



PENNICHUCK
PITTSFIELD AQUEDUCT COMPANY, INC.

DW 10-090

INDEX

Documents Filed Under NHPUC Rule 1604-01

1. Internal Financial Reports – these have either been filed previously with the Commission or will be filed as a part of the Company's rate case filing.
2. Annual Reports to Stockholders – not applicable because Pittsfield Aqueduct Company, Inc. is a subsidiary of Pennichuck Corporation and has no other shareholders. Pennichuck Corporation's Annual report to Shareholders contained in this binder.
3. Federal Income Tax Reconciliation – contained in this binder.
4. Detailed Tax Factor Computation – contained in this binder.
5. Charitable Contributions – contained in this binder.
6. Advertising Charges Charged Above the Line – none.
7. Cost of Service Study – contained in this binder.
8. 2010 Construction Budget – contained in this binder.
9. Chart of Accounts – no difference.
10. Forms 10-K and 10-Q – 2009 and 2008 10-K incorporated in the Annual Reports contained in section 25. 2009 and 2008 10-Q contained in this section.
11. Membership Fees and Dues – none
Meetings and Conventions Dues – none
12. Recent Management and Depreciation Studies – latest depreciation study submitted in DW 08-052. No recent management study has been undertaken by the Company.

13. Audits or Studies which Utility has not submitted to Commission – None
14. Information Concerning Officers and Directors – contained in this binder.
15. Lists of the Amount of Voting Stock – contained in this binder.
16. Payments in Excess of \$10,000 – contained in this binder.
17. Asset and Cost Allocations – we anticipate that no non-utility assets or operations will be included in the Company's financial statements for the test year.
18. Balance Sheet and Income Statements – the statements have either been filed previously with the Commission or will be filed as a part of the Company's rate filing.
19. Quarterly Income Statements – contained in this binder.
20. Quarterly Sales Volume – contained in this binder.
21. Needs for External Capital – contained in this binder.
22. Sources and Uses of Funds – contained in this binder.
23. Sinking Fund Provisions – none.
24. Short Term Debt Outstanding – contained in this binder.
25. Parent Company Information – 2009, 2008, 2007, 2006 and 2005 Annual Reports to Shareholders contained in this binder. 2009 and 2008 Form 10-K and Form 10-Q contained in this binder under section 10.
26. Management Fee Information – contained in this binder.
27. Uniform Statistical Report – not applicable.
28. Summary Work Papers – to be submitted with testimony and supporting schedules in 1604-06.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (1) Internal Financial Reports – These have been filed previously with the Commission and can also be found in Sections 18 and 19 contained within this binder.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (2) Annual Reports to Stockholders – Not applicable because Pittsfield Aqueduct Company, Inc. is a subsidiary of Pennichuck Corporation and has no other shareholders. Pennichuck Corporation's Annual Report to Shareholders is contained in this binder.

Federal Income Tax Reconciliation
Pittsfield Aqueduct Company, Inc.
December 31, 2009
(Pittsfield Only)

Provided pursuant to NHPUC Rule 1604.01(3)

Net income per books for the test year	\$	12,251
Addback provision for Federal and State income taxes		<u>6,416</u>
Pretax Book Income		18,667
Estimated Schedule M-1 Items:		
Accelerated depreciation/Amortization of CIAC		(40,657)
Book/Tax Difference on disposal of assets		(1,548)
Prior Year's Charitable Contributions		100
Prepaid Expenses		(14,045)
A/R Reserve		2,912
Sarbanes-Oxley costs		4,825
AFUDC		<u>-</u>
Total Permanent & Temporary Differences		<u>(48,414)</u>
Taxable Income		<u>(29,746)</u>
Pre Tax Income		<u>18,667</u>
NHBPT @ 8.50%		1,684
Federal Income Tax @ 34%		4,732
Amortization of Investment Tax Credit		-
Total Income Taxes	\$	<u><u>6,416</u></u>

Computation of Detailed Tax Factor
Pittsfield Aqueduct Company, Inc.
December 31, 2009

Provided pursuant to NHPUC Rule 1604.01(4)

New Hampshire Business Profits Tax in effect during test year	<u>8.50%</u>
After-tax cost of NHBPT based on an applicable Federal tax rate of 34 percent computed as follows: 1.00 minus .34 = .66 times 8.5%	5.61%
Applicable Federal tax rate in effect during test year	<u>34.00%</u>
Effective combined income tax factor	<u>39.61%</u>

Pittsfield Aqueduct Company, Inc.
Charitable Contributions
For the Twelve Months Ended December 31, 2009

Donee	Amount
Pittsfield Balloon Rally	\$ 100.00
Total 2009 Charitable Contributions	<u>\$ 100.00</u>

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (6) Advertising Charges Charged Above the Line – None.

Pittsfield Aqueduct Company, Inc.

Report on
Cost of Service Allocations
and Rate Design

AUS Consultants

By

John R. Palko
Principal

155 Gaither Drive, Suite A
Mount Laurel, NJ 08054

April 2010

Pittsfield Aqueduct Company, Inc.
Report on
Cost of Service Allocations
and Rate Design

Introduction

This report sets forth the procedures, findings, and results of a cost of service allocation and rate design study for the Pittsfield Aqueduct Company, Inc. (PAC or the Company). As of the end of calendar year 2009, the Company provided water service to a total of 648 customers via its water system located in Pittsfield, New Hampshire.

This cost of service allocation and rate design study is based on the total pro forma revenue requirement for the twelve months ending December 31, 2009 as will be requested by the Company in its planned rate filing before the New Hampshire Public Utilities Commission.

Revenue Requirement

Every public utility must receive total revenues sufficient to ensure proper operation and maintenance, development and perpetuation of its system and facilities, and preservation of its financial integrity. Without adequate revenues, the public utility would not be able to provide safe and adequate service to its customers. The total revenue requirement of a public utility is synonymous with its total cost of service and represents the amount of monies which must be recovered from its customer base through a system of periodic rates and charges for utility service.

Cost of service allocation and rate design studies for investor-owned water utilities reporting to a regulatory authority are often conducted in conjunction with the processing of a rate relief application at which time it is usually necessary to develop a pro forma revenue requirement. Such is the case in the present study which is based on

the pro forma operations for the test year ended December 31, 2009, as developed by the management of the Company.

For the purpose of this study, the total pro forma revenue requirement, as developed by the Company for the test year ended December 31, 2009, may be summarized as follows:

<u>Item</u>	<u>Amount</u>
Operation and Maintenance Expense	\$380,118
Depreciation and Amortization	66,398
Taxes Other Than Income Tax	81,437
Net Operating Income	149,023
Income Taxes	<u>56,915</u>
Total Revenue Requirement	<u>\$733,891</u>

As subsequently discussed herein, this study results in the allocation of the \$733,891 revenue requirement to functional costs and rate elements. It is noted that some \$5,430 of the revenue requirement is projected to be obtained from other revenue or miscellaneous service revenue leaving a net revenue requirement of \$728,461 to be recovered from a schedule of rates and charges for water service. This is the revenue amount the Company is requesting in permanent rates to relieve its net operating losses.

Plant Investment

The Company maintains its plant investment accounts in accordance with the fixed capital reporting requirements of the New Hampshire Public Utilities Commission. Under this system, the original cost and the depreciation expense for utility plant in service as of December 31, 2009 may be summarized as follows:

<u>Plant in Service</u>	<u>Original Cost</u>	<u>Depreciation Expense</u>
Source of Supply and Pumping	\$533,032	\$7,556
Water Treatment	982,160	23,502
Transmission and Distribution	2,152,341	47,712
General	101,027	3,538
Intangible	<u>75,551</u>	<u>3,778</u>
Total Utility Plant in Service	<u>\$3,844,111</u>	<u>\$86,086</u>

As subsequently discussed herein, the above original cost elements and depreciation expense elements are allocated to a group of functional costs. The results of these allocations then become an input into the allocation of the pro forma revenue requirement.

Cost of Service Allocation

The pro forma revenue requirement (or equivalently, the total cost of service) was allocated to three broad functional cost categories, namely Volume Cost, Customer Cost, and Direct Fire Cost. These allocations are set forth in detail on the accompanying Schedules P1 through P6.

The Volume Cost Component, in the study developed herein, encompasses all the volume related elements of the cost of service. That is, the Volume Cost Component includes both costs associated with serving customers under average load conditions and costs associated with meeting rate-of-use requirements in excess of average. Stated in another manner, volume costs comprise all costs other than customer costs or direct fire costs.

The Customer Cost Component includes those costs associated with connecting and serving customers irrespective of the volume of water used or the demand requirements imposed on the system. Customer costs generally comprise capital and

operating costs related to services, meters, and customer installations and meter reading, billing, and collecting expenses. In the present study, a portion of the costs and expenses related to transmission and distribution mains and distribution reservoirs were also allocated to the Customer Cost Component.

The Direct Fire Cost Component includes those costs associated with the installation, operation, and maintenance of fire hydrants together with a portion of the costs and expenses related to transmission and distribution mains, distribution reservoirs, and the treatment plant clearwell.

The accompanying Schedule P1 sets forth the allocation of utility plant in service at December 31, 2009. The results of the utility plant allocation are used to allocate property insurance and property taxes.

The results of the utility plant allocation are also an input into the rate base allocation. The accompanying Schedule P2 sets forth the allocation of the rate base at December 31, 2009. The results of the rate base allocation are used to allocate capital related elements of the revenue requirement such as net operating income and income taxes.

The accompanying Schedule P3 sets forth the allocation of the depreciation expense at December 31, 2009. The results of this allocation are used to allocate the pro forma depreciation and amortization expense.

The accompanying Schedule P4 sets forth in detail the allocation of the pro forma operation and maintenance expense. The results of this allocation become part of the revenue requirement allocation.

The accompanying Schedule P5 sets forth the allocation of the pro forma operating expense and other revenue requirements. Other revenue has been deducted from the revenue requirement allocations resulting in a net revenue requirement allocation. As shown on Schedule P5, the Volume Cost component accounts for 49.98% of the net revenue requirement while the Customer Cost Component accounts for 28.74% and the Direct Fire Cost Component accounts for 21.28%.

The right-most columns of Schedules P1 through P5 are headed "Allocation Code" and set forth the codes for the specific allocation factors used in this study. The allocation codes are simply reference numbers which designate groups of percentages which are used to allocate the total amount of any given cost element to the several cost functions. The accompanying Schedule P6 lists the allocation codes and percentage factors and contains a brief written description of the allocation bases.

Allocation of Mains and Distribution Reservoirs

As noted previously herein, portions of the costs and expenses related to transmission and distribution mains and distribution reservoirs were allocated to both the Customer Cost Component and the Direct Fire Cost Component in addition to being allocated to the Volume Cost Component. Further, a portion of the costs and expenses related to the treatment plant clearwell was allocated to the Direct Fire Cost Component. As shown by Allocation Code 04 on Schedule P6, 25% of the main costs and expenses were allocated to volume with 30% allocated to customer and 45% allocated to direct fire. These percentages were determined through an analysis of the inch-feet of mains in service at December 31, 2009.

The accompanying Schedule P7 sets forth the lengths of transmission and distribution mains in service as of December 31, 2009. As shown on Page 1 of Schedule P7, there were a total of 74,448 feet of transmission and distribution mains in service as of December 31, 2009. Page 1 of Schedule P7 illustrates both the reduction of all larger size mains to a 2" diameter and the calculation of inch-feet of mains. An inch-foot is simply the length of main in feet multiplied by the size of the diameter in inches. As shown on Page 1 of Schedule P7, there was an actual total of 560,824 inch-feet as of December 31, 2009. Under the reduction in size, there are only 148,432 inch-feet or about 30% of the actual number. This 30% is the customer cost portion of the mains. In essence, reducing the mains to 2" in diameter is similar to developing a minimum size system. This is also similar to the minimum size distribution system concept used in electric cost of service analyses.

Page 2 of Schedule P7 sets forth the methodology used to determine the direct fire cost portion of mains. All mains larger than 4" were reduced to a 4" size, except for 12" mains which were reduced to 6". This size reduction is based on an analysis of the fire flow and domestic flow requirements as developed by Pittsfield's engineering staff. As shown on Page 2 of Schedule P7, this reduction results in 309,450 inch-feet which is 44.82% less than the actual number. That is, approximately 45% (44.82% rounded up) of the main size is directly related to fire protection. This 45% is the direct fire cost portion of the mains.

Private Fire Protection/Municipal Fire Protection

The Direct Fire Cost Component contains costs related to the provision of both private fire protection and municipal fire protection. The accompanying Schedule P8 sets

forth the allocation of direct fire costs to private and municipal fire protection. The allocations are primarily based on the relative numbers of hydrants and the weighted fire protection units.

The accompanying Schedule P9 illustrates the development of the percentage factors used in the allocation of direct fire costs to private fire and municipal fire.

The accompanying Schedule P10 sets forth the calculation of the weighted fire protection units. As noted thereon, the weighting factors are based on the ratio of the cross-sectional area of a given service size to the cross-sectional area of a 6" service, with hydrants assumed to have 6" branches.

In addition to the direct fire costs, certain elements of both the volume cost and the customer cost are related to the provision of both private fire protection service and municipal fire protection service. The accompanying Schedule P11 illustrates the allocation of volume costs and customer costs to private fire and municipal fire.

Customer costs were allocated to fire based on the relative numbers of bills and the weighted number of services. The accompanying Schedule P12 shows the numbers of bills and the calculation of weighted services. Weighted services are based on the ratio of service diameters.

