403.64
60000-0171.2	BEGINNING BALANCE METERING EQUIPMENT 07/01/1993	07/01/2007	501.00	350.71	0.00	-150.29	25.05	12.53
<i>Subtotal: 20 yr 0 mo (14) Life Yr Mo: 25 yr 0 mo</i>			67,912.36	52,527.93	0.00	-15,384.43		
60000-000176	BEGINNING BALANCE METERING EQUIPMENT 07/01/1988	07/01/2007	602.00	457.52	0.00	-144.48	24.08	12.04
60000-000182	BEGINNING BALANCE METERING EQUIPMENT 07/01/1984	07/01/2007	811.00	746.12	0.00	-64.88	32.44	16.22
<i>Subtotal: 25 yr 0 mo (2)</i>			1,413.00	1,203.64	0.00	-209.36		
<i>Subtotal: 6334-000-001 (16) Asset GL Acct #: 6334-000-002 Life Yr Mo: 20 yr 0 mo</i>			69,325.36	53,731.57	0.00	-15,593.79		
000184	5/8" METERS: SUNRISE ESTATES, MIDDLETON 1 NEW 09/01/2006	07/01/2007	159.44	7.98	0.00	-151.46	7.97	3.99
60000-000280.1	LOCKE LAKE METERS - 110 Meters 12/01/2006	07/01/2007	1,379.40	68.88	0.00	-1,310.42	68.97	34.49
60000-000305	5/8" NEW METERS - MIDDLETON (1)							

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

Schedule 3
Attachment A
Exhibit 3
Page 4

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
	12/01/2006	07/01/2007	203.67	10.18	0.00	-193.49	10.18	5.09
<i>Subtotal: 6334.000.002 (3)</i>			1,742.51	87.14	0.00	-1,855.37		
<i>Asset GL Acct #: 6343.000.001</i>								
<i>Life Yr Mo: 15 yr 0 mo</i>								
60000.000271	FLOW AND PRESSURE RECORDER	12/01/2007	2,856.00	190.40	0.00	-2,665.60	190.40	95.20
	12/01/2006							
<i>Subtotal: 6343.000.001 (1)</i>			2,856.00	190.40	0.00	-2,665.60		
<i>Asset GL Acct #: 6346.000.001</i>								
<i>Life Yr Mo: 20 yr 0 mo</i>								
60000.000251.1	PITTSFIELD WTP SCADA UPGRADE	10/01/2007	1,513.00	75.66	0.00	-1,437.34	75.65	37.83
	10/01/2006							
<i>Subtotal: 6346.000.001 (1)</i>			1,513.00	75.66	0.00	-1,437.34		
Grand Total			153,066.24	56,630.97	0.00	-96,435.27	6,351.78	3,175.89

Pittsfield Aqueduct Company, Inc.
Raw Water Transmission Main
For the Twelve Months Ended December 31, 2007
PAC Combined

Schedule 3
Attachment A
Exhibit 4

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

Notes:

(1) Details of Asset cost:

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

Pittsfield Aqueduct Company, Inc.
Cost or Removal 1998 to 2006
For the Twelve Months Ended December 31, 2007
PAC Combined

Schedule 3
Attachment A
Exhibit 5
Page 1

Retirements 1998-2006

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

Notes:

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

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

Retirement - Cost of Removal

	1998	1999	2000	2001	2002	2003	2004	2005	Account Total
Source of Supply and Pumping Plant									
303 Land & Land Rights	-	-	-	-	-	-	-	-	-
304 Structures and Improvements	(976)	-	-	-	-	-	-	-	(976)
307 Wells and Springs	-	-	-	-	-	-	-	-	-
311 Pumping Equipment	-	-	-	-	-	-	-	-	-
Water Treatment Plant									
320 Treatment Equipment	(1,121)	-	-	-	-	-	-	-	(1,121)
Transmission and Distribution									
330 Reservoirs and Standpipes	-	-	-	-	-	-	-	-	-
331 T&D Mains	-	-	-	-	-	-	-	-	-
332 Services (1)	-	-	-	(302)	(57)	(291)	-	-	(650)
334 Meters (1)	-	-	-	-	-	(34)	(30)	-	(64)
335 Hydrants (1)	-	-	-	(7)	(7)	(26)	-	-	(40)
General Plant									
340 Ofc. Furniture and Fixtures	-	-	-	-	-	-	-	-	-
341 Transportation Equipment	-	-	-	-	-	-	-	-	-
343 Tools, Shop & Garage Equip	-	-	-	-	-	-	-	-	-
344 Lab Equipment	-	-	-	-	-	-	-	-	-
346 Communication Equipment	-	-	-	-	-	-	-	-	-
347 Misc. Equipment	-	-	-	-	-	-	-	-	-
348 Other Tangible Equipment	-	-	-	-	-	-	-	-	-
	\$ (2,097)	\$ -	\$ -	\$ (309)	\$ (63)	\$ (352)	\$ (30)	\$ -	\$ (2,851)

Notes:

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

1998-2006 Depreciation Adjustment

Source of Supply and Pumping Plant

	1998	1999	2000	2001	2002	2003	2004	2005	Total
304 Structures and Improvements	(976)	-	-	-	-	-	-	-	(976.90)
Salvage	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)
Annual Depreciation	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)
307 Wells and Springs	(113.76)	-	-	-	-	-	-	-	(113.76)
Salvage	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)
Annual Depreciation	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)	(12.64)

311 Pumping Equipment

	1998	1999	2000	2001	2002	2003	2004	2005	Total
Salvage	-	-	-	-	-	-	-	-	-
Annual Depreciation	-	-	-	-	-	-	-	-	-
320 Treatment Equipment	(1.121)	-	-	-	-	-	-	-	(1.120.95)
Salvage	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)
Annual Depreciation	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)

Water Treatment Plant

	1998	1999	2000	2001	2002	2003	2004	2005	Total
320 Treatment Equipment	(1.121)	-	-	-	-	-	-	-	(1.120.95)
Salvage	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)
Annual Depreciation	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)	(20.57)
Retirement	-	-	-	-	-	-	-	-	-

Pittsfield Aqueduct Company, Inc.
Cost or Removal 1998 to 2006
For the Twelve Months Ended December 31, 2007
PAC Combined