In order to allocate volume costs to fire, reference was made to the AWWA Water Rates Manual M1, Fourth Edition. Chapter 5 therein, "Rate Design for Small Water Utilities", indicates that it is appropriate and reasonable for a water utility with 648 customers to obtain approximately 30% of its revenues from fire protection charges. This recommendation was used as a guideline to allocate some of the volume costs to fire. As noted at the bottom of Schedule P11, a conservative approach was taken by setting fire

protection revenue to 25% of the total revenue requirement; this resulted in \$24,011 of volume costs being allocated to fire.

After allocating direct fire to private and municipal fire and allocating volume and customer costs to fire, the resulting allocation, as shown at the bottom of Schedule P11, indicates that 46.69% of the revenue requirement is attributable to volume costs, 28.31% is attributable to customer costs, 3.36% is attributable to private fire, and 21.65% is attributable to municipal fire. This information allows for the development of a rate design to generate the revenue requirement.

Revenues From Present Rates

Before designing a schedule of developed rates based on the allocations set forth herein, revenues under present rates were calculated. This calculation was based on the reported numbers of meters and fire protection units in service at December 31, 2009 together with the reported billable volumetric water usage during calendar year 2009.

The accompanying Schedule P13 sets forth the calculation of revenues under present rates. As shown on Page 3 of Schedule P13, 47.84% of present rate revenue is obtained from general water service volumetric charges, 28.27% is obtained from general water service customer (or minimum) charges, 3.55% is obtained from private fire protection charges, and 20.34% is obtained from municipal fire protection charges.

The Existing Pittsfield Rate Schedule

The present rate schedule used by the Company for general water service comprises a monthly minimum customer charge which varies by meter size together with a uniform volumetric usage charge applied to all water used.

With respect to private fire protection service, there is a monthly charge which varies by connection or service size.

With respect to municipal fire protection service, there are two parts to the total charge for service. At present, there is a \$66.63 monthly charge per hydrant combined with an effective annual inch-foot charge of \$0.14040 applied to mains 6" and larger in diameter.

The rates and charges presently set forth in the PAC tariff were used in the calculation of present rate revenues on Schedule P13 and may be found thereon.

Rate Design

The design of rates, based on the allocations set forth and discussed herein, is presented on the accompanying Schedule P14.

Page 1 of Schedule P14 addresses both municipal and private fire protection. As noted thereon, the present revenues from both municipal fire protection and private fire protection are less than their respective cost of service indications. Therefore, both municipal fire protection and private fire protection rates were increased to meet their cost of service indications.

Page 2 of Schedule P14 sets forth the rate design for the customer or minimum charges. In order to enhance revenue and financial stability and improve cash flow, 50% of the administrative and general Volume Cost Component and 50% of the management fee Volume Cost Component were allocated to the Customer Cost Component on Page 2 of Schedule P14. (This is similar to the rate design approach used for Pennichuck Water Works.) As shown thereon, an increase of about 55.3% is indicated. The monthly rates for all meter sizes have been increased by this percentage.

Page 3 of Schedule P14 sets forth the design of the volumetric usage rate. The volumetric rate is the “balance wheel” in the rate design. It provides the remaining amount of the pro forma net revenue requirement after deducting the developed revenues from municipal fire protection, private fire protection, and customer charges. The developed volumetric rate is \$0.01 or about 0.20% less than the existing volumetric rate.

Revenues from Developed Rates

The accompanying Schedule P15 sets forth the calculation of revenues under the developed rates. As shown on Page 3 of Schedule P15, 39.08% of developed rate revenue is obtained from general water service volumetric charges, 35.92% is obtained from general water service customer (or minimum) charges, 3.35% is obtained from private fire protection charges, and 21.65% is obtained from municipal fire protection charges. The developed rates, when applied to the billing parameters, generate \$728,456 in revenue. This revenue amount is about \$5 less than the net revenue requirement of \$728,461. This difference is only 0.001% and is considered negligible.

Closure

The results of the studies set forth and discussed herein can provide guidelines to be utilized in restructuring the Company’s rates and charges for service. However, it must be remembered that cost of service allocations are the products of analyses based in part on judgment and experience and as such, while their results are a substantial aid in the design of rates, they are not meant to be literal, exact “gospel truth” type answers. Seldom, if ever, are rates exactly in line with the costs of service at any given time nor is it usually possible to design rate structures which are in complete exact agreement with all aspects of a cost of service allocation study. Generally, minor differences will exist

just as a matter of normal circumstances. In addition, attempts to exactly meet the cost of service indications in one rate adjustment can impose extremely large and undue burdens on individual customers or customer groups. Most rate consultants favor a process of gradually bringing deficiency in revenue generation in line with cost of service indications so as to avoid or ameliorate undue or abrupt changes in rate structure. Actual rate and tariff design, in addition to relying on the results of cost of service allocation analyses, should also include consideration of policy matters, impact and extent of rate changes, past historical practice, future planning, special customer characteristics and regulatory and contract requirements.

Pittsfield Aqueduct Company, Inc.

Schedules P1 through P15

to Accompany

Report on
Cost of Service Allocations
and Rate Design

AUS Consultants

By

John R. Palko
Principal

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Mount Laurel, NJ 08054

April 2010

Pittsfield Aqueduct Company, Inc.

Allocation of Utility Plant in Service at December 31, 2009

<u>Acc't Description</u>	<u>Total Cost</u>	<u>Volume</u>	<u>Customer</u>	<u>Direct Fire</u>	<u>Allocation Code</u>
<u>Source of Supply and Pumping Plant</u>					
303 Land and Land Rights	60,333	60,333	0	0	01
304 Structures and Improvements	71,250	71,250	0	0	01
305 Collecting and Impounding Reservoirs	48,493	48,493	0	0	01
306 Lake, River and Other Intakes	38,271	38,271	0	0	01
307 Wells and Springs	0	0	0	0	01
309 Supply Mains	309,353	309,353	0	0	01
310 Power Generation Equipment	845	845	0	0	01
311 Pumping Equipment	4,487	4,487	0	0	01
Total Supply and Pumping Plant	533,032	533,032	0	0	
<u>Water Treatment Plant</u>					
304 Structures and Improvements	730,413	730,413	0	0	01
304.2 Clearwell Req'd For Fire Protection	201,719	0	0	201,719	03
320 Water Treatment Equipment	50,028	50,028	0	0	01
Total Water Treatment Plant	982,160	780,441	0	201,719	
<u>Transmission and Distribution Plant</u>					
330 Distribution Reservoirs	0	0	0	0	04
331 Transmission and Distribution Mains	1,771,740	442,935	531,522	797,283	04
333 Services	153,161	0	153,161	0	02
334 Meters and Meter Installations	142,885	0	142,885	0	02
335 Hydrants	83,060	0	0	83,060	03
Subtotal Transmission and Distribution Plant	2,150,846	442,935	827,568	880,343	
Percents Code 05	100.00%	20.59%	38.48%	40.93%	
339 Other Plant and Miscellaneous Equipment	1,495	308	575	612	05
Total Transmission and Distribution Plant	2,152,341	443,243	828,143	880,955	
Subtotal Above Plant	3,667,533	1,756,716	828,143	1,082,674	
Percents Code 06	100.00%	47.90%	22.58%	29.52%	
<u>General Plant</u>					
340 Office Furniture and Equipment	0	0	0	0	06
343 Tools Shop and Garage Equipment	9,688	4,641	2,188	2,859	06
344 Laboratory Equipment	23,773	11,367	5,368	7,018	06
346 Communication Equipment	28,612	13,705	6,461	8,446	06
347 Computer Equipment	25,899	12,406	5,848	7,645	06
348 Miscellaneous Equipment	13,055	6,253	2,948	3,854	06
Total General Plant	101,027	48,392	22,813	29,822	
<u>Intangible Plant</u>					
301 Organization	75,551	36,189	17,059	22,303	06
302 Franchise	0	0	0	0	06
Total Intangible Plant	75,551	36,189	17,059	22,303	
Total Utility Plant in Service	3,844,111	1,841,297	868,015	1,134,799	
Percents Code 06	100.00%	47.90%	22.58%	29.52%	

Pittsfield Aqueduct Company, Inc.
Allocation of Rate Base at December 31, 2009

<u>Acc't Description</u>	<u>Total Cost</u>	<u>Volume</u>	<u>Customer</u>	<u>Direct Fire</u>	<u>Allocation Code</u>
Total Utility Plant in Service	3,844,111	1,841,297	868,015	1,134,799	
<u>Construction Work in Progress</u>					
105 Internet Connections	844	404	191	249	06
105 Dam Maintenance	36,593	36,593	0	0	01
Total CWIP	37,437	36,997	191	249	
<u>Accumulated Depreciation</u>					
Organization	(26,443)	(12,666)	(5,971)	(7,806)	06
Structures	(285,266)	(285,266)	0	0	01
Pumping and Distribution Equipment	(24,080)	(24,080)	0	0	01
Transmission and Distribution Mains	(559,233)	(139,808)	(167,770)	(251,655)	04
Services	(65,643)	0	(65,643)	0	02
Meters	(34,413)	0	(34,413)	0	02
Hydrants	(19,418)	0	0	(19,418)	03
Other Equipment	(50,969)	(24,414)	(11,509)	(15,046)	06
Accumulated Depreciation - Loss	118,993	56,998	26,869	35,126	06
Accumulated Depreciation - Cost of Removal	411	197	93	121	06
Total Accumulated Depreciation	(946,061)	(429,039)	(258,344)	(258,678)	
<u>Contributions In Aid of Construction</u>					
CIAC - Mains	(750,287)	(187,572)	(225,086)	(337,629)	04
CIAC - Water Filtration	(398,350)	(398,350)	0	0	01
Amortize CIAC - Mains	175,378	43,845	52,613	78,920	04
Amortize CIAC - Water Filtration	93,113	93,113	0	0	01
Total CIAC	(880,146)	(448,964)	(172,473)	(258,709)	
Percents Code 14	100.00%	51.01%	19.60%	29.39%	
Subtotal Above Rate Base Items	2,055,341	1,000,291	437,389	617,661	
<u>Additions to Rate Base</u>					
Working Capital	57,269	31,429	23,165	2,675	09
Materials & Supplies	1,911	915	432	564	06
Prepaid Insurance	27,836	13,333	6,285	8,218	06
Prepaid Property Taxes	2,045	980	462	603	06
Deferred Charges - Main Breaks	13,530	3,383	4,059	6,088	04
Deferred Charges - Other Items	115,840	55,487	26,157	34,196	06
Total Additions	218,431	105,527	60,560	52,344	
<u>Deductions from Rate Base</u>					
Customer Advances	0	0	0	0	04
Customer Deposits	0	0	0	0	02
Deferred Income Tax	(218,320)	(104,575)	(49,297)	(64,448)	06
Total Deductions	(218,320)	(104,575)	(49,297)	(64,448)	
Total Rate Base	2,055,452	1,001,243	448,652	605,557	
Percents Code 13	100.00%	48.71%	21.83%	29.46%	

Pittsfield Aqueduct Company, Inc.

Allocation of Depreciation Expense - Pro Forma at December 31, 2009

<u>Acc't Description</u>	<u>Total Cost</u>	<u>Volume</u>	<u>Customer</u>	<u>Direct Fire</u>	<u>Allocation Code</u>
<u>Source of Supply and Pumping Plant</u>					
303 Land and Land Rights	0	0	0	0	01
304 Structures and Improvements	1,668	1,668	0	0	01
305 Collecting and Impounding Reservoirs	713	713	0	0	01
306 Lake, River and Other Intakes	765	765	0	0	01
307 Wells and Springs	0	0	0	0	01
309 Supply Mains	4,084	4,084	0	0	01
310 Power Generation Equipment	51	51	0	0	01
311 Pumping Equipment	275	275	0	0	01
Total Supply and Pumping Depreciation Exp.	7,556	7,556	0	0	
<u>Water Treatment Plant</u>					
304 Structures and Improvements	17,071	17,071	0	0	01
304.2 Clearwell Req'd For Fire Protection	4,714	0	0	4,714	03
320 Water Treatment Equipment	1,717	1,717	0	0	01
Total Water Treatment Depreciation Exp.	23,502	18,788	0	4,714	
<u>Transmission and Distribution Plant</u>					
330 Distribution Reservoirs	0	0	0	0	04
331 Transmission and Distribution Mains	36,290	9,073	10,887	16,330	04
333 Services	3,091	0	3,091	0	02
334 Meters and Meter Installations	7,142	0	7,142	0	02
335 Hydrants	1,105	0	0	1,105	03
Subtotal Trans.and Dist.Depreciation Exp.	47,628	9,073	21,120	17,435	
339 Other Plant and Miscellaneous Equipment	84	17	32	35	05
Total Trans.and Dist.Depreciation Exp.	47,712	9,090	21,152	17,470	
Subtotal Above Depreciation Exp.	78,770	35,434	21,152	22,184	
<u>General Plant</u>					
340 Office Furniture and Equipment	0	0	0	0	06
343 Tools Shop and Garage Equipment	743	356	168	219	06
344 Laboratory Equipment	1,188	569	268	351	06
346 Communication Equipment	1,431	685	323	423	06
347 Computer Equipment	0	0	0	0	06
348 Miscellaneous Equipment	176	84	40	52	06
Total General Depreciation Exp.	3,538	1,694	799	1,045	
<u>Intangible Plant</u>					
301 Organization	3,778	1,810	853	1,115	06
302 Franchise	0	0	0	0	06
Total Intangible Depreciation Exp.	3,778	1,810	853	1,115	
Subtotal Utility Plant Depreciation Exp.	86,086	38,938	22,804	24,344	
Percents Code 07	100.00%	45.23%	26.49%	28.28%	
Add Depreciation Rate Adjustment	0	0	0	0	07
Total Utility Plant Depreciation Exp. - Pro Forma	86,086	38,938	22,804	24,344	

Pittsfield Aqueduct Company, Inc.