Schedule 3
Attachment A
Exhibit 5
Page 4

Transmission and Distribution

Transmission and Distribution		Retirement								-
		1998	1999	2000	2001	2002	2003	2004	2005	Total
330 Reservoirs and Standpipes	Salvage	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	Annual Depreciation	1998	-	-	-	-	-	-	-	-
		1999	-	-	-	-	-	-	-	-
		2000	-	-	-	-	-	-	-	-
		2001	-	-	-	-	-	-	-	-
		2002	-	-	-	-	-	-	-	-
		2003	-	-	-	-	-	-	-	-
		2004	-	-	-	-	-	-	-	-
		2005	-	-	-	-	-	-	-	-
	2006	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	
331 T&D Mains	Salvage	-	-	-	(302.32)	(56.72)	(291.26)	-	-	(650.32)
		-	-	-	-	-	-	-	-	-
	Annual Depreciation	1998	-	-	-	-	-	-	-	-
		1999	-	-	-	-	-	-	-	-
		2000	-	-	-	-	-	-	-	-
		2001	-	-	-	(2.00)	-	-	-	(2.00)
		2002	-	-	-	(4.00)	(0.37)	-	-	(4.37)
		2003	-	-	-	(4.00)	(0.74)	(1.92)	-	(6.66)
		2004	-	-	-	(4.00)	(0.74)	(3.84)	-	(8.58)
		2005	-	-	-	(4.00)	(0.74)	(3.84)	-	(8.58)
	2006	-	-	-	(4.00)	(0.74)	(3.84)	-	(8.58)	
		-	-	-	(22.00)	(3.33)	(13.44)	-	(38.77)	
332 Services	Salvage	-	-	-	-	-	(33.88)	(29.92)	-	(63.80)
		-	-	-	-	-	-	-	-	-
	Annual Depreciation	1998	-	-	-	-	-	-	-	-
		1999	-	-	-	-	-	-	-	-
		2000	-	-	-	-	-	-	-	-
		2001	-	-	-	-	-	-	-	-
		2002	-	-	-	-	-	-	-	-
		2003	-	-	-	-	-	(0.42)	-	(0.42)
		2004	-	-	-	-	-	(0.84)	(0.37)	(1.21)
		2005	-	-	-	-	-	(0.84)	(0.74)	(1.58)
	2006	-	-	-	-	-	(0.84)	(0.74)	(1.58)	
		-	-	-	-	-	(2.94)	(1.85)	(4.79)	
334 Meters	Salvage	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	Annual Depreciation	1998	-	-	-	-	-	-	-	-
		1999	-	-	-	-	-	-	-	-
		2000	-	-	-	-	-	-	-	-
		2001	-	-	-	(0.07)	-	-	-	(0.07)
		2002	-	-	-	(0.14)	-	-	-	(0.14)
		2003	-	-	-	(0.14)	-	(0.26)	-	(0.40)
		2004	-	-	-	(0.14)	-	(0.52)	-	(0.66)
		2005	-	-	-	(0.14)	-	(0.52)	-	(0.66)
	2006	-	-	-	(0.14)	-	(0.52)	-	(0.66)	
		-	-	-	(0.77)	-	(1.82)	-	(2.59)	

Pittsfield Aqueduct Company, Inc.
Cost or Removal 1998 to 2006
For the Twelve Months Ended December 31, 2007
PAC Combined

Schedule 3
Attachment A
Exhibit 5
Page 5

		Retirement							-	
		1998	1999	2000	2001	2002	2003	2004	2005	Total
335 Hydrants	Salvage	-	-	-	(6.60)	(6.60)	(26.40)	-	-	(39.60)
Annual Depreciation	1998	-	-	-	-	-	-	-	-	-
	1999	-	-	-	-	-	-	-	-	-
	2000	-	-	-	-	-	-	-	-	-
	2001	-	-	-	(0.07)	-	-	-	-	(0.07)
	2002	-	-	-	(0.14)	(0.07)	-	-	-	(0.21)
	2003	-	-	-	(0.14)	(0.14)	(0.26)	-	-	(0.54)
	2004	-	-	-	(0.14)	(0.14)	(0.52)	-	-	(0.80)
	2005	-	-	-	(0.14)	(0.14)	(0.52)	-	-	(0.80)
	2006	-	-	-	(0.14)	(0.14)	(0.52)	-	-	(0.80)
		-	-	-	(0.77)	(0.63)	(1.82)	-	-	(3.22)
Totals 1998 -2006		(348.26)								
Annual - 2006 (1)		(44.83)								

Pittsfield Aqueduct Company
COMPUTATION OF WORKING CAPITAL (O&M) ALLOWANCE
For The Thirteen Months Ended December 31, 2007
Combined

Schedule 3A

	2007													
	2006	December	January	February	March	April	May	June	July	August	September	October	November	December
Production Expenses		21,880	23,045	16,782	25,897	17,970	13,408	18,408	15,841	18,298	37,982	30,843	20,379	20,500
Transmission & Distribution Expense		18,018	22,877	10,253	23,313	19,402	13,808	13,430	12,135	12,966	8,967	14,492	13,520	16,775
Customer Acct & Collection Exp		4,689	3,384	3,087	3,721	(1,126)	3,406	2,808	2,086	4,271	5,023	2,203	1,557	2,942
Administrative & General Expense		6,333	2,602	3,494	2,587	5,180	3,747	4,912	3,000	3,607	2,573	5,669	3,482	5,608
Inter Div Management Fee	0		30,281	22,333	59,108	37,359	36,955	41,866	22,895	45,485	38,026	41,084	45,684	19,666
Inter Div Management Fee		41,000	1,241	1,308	11,520	2,042	2,789	1,414	2,361	1,512	2,432	3,260	4,312	2,678
Total Operating Expense		91,921	83,430	57,257	126,147	80,827	74,112	82,838	58,318	86,140	95,004	97,551	88,933	68,169
		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%
Allocation Factor														
Working Capital		11,334	10,287	7,060	15,554	9,966	9,138	10,214	7,191	10,621	11,714	12,028	10,965	8,405
Annualized		136,006	123,444	84,718	186,647	119,592	109,656	122,557	86,287	127,452	140,567	144,337	131,586	100,863
														124,132

PITTSFIELD AQUEDUCT COMPANY
COMPUTATION OF THIRTEEN MONTH AVERAGE BALANCE
For The Thirteen Months Ended December 31, 2007
Combined