Allocation of Operation and Maintenance Expense - Pro Forma at December 31, 2009

<u>Acc't Description</u>	<u>Total Cost</u>	<u>Volume</u>	<u>Customer</u>	<u>Direct Fire</u>	<u>Allocation Code</u>
<u>Production Expenses</u>					
Total Supply, Pumping, and Water Treatment	86,392	86,392	0	0	01
<u>Transmission and Distribution Expenses</u>					
662 Trans & Dist Lines Expense	37	9	11	17	04
663 Meter Expenses	9,108	0	9,108	0	02
664 Customer Installation Expenses	7	0	7	0	02
665 Miscellaneous Expenses	6,673	0	6,673	0	02
660 Operation Supervision and Engineering	11,896	2,449	4,578	4,869	05
673 Maintenance of Trans & Dist Mains	14,881	3,720	4,464	6,697	04
675 Maintenance of Services	26,605	0	26,605	0	02
676 Maintenance of Meters	3,019	0	3,019	0	02
677 Maintenance of Hydrants	6,702	0	0	6,702	03
678 Maintenance of Miscellaneous Equipment	(26,552)	(5,467)	(10,217)	(10,868)	05
Total Transmission and Distribution O&M	52,376	711	44,248	7,417	
Percents Code 08	100.00%	1.36%	84.48%	14.16%	
<u>Customer Accounts Expenses</u>					
Total Customer Accounts Expenses	19,953	0	19,953	0	02
Subtotal Above O&M Expenses	158,721	87,103	64,201	7,417	
Percents Code 09	100.00%	54.88%	40.45%	4.67%	
<u>Administrative and General Expenses</u>					
924 Property Insurance	48,180	23,078	10,879	14,223	06
All Other A&G Expense	13,191	7,239	5,336	616	09
Total Administrative and General Expenses	61,371	30,317	16,215	14,839	
Subtotal Above O&M Expenses	220,092	117,420	80,416	22,256	
Percents Code 10	100.00%	53.35%	36.54%	10.11%	
<u>Inter Div Management Fee</u>					
Total Management Fee	160,026	81,021	47,288	31,717	11
Total Operation and Maintenance Expenses	380,118	198,441	127,704	53,973	
Percents	100.00%	52.20%	33.60%	14.20%	

Pittsfield Aqueduct Company, Inc.

Allocation of Pro Forma Operating Expense and Other Revenue Requirements

<u>Acc't Description</u>	<u>Total Cost</u>	<u>Volume</u>	<u>Customer</u>	<u>Direct Fire</u>	<u>Allocation Code</u>
<u>Operation and Maintenance Expense</u>					
Total Operating Expense	380,118	198,441	127,704	53,973	
<u>Depreciation and Amortization</u>					
Total Depreciation Expense	86,086	38,938	22,804	24,344	
Amortization of CIAC	(24,146)	(12,317)	(4,733)	(7,096)	14
Other Amortization Expense	4,458	2,447	1,803	208	09
<u>Taxes Other Than Income Taxes</u>					
Total Other Taxes (Property Taxes)	81,437	39,008	18,388	24,041	06
<u>Net Operating Income</u>					
Pro Forma Net Operating Income	149,023	72,589	32,532	43,902	13
<u>Income Taxes</u>					
Pro Forma Income Taxes	56,915	27,723	12,425	16,767	13
Total Pro Forma Revenue Requirement	733,891	366,829	210,923	156,139	
Percents Code 12	100.00%	49.98%	28.74%	21.28%	
Less Other Revenue	(5,430)	(2,714)	(1,561)	(1,155)	12
Net Revenue Requirement	728,461	364,115	209,362	154,984	
Percents Code 12	100.00%	49.98%	28.74%	21.28%	

Pittsfield Aqueduct Company, Inc.

Summary of Allocation Factors

Allocation Code	Description	% Volume	% Customer	% Direct Fire	Check Total %
01	Volume Cost	100.00	0.00	0.00	100.00
02	Customer Cost	0.00	100.00	0.00	100.00
03	Direct Fire Cost	0.00	0.00	100.00	100.00
04	Trans. And Dist. Mains	25.00	30.00	45.00	100.00
05	Trans. And Dist. Plant	20.59	38.48	40.93	100.00
06	Total Plant	47.90	22.58	29.52	100.00
07	Depreciation Expense	45.23	26.49	28.28	100.00
08	Trans. And Dist. O&M Expense	1.36	84.48	14.16	100.00
09	O&M Before A&G and Management Fee	54.88	40.45	4.67	100.00
10	O&M Before Management Fee	53.35	36.54	10.11	100.00
11	Management Fee	50.63	29.55	19.82	100.00
12	Revenue Requirement	49.98	28.74	21.28	100.00
13	Rate Base	48.71	21.83	29.46	100.00
14	CIAC	51.01	19.60	29.39	100.00

Explanation of Factors Used in the Allocations

- 01 This Code allocates items 100 percent to Volume Cost.
- 02 This Code allocates items 100 percent to Customer Cost.
- 03 This Code allocates items 100 percent to Direct Fire Cost.
- 04 This Code allocates items to the cost components based on analyses of transmission and distribution inch-feet.
- 05 This Code allocates items to the cost components based on the composite allocation of transmission and distribution plant.
- 06 This Code allocates items to the cost components based on the composite allocation of total utility plant.
- 07 This Code allocates items to the cost components based on the composite allocation of depreciation expense.
- 08 This Code allocates items to the cost components based on the composite allocation of transmission and distribution operation and maintenance expense.
- 09 This Code is based on the composite allocation of O&M expense without A&G expense and the management fee.
- 10 This Code is based on the composite allocation of O&M expense without the management fee.
- 11 This Code is based on equal weightings of Codes 06 and 11. It is used to allocate the management fee.
- 12 This Code allocates items to the cost components based on the composite allocation of the revenue requirement.
- 13 This Code allocates items to the cost components based on the composite allocation of the rate base.
- 14 This Code allocates items to the cost components based on the composite allocation of CIAC.

Pittsfield Aqueduct Company, Inc.
Transmission and Distribution Inch-Feet
Inch-Feet of Mains in Service at December 31, 2009
Reduce Larger Mains to 2" Size

<u>Actual Mains in Service</u>			<u>Reduce Larger Mains to 2" Size</u>		
<u>Size</u>	<u>Length</u>	<u>In-Ft</u>	<u>Size</u>	<u>Length</u>	<u>In-Ft</u>
1"	85	85.0	1"	85	85.0
1 1/4"	0	0.0	1 1/4"	0	0.0
1 1/2"	758	1,137.0	1 1/2"	758	1,137.0
2"	484	968.0	2"	484	968.0
3"	0	0.0	2"	0	0.0
4"	982	3,928.0	2"	982	1,964.0
6"	28,946	173,676.0	2"	28,946	57,892.0
8"	32,838	262,704.0	2"	32,838	65,676.0
10"	2,967	29,670.0	2"	2,967	5,934.0
12"	7,388	88,656.0	2"	7,388	14,776.0
Total	74,448	560,824.0	Total	74,448	148,432.0

Inch-Feet Based on Actual Size of Mains	560,824.0
Inch-Feet Based on Reduced Size of Mains	148,432.0
Difference	412,392.0
	73.53%

Pittsfield Aqueduct Company, Inc.
Transmission and Distribution Inch-Feet
Inch-Feet of Mains in Service at December 31, 2009
Reduce Larger Mains to 4" or 6" Size

<u>Actual Mains in Service</u>			<u>Reduced One Size</u>		
<u>Size</u>	<u>Length</u>	<u>In-Ft</u>	<u>Size</u>	<u>Length</u>	<u>In-Ft</u>
1"	85	85.0	1"	85	85.0
1 1/4"	0	0.0	1 1/4"	0	0.0
1 1/2"	758	1,137.0	1 1/2"	758	1,137.0
2"	484	968.0	2"	484	968.0
3"	0	0.0	3"	0	0.0
4"	982	3,928.0	4"	982	3,928.0
6"	28,946	173,676.0	4"	28,946	115,784.0
8"	32,838	262,704.0	4"	32,838	131,352.0
10"	2,967	29,670.0	4"	2,967	11,868.0
12"	7,388	88,656.0	6"	7,388	44,328.0
Total	74,448	560,824.0	Total	74,448	309,450.0

Inch-Feet Based on Actual Size of Mains	560,824.0
Inch-Feet Based on Reduced Size of Mains	309,450.0
Difference	251,374.0
	44.82%

Pittsfield Aqueduct Company, Inc.

Allocation of Direct Fire Costs to Private and Municipal Fire

<u>Item</u>	<u>Total Direct Fire</u>	<u>Private Fire Protection</u>	<u>Municipal Fire Protection</u>
Total Operating Expense - C	53,973	3,972	50,001
Total Depreciation and Amort - B	17,456	2,442	15,014
Total Other Taxes - A	24,041	3,267	20,774
Pro Forma Net Oper Income - A	43,902	5,966	37,936
Pro Forma Income Taxes - A	16,767	2,279	14,488
Total Pro Forma Revenue Req'm't	156,139	17,926	138,213
Percents	100.00%	11.48%	88.52%
Less Other Revenue	(1,155)	(133)	(1,022)
Net Revenue Requirement	154,984	17,793	137,191
Percents	100.00%	11.48%	88.52%

Pittsfield Aqueduct Company, Inc.

Development of Factors for Private/Municipal Fire Allocation

<u>Item</u>	<u>Total Direct Fire</u>	<u>Private Fire Protection</u>	<u>Municipal Fire Protection</u>
<u>Plant in Service</u>			
Hydrants	83,060	0	83,060
Allocated Based on Number of Hydrants	65	0	65
Dist. Reservoirs	0		
Trans. And Dist. Mains	797,283		
Clearwell Req'd For Fire Protection	201,719		
Total	999,002	147,053	851,949
Allocated Based on Weighted Number of Units	100.00%	14.72%	85.28%
Total Above Plant	1,082,062	147,053	935,009
Plant Percents - A	100.00%	13.59%	86.41%
<u>Depreciation Expense</u>			
Hydrants	1,105	0	1,105
Allocated Based on Number of Hydrants	65	0	65
Dist. Reservoirs	0		
Trans. And Dist. Mains	16,330		
Clearwell Req'd For Fire Protection	4,714		
Total	21,044	3,098	17,946
Allocated Based on Weighted Number of Units	100.00%	14.72%	85.28%
Total Above Depr. Exp.	22,149	3,098	19,051
Depr. Exp. Percents - B	100.00%	13.99%	86.01%
<u>O&M Expense</u>			
Hydrants	6,702	0	6,702
Allocated Based on Number of Hydrants	65	0	65
Dist. Reservoirs	0		
Trans. And Dist. Mains	6,714		
Total	6,714	988	5,726
Allocated Based on Weighted Number of Units	100.00%	14.72%	85.28%
Total Above O&M Exp.	13,416	988	12,428
O&M Exp. Percents - C	100.00%	7.36%	92.64%

Pittsfield Aqueduct Company, Inc.

Calculation of Weighted Fire Protection Units

Private Fire Protection

<u>Size</u>	<u>Number</u>	<u>Factor</u>	<u>Weighted Number</u>	<u>%</u>
4"	1	0.44	0.44	
6"	9	1.00	9.00	
8"	1	1.78	1.78	
Total	11		11.22	14.72%

Municipal Fire Protection

Actual Number of Hydrants:

Total	65	1.00	65.00	85.28%
Grand Total			76.22	100.00%

Notes: Weighting factors are based on the ratio of the cross-sectional area of a given size to the cross-sectional area of a 6" service. Hydrants are assumed to have a 6" branch.

Pittsfield Aqueduct Company, Inc.

Allocation of Volume and Customer Costs to Fire Protection

COS Allocation Results

	<u>\$ Amount</u>	<u>%</u>
Volume Costs	364,115	49.99%
Customer Costs	209,362	28.74%
Direct Fire Costs - Private	17,793	2.44%
Direct Fire Costs - Municipal	137,191	18.83%
Net Revenue Requirement	728,461	100.00%

The above results contain certain volume costs and certain customer costs which are properly allocable to private fire and to municipal fire.

Customer Costs:

<u>Cust. Rec. & Coll. Exp.:</u>	<u>\$ Amount</u>	<u>% of Bills</u>
Remain in Customer	9,414	98.16%
Alloc to Private Fire	162	1.69%
Alloc to Municipal Fire	14	0.15%

Total Cust. Rec. & Coll. Exp. 9,590 100.00%

<u>Cust. Installation Exp.:</u>	<u>\$ Amount</u>	<u>% of Svcs</u>
Remain in Customer	6	88.94%
Alloc to Private Fire	1	11.06%
Alloc to Municipal Fire	0	0.00%

Total Cust. Installation Exp. 7 100.00%

<u>Maint. of Services:</u>	<u>\$ Amount</u>	<u>% of Svcs</u>
Remain in Customer	23,662	88.94%
Alloc to Private Fire	2,943	11.06%
Alloc to Municipal Fire	0	0.00%

Total Maint. of Services 26,605 100.00%

With above three allocations, the resulting fire allocation becomes:

<u>\$ Amount</u>	<u>%</u>
158,104	21.70%

According to AWWA Water Rates Manual M1, Fourth Edition, Chapter 5, "Rate Design for Small Water Utilities", it is appropriate for approximately 30% of the revenues of a 648 customer water utility to be obtained from fire protection. This recommendation can be used as a guideline to allocate some of the volume costs to fire protection. To be conservative, the target fire protection revenue can be set at 25% of total revenue or \$ 182,115. This means that \$ 24,011 of the volume costs would then be allocated to fire.