Schedule 3B

DESCRIPTION	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Average
Plant in Service	4,807,661	4,841,929	4,865,094	5,045,622	5,279,838	5,308,406	5,328,985	5,273,295	5,781,165	7,082,652	7,125,815	7,139,581	7,122,986	5,769,464
Accum Deprec	889,666	897,585	905,522	934,762	956,034	966,356	976,752	934,110	937,077	952,181	966,400	981,925	994,109	945,575
Accum Deprec: Loss/COR	91,928	92,598	92,604	92,755	92,758	93,363	93,363	110,616	111,004	112,882	141,972	145,359	201,511	113,286
CIAC	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,162,733	1,162,733	1,162,733	1,162,733	1,152,974
Reserve of CIAC Amort	196,052	198,064	200,076	202,088	204,100	206,112	208,125	210,137	212,149	214,202	216,255	218,309	220,362	208,156
O&M Allowance	136,006	123,444	84,718	186,647	119,592	109,656	122,567	86,287	127,452	140,567	144,337	131,586	100,863	124,132
Materials & Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	16,451	12,504	7,550	5,842	5,720	9,960	13,254	9,851	5,899	3,033	4,821	11,013	13,762	9,205
Other & Def Charges	141,959	140,256	139,726	141,937	57,166	56,034	53,818	54,520	54,545	52,938	55,861	56,389	57,857	81,770
Cust Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cust Deposit	86	86	86	86	86	86	86	86	86	86	86	86	86	86
Deferred Income Tax	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	246,512	135,833
Regulatory Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unamortized FCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	3,225,059	3,235,876	3,208,914	3,464,796	3,527,807	3,541,844	3,568,028	3,535,263	4,079,806	5,364,665	5,433,233	5,430,883	5,313,902	4,071,544



PENNICHUCK
PITTSFIELD AQUEDUCT COMPANY, INC.

DW 08-052

INDEX

Documents Filed Under NHPUC Rule 1604.06 AND 1604.08

1. COVER LETTER AND ATTESTATION
2. PETITION AND TESTIMONY FOR TEMPORARY RATES
3. TARIFF PAGES AS REVISED
4. REPORT OF PROPOSED RATE CHANGES
5. TESTIMONY OF DONALD L. WARE
6. TESTIMONY OF BONALYN J. HARTLEY
- A. SUPPORTING SCHEDULES AND EXHIBITS FOR 1604.06
7. PITTSFIELD AQUEDUCT COMPANY COMBINED WITH STEP INCREASE
8. PITTSFIELD AQUEDUCT COMPANY COMBINED
9. PITTSFIELD AQUEDUCT COMPANY – PITTSFIELD ONLY
10. PITTSFIELD AQUEDUCT COMPANY – NORTH COUNTRY ONLY
11. SUPPORTING SCHEDULES AND EXHIBITS FOR 1604.08

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

Schedule A

	TEST YEAR	PRO FORMA ADJUSTMENTS	PRO FORMA TEST YEAR
Consolidated Rate Base (Sch 3)	\$ 1,974,842	\$ 90,283	\$ 2,065,125
RATE of Return (1)	7.03%		7.03%
Income Required	\$ 138,795		\$ 145,140
Adjusted Net Operating Income (Sch 1)	\$ (49,774)	\$ 73,831	\$ 24,056
Deficiency	\$ 188,569		\$ 121,084
Tax Factor	60.39%		60.39%
Revenue Deficiency	\$ 312,252		\$ 200,503
Water Revenues	\$ 455,564	\$ -	\$ 455,564
Proposed Revenue Inc	68.54%		44.01%

Notes:

(1) Test Year using return on equity of 9.75%

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

Schedule 1

	TWELVE MONTHS 12/31/07	PRO FORMA ADJUSTMENTS	PRO FORMA 12 MONTHS 12/31/07	TWELVE MONTHS 12/31/06	TWELVE MONTHS 12/31/05
Water Sales	\$ 455,564	\$ -	\$ 455,564	\$ 464,100	\$ 464,566
Other Operating Revenue	5,372		5,372	2,821	4,874
Total Revenues	460,936	-	460,936	466,921	469,439
Production Expenses	71,085	411 (1)	71,496	67,567	59,138
Transmission & Distribution Expense	43,122	1,658 (1)	44,780	23,575	43,656
Customer Acct & Collection Exp	12,080	56 (1)	12,136	19,554	15,532
Administrative & General Expense	28,867	(8,019) (2)	20,847	26,949	35,428
Inter Div Management Fee (1)	477,611	(230,841) (3)	246,770	309,000	156,000
Total Operating Expense	632,764	(236,735)	396,029	446,645	309,754
Depreciation Exp/Acq Adj (Credit)	76,365	(1,949) (4)	74,416	83,249	76,663
Amortization Expense: CIAC	(24,229)		(24,229)	(13,172)	(23,888)
Amortization Expense	16,948	(1,436) (5)	15,512	27,756	17,828
Taxes Other Than Income Tax	29,086	8,280 (6)	37,366	28,707	28,501
Income Tax (1)	(220,225)	158,009 (7)	(62,215)	(94,152)	2,075
Total Operating Deductions	(122,054)	162,904	40,850	479,033	410,933
Net Operating Income	\$ (49,774)	\$ 73,831	\$ 24,056	\$ (12,112)	\$ 58,506

Notes:

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

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

Schedule 1
Attachment A

I Operating Revenues

Therefore:

\$ -

TOTAL OPERATING REVENUES PRO FORMA:

\$ -

NONE

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

Schedule 1
Attachment B
Page 1

I Production Expense

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

Wages		273
Benefits	50.3%	<u>137</u>
		<u>411</u>

Therefore:

\$ 411

TOTAL PRODUCTION EXPENSE PRO FORMA:

\$ 411

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

Schedule 1
Attachment B
Page 2

I Distribution Expense

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

Wages		1,103
Benefits	50.3%	<u>555</u>
		<u>1,658</u>

Therefore:

\$	<u>1,658</u>
----	--------------

TOTAL DISTRIBUTION EXPENSE PRO FORMA:

\$	<u><u>1,658</u></u>
----	---------------------

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

Schedule 1
Attachment C
Page 1

I Customer Accounting

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

Wages		37
Benefits	50.3%	19
		<u>56</u>

Therefore:

\$ 56

TOTAL CUSTOMER ACCOUNTING

\$ 56

II Administrative & General

- A.** In the test year, the Company contributed to a non-profit organization.
Therefore:

\$ (100)

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

Debt Issuance Costs	\$	1,075
Deferred Debits (Rate Case Exp)	\$	1,881
	\$	<u>2,956</u>

Therefore:

\$ (2,956)

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

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

Therefore:

\$ (4,963)

TOTAL ADMINISTRATIVE & GENERAL PRO FORMA:

\$ (8,019)

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

Schedule 1
Attachment C
Page 2

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

- A. The Company is allocated expenses by Pennichuck Water and Pennichuck Corporation through a management fee allocation. A portion of the management fees is allocated to North Country as follows: (Per Schedule 1C)

Test Year	\$ 477,611
Pittsfield portion	\$ 258,615
	<u>\$ (218,996)</u>

Therefore: \$ (218,996)

- B. In 2007, Pennichuck Water will adjust non union wages by 4% effective 4/1/08. A portion of the increases will flow through the management fee as follows:

Non Union Wages	\$ 4,071,849
4% Increase	\$ 162,874
Benefits	38.6% \$ 62,869
Total Costs	<u>\$ 225,743</u>
% Allocated to PAC	5.6% \$ 12,642
Pittsfield %	54.1% <u>\$ 6,839</u>

Therefore: \$ 6,839

- C. Through the management fee, the Company was charged with Superintendence salary that was also directly charged to the expense. The following proforma adjustment eliminates the charge through the management fee:

Superintendence Salary	\$ 55,036
Pittsfield %	54.1% <u>\$ 29,774</u>

Therefore: \$ (29,774)

- D. The 2007 management fee did not include depreciation for leasehold improvements and HECOP III fit up allowance. The amounts are as follows:

Leasehold Improvements	\$ 124,151
HECOP III Fit Up Allowance	\$ 77,869
Total	<u>\$ 202,019</u>
% Allocated to PAC	5.6% \$ 11,313
Pittsfield %	54.1% <u>\$ 6,120</u>

Therefore: \$ 6,120

- E. Per PWW 06-073, the depreciation of leasehold improvements, for rate making purposes, should be over 10 years. Per GAAP, the Company is depreciating over the life of the lease, 5 years. The proforma adjustment to reflect the lower depreciation is as follows:

Leasehold Improvements	\$ 124,151
Depreciation - 10 yrs	\$ 62,075
Depreciation Adjustment	<u>\$ (62,075)</u>
% Allocated to PAC	5.6% \$ (3,476)
Pittsfield %	54.1% <u>\$ (1,881)</u>

Therefore: \$ (1,881)

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

Schedule 1
Attachment C
Page 3

F. Per PEU 07-032, the Company is amortizing corporate board costs associated with PCP's search for President/CEO in 2006. In 2007, the Company amortized 3 months of costs. The following proforma adjustment annualizes the amortization as follows:

Amortization costs recognized		\$ 2,520
Annualization of Amort Costs		<u>\$ 10,080</u>
Adjustment		<u>\$ 7,560</u>
% Allocated to PAC	5.6%	<u>\$ 423</u>
Pittsfield %	54.1%	<u><u>\$ 229</u></u>

Therefore:

\$ 229

G. During the test year, the Company incurred some expenses that are non-recurring in nature. The following proforma adjustment reflect the elimination of these expense from the test period income as follows:

Nutter (Great American Claim)		\$ 377
Total		<u>\$ 377</u>
% Allocated to PAC	5.6%	<u>\$ 21</u>
Pittsfield %	54.1%	<u><u>\$ 11</u></u>

Therefore:

\$ (11)

H. In 2008, PWW filled 2 new salaried positions. The impact of the annual salaries will flow through the management fee as follows:

Lead Electrician		\$ 55,000
Customer Service Rep		<u>\$ 31,000</u>
		\$ 86,000
Benefits	38.6%	<u>\$ 33,196</u>
Total Costs		<u>\$ 119,196</u>
% Allocated to PAC	5.6%	<u>\$ 6,675</u>
Pittsfield %	54.1%	<u><u>\$ 3,611</u></u>

Therefore:

\$ 3,611

I. The 2007 management fee allocation of work order overhead is adjusted as follows: (Per Schedule 1C)

Allocation per 2007 mgt fee		78,476
Allocation adjusted to eliminate contractor invoices		<u>84,062</u>
Adjustment		<u>5,586</u>
Pittsfield %	54.1%	<u><u>\$ 3,022</u></u>

Therefore:

\$ 3,022

TOTAL MANAGEMENT FEE PRO FORMA:

\$ (230,841)

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

Schedule 1
Attachment D

I PROPERTY TAXES (Sch 1A)

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

Therefore:

\$ (1,139)

- B. In the test year, the Company's taxable utility property increases as part of plant additions. Schedule 1A, Attachment A, reflects those plant items. The property tax for these items is not included in the test year and are summarized on the schedule below.

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

Therefore

\$ 9,418

TOTAL PROPERTY AND OTHER TAXES PRO FORMA:

\$ 8,280

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

**Schedule 1
Attachment E**

I DEPRECIATION

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

Therefore: \$ 3,982

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

Therefore: \$ (1,859)

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

Therefore: \$ (1,586)

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

Depreciation Expense with proforma A thru C:

Pittsfield	76,158	47.92%
North Country	82,757	52.08%
Total	158,915	100.00%

Adjustment per Depreciation Study:

Total	(5,185)
Pittsfield	(2,485)
North Country	(2,700)

Therefore: \$ (2,485)

TOTAL DEPRECIATION EXPENSE PRO FORMA:

\$ (1,949)

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

**Schedule 1
Attachment F**

I AMORTIZATION OF DEFERRED CHARGES

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

Therefore:

\$ 56

- B.** In 2007, the Company completed amortizing certain deferred assets.
An adjustment is made to remove the related amortization expense
from the test year. (Schedule 2, Attachment E)

Therefore:

\$ -

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

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

Therefore:

\$ (1,492)

TOTAL AMORTIZATION EXPENSE PRO FORMA:

\$ (1,436)

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

Schedule 1
Attachment G

I INCOME TAXES

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

Therefore:

(Sch1, Attach A)	Operating Revenues	\$ -
Less:	Expenses	
(Sch1, Attach B)	Production Expense	411
(Sch1, Attach B)	Distribution Expense	1,658
(Sch1, Attach C)	Customer Accounting	56
(Sch1, Attach C)	Administrative & General	(8,019)
(Sch1, Attach C)	Management Fee	(230,841)
(Sch1, Attach D)	Total Prop & Other Taxes	8,280
(Sch1, Attach E)	Depreciation	(1,949)
(Sch1, Attach F)	Amortization	(1,436)
	Total	<u>\$ (231,840)</u>

Pro Forma NHBP Tax @ 8.5%.