<u>Reallocate Volume Costs:</u>	<u>\$ Amount</u>	<u>% of Units</u>
Alloc to Private Fire	3,534	14.72%
Alloc to Municipal Fire	20,477	85.28%
Total Reallocated Volume Cost	24,011	100.00%

Reallocation Results

	<u>\$ Amount</u>	<u>%</u>
Volume Costs	340,104	46.69%
Customer Costs	206,242	28.31%
Direct Fire Costs - Private	24,433	3.35%
Direct Fire Costs - Municipal	157,682	21.65%
Net Revenue Requirement	728,461	100.00%

Pittsfield Aqueduct Company, Inc.

Calculation of Weighted Number of Services

GWS Meter Size	Number of Meters	Service Factor	Weighted Number	%
5/8"	599	1.0	599.0	
3/4"	1	1.3	1.3	
1"	15	2.0	30.0	
1 1/2"	11	2.7	29.7	
2"	11	4.0	44.0	
3"	1	4.0	4.0	
4"	0	5.3	0.0	
Total	638		708.0	88.94%

Private Fire Size	Number	Service Factor	Weighted Number	%
4"	1	5.3	5.3	
6"	9	8.0	72.0	
8"	1	10.7	10.7	
Total	11		88.0	11.06%

Grand Total			796.0	100.00%
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Notes: Weighting factors are based on the ratio of service diameters.

Percentage Distribution of Bills

Class	Number of Bills	%
GWS	7,656	98.16 %
Private Fire	132	1.69 %
Muni. Fire	12	0.15 %
Total	7,800	100.00 %

Pittsfield Aqueduct Company, Inc.

Calculation of Revenues Under Present Rates

General Water Service

Residential:

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Present Rate</u>	<u>Present Revenue</u>
5/8"	539	6,468	\$ 18.67	\$ 120,757.56
3/4"	1	12	26.56	318.72
1"	8	96	40.10	3,849.60
1 1/2"	6	72	72.37	5,210.64
2"	1	12	111.95	1,343.40
3"	0	0	207.99	0.00
4"	0	0	340.84	0.00
Total	555	6,660		\$ 131,479.92

	<u>CCFT</u>			
Volume:	46,619	\$ 4.88	\$	227,500.72

Commercial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Present Rate</u>	<u>Present Revenue</u>
5/8"	54	648	\$ 18.67	\$ 12,098.16
3/4"	0	0	26.56	0.00
1"	6	72	40.10	2,887.20
1 1/2"	5	60	72.37	4,342.20
2"	6	72	111.95	8,060.40
3"	0	0	207.99	0.00
4"	0	0	340.84	0.00
Total	71	852		\$ 27,387.96

	<u>CCFT</u>			
Volume:	10,185	\$ 4.88	\$	49,702.80

Industrial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Present Rate</u>	<u>Present Revenue</u>
5/8"	3	36	\$ 18.67	\$ 672.12
3/4"	0	0	26.56	0.00
1"	0	0	40.10	0.00
1 1/2"	0	0	72.37	0.00
2"	3	36	111.95	4,030.20
3"	0	0	207.99	0.00
4"	0	0	340.84	0.00
Total	6	72		\$ 4,702.32

	<u>CCFT</u>			
Volume:	501	\$ 4.88	\$	2,444.88

Pittsfield Aqueduct Company, Inc.
Pittsfield Division
Calculation of Revenues Under Present Rates

General Water Service - Continued

<u>Municipal</u>				
<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Present Rate</u>	<u>Present Revenue</u>
5/8"	3	36	\$ 18.67	\$ 672.12
3/4"	0	0	26.56	0.00
1"	1	12	40.10	481.20
1 1/2"	0	0	72.37	0.00
2"	1	12	111.95	1,343.40
3"	1	12	207.99	2,495.88
4"	0	0	340.84	0.00
Total	6	72		\$ 4,992.60
Volume:	<u>CCFT</u> 1,145		\$ 4.88	\$ 5,587.60
 Grand Total GWS Revenue				\$ 453,798.80

Fire Protection Service

<u>Private Fire Protection</u>				
<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Present Rate</u>	<u>Present Revenue</u>
4"	1	12	\$ 53.63	643.56
6"	9	108	153.91	16,622.28
8"	1	12	326.87	3,922.44
Total	11	132		\$ 21,188.28
<u>Municipal Fire Protection</u>				
<u>Size</u>	<u>Number</u>	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>
Hydrant	65	780	\$ 66.63	\$ 51,971.40
Inch-Feet	493,754		0.14040	69,323.06
 Grand Total Municipal Fire Revenue				\$ 121,294.46

Pittsfield Aqueduct Company, Inc.

Summary of Revenues Under Present Rates

<u>Description</u>	<u>Amount</u>	<u>%</u>
GWS Volume Revenue	\$ 285,236.00	47.84%
GWS Customer Charge Revenue	\$ 168,562.80	28.27%
Grand Total GWS Revenue	\$ 453,798.80	76.11%
Grand Total Private Fire Revenue	\$ 21,188.28	3.55%
Grand Total Municipal Fire Revenue	\$ 121,294.46	20.34%
Grand Total Revenue	\$ 596,281.54	100.00%

Pittsfield Aqueduct Company, Inc.

Rate Design

Municipal Fire Protection

Allocated Costs	\$ 157,682
Present Revenue	\$ 121,294.46

Present revenue is less than the cost of service indications.
An increase of about 30% will be developed for municipal fire protection.

<u>Rate Element</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
Hydrant	\$ 66.63	\$ 86.62	30.00 %
Inch-Foot	0.14040	0.18252	30.00 %

Private Fire Protection

Allocated Costs	\$ 24,433
Present Revenue	\$ 21,188.28

Present revenue is less than the cost of service indications.
An increase of about 15% will be developed for private fire protection.

<u>Size</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
4"	\$ 53.63	\$ 61.84	15.31 %
6"	153.91	177.48	15.31 %
8"	326.87	376.93	15.31 %

Pittsfield Aqueduct Company, Inc.

Rate Design

GWS Customer Charges (Minimum Charges)

Allocated Customer Costs	\$	206,242
Add 50% of A&G O&M Volume Cost		15,159
Add 50% of Management Fee Volume Cost		40,511
Total for Customer Charge	\$	261,912
Present Revenue - Cust Chgs	\$	168,562.80
Increase Required	\$	93,349.20

55.38 %

<u>Rate Element</u>	<u>Present</u> <u>Monthly</u> <u>Rate</u>	<u>Developed</u> <u>Monthly</u> <u>Rate</u>	<u>%</u> <u>Increase</u>
5/8"	\$ 18.67	\$ 28.98	55.22 %
3/4"	26.56	41.24	55.27 %
1"	40.10	62.28	55.31 %
1 1/2"	72.37	112.42	55.34 %
2"	111.95	173.92	55.36 %
3"	207.99	323.14	55.36 %
4"	340.84	529.57	55.37 %
6"	679.86	1,056.34	55.38 %
8"	1,130.75	1,756.93	55.38 %

Pittsfield Aqueduct Company, Inc.

Rate Design

GWS Volumetric Rate

Pro Forma Net Revenue Requirement	\$ 728,461.00
Revenue from Developed Rates	
Municipal Fire Protection	157,683.58
Private Fire Protection	24,433.08
Customer Charges (Minimum Charges)	261,917.76
Remaining from Volumetric Rate	\$ 284,426.58
Annual Volume in 100 cu. ft.	58,450
Designed Rate per 100 cu. ft.	\$ 4.87

<u>Rate Element</u>	<u>Present Rate</u>	<u>Developed Rate</u>	<u>% Increase</u>
Per 100 cu. ft.	\$ 4.88	\$ 4.87	(0.20) %

Pittsfield Aqueduct Company, Inc.

Calculation of Revenues Under Developed Rates

General Water Service

Residential:

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
5/8"	539	6,468	\$ 28.98	\$ 187,442.64
3/4"	1	12	41.24	494.88
1"	8	96	62.28	5,978.88
1 1/2"	6	72	112.42	8,094.24
2"	1	12	173.92	2,087.04
3"	0	0	323.14	0.00
4"	0	0	529.57	0.00
Total	555	6,660		\$ 204,097.68

	<u>CCFT</u>			
Volume:	46,619	\$ 4.87	\$	227,034.53

Commercial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
5/8"	54	648	\$ 28.98	\$ 18,779.04
3/4"	0	0	41.24	0.00
1"	6	72	62.28	4,484.16
1 1/2"	5	60	112.42	6,745.20
2"	6	72	173.92	12,522.24
3"	0	0	323.14	0.00
4"	0	0	529.57	0.00
Total	71	852		\$ 42,530.64

	<u>CCFT</u>			
Volume:	10,185	\$ 4.87	\$	49,600.95

Industrial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
5/8"	3	36	\$ 28.98	\$ 1,043.28
3/4"	0	0	41.24	0.00
1"	0	0	62.28	0.00
1 1/2"	0	0	112.42	0.00
2"	3	36	173.92	6,261.12
3"	0	0	323.14	0.00
4"	0	0	529.57	0.00
Total	6	72		\$ 7,304.40

	<u>CCFT</u>			
Volume:	501	\$ 4.87	\$	2,439.87

Pittsfield Aqueduct Company, Inc.

Calculation of Revenues Under Developed Rates

General Water Service - Continued

<u>Municipal</u>					
<u>Meter</u>	<u>Number</u>	<u>Number</u>	<u>Developed</u>	<u>Developed</u>	
<u>Size</u>	<u>of Meters</u>	<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>	
5/8"	3	36	\$ 28.98	\$	1,043.28
3/4"	0	0	41.24		0.00
1"	1	12	62.28		747.36
1 1/2"	0	0	112.42		0.00
2"	1	12	173.92		2,087.04
3"	1	12	323.14		3,877.68
4"	0	0	529.57		0.00
Total	6	72		\$	7,755.36
	<u>CCFT</u>				
Volume:	1,145		\$ 4.87	\$	5,576.15
Grand Total GWS Revenue				\$	546,339.58

Fire Protection Service

Private Fire Protection

<u>Size</u>	<u>Number</u>	<u>Number</u>	<u>Developed</u>	<u>Developed</u>	
		<u>of Bills</u>	<u>Rate</u>	<u>Revenue</u>	
4"	1	12	\$ 61.84		742.08
6"	9	108	177.48		19,167.84
8"	1	12	376.93		4,523.16
Total	11	132		\$	24,433.08

Municipal Fire Protection

<u>Size</u>	<u>Number</u>	<u>of Bills</u>	<u>Developed</u>	<u>Developed</u>	
			<u>Rate</u>	<u>Revenue</u>	
Hydrant	65	780	\$ 86.62	\$	67,563.60
Inch-Feet	493,754		0.18252		90,119.98
Grand Total Municipal Fire Revenue				\$	157,683.58

Pittsfield Aqueduct Company, Inc.

Summary of Revenues Under Developed Rates

<u>Description</u>	<u>Amount</u>	<u>%</u>
GWS Volume Revenue	\$ 284,651.50	39.08%
GWS Customer Charge Revenue	\$ 261,688.08	35.92%
Grand Total GWS Revenue	\$ 546,339.58	75.00%
Grand Total Private Fire Revenue	\$ 24,433.08	3.35%
Grand Total Municipal Fire Revenue	\$ 157,683.58	21.65%
Grand Total Revenue under Developed Rates	\$ 728,456.24	100.00%
Net Revenue Requirement	728,461.00	
Difference	\$ (4.76)	
	-0.001%	
	Negligible	

Pittsfield Aqueduct Company, Inc.

Addendum to

Report on
Cost of Service Allocations
and Rate Design

AUS Consultants

By

John R. Palko
Principal

155 Gaither Drive, Suite A
Mount Laurel, NJ 08054

April 2010

Addendum To
Report on
Cost of Service Allocations
and Water Rate Design
Pittsfield Aqueduct Company, Inc.

The cost of service allocations and related rate design developed in the main body of this report were premised upon a net water revenue requirement of \$728,461. This amount has been characterized as the “Permanent Rate Increase” by the management of Pittsfield Aqueduct Company, Inc.

In addition to the Permanent Rate Increase, two other revenue requirement levels will be considered in the rate filing before the New Hampshire Public Utilities Commission. These levels and the corresponding revenue requirements are identified as the “Temporary Rate Increase” of \$722,489 and the “Step Rate Increase” of \$760,691.

This addendum sets forth the design of rates and charges which will generate the revenue requirements under the Temporary Rate Increase and the Step Rate Increase. Attached hereto are a series of schedules similar in format to Schedules P14 and P15 (i.e., the rate design schedules) of the main report. The schedules attached hereto are identified with “.Temp” and “.Step” extensions according to the individual revenue requirement under consideration.

Additionally, Schedule A.Temp and Schedule A.Step attached hereto set forth respectively the allocation of the revenue requirement to the customer classes for the Temporary Rate Increase and the Step Rate Increase. Each revenue requirement is ratioed to the revenues from the Permanent Rate Increase on these schedules.

Page 3 of Schedule P15 of each of the rate designs set forth herein shows that the temporary rate design is within 0.009% of its revenue requirement and that the Step 1 rate design is within 0.007% of its revenue requirement. These differences are each considered negligible and are acceptable for rate design purposes.

Finally, a series of schedules illustrating the effect of the step increase is attached hereto. Schedule SE.1 sets forth the difference between the combined rate elements (that is, those designed to generate the step revenue requirement) and the permanent rate elements. This difference is then applied to the billing parameters on Schedule SE.2. As shown on Page 3 of Schedule SE.2, the movement from the permanent rate increase to the step rate increase generates an additional \$32,286 of revenue.

Pittsfield Aqueduct Company, Inc.

Schedules to Accompany

Addendum to

Report on
Cost of Service Allocations
and Rate Design

AUS Consultants

By

John R. Palko
Principal

155 Gaither Drive, Suite A
Mount Laurel, NJ 08054

April 2010

Pittsfield Aqueduct Company, Inc.

Rate Design for

Temporary Rate Increase

Pittsfield Aqueduct Company, Inc.
Allocation of Temporary Rate Revenue

<u>Description</u>	<u>Developed Permanent Rates</u>		<u>Temporary Revenue Requirement</u>
	<u>Amount</u>	<u>%</u>	
GWS Volume Revenue	\$ 284,651.50	39.08%	\$ 282,349
GWS Customer Charge Revenue	261,688.08	35.92%	259,518
Grand Total GWS Revenue	546,339.58	75.00%	541,867
Grand Total Private Fire Revenue	24,433.08	3.35%	24,203
Grand Total Municipal Fire Revenue	157,683.58	21.65%	156,419
Grand Total Revenue under Developed Rates	\$ 728,456.24	100.00%	\$ 722,489
Net Revenue Requirement	\$ 728,461.00		
Difference	\$ (4.76)		
		-0.001%	
		Negligible	

Pittsfield Aqueduct Company, Inc.
Rate Design for Temporary Rate Increase

Municipal Fire Protection

Allocated Costs	\$ 156,419
Present Revenue	\$ 121,294.46

Present revenue is less than the cost of service indications.
An increase of about 29% will be developed for municipal fire protection.

<u>Rate Element</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
Hydrant	\$ 66.63	\$ 85.92	28.95 %
Inch-Foot	0.14040	0.18106	28.96 %

Private Fire Protection

Allocated Costs	\$ 24,203
Present Revenue	\$ 21,188.28

Present revenue is less than the cost of service indications.
An increase of about 14% will be developed for private fire protection.

<u>Size</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
4"	\$ 53.63	\$ 61.26	14.23 %
6"	153.91	175.81	14.23 %
8"	326.87	373.38	14.23 %

Pittsfield Aqueduct Company, Inc.
Rate Design for Temporary Rate Increase

GWS Customer Charges (Minimum Charges)

Allocated Customer Costs	\$	259,518
Present Revenue - Cust Chgs	\$	168,562.80

Present revenue is less than the cost of service indications.
An increase of about 54% will be developed for the customer charges

<u>Rate Element</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
5/8"	\$ 18.67	\$ 28.74	53.94 %
3/4"	26.56	40.89	53.95 %
1"	40.10	61.74	53.97 %
1 1/2"	72.37	111.42	53.96 %
2"	111.95	172.36	53.96 %
3"	207.99	320.22	53.96 %
4"	340.84	524.75	53.96 %
6"	679.86	1,046.71	53.96 %
8"	1,130.75	1,740.89	53.96 %

Pittsfield Aqueduct Company, Inc.
 Rate Design for Temporary Rate Increase

GWS Volumetric Rate

Pro Forma Net Revenue Requirement	\$ 722,489.00
Revenue from Developed Rates	
Municipal Fire Protection	156,416.70
Private Fire Protection	24,203.16
Customer Charges (Minimum Charges)	259,488.60
Remaining from Volumetric Rate	\$ 282,380.54
Annual Volume in 100 cu. ft.	58,450
Designed Rate per 100 cu. ft.	\$ 4.83

<u>Rate Element</u>	<u>Present Rate</u>	<u>Developed Rate</u>	<u>% Increase</u>
Per 100 cu. ft.	\$ 4.88	\$ 4.83	(1.02) %

Pittsfield Aqueduct Company, Inc.
Calculation of Revenues Under Developed Rates - Temporary Rates

General Water Service

Residential:

Meter Size	Number of Meters	Number of Bills	Developed Rate	Developed Revenue
5/8"	539	6,468	\$ 28.74	\$ 185,890.32
3/4"	1	12	40.89	490.68
1"	8	96	61.74	5,927.04
1 1/2"	6	72	111.42	8,022.24
2"	1	12	172.36	2,068.32
3"	0	0	320.22	0.00
4"	0	0	524.75	0.00
Total	555	6,660		\$ 202,398.60

	<u>CCFT</u>			
Volume:	46,619		\$ 4.83	\$ 225,169.77

Commercial

Meter Size	Number of Meters	Number of Bills	Developed Rate	Developed Revenue
5/8"	54	648	\$ 28.74	\$ 18,623.52
3/4"	0	0	40.89	0.00
1"	6	72	61.74	4,445.28
1 1/2"	5	60	111.42	6,685.20
2"	6	72	172.36	12,409.92
3"	0	0	320.22	0.00
4"	0	0	524.75	0.00
Total	71	852		\$ 42,163.92

	<u>CCFT</u>			
Volume:	10,185		\$ 4.83	\$ 49,193.55

Industrial

Meter Size	Number of Meters	Number of Bills	Developed Rate	Developed Revenue
5/8"	3	36	\$ 28.74	\$ 1,034.64
3/4"	0	0	40.89	0.00
1"	0	0	61.74	0.00
1 1/2"	0	0	111.42	0.00
2"	3	36	172.36	6,204.96
3"	0	0	320.22	0.00
4"	0	0	524.75	0.00
Total	6	72		\$ 7,239.60

	<u>CCFT</u>			
Volume:	501		\$ 4.83	\$ 2,419.83

Pittsfield Aqueduct Company, Inc.
Calculation of Revenues Under Developed Rates - Temporary Rates

General Water Service - Continued

<u>Municipal</u>					
<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>		<u>Developed Revenue</u>
5/8"	3	36	\$ 28.74	\$	1,034.64
3/4"	0	0	40.89		0.00
1"	1	12	61.74		740.88
1 1/2"	0	0	111.42		0.00
2"	1	12	172.36		2,068.32
3"	1	12	320.22		3,842.64
4"	0	0	524.75		0.00
Total	6	72		\$	7,686.48
	<u>CCFT</u>				
Volume:	1,145		\$ 4.83	\$	5,530.35
Grand Total GWS Revenue				\$	541,802.10

Fire Protection Service

<u>Private Fire Protection</u>					
<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Developed Rate</u>		<u>Developed Revenue</u>
4"	1	12	\$ 61.26		735.12
6"	9	108	175.81		18,987.48
8"	1	12	373.38		4,480.56
Total	11	132		\$	24,203.16
<u>Municipal Fire Protection</u>					
<u>Size</u>	<u>Number</u>	<u>of Bills</u>	<u>Developed Rate</u>		<u>Developed Revenue</u>
Hydrant	65	780	\$ 85.92	\$	67,017.60
Inch-Feet	493,754		0.18106		89,399.10
Grand Total Municipal Fire Revenue				\$	156,416.70

Pittsfield Aqueduct Company, Inc.
Summary of Revenues Under Developed Rates - Temporary Rates

<u>Description</u>	<u>Amount</u>	<u>%</u>
GWS Volume Revenue	\$ 282,313.50	39.08%
GWS Customer Charge Revenue	\$ 259,488.60	35.92%
Grand Total GWS Revenue	\$ 541,802.10	75.00%
Grand Total Private Fire Revenue	\$ 24,203.16	3.35%
Grand Total Municipal Fire Revenue	\$ 156,416.70	21.65%
Grand Total Revenue under Developed Rates	\$ 722,421.96	100.00%
Net Revenue Requirement	722,489.00	
Difference	\$ (67.04)	
	-0.009%	
	Negligible	

Pittsfield Aqueduct Company, Inc.

Rate Design for

Step Rate Increase

Pittsfield Aqueduct Company, Inc.
Allocation of Combined Rate Revenue
Combined Permanent and Step Increase

<u>Description</u>	<u>Developed Permanent Rates</u>		<u>Combined Revenue Requirement</u>
	<u>Amount</u>	<u>%</u>	
GWS Volume Revenue	\$ 284,651.50	39.08%	\$ 297,278
GWS Customer Charge Revenue	261,688.08	35.92%	273,240
Grand Total GWS Revenue	546,339.58	75.00%	570,518
Grand Total Private Fire Revenue	24,433.08	3.35%	25,483
Grand Total Municipal Fire Revenue	157,683.58	21.65%	164,690
Grand Total Revenue under Developed Rates	\$ 728,456.24	100.00%	\$ 760,691
Net Revenue Requirement	\$ 728,461.00		
Difference	\$ (4.76)		
	-0.001%		
	Negligible		

Pittsfield Aqueduct Company, Inc.
Rate Design for Combined Rate Increase
Combined Permanent and Step Increase

Municipal Fire Protection

Allocated Costs	\$ 164,690
Present Revenue	\$ 121,294.46

Present revenue is less than the cost of service indications.
An increase of about 36% will be developed for municipal fire protection.

<u>Rate Element</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
Hydrant	\$ 66.63	\$ 90.47	35.78 %
Inch-Foot	0.14040	0.19063	35.78 %

Private Fire Protection

Allocated Costs	\$ 25,483
Present Revenue	\$ 21,188.28

Present revenue is less than the cost of service indications.
An increase of about 20% will be developed for private fire protection.

<u>Size</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
4"	\$ 53.63	\$ 64.50	20.27 %
6"	153.91	185.11	20.27 %
8"	326.87	393.12	20.27 %

Pittsfield Aqueduct Company, Inc.
Rate Design for Combined Rate Increase
Combined Permanent and Step Increase

GWS Customer Charges (Minimum Charges)

Allocated Customer Costs	\$	273,240
Present Revenue - Cust Chgs	\$	168,562.80

Present revenue is less than the cost of service indications.
An increase of about 62% will be developed for the customer charges

<u>Rate Element</u>	<u>Present Monthly Rate</u>	<u>Developed Monthly Rate</u>	<u>% Increase</u>
5/8"	\$ 18.67	\$ 30.24	61.97 %
3/4"	26.56	43.03	62.01 %
1"	40.10	64.98	62.04 %
1 1/2"	72.37	117.29	62.07 %
2"	111.95	181.45	62.08 %
3"	207.99	337.13	62.09 %
4"	340.84	552.48	62.09 %
6"	679.86	1,102.03	62.10 %
8"	1,130.75	1,832.92	62.10 %

Pittsfield Aqueduct Company, Inc.
Rate Design for Combined Rate Increase
Combined Permanent and Step Increase

GWS Volumetric Rate

Pro Forma Net Revenue Requirement	\$ 760,691.00
Revenue from Developed Rates	
Municipal Fire Protection	164,690.93
Private Fire Protection	25,483.32
Customer Charges (Minimum Charges)	273,057.12
Remaining from Volumetric Rate	\$ 297,459.63
Annual Volume in 100 cu. ft.	58,450
Designed Rate per 100 cu. ft.	\$ 5.09

<u>Rate Element</u>	<u>Present Rate</u>	<u>Developed Rate</u>	<u>% Increase</u>
Per 100 cu. ft.	\$ 4.88	\$ 5.09	4.30 %

Pittsfield Aqueduct Company, Inc.
Calculation of Revenues Under Developed Rates - Combined Rates
Combined Permanent and Step Increase

General Water Service

Residential:

Meter Size	Number of Meters	Number of Bills	Developed Rate	Developed Revenue
5/8"	539	6,468	\$ 30.24	\$ 195,592.32
3/4"	1	12	43.03	516.36
1"	8	96	64.98	6,238.08
1 1/2"	6	72	117.29	8,444.88
2"	1	12	181.45	2,177.40
3"	0	0	337.13	0.00
4"	0	0	552.48	0.00
Total	555	6,660		\$ 212,969.04

	CCFT			
Volume:	46,619	\$	5.09	\$ 237,290.71

Commercial

Meter Size	Number of Meters	Number of Bills	Developed Rate	Developed Revenue
5/8"	54	648	\$ 30.24	\$ 19,595.52
3/4"	0	0	43.03	0.00
1"	6	72	64.98	4,678.56
1 1/2"	5	60	117.29	7,037.40
2"	6	72	181.45	13,064.40
3"	0	0	337.13	0.00
4"	0	0	552.48	0.00
Total	71	852		\$ 44,375.88

	CCFT			
Volume:	10,185	\$	5.09	\$ 51,841.65

Industrial

Meter Size	Number of Meters	Number of Bills	Developed Rate	Developed Revenue
5/8"	3	36	\$ 30.24	\$ 1,088.64
3/4"	0	0	43.03	0.00
1"	0	0	64.98	0.00
1 1/2"	0	0	117.29	0.00
2"	3	36	181.45	6,532.20
3"	0	0	337.13	0.00
4"	0	0	552.48	0.00
Total	6	72		\$ 7,620.84

	CCFT			
Volume:	501	\$	5.09	\$ 2,550.09

Pittsfield Aqueduct Company, Inc.
Calculation of Revenues Under Developed Rates - Combined Rates
Combined Permanent and Step Increase

General Water Service - Continued

Municipal

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
5/8"	3	36	\$ 30.24	\$ 1,088.64
3/4"	0	0	43.03	0.00
1"	1	12	64.98	779.76
1 1/2"	0	0	117.29	0.00
2"	1	12	181.45	2,177.40
3"	1	12	337.13	4,045.56
4"	0	0	552.48	0.00
Total	6	72		\$ 8,091.36

CCFT

Volume:	1,145	\$ 5.09	\$ 5,828.05
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Grand Total GWS Revenue \$ 570,567.62

Fire Protection Service

Private Fire Protection

<u>Size</u>	<u>Number</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
4"	1	12	\$ 64.50	774.00
6"	9	108	185.11	19,991.88
8"	1	12	393.12	4,717.44
Total	11	132		\$ 25,483.32

Municipal Fire Protection

<u>Size</u>	<u>Number</u>	<u>of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
Hydrant	65	780	\$ 90.47	\$ 70,566.60
Inch-Feet	493,754		0.19063	94,124.33
Grand Total Municipal Fire Revenue				\$ 164,690.93

Pittsfield Aqueduct Company, Inc.
Summary of Revenues Under Developed Rates - Combined Rates
Combined Permanent and Step Increase

<u>Description</u>	<u>Amount</u>	<u>%</u>
GWS Volume Revenue	\$ 297,510.50	39.11%
GWS Customer Charge Revenue	\$ 273,057.12	35.89%
Grand Total GWS Revenue	\$ 570,567.62	75.00%
Grand Total Private Fire Revenue	\$ 25,483.32	3.35%
Grand Total Municipal Fire Revenue	\$ 164,690.93	21.65%
Grand Total Revenue under Developed Rates	\$ 760,741.87	100.00%
Net Revenue Requirement	760,691.00	
Difference	\$ 50.87	
	0.007%	
	Negligible	

Pittsfield Aqueduct Company, Inc.