Therefore:

\$	(231,840)	8.5%		<u>\$ 19,706</u>
			Sub Total	<u>\$ (212,134)</u>

Pro Forma FIT Tax 34%

Therefore:

\$	(212,134)	34%		<u>\$ 72,125</u>
			Sub Total	<u>\$ 72,125</u>

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

Combined:

Net Operating Income	(165,766)
Income Taxes	(220,224)
NOI before Income Taxes	(385,990)
Income Tax Allocation	57.05%

Pittsfield

Net Operating Income	(49,774)
Income Taxes	(220,224)
NOI before Income Taxes	(269,998)
Income Tax Allocation	57.05%

Allocation

Pittsfield portion	\$ (154,046)
Test Year	\$ (220,224)

Allocation to North Country	<u>\$ (66,178)</u>
-----------------------------	--------------------

Therefore: \$ 66,178

TOTAL INCOME TAXES PRO FORMA: \$ 158,009

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

Schedule 1A

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

Note:

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

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

Schedule 1A
Attachment A
Page 1

ASSET BALANCES					
Asset ID	Beginning	Acquisition Date	Additions	Tax Rate per \$1,000	Property Tax
Asset GL Acct #: 6306-000-001					
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	2,700.00	20.50	55.35
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	12/01/2007	26,350.00	20.50	540.18
Subtotal: 6306-000-001 (2)			29,050.00		
Asset GL Acct #: 6309-000-001					
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	4,551.15	20.50	93.30
Subtotal: 6309-000-001 (1)			4,551.15		
Asset GL Acct #: 6331-100-001					
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	03/01/2007	147,660.73	20.50	3,027.04
60000-	RAW WATER TRANS MAINS - PITTSFIELD	03/01/2007	687.30	20.50	14.09
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	04/01/2007	120,763.78	20.50	2,475.66
60000-	RAW WATER TRANS MAINS - PITTSFIELD	04/01/2007	4,110.32	20.50	84.26
60000-	RAW WATER TRANS. MAINS - PITTSFIELD	06/01/2007	5,123.18	20.50	105.03
60000-	RAW WATER TRAN MAINS - PITTSFIELD	08/01/2007	7,652.94	20.50	156.89
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	10/01/2007	25,559.29	20.50	523.97
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	1,905.08	20.50	39.05
60000-	RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	462.27	20.50	9.48
Subtotal: 6331-100-001 (9)			313,924.89		
2007 Total			347,526.04		7,124.28

PITTSFIELD AQUEDUCT COMPANY, INC.
PAYROLL SUMMARY

Schedule 1B

Pro Forma Adjustments
For The Twelve Months Ended

December 31, 2007

Pittsfield Only

Normalize

Proforma

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

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

Schedule 1C
Page 1

Summary of 2007 Allocated Costs

Year to Date Costs through December 31, 2007

Pennichuck Corporation and Subsidiaries

(Dollar amounts in \$ 000's)

	<u>Penn Water</u>	<u>Penn East</u>	<u>Pittsfield</u>	<u>Total Regulated</u>	<u>Con Ops(PWSC)</u>	<u>Real Estate(TSC)</u>	<u>Total</u>
Allocated Corporate Costs	\$ 756,715	\$ 151,659	\$ 36,869	\$ 945,243	\$ 39,498	\$ 11,194	\$ 995,935
%	76.0%	15.2%	3.7%	94.9%	4.0%	1.1%	100.0%
Allocated Return on Common Assets	244,950	46,415	9,592	300,957	18,284	1,775	321,016
%	76.3%	14.5%	3.0%	93.8%	5.7%	0.6%	100.0%
Allocated Pennichuck Water Costs - Work Orders	808,771	140,677	78,476	1,027,924	248,853	-	1,276,777
%	63.3%	11.0%	6.1%	80.5%	19.5%	0.0%	100.0%
Allocated Pennichuck Water Costs - Management Fee	4,327,642	845,587	352,674	5,525,903	357,896	58,859	5,942,658
%	72.8%	14.2%	5.9%	93.0%	6.0%	1.0%	100.0%
Total Allocated 2007 Costs	<u>\$ 6,138,080</u>	<u>\$ 1,184,338</u>	<u>\$ 477,611</u>	<u>\$ 7,800,030</u>	<u>\$ 664,531</u>	<u>\$ 71,828</u>	<u>\$ 8,536,389</u>
%	71.9%	13.9%	5.6%	91.4%	7.8%	0.8%	100.0%
Pittsfield Share of Mgt Fee	54.1%		\$ 258,615				
North Country Share of Mgt Fee	45.9%		\$ 218,996				
Total			<u>\$ 477,611</u>				

Notes:

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

Period Ending December 31, 2007

	<u>Pittsfield</u>	<u>North Country</u>	<u>Total</u>
Assets	4,166,928	3,423,711	7,590,639
	54.90%	45.10%	100.00%
Customers	646	1,109	1,755
	36.81%	63.19%	100.00%
Average Percentage	45.9%	54.1%	100.0%

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

Schedule 2

	12/31/2007	13 MONTH TEST YR AVERAGE	12/31/2006	12/31/2005
<u>PLANT ASSETS</u>				
Plant in Service	3,762,472	3,701,283	3,539,199	3,503,720
Work in process	963,383	1,103,671	988,242	-
Accumulated depreciation	800,655	815,940	797,738	725,033
Net Plant	3,925,200	3,989,014	3,729,703	2,778,687
Acquisition Adjustment	-	-	-	-
Accumulated amortization	-	-	-	-
Net Acquisition Adjustment	-	-	-	-
 Total Net Utility Plant	 3,925,200	 3,989,014	 3,729,703	 2,778,687
<u>CURRENT ASSETS</u>				
Cash	200	200	200	-
Short term investments: FHLB	-	-	-	-
Short term investments: MM	-	-	-	-
Restricted cash	-	-	-	-
Accounts receivable-billed, net	116,432	178,809	252,630	300,225
Accounts receivable-unbilled, net	47,011	46,412	45,314	49,557
Accounts receivable-other	-	-	-	-
Inventory	-	-	-	3,435
Prepaid expenses	6,738	4,781	6,920	-
Prepaid property taxes	4,314	2,414	5,922	-
Prepaid income taxes	-	-	-	-
Intercompany receivable	-	-	-	-
	174,695	232,615	310,987	353,217
<u>OTHER ASSETS</u>				
Deferred land costs	-	-	-	-
Debt issuance expenses	12,158	9,521	5,863	2,142
Investment in partnerships	-	-	-	-
Other	54,875	79,988	141,959	118,589
	67,033	89,509	147,822	120,732
 TOTAL ASSETS	 \$ 4,166,928	 \$ 4,311,138	 \$ 4,188,512	 \$ 3,252,635

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

Schedule 2A

NOT USED - EQUITY AND LIABILITIES ARE ON A COMBINED BASIS ONLY

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

Schedule 2
 Attachment A

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

Notes:

(1) In 2007, Accumulated Amortization of Organization Costs was reclassified to Accumulated Depreciation.