Schedules Illustrating

Effect of Step Increase

Pittsfield Aqueduct Company, Inc.
Effect of Step Rate Increase

General Water Service

<u>Customer Charge Meter Size</u>	<u>Permanent Monthly Rate</u>	<u>Combined Monthly Rate</u>	<u>Effect of Step Increase</u>
5/8"	\$ 28.98	\$ 30.24	\$ 1.26
3/4"	41.24	43.03	1.79
1"	62.28	64.98	2.70
1 1/2"	112.42	117.29	4.87
2"	173.92	181.45	7.53
3"	323.14	337.13	13.99
4"	529.57	552.48	22.91
6"	1,056.34	1,102.03	45.69
8"	1,756.93	1,832.92	75.99
Volumetric Rate	\$ 4.87	\$ 5.09	\$ 0.22

Municipal Fire Protection

<u>Rate Element</u>	<u>Permanent Monthly Rate</u>	<u>Combined Monthly Rate</u>	<u>Effect of Step Increase</u>
Hydrant	\$ 86.62	\$ 90.47	\$ 3.85
Inch-Foot	0.18252	0.19063	0.00811

Private Fire Protection

<u>Size</u>	<u>Permanent Monthly Rate</u>	<u>Combined Monthly Rate</u>	<u>Effect of Step Increase</u>
4"	\$ 61.84	\$ 64.50	\$ 2.66
6"	177.48	185.11	7.63
8"	376.93	393.12	16.19

Pittsfield Aqueduct Company, Inc.
Calculation of Revenue Effect from Step Increase

General Water Service

Residential:

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
5/8"	539	6,468	\$ 1.26	\$ 8,149.68
3/4"	1	12	1.79	21.48
1"	8	96	2.70	259.20
1 1/2"	6	72	4.87	350.64
2"	1	12	7.53	90.36
3"	0	0	13.99	0.00
4"	0	0	22.91	0.00
Total	555	6,660		\$ 8,871.36

<u>Volume:</u>	<u>CCFT</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
	46,619	\$ 0.22	\$ 10,256.18

Commercial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
5/8"	54	648	\$ 1.26	\$ 816.48
3/4"	0	0	1.79	0.00
1"	6	72	2.70	194.40
1 1/2"	5	60	4.87	292.20
2"	6	72	7.53	542.16
3"	0	0	13.99	0.00
4"	0	0	22.91	0.00
Total	71	852		\$ 1,845.24

<u>Volume:</u>	<u>CCFT</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
	10,185	\$ 0.22	\$ 2,240.70

Industrial

<u>Meter Size</u>	<u>Number of Meters</u>	<u>Number of Bills</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
5/8"	3	36	\$ 1.26	\$ 45.36
3/4"	0	0	1.79	0.00
1"	0	0	2.70	0.00
1 1/2"	0	0	4.87	0.00
2"	3	36	7.53	271.08
3"	0	0	13.99	0.00
4"	0	0	22.91	0.00
Total	6	72		\$ 316.44

<u>Volume:</u>	<u>CCFT</u>	<u>Developed Rate</u>	<u>Developed Revenue</u>
	501	\$ 0.22	\$ 110.22

Pittsfield Aqueduct Company, Inc.
Calculation of Revenue Effect from Step Increase

General Water Service - Continued

<u>Municipal</u> <u>Meter</u> <u>Size</u>	<u>Number</u> <u>of Meters</u>	<u>Number</u> <u>of Bills</u>	<u>Developed</u> <u>Rate</u>	<u>Developed</u> <u>Revenue</u>
5/8"	3	36	\$ 1.26	\$ 45.36
3/4"	0	0	1.79	0.00
1"	1	12	2.70	32.40
1 1/2"	0	0	4.87	0.00
2"	1	12	7.53	90.36
3"	1	12	13.99	167.88
4"	0	0	22.91	0.00
Total	6	72		\$ 336.00

	<u>CCFT</u>			
Volume:	1,145	\$ 0.22	\$	251.90

Grand Total GWS Revenue \$ 24,228.04

Fire Protection Service

Private Fire Protection

<u>Size</u>	<u>Number</u>	<u>Number</u> <u>of Bills</u>	<u>Developed</u> <u>Rate</u>	<u>Developed</u> <u>Revenue</u>
4"	1	12	\$ 2.66	31.92
6"	9	108	7.63	824.04
8"	1	12	16.19	194.28
Total	11	132		\$ 1,050.24

Municipal Fire Protection

<u>Size</u>	<u>Number</u>	<u>of Bills</u>	<u>Developed</u> <u>Rate</u>	<u>Developed</u> <u>Revenue</u>
Hydrant	65	780	\$ 3.85	\$ 3,003.00
Inch-Feet	493,754		0.00811	4,004.34
Grand Total Municipal Fire Revenue				\$ 7,007.34

Pittsfield Aqueduct Company, Inc.
Summary of Revenue Effect from Step Increase

<u>Description</u>	<u>Amount</u>	<u>%</u>
GWS Volume Revenue	\$ 12,859.00	39.83%
GWS Customer Charge Revenue	\$ 11,369.04	35.21%
Grand Total GWS Revenue	\$ 24,228.04	75.04%
Grand Total Private Fire Revenue	\$ 1,050.24	3.25%
Grand Total Municipal Fire Revenue	\$ 7,007.34	21.71%
Grand Total Revenue under Developed Rates	\$ 32,285.62	100.00%

Pittsfield Aqueduct Company
 2010 Capital Budget
 Board Approved

Project Description	Project Rating	Total 2010 incl O/H	Used and Useful Date
<u>2009 Carryover Projects - PAC</u>			
		-	
		-	
		-	
Subtotal 2009 Carryover Projects		-	
<u>New 2010 Projects - PAC</u>			
Purchase a 14 foot flat bottom boat/ accessories	2	1.30	4/30/10
Purchase a CL17 chlorine analyzer	2	5.20	1/31/10
Purchase a 5 by 10 foot utility trailer	2	1.70	3/31/10
2- new gates 4% increase	1	5.82	Throughout the year
3 - new services 4% increase	1	7.50	Throughout the year
2 - renewed services 4% increase	1	5.40	Throughout the year
3 - new meters 4% increase	1	0.60	Throughout the year
Pittsfield Dam - Berry Pond Rebuild		183.00	Throughout the year
Pittsfield Dam - Berry Brook Dam Evaluation		100.00	Study, apply to 2011 W
		-	
Subtotal New 2009 Projects		310.52	
Total 2009 Capital Projects Budget		310.52	
2009 Carryover Projects - Total PAC		-	
New 2010 Projects - Total PAC		310.52	
Total Capital Budget - PAC		310.52	

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (9) Chart of Accounts – No Difference.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (11) Membership Fees and Dues – None.
Meetings and Conventions Dues – None.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (12) Recent Management and Depreciation Studies – Latest depreciation study submitted in DW 08-052.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (13) Audits or Studies which Utility has not submitted to Commission – None.

**Pennichuck Corporation
Officers & Directors Compensation**

For the Twelve Months Ending December 31, 2008		For the Twelve Months Ending December 31, 2009		Shares Beneficially Owned as of December 31, 2009
Officers	Compensation	Officers	Compensation	
Stephen J. Densberger	263,755	Stephen J. Densberger	200,072	51,137
Bonalyn J. Hartley	201,312	Bonalyn J. Hartley	202,171	21,041
Thomas C. Leonard	153,010	Thomas C. Leonard	200,768	6,000
Duane Montopoli	343,838	Duane Montopoli	396,649	41,000
William Patterson	95,574	William Patterson	-	-
Donald L. Ware	233,501	Donald L. Ware	215,121	20,286
Roland E. Olivier	117,377	Roland E. Olivier	182,527	5,400
* Compensation includes salary, bonuses, option awards, deferred and other compensation.				
Directors	Compensation	Directors	Compensation	
Joseph Bellavance	16,234	Joseph Bellavance	18,700	10,300
Stephen Bolander	18,333	Stephen Bolander	20,200	133
Janet M. Hansen	10,867	Janet M. Hansen	19,000	-
Robert Keller	22,633	Robert Keller	23,300	3,213
John Kreick	21,200	John Kreick	24,000	1,060
Hannah McCarthy	14,134	Hannah McCarthy	15,400	1,288
James Murphy	17,434	James Murphy	20,500	500
Martha O'Neil	14,734	Martha O'Neil	17,800	16,266
		Clarence A. Davis	11,467	2,500
		Michael I. German	11,467	1,100
Source: Annual Proxy Statement				

Pittsfield Aqueduct Company, Inc.
Contractual Services
For the Twelve Months Ended December 31, 2009

Name	Address			Amount	Purpose
R. H. WHITE CONSTRUCTION CO., INC.	PO BOX 404	AUBURN	MA 01501	205,795	Construction Services
GLENN BUILDERS, INC.	PO BOX 1880	NORTH CONWAY	NH 03860	202,232	Construction Services
NEW HAMPSHIRE ELECTRIC CO-OP	579 TENNEY MOUNTAIN HWY	PLYMOUTH	NH 03264-3154	39,876	Electricity Provider
NORTH CONWAY WATER PRECINCT	PO BOX 630 104 SAWMILL LANE	NORTH CONWAY	NH 03860	37,961	Birch Hill Water provider
MCLANE, GRAF, RAULERSON & MIDDLETON	PO BOX 326	MANCHESTER	NH 03105-0326	29,255	Legal Services
ELECTRICAL INSTALLATIONS, INC.	397 WHITTIER HWY	MOULTONBORO	NH 03254	27,671	Electrical Installations Provider & Maintenance Services
DWYER, DONOVAN & PENDLETON, P.A.	461 MIDDLE STREET	PORTSMOUTH	NH 03801	23,497	Legal Services
PUBLIC SERVICE OF NEW HAMPSHIRE	P.O. BOX 360	MANCHESTER	NH 03105-0360	21,220	Electricity Provider
THE H.L. TURNER GROUP INC	27 LOCKE ROAD	CONCORD	NH 03301	20,080	Inspection Services
NORTHEAST EARTH MECHANICS, INC.	159 BARNSTEAD ROAD	PITTSFIELD	NH 03263	16,778	Construction Services
BERGERON TECHNICAL SERVICES LLC	PO BOX 24150 SEAVEY STREET	NORTH CONWAY	NH 03860-0241	16,394	Engineering Services
EASTERN PROPANE GAS, INC	PO BOX 8900	LEWISTON	ME 04243-8900	13,743	Fuel Supplier
HACH COMPANY	2207 COLLECTIONS CENTER DRIVE	CHICAGO	IL 60693	12,846	Equipment Provider
HARCROSS CHEMICALS, INC.	PO BOX 74583BR 0029	CHICAGO	IL 60690	10,200	Chemical Provider

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (17) Assets and Cost Allocations – we anticipate that no non-utility assets or operations will be included in the Company's financial statements for the test year.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (18) Balance Sheet and Income Statements – The statements have either been filed previously with the Commission or will be filed as a part of the Company's rate case filing.

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2005

	<u>3 Months Ended 3/31/2005</u>	<u>3 Months Ended 6/30/2005</u>	<u>6 Months Ended 6/30/2005</u>	<u>3 Months Ended 9/30/2005</u>	<u>9 Months Ended 9/30/2005</u>	<u>3 Months Ended 12/31/2005</u>	<u>12 Months Ended 12/31/2005</u>
Water Revenues	\$ 116,491	\$ 115,030	\$ 231,521	\$ 117,604	\$ 349,125	\$ 115,441	\$ 464,566
Other	1,441	674	2,115	1,297	3,412	1,462	4,874
Total Revenues	<u>117,932</u>	<u>115,704</u>	<u>233,635</u>	<u>118,901</u>	<u>352,537</u>	<u>116,903</u>	<u>469,439</u>
<u>Operating Expenses:</u>							
Production	12,642	12,958	25,600	17,296	42,896	16,243	59,139
Trans & Distrib	12,165	15,322	27,487	6,993	34,480	9,176	43,656
Customer Accting	3,397	4,003	7,400	4,252	11,652	3,880	15,532
Admin & General	9,913	6,874	16,787	8,103	24,889	10,540	35,429
Interdiv Mgt Fee	<u>47,000</u>	<u>35,000</u>	<u>82,000</u>	<u>38,000</u>	<u>120,000</u>	<u>36,000</u>	<u>156,000</u>
	85,117	74,156	159,273	74,644	233,917	75,838	309,755
Depreciation/Amort	23,538	13,839	37,377	25,966	63,343	31,148	94,491
Amort Exp: CIAC	(6,476)	(6,476)	(12,953)	(6,476)	(19,429)	(4,459)	(23,888)
Taxes other than Income	7,182	7,182	14,364	7,181	21,545	6,955	28,500
Income Taxes	<u>(2,032)</u>	<u>5,400</u>	<u>3,368</u>	<u>3,217</u>	<u>6,585</u>	<u>(4,510)</u>	<u>2,075</u>
	107,328	94,101	201,429	104,532	305,961	104,972	410,933
Operating Income	10,604	21,603	32,207	14,369	46,576	11,931	58,507
Other Income (Exp)	-	-	-	-	-	-	-
AFDUC	-	-	-	-	-	-	-
Interest on LTD	-	-	-	-	-	-	-
Interest on STD	-	-	-	-	-	-	-
Intercompany Interest	13,471	13,371	26,842	9,461	36,303	18,808	55,110
Amortization	<u>232</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>232</u>
	13,703	13,371	27,074	9,461	36,534	18,808	55,342
Net Income (Loss)	(3,099)	8,232	5,133	4,908	10,041	(6,877)	3,165
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transferred to	-	-	-	-	-	-	-
Retained Earnings	<u>\$ (3,099)</u>	<u>\$ 8,232</u>	<u>\$ 5,133</u>	<u>\$ 4,908</u>	<u>\$ 10,041</u>	<u>\$ (6,877)</u>	<u>\$ 3,165</u>