(2) In 2006, Accumulated Depreciation for both North Country and Pittsfield were recorded in the Pittsfield accounts. The accounts were segregated in 2007.

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

Schedule 2
Attachment B

	12/31/2007	13 Month Average	12/31/2006	12/31/2005
Repair Parts	-	-	-	3,435
	-	-	-	<u>3,435</u>

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

Schedule 2
Attachment C

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

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

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

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

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

Schedule 2
Attachment D

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

Pennichuck East Utility, Inc.
Deferred Charges Dispositions
For the Year Ended December 31, 2007

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr & S179A & AFYD	Net Proceeds	Realized Gain (Loss)	Useful Life Months	Amort	Proforma Adjustment
			0.00	0.00	0.00	0.00		-	-
<i>Grand Total</i>									

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

Schedule 2B

Pittsfield Only

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

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

Schedule 3

Pittsfield Only

Description	Test Year Average (Sch 3B)	Test Period Ending Rate Base	Pro Forma Adjustments Permanent Rates	Pro Forma Test Year
Plant in Service	3,701,283	3,762,472	146,047 (1)	3,847,330
Accum Deprec	916,954	914,966	(4,799) (2)	912,155
Accum Deprec: Loss/COR	101,016	114,312		101,016
Acquisition Adjustment	-	-		-
Accum Amort Acq Adj	-	-	-	-
CIAC	1,148,636	1,148,636	-	1,148,636
Amort of CIAC	208,147	220,280		208,147
	<u>1,944,855</u>	<u>2,033,461</u>	<u>150,846</u>	<u>2,095,701</u>
				-
ADD:				-
Working Cap	78,724	57,288	(29,189) (3)	49,535
Materials & Supplies	-	-	-	-
Prepayments	7,194	11,052	-	7,194
Other & Deferred Charges	<u>79,988</u>	<u>54,875</u>	<u>(34,143) (4)</u>	<u>45,845</u>
	<u>165,906</u>	<u>123,216</u>	<u>(63,332)</u>	<u>102,574</u>
				-
DEDUCT:				-
Customer Advances	-	-	-	-
Customer Deposits	85	85	-	85
Deferred Income Tax	<u>135,833</u>	<u>246,512</u>	<u>(2,769) (5)</u>	<u>133,064</u>
	<u>135,919</u>	<u>246,598</u>	<u>(2,769)</u>	<u>133,149</u>
				-
TOTAL Rate Base	<u>1,974,842</u>	<u>1,910,079</u>	<u>90,283</u>	<u>2,065,125</u>

Notes:

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

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Plant in Service
For the Twelve Months Ended December 31, 2007
Pittsfield Only

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 ending The following proforma adjustment is to reflect the non revenue producing asset additions with their respective year end balances as follows:

Test Year Amount	\$ 220,284
Year End Balance	\$ 369,181
Pro Forma Adjustment	<u>\$ 148,897</u>

Therefore: \$ 148,897

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

Therefore: (as reflected on page 2 of Exhibit 5, PAC Combined) \$ (2,851)

TOTAL PRO FORMA PLANT IN SERVICE

\$ 146,047

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Deferred Debits
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3
Attachment B

II DEFERRED DEBITS

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

Test Year Amount	\$ 79,988
Test Year Amount	
w/o Acquisition Costs	\$ 54,182
Pro Forma Adjustment	<u>\$ 25,805</u>

Therefore: \$ (25,805)

- B.** To reflect the allocation of Sarbanes Oxley costs based on assets and customers as follows:

	Pittsfield	North Country	Total
Assets	\$ 4,166,928	\$ 3,423,711	\$ 7,590,639
		45.10%	
Customers	646	1,109	1,755
		63.19%	
Allocation %		<u>54.15%</u>	
Sarbanes Costs		<u>\$ 18,434</u>	
Allocated Amount		<u>\$ 9,982</u>	
Pro Forma Adjustment		<u>\$ (8,453)</u>	

Therefore: \$ (8,453)

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

Therefore: \$ 1,436

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

Deferred Debits (Rate Case Exp)	\$ 1,881
	<u>\$ 1,881</u>

Therefore: \$ 1,881

- E.** In the test year, the Company included deferred charges, account 6186-225-001 that should be reclassified to North Country.

Therefore: \$ (3,202)

TOTAL PRO FORMA UNAMORTIZED DEFERRED ASSETS: \$ (34,143)

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Accumulated Depreciation
For the Twelve Months Ended December 31, 2007
Pittsfield Only

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: \$ 3,982

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

Therefore: \$ (1,859)

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

Therefore: \$ (1,586)

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

Depreciation Expense with proforma A thru C:

Pittsfield	76,158	47.92%
North Country	82,757	52.08%
Total	158,915	100.00%

Adjustment per Depreciation Study:

Total	(5,185)
Pittsfield	(2,485)
North Country	(2,700)

Therefore: \$ (2,485)

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

Therefore: (as reflected on page 2 of Exhibit 5, PAC Combined) \$ (2,851)

TOTAL ACCUMULATED DEPRECIATION PRO FORMA:

\$ (4,799)

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Working Capital
For the Twelve Months Ended December 31, 2007
Pittsfield Only

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 last case DW-05-072.) Total pro forma operation and maintenance expenses (Schedule 1) are for the twelve months of the test year.

Therefore:

Total O & M Expenses	Working Capital Rate	
\$ (236,735)	12.33%	\$ (29,189)

TOTAL PRO FORMA WORKING CAPITAL:

\$ (29,189)

PITTSFIELD AQUEDUCT COMPANY, INC.
PRO FORMA ADJUSTMENTS TO RATE BASE
Deferred Income Taxes
For the Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3
Attachment E

I DEFERRED INCOME TAXES

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

	NOI	% NOI	
Pittsfield	\$ (115,992)	69.97%	
North Country	(49,774)	30.03%	
	<u>\$ (165,766)</u>	<u>100.00%</u>	
	<u>Def Inc Taxes</u>		<u>NC Portion</u>
2007	\$ 246,512		
2006	126,610		
Increment	<u>\$ 119,902</u>	30.03%	<u>\$ 36,003</u>
1 month of 13 month average			<u>\$ 2,769</u>

Therefore: \$ (2,769)

TOTAL PRO FORMA DEFERRED INCOME TAXES: \$ (2,769)

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

Schedule 3
Attachment A
Exhibit 1
Page 1

Asset ID	Placed In Service	Book Cost	Useful Life Months	Depr Exp	Half Yr Depr
<i>Asset GL Acct #: 6304-800-001</i>					
<i>Life: 36 yr 9 mo</i>					
60000-000425	CLEARWELL AT PITTSFIELD TREATMENT PLANT 10/01/2007	21,655.00	441	589.25	294.63
<i>Subtotal: 6304-800-001 (1)</i>		21,655.00			
<i>Asset GL Acct #: 6306-000-001</i>					
<i>Life: 50 yr 0 mo</i>					
60000-000440	RAW WATER TRANSMISSION MAINS - PITTSFIELD 11/01/2007	2,700.00	600	54.00	27.00
60000-000454	RAW WATER TRANS MAINS - PITTSFIELD 12/01/2007	26,350.00	600	527.00	263.50
<i>Subtotal: 6306-000-001 (2)</i>		29,050.00			
<i>Asset GL Acct #: 6309-000-001</i>					
<i>Life: 75 yr 9 mo</i>					
60000-000448	RAW WATER TRANSMISSION MAINS - PITTSFIELD 12/01/2007	4,551.15	909	60.08	30.04
<i>Subtotal: 6309-000-001 (1)</i>		4,551.15			
<i>Asset GL Acct #: 6331-100-001</i>					
<i>Life: 50 yr 0 mo</i>					
60000-000341	RAW WATER TRANS. MAINS - PITTSFIELD 03/01/2007	147,660.73	600	2,953.21	1,476.61
60000-000343	RAW WATER TRANS MAINS - PITTSFIELD 03/01/2007	687.30	600	13.75	6.87
60000-000345	RAW WATER TRANSMISSION MAINS - PITTSFIELD 04/01/2007	120,763.78	600	2,415.28	1,207.64
60000-000352	RAW WATER TRANS MAINS - PITTSFIELD 04/01/2007	4,110.32	600	82.21	41.10
60000-000367	RAW WATER TRANS. MAINS - PITTSFIELD 06/01/2007	5,123.18	600	102.46	51.23
60000-000398	RAW WATER TRAN MAINS - PITTSFIELD 08/01/2007	7,652.94	600	153.06	76.53
60000-000429	RAW WATER TRANSMISSION MAINS - PITTSFIELD 10/01/2007	25,559.29	600	511.19	255.59
60000-000439	RAW WATER TRANSMISSION MAINS - PITTSFIELD 11/01/2007	1,905.08	600	38.10	19.05
60000-000447	RAW WATER TRANSMISSION MAINS - PITTSFIELD 12/01/2007	462.27	600	9.25	4.62
<i>Subtotal: 6331-100-001 (9)</i>		313,924.89			
<i>Asset GL Acct #: 6333-100-001</i>					
<i>Life: 40 yr 0 mo</i>					
60000-000391	2" CT SERVICE: PITTSFIELD, 1 08/01/2007	2,984.77	480	74.62	37.31

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

Schedule 3
Attachment A
Exhibit 1
Page 2

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

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

Schedule 3
Attachment A
Exhibit 2
Page 1

Asset ID	Placed In Service	Book Cost	Test Year Period	Test Year Amount	Annualized Differential Pro Forma
<i>Asset GL Acct #: 6304-800-001</i>					
60000- CLEARWELL AT PITTSFIELD TREATMENT PLANT	10/01/2007	21,655.00	3/13	4,997.31	16,657.69
Subtotal: 6304-800-001 (1)		21,655.00			
<i>Asset GL Acct #: 6306-000-001</i>					
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	2,700.00	2/13	415.38	2,284.62
60000- RAW WATER TRANS. MAINS - PITTSFIELD	12/01/2007	26,350.00	1/13	2,026.92	24,323.08
Subtotal: 6306-000-001 (2)		29,050.00			
<i>Asset GL Acct #: 6309-000-001</i>					
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	4,551.15	1/13	350.09	4,201.06
Subtotal: 6309-000-001 (1)		4,551.15			
<i>Asset GL Acct #: 6331-100-001</i>					
60000- RAW WATER TRANS. MAINS - PITTSFIELD	03/01/2007	147,660.73	10/13	113,585.18	34,075.55
60000- RAW WATER TRANS MAINS - PITTSFIELD	03/01/2007	687.30	10/13	528.69	158.61
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	04/01/2007	120,763.78	9/13	83,605.69	37,158.09
60000- RAW WATER TRANS MAINS - PITTSFIELD	04/01/2007	4,110.32	9/13	2,845.61	1,264.71
60000- RAW WATER TRANS. MAINS - PITTSFIELD	06/01/2007	5,123.18	7/13	2,758.64	2,364.54
60000- RAW WATER TRAN MAINS - PITTSFIELD	08/01/2007	7,852.94	5/13	2,943.44	4,709.50
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	10/01/2007	25,559.29	3/13	5,898.30	19,660.99
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	11/01/2007	1,905.08	2/13	293.09	1,611.99
60000- RAW WATER TRANSMISSION MAINS - PITTSFIELD	12/01/2007	462.27	1/13	35.56	426.71
Subtotal: 6331-100-001 (9)		313,924.89			
2007 Total		369,181.04		220,283.89	148,897.15 -