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2006

	3 Months Ended <u>3/31/2006</u>	3 Months Ended <u>6/30/2006</u>	6 Months Ended <u>6/30/2006</u>	3 Months Ended <u>9/30/2006</u>	9 Months Ended <u>9/30/2006</u>	3 Months Ended <u>12/31/2006</u>	12 Months Ended <u>12/31/2006</u>
Water Revenues	\$ 108,893	\$ 166,274	\$ 275,167	\$ 199,926	\$ 475,093	\$ 186,327	\$ 661,420
Other	744	554	1,298	773	2,071	1,958	4,029
Total Revenues	<u>109,637</u>	<u>166,828</u>	<u>276,465</u>	<u>200,699</u>	<u>477,164</u>	<u>188,285</u>	<u>665,449</u>
<u>Operating Expenses:</u>							
Production	12,540	29,582	42,121	59,300	101,421	58,197	159,619
Trans & Distrib	9,940	11,853	21,794	62,516	84,309	39,698	124,007
Customer Accting	3,553	5,443	8,996	12,402	21,398	14,125	35,523
Admin & General	5,243	7,475	12,718	23,629	36,346	3,942	40,289
Interdiv Mgt Fee	<u>42,000</u>	<u>56,000</u>	<u>98,000</u>	<u>120,000</u>	<u>218,000</u>	<u>91,000</u>	<u>309,000</u>
	73,276	110,353	183,629	277,847	461,475	206,963	668,438
Depreciation/Amort	18,014	20,038	38,052	20,745	58,797	24,451	83,249
Amort Exp: CIAC	(6,339)	(6,135)	(12,475)	(6,846)	(19,321)	6,149	(13,172)
Amort Expense	4,614	9,912	14,526	8,651	23,177	6,295	29,472
Taxes other than Income	6,708	7,071	13,779	10,840	24,619	13,174	37,793
Income Taxes	<u>(1,081)</u>	<u>22,130</u>	<u>21,049</u>	<u>(63,300)</u>	<u>(42,251)</u>	<u>(51,901)</u>	<u>(94,152)</u>
	95,192	163,368	258,560	247,937	506,497	205,131	711,628
Operating Income	14,444	3,460	17,905	(47,237)	(29,333)	(16,846)	(46,179)
Other Income (Exp)	-	31,595	31,595	-	31,595	(10,018)	21,577
AFDUC	-	-	-	(4,275)	(4,275)	(6,713)	(10,988)
Interest on LTD	-	-	-	-	-	-	-
Interest on STD	-	-	-	573	573	573	1,146
Intercompany Interest	16,093	1,315	17,408	53,047	70,454	58,456	128,910
Amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	16,093	1,315	17,408	49,345	66,752	52,316	119,068
Net Income (Loss)	(1,648)	33,740	32,092	(96,582)	(64,490)	(79,180)	(143,670)
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-	-	-
Transferred to Retained Earnings	<u>\$ (1,648)</u>	<u>\$ 33,740</u>	<u>\$ 32,092</u>	<u>\$ (96,582)</u>	<u>\$ (64,490)</u>	<u>\$ (79,180)</u>	<u>\$ (143,670)</u>

* Included North Country and Pittsfield

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2007

	3 Months Ended <u>3/31/2007</u>	3 Months Ended <u>6/30/2007</u>	6 Months Ended <u>6/30/2007</u>	3 Months Ended <u>9/30/2007</u>	9 Months Ended <u>9/30/2007</u>	3 Months Ended <u>12/31/2007</u>	12 Months Ended <u>12/31/2007</u>
Water Revenues	\$ 191,468	\$ 188,666	\$ 380,133	\$ 210,129	\$ 590,263	\$ 181,411	\$ 771,674
Other	<u>2,311</u>	<u>2,962</u>	<u>5,273</u>	<u>3,030</u>	<u>8,303</u>	<u>2,874</u>	<u>11,177</u>
Total Revenues	193,779	191,628	385,406	213,159	598,566	184,285	782,851
Operating Expenses:							
Production	65,723	49,786	115,509	72,122	187,631	71,722	259,353
Trans & Distrib	56,444	46,640	103,084	34,068	137,152	44,787	181,939
Customer Accting	10,193	5,088	15,280	11,380	26,661	6,703	33,364
Admin & General	8,683	13,838	22,522	9,180	31,702	14,759	46,461
Interdiv Mgt Fee	<u>125,791</u>	<u>122,425</u>	<u>248,216</u>	<u>112,711</u>	<u>360,927</u>	<u>116,684</u>	<u>477,611</u>
	266,834	237,777	504,611	239,461	744,073	254,654	998,727
Depreciation/Amort	27,479	33,299	60,778	29,240	90,019	44,748	134,766
Amort Exp: CIAC	(6,037)	(6,037)	(12,073)	(6,078)	(18,151)	(6,160)	(24,310)
Amort Expense	5,746	2,130	7,876	4,480	12,356	4,592	16,948
Taxes other than Income	11,473	11,084	22,557	11,084	33,641	9,069	42,710
Income Taxes	<u>(63,477)</u>	<u>(51,787)</u>	<u>(115,264)</u>	<u>(37,513)</u>	<u>(152,777)</u>	<u>(67,447)</u>	<u>(220,224)</u>
	242,019	226,467	468,486	240,675	709,161	239,456	948,616
Operating Income	(48,240)	(34,839)	(83,079)	(27,516)	(110,595)	(55,171)	(165,766)
Other Income (Exp)	-	-	-	-	-	-	-
AFDUC	(21,060)	(23,961)	(45,021)	(17,350)	(62,371)	(3,428)	(65,799)
Interest on LTD	-	-	-	-	-	-	-
Interest on STD	-	-	-	-	-	-	-
Intercomany Interstet	69,025	67,504	136,529	46,455	182,983	50,807	233,790
Amortization	<u>573</u>	<u>573</u>	<u>1,146</u>	<u>573</u>	<u>1,719</u>	<u>573</u>	<u>2,292</u>
	48,538	44,116	92,654	29,678	122,331	47,952	170,284
Net Income (Loss)	(96,778)	(78,955)	(175,733)	(57,193)	(232,926)	(103,123)	(336,049)
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	-	-	-	-	-	-	-
Transferred to Retained Earnings	<u>\$ (96,778)</u>	<u>\$ (78,955)</u>	<u>\$ (175,733)</u>	<u>\$ (57,193)</u>	<u>\$ (232,926)</u>	<u>\$ (103,123)</u>	<u>\$ (336,049)</u>

* Included North Country and Pittsfield

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2008

	3 Months Ended <u>3/31/2008</u>	3 Months Ended <u>6/30/2008</u>	6 Months Ended <u>6/30/2008</u>	3 Months Ended <u>9/30/2008</u>	9 Months Ended <u>9/30/2008</u>	3 Months Ended <u>12/31/2008</u>	12 Months Ended <u>12/31/2008</u>
Water Revenues	\$ 186,679	\$ 195,398	\$ 382,076	\$ 197,892	\$ 579,968	\$ 524,855	\$ 1,104,823
Other	2,702	3,767	6,469	3,228	9,697	3,035	12,732
Total Revenues	189,381	199,165	388,546	201,120	589,665	527,890	1,117,555
<u>Operating Expenses:</u>							
Production	77,061	65,682	142,743	75,158	217,901	76,738	294,639
Trans & Distrib	37,271	49,049	86,321	48,023	134,344	45,426	179,770
Customer Accting	6,948	7,987	14,935	9,784	24,719	11,405	36,124
Admin & General	11,589	12,281	23,869	11,163	35,032	7,011	42,043
Interdiv Mgt Fee	99,599	104,594	204,193	97,315	301,508	118,302	419,810
	232,468	239,593	472,061	241,444	713,504	258,882	972,386
Depreciation/Amort	41,304	42,880	84,183	40,535	124,719	51,038	175,757
Amort Exp: CIAC	(6,119)	(6,119)	(12,237)	(6,269)	(18,506)	(5,806)	(24,312)
Amort Expense	3,617	2,924	6,540	2,921	9,461	5,707	15,168
Taxes other than Income	9,311	10,508	19,818	17,705	37,523	34,283	71,806
Income Taxes	(46,852)	(57,058)	(103,910)	(61,052)	(164,962)	18,371	(146,590)
	233,728	232,728	466,456	235,284	701,740	362,475	1,064,215
Operating Income	(44,347)	(33,563)	(77,910)	(34,164)	(112,074)	165,414	53,340
Other Income (Exp)	4,300	-	4,300	-	4,300	(159,545)	(155,246)
AFDUC	(9,737)	-	(9,737)	(1,229)	(10,966)	(8,145)	(19,111)
Interest on LTD	-	1,382	1,382	1,787	3,169	2,426	5,596
Interest on STD	-	-	-	-	-	-	-
Intercompany Interest	40,549	51,474	92,022	58,358	150,380	(16,189)	134,191
Amortization	573	573	1,146	-	1,146	-	1,146
	31,385	53,429	84,813	58,916	143,729	(21,908)	121,821
Net Income (Loss)	(71,432)	(86,991)	(158,423)	(93,080)	(251,503)	27,776	(223,727)
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	-	-	-	-	-	-	-
Transferred to Retained Earnings	\$ (71,432)	\$ (86,991)	\$ (158,423)	\$ (93,080)	\$ (251,503)	\$ 27,776	\$ (223,727)

* Included North Country and Pittsfield

PITTSFIELD AQUEDUCT
 QUARTERLY STATEMENTS OF INCOME
 CY 2009

	3 Months Ended 3/31/2009	3 Months Ended 6/30/2009	6 Months Ended 6/30/2009	3 Months Ended 9/30/2009	9 Months Ended 9/30/2009	3 Months Ended 12/31/2009	12 Months Ended 12/31/2009
Water Revenues	\$ 361,410	\$ 337,624	\$ 699,034	\$ 357,822	\$ 1,056,855	\$ 482,826	\$ 1,539,681
Other	1,971	2,440	4,411	2,979	7,390	5,196	12,586
Total Revenues	363,381	340,064	703,445	360,801	1,064,245	488,022	1,552,267
Operating Expenses:							
Production	77,540	80,993	158,533	88,804	247,338	75,015	322,353
Trans & Distrib	47,050	49,925	96,974	83,540	180,514	62,330	242,845
Customer Accting	10,124	10,899	21,023	16,286	37,309	24,207	61,516
Admin & General	10,740	11,699	22,439	10,592	33,032	13,664	46,696
Interdiv Mgt Fee	108,173	98,953	207,126	123,964	331,090	119,906	450,996
	253,627	252,469	506,096	323,186	829,283	295,123	1,124,406
Depreciation/Amort	48,885	49,585	98,470	50,259	148,729	52,591	201,320
Amort Exp: CIAC	(17,689)	(6,107)	(23,796)	(6,107)	(29,903)	(6,107)	(36,010)
Amort Expense	3,751	3,595	7,346	3,514	10,859	3,514	14,373
Taxes other than Income	33,225	25,756	58,981	22,542	81,522	76,465	157,987
Income Taxes	(14,250)	(22,271)	(36,521)	(39,251)	(75,772)	1,275	(74,497)
	307,550	303,026	610,576	354,143	964,719	422,860	1,387,579
Operating Income	55,831	37,038	92,868	6,658	99,526	65,161	164,688
Other Income (Exp)	(17,485)	(14,006)	(31,491)	-	(31,491)	-	(31,491)
AFDUC	-	(4,903)	(4,903)	(1,438)	(6,341)	-	(6,341)
Interest on LTD	-	8,211	8,211	4,306	12,518	4,441	16,958
Interest on STD	3,905	(3,905)	-	-	-	-	-
Intercompany Interst	56,166	55,776	111,942	55,900	167,842	52,523	220,365
Amortization	-	-	-	-	-	-	-
	60,071	55,179	115,250	58,768	174,019	56,964	230,982
Net Income (Loss)	(21,725)	(32,147)	(53,873)	(52,110)	(105,983)	8,198	(97,786)
Preferred Dividends	-	-	-	-	-	-	-
Common Dividends	-	-	-	-	-	-	-
Transferred to Retained Earnings	\$ (21,725)	\$ (32,147)	\$ (53,873)	\$ (52,110)	\$ (105,983)	\$ 8,198	\$ (97,786)

* Included North Country and Pittsfield

**Pittsfield Aqueduct
Quarterly Sales Volume Schedule for
the Five Years from 2005 through 2009
(Pittsfield Only)**

2005

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 65,129.24	14,145	\$ 62,806.68	13,733	\$ 65,149.42	14,156	\$ 60,530.47	12,773	254,615.81	54,807
Commercial	\$ 17,398.01	2,997	\$ 17,308.78	2,995	\$ 17,513.15	2,939	\$ 17,528.37	3,017	69,849.31	11,948
Industrial	\$ 2,193.24	478	\$ 2,361.54	529	\$ 2,071.14	441	\$ 1,826.94	367	8,452.86	1,815
Municipal	\$ 33,428.73	420	\$ 32,960.13	278	\$ 32,534.43	458	\$ 33,009.63	307	131,932.92	1,483
	\$ 118,149.22	18,040	\$ 116,438.13	17,535	\$ 117,268.14	17,994	\$ 112,995.41	16,464	1,800.00	Unbilled Revenue
									(2,137.37)	Abatements
									52.08	Other Adjustments
									\$ 464,565.61	70,333

2006

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 62,435.16	13,351	\$ 65,119.86	14,070	\$ 67,504.38	14,863	\$ 65,284.84	14,209	260,344.24	56,518
Commercial	\$ 15,732.02	2,482	\$ 16,444.15	2,703	\$ 18,698.74	3,411	\$ 16,374.54	2,669	67,449.45	11,265
Industrial	\$ 1,737.84	340	\$ 2,066.94	440	\$ 1,933.14	400	\$ 33,123.34	340	38,861.26	1,520
Municipal	\$ 33,118.53	344	\$ 33,150.93	351	\$ 32,595.33	200	\$ 1,735.14	349	100,599.93	1,244
	\$ 113,023.55	16,517	\$ 116,781.88	17,564	\$ 120,931.59	18,869	\$ 116,517.86	17,567	(4,244.00)	Unbilled Revenue
									1,051.71	Abatements
									27.00	Other Adjustments
									\$ 464,099.59	70,547

2007

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 59,849.56	12,591	\$ 70,739.87	15,916	\$ 65,227.79	14,202	\$ 55,277.53	11,177	251,094.75	53,886
Commercial	\$ 14,599.61	2,141	\$ 15,799.84	2,497	\$ 16,527.15	2,683	\$ 17,658.97	3,050	64,585.57	10,371
Industrial	\$ 1,603.14	300	\$ 1,801.14	360	\$ 1,636.14	310	\$ 1,605.84	300	6,645.26	1,270
Municipal	\$ 33,057.33	340	\$ 33,242.13	400	\$ 32,529.33	148	\$ 33,082.23	315	131,911.02	1,203
	\$ 109,109.64	15,372	\$ 121,582.98	19,173	\$ 115,920.41	17,343	\$ 107,624.57	14,842	1,697.00	Unbilled Revenue
									(370.34)	Abatements
										Other Adjustments
									\$ 455,564.26	66,730

2008

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 62,366.00	13,195	\$ 58,175.60	12,044	\$ 64,678.37	14,132	\$ 57,470.08	11,877	242,690.65	51,248
Commercial	\$ 13,944.21	2,232	\$ 14,103.73	2,282	\$ 14,672.82	2,438	\$ 15,127.34	2,580	57,840.10	9,532
Industrial	\$ 2,650.26	310	\$ 2,716.26	330	\$ 2,647.52	310	\$ 32,427.61	166	40,441.65	1,116
Municipal	\$ 32,983.23	285	\$ 33,049.23	305	\$ 32,534.43	149	\$ 2,754.90	311	101,321.79	1,050
	\$ 111,944.30	16,022	\$ 108,044.82	14,961	\$ 114,733.14	17,029	\$ 107,779.93	14,934	(12,569.65)	Unbilled Revenue
									(1,006.37)	Abatements
										Other Adjustments
									\$ 94,736.56	Recoupment
									\$ 523,662.53	62,946

2009

Customer Type	March \$	March Cons.	June \$	June Cons.	September \$	September Cons.	December \$	December Cons.	Total \$	Total Cons.
Residential	\$ 77,980.49	12,286	\$ 75,318.27	10,828	\$ 82,557.94	12,354	\$ 76,850.40	11,156	312,707.10	46,624
Commercial	\$ 20,240.57	2,723	\$ 19,956.97	2,306	\$ 21,736.58	2,693	\$ 20,603.27	2,463	82,537.39	10,185
Industrial	\$ 2,653.56	135	\$ 2,899.07	129	\$ 2,534.72	94	\$ 2,933.08	143	11,020.43	501
Municipal	\$ 41,694.25	304	\$ 46,351.41	319	\$ 45,510.99	173	\$ 46,310.25	349	180,066.90	1,145
	\$ 142,768.87	15,448	\$ 144,525.72	13,582	\$ 152,340.23	15,314	\$ 146,697.00	14,111	27,602.85	Unbilled Revenue
									(5,796.40)	Abatements
									(0.05)	Other Adjustments
									(7,535.60)	Recoupment
									\$ 600,602.62	58,455

Projected Capital Expenditures

Pittsfield Aqueduct Company

2010 and 2011

(In thousands of dollars)

	<u>2010</u>	<u>2011</u>
Supply & Watershed:		
Rehab Berry Pond and Berry Pond Reservoir Dams -	283	-
Birch Hill/NCWP Interconnection (net of grants) -	-	-
Raw Water Transmission Main @ Pittsfield -	-	-
New Wells/Replacement Well Pumps -	-	-
Supply & Watershed -	283	-
Treatment Improvements:		
Treatment Process Upgrades @ various CWS -	-	-
Airstrip/Sunrise Building Upgrades -	-	-
Refurbish Pittsfield WTP Filters -	-	-
Various Pump Upgrades & Equipment -	-	20
Treatment Improvements -	-	20
Distribution Infrastructure Replacement:		
Meter Pits -	-	-
Generator Installations -	-	-
Birch Hill on site improvements -	-	-
Water Main Replacements -	-	75
Section "S" Interconnection, net of grants -	-	-
Atmospheric Tank Replacements -	-	-
Infrastructure Replacement -	-	75
Distribution & Storage:		
Distribution Department Equipment -	8	4
New/Renewed Services -	12	12
New/Renewed Gates -	6	6
New/Renewed Hydrants -	-	6
New/Renewed Meters -	1	5
Distribution & Storage -	27	33
Pittsfield Aqueduct Company Grand Total - \$	310	\$ 128

Pittsfield Aqueduct

Annual Budgeted Stmt of Cash Flows

For the Twelve Months Ended December 31, 2010 and 2011

(Pittsfield Only)

	<u>2010</u>	<u>2011</u>
Operating Activities:		
Net Income	(22,994)	25,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	63,809	65,000
Gain on sale of land/cell tower leases	-	-
Amortization of deferred investment tax credits	-	-
Provision for deferred income taxes	(15,077)	(15,000)
Allowance for funds used during construction	-	-
Undistributed earnings in real estate partnerships	-	-
Special shareholder distributions	-	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable and unbilled revenue	(21,361)	20,000
(Increase) decrease in refundable income taxes	-	-
(Increase) decrease in materials and supplies	-	-
(Increase) decrease in prepaid expenses	317	300
(Increase) decrease) in deferred charges and other assets	9,564	9,000
Increase (decrease) in accounts payable and accrued expenses	12,850	-
Increase (decrease) in other	285,704	23,700
Net cash provided by (used in) operating activities	<u>312,812</u>	<u>128,000</u>
Investing Activities:		
Purchases of property, plant and equipment	(310,520)	(128,000)
Contributions in aid of construction	-	-
(Increase) decrease in restricted cash	-	-
Sale (purchase) of investment securities	-	-
Net (increase) decrease in notes receivable	-	-
Proceeds from sale of land	-	-
Net change in investment in real estate partnerships and deferred land costs	-	-
Net cash provided by (used in) investing activities	<u>(310,520)</u>	<u>(128,000)</u>
Financing Activities:		
(Repayments) advances on line of credit	-	-
Payments on long-term debt	-	-
Proceeds on long-term borrowings	-	-
Debt issuance costs	(2,292)	-
Proceeds from issuance of common stock and dividend reinvestment plan	-	-
Dividends paid	-	-
Net cash provided by (used in) financing activities	<u>(2,292)</u>	<u>-</u>
Net increase (decrease) in cash	-	-
Cash at beginning of period	200	200
Cash at end of period	<u>200</u>	<u>200</u>

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

(23) Sinking Fund Provisions – none

Pittsfield Aqueduct Company, Inc.
 Cost of Short-Term Debt
 For the Twelve Months Ended December 31, 2009
Pittsfield Only

Schedule 6

	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	13 Month Average
Intercompany cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennichuck Interco Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pennichuck Corporation:														
INTERCO ADVANCE PAC ACQUISITIO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERCO DIV PAY/REC PAC/INC	(6,106,151)	(6,128,978)	(6,164,817)	(6,178,798)	(6,217,082)	(6,274,345)	(6,488,881)	(6,521,993)	(5,535,562)	(6,583,364)	(5,962,388)	(6,136,547)	(4,959,480)	
INTERCO PAY/REC PAC/TSC	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	(33)	349
INTERCO PAY/REC PAC/PWS	10,866	10,644	11,019	11,092	11,207	11,343	11,458	11,574	11,690	11,677	11,782	11,657	11,942	
INTERCO PAY/REC PAC/PWW	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INTERCO PAY/REC PAC/PWW	1,967,201	2,014,067	2,055,188	2,100,472	2,144,166	2,185,475	2,232,989	2,275,664	2,330,839	2,406,699	2,455,325	2,476,168	2,509,009	
INTERCO PAY/REC PAC/PEU	(15,313)	(15,322)	(15,330)	(15,338)	(15,346)	(15,354)	(15,362)	(15,371)	(15,018)	(15,387)	(15,395)	(15,383)	(15,383)	(2,483)
INTERCO PAY/REC PAC/PCP	(1,501,160)	(1,486,553)	(1,513,953)	(1,548,461)	(1,565,787)	(1,552,712)	(1,382,375)	(1,387,797)	(1,405,396)	(1,522,118)	(1,470,126)	2,746,348	2,695,681	
Intercompany advances	(5,644,591)	(5,605,875)	(5,627,926)	(5,631,055)	(5,642,875)	(5,645,627)	(5,642,204)	(5,637,956)	(5,614,481)	(5,702,526)	(4,970,854)	(917,590)	253,038	(4,771,425)
Pennichuck Interco Net Liability	5,644,591	5,605,875	5,627,926	5,631,055	5,642,875	5,645,627	5,642,204	5,637,956	5,614,481	5,702,526	4,970,854	917,590	(253,038)	4,771,425

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (25) Parent Company Information – 2009, 2008, 2007, 2006 and 2005 Annual Reports to Shareholders contained in this binder. 2009 and 2008 Form 10-K and Form 10-Q contained in this binder under section 10.

PWW & CORP SUMMARY

Summary of 2009 Allocated Costs Year to Date Costs through December 31, 2009 Pennichuck Corporation and Subsidiaries (Dollar amounts in \$ 000's)									
	<u>Penn Water</u>	<u>Penn East</u>	<u>Pittsfield</u>	<u>North Country</u>	<u>Total Regulated</u>	<u>Con Ops(PWSC)</u>	<u>Real Estate(TSC)</u>	<u>Total</u>	
Allocated Corporate Costs	\$ 730,207	\$ 146,131	\$ 17,929	\$ 31,612	\$ 925,879	\$ 42,095	\$ 7,241	\$ 975,215	
%	74.9%	15.0%	1.8%	3.2%	94.9%	4.3%	0.7%	100.0%	
Allocated Return on Common Assets	427,734	85,673	9,898	18,338	541,643	26,124	1,385	569,152	
%	75.2%	15.1%	1.7%	3.2%	95.2%	4.6%	0.2%	100.0%	
Allocated Pennichuck Water Costs - Work Orders	1,002,474	192,399	29,325	51,339	1,275,537	250,249		1,525,786	
%	65.7%	12.6%	1.9%	3.4%	83.6%	16.4%	0.0%	100.0%	
Allocated Pennichuck Water Costs - Management Fee	4,210,674	836,099	101,201	187,400	5,335,974	363,556	15,536	5,715,066	
%	73.7%	14.6%	1.8%	3.3%	93.4%	6.4%	0.3%	100.0%	
Total Allocated 2009 Costs	\$ 6,371,091	\$ 1,260,902	\$ 158,353	\$ 288,689	\$ 8,079,035	\$ 682,025	\$ 24,162	\$ 8,785,222	
%	72.5%	14.4%	1.8%	3.3%	92.0%	7.8%	0.3%	100.0%	

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Pennichuck Water Works
 Operating Expense Allocation (to other Subsidiary Companies)
 For Month Ending 12/31/09

Dollars Applicable to:

Full Year Amounts (to be allocated)	YTD EXPENSES	Tier Allocation Required	Special Allocation	Tier 1 (All)	Tier 2	Tier 3	Tier 4	PWSC Only	PAC Only	C Sheing
					(Regulated + PWSC)	(PWW+PEU+ PWSC)	(Regulated)			Wages & Fringes Only (budgeted specifically on
<u>Wages</u>										
Officers Salaries & Wages	1,177,257	1		1,177,257	-	-	-	-	-	-
Officers Salaries Transferred Out	(200,579)	1		(200,579)	-	-	-	-	-	-
Superintendence (PAC) - C Sheing	58,937	7	100% to PAC as Direct	-	-	-	-	-	-	58,937
Salaries - Engineering	532,346	4		-	-	-	532,346	-	-	-
Office Salaries and Wages - IS	258,152	1		258,152	-	-	-	-	-	-
Office Salaries and Wages - Acctg	568,779	1		568,779	-	-	-	-	-	-
Office Salaries and Wages - Admin	293,652	1		293,652	-	-	-	-	-	-
Office Salaries and Wages - C/S	529,117	2		-	529,117	-	-	-	-	-
Office Salaries and Wages - BR	26,249	4	23.80% of BR to utilities based on timesheets	-	-	-	26,249	-	-	-
Office Salaries and Wages - BR	84,042	6	76.20% of BR to PWSC based on time sheets 100% to PWSC as	-	-	-	-	84,042	-	-
Office Salaries and Wages - Other PWSC	-	6	Direct	-	-	-	-	-	-	-
Officer and Office Salaries - TSC	-	7	100% to TSC	-	-	-	-	-	-	-
Less: Capitalized Overhead Exec & IS	(28,893)	1		(28,893)	-	-	-	-	-	-
Less