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

Asset ID	Placed in Service	Disposal Date	Cost Plus Exp. of Sale	LTO Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
Asset Gr. Acct # 6334-000-001 Life Yr Mo: 20 Yr 0 mo								
6000 174 22	BEGINNING BALANCE METERING EQUIPMENT 07/01/1996	07/01/2007	2,757.00	1,516.36	0.00	-1,240.64	137.85	68.93
60000-000054	BEDELLS TRAILER PARK 07/01/1999	07/01/2007	6,817.78	2,727.11	0.00	4,090.67	340.89	170.44
60000 000172	BEGINNING BALANCE METERING EQUIPMENT 07/01/1992	07/01/2007	88.00	66.00	0.00	-22.00	4.40	2.20
60000 000172	BEGINNING BALANCE METERING EQUIPMENT 07/01/1994	07/01/2007	223.00	144.96	0.00	-78.04	11.15	5.58
60000 000177	BEGINNING BALANCE METERING EQUIPMENT 07/01/1999	07/01/2007	6,005.00	5,704.76	0.00	-300.24	300.25	150.13
60000 000178	BEGINNING BALANCE METERING EQUIPMENT 07/01/1987	07/01/2007	8,490.00	8,490.00	0.00	0.00	424.50	212.25
60000 000179	BEGINNING BALANCE METERING EQUIPMENT 07/01/1996	07/01/2007	7,654.00	7,654.00	0.00	0.00	382.70	191.35
60000 000180	BEGINNING BALANCE METERING EQUIPMENT 07/01/1985	07/01/2007	6,242.00	6,242.00	0.00	0.00	312.10	156.05
60000 000181	BEGINNING BALANCE METERING EQUIPMENT 07/01/1994	07/01/2007	7,799.00	7,799.00	0.00	0.00	389.95	194.98
60000 000183 2	BEGINNING BALANCE METERING EQUIPMENT 07/01/1983	07/01/2007	265.00	265.00	0.00	0.00	13.25	6.63
60000 00020 21	54" METERS 7 NEW & 6 RE-NEWED 05/01/2002	12/01/2007	200.00	50.00	0.00	-150.00	10.00	5.00
60000 00175 2	BEGINNING BALANCE METERING EQUIPMENT 07/01/1989	07/01/2007	4,725.00	4,252.51	0.00	-472.49	236.25	118.13
60000 00165 221	METER REPLACEMENT PROGRAM 1998 - 102 Meters 07/01/1998	07/01/2007	16,145.58	7,265.52	0.00	-8,880.06	807.28	403.64
60000 01171 2	BEGINNING BALANCE METERING EQUIPMENT 07/01/1993	07/01/2007	501.00	360.71	0.00	-150.29	25.05	12.53
Subtotal: 20 Yr 0 mo (14) Life Yr Mo: 25 Yr 0 mo			67,912.36	52,527.93	0.00	-15,384.43		

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

Schedule 3
Attachment A
Exhibit 3
Page 2

Asset ID	Placed In Service	Disposal Date	Cost Plus Exp. of Sale	LTD Depr	Net Proceeds	Accum Depr (Loss)	Depr Exp	Half Year Depr Exp
60000 000176	BEGINNING BALANCE METERING EQUIPMENT 07/01/1988	07/01/2007	602.00	457.52	0.00	-144.48	24.08	12.04
60000 000182	BEGINNING BALANCE METERING EQUIPMENT 07/01/1984	07/01/2007	811.00	746.12	0.00	-64.88	32.44	16.22
<i>Subtotal: 25 yr 0 mo (2)</i>			1,413.00	1,203.64	0.00	-209.36		
<i>Subtotal: 6334-000-001 (16)</i>			80,375.36	53,731.57	0.00	-15,593.79		
<i>Asset GL Acct # 6343-000-001</i>								
<i>Life Yr Mo: 15 yr 0 mo</i>								
60000 000271	FLOW AND PRESSURE RECORDER 12/01/2006	12/01/2007	2,856.00	190.40	0.00	-2,665.60	190.40	95.20
<i>Subtotal: 6343-000-001 (1)</i>			2,856.00	190.40	0.00	-2,665.60		
<i>Asset GL Acct # 6346-000-001</i>								
<i>Life Yr Mo: 20 yr 0 mo</i>								
60000 000281.1	PITTSFIELD WTP SCADA UPGRADE 10/01/2006	10/01/2007	1,513.00	75.66	0.00	-1,437.34	75.65	37.83
<i>Subtotal: 6346-000-001 (1)</i>			1,513.00	75.66	0.00	-1,437.34		
2007 Total			73,694.36	53,997.63	0.00	-19,696.73	3,718.19	1,859.09

PITTSFIELD AQUEDUCT COMPANY
COMPUTATION OF WORKING CAPITAL (O&M) ALLOWANCE
For The Twelve Months Ended December 31, 2007
Pittsfield Only

Schedule 3A

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

PITTSFIELD AQUEDUCT COMPANY
COMPUTATION OF THIRTEEN MONTH AVERAGE BALANCE
For The Twelve Months Ended December 31, 2007

Schedule 3B

Pittsfield Only

DESCRIPTION	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Average
Plant in Service	3,539,199	3,544,206	3,543,891	3,708,542	3,833,465	3,833,593	3,838,888	3,677,574	3,688,308	3,683,016	3,729,361	3,734,165	3,762,472	3,701,283
Accum Deprec	889,666	897,585	905,522	934,762	956,034	966,356	976,752	883,130	889,400	895,674	902,036	908,518	914,966	916,954
Accum Deprec: Loss/COR	91,928	92,618	92,604	92,755	92,758	93,363	93,363	108,960	109,349	109,346	110,786	111,060	114,312	101,016
CIAC	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636	1,148,636
Reserve of CIAC Amort	196,052	198,064	200,076	202,088	204,100	206,112	208,125	210,137	212,149	214,202	216,255	218,268	220,280	208,147
O&M Allowance	87,170	60,522	48,502	123,816	59,709	72,084	84,803	51,145	86,559	97,767	104,067	89,976	57,288	78,724
Materials & Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	12,842	10,145	6,440	5,842	5,720	5,241	9,714	7,538	4,812	3,033	2,351	8,796	11,052	7,194
Other & Def Charges (1)	141,959	140,255	139,726	139,787	55,016	53,884	51,668	52,370	52,395	50,788	53,711	53,407	54,875	79,988
Cust Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cust Deposit	85	85	85	85	85	85	85	85	85	85	85	85	85	85
Deferred Income Tax	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	126,610	246,512	135,833
Regulatory Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unamortized FCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,904,152	1,872,892	1,850,385	2,062,736	2,019,402	2,022,591	2,034,477	1,949,262	1,988,839	1,987,147	2,039,165	2,031,823	1,910,079	1,974,842

Notes:

(1) From December 2006 through March 2007, other & deferred charges included deferred charges related to the North Country acquisition.

In April 2007, the deferred charges were reclassified to North Country organization costs. The impact is as follows:

Other & Def Charges	141,959	140,255	139,726	139,787	55,016	53,884	51,668	52,370	52,395	50,788	53,711	53,407	54,875	79,988
NC acquisition costs	84,205	83,430	84,196	83,639	-	-	-	-	-	-	-	-	-	25,805
Other Assets w/o Acq Costs	57,754	56,825	55,530	56,148	55,016	53,884	51,668	52,370	52,395	50,788	53,711	53,407	54,875	54,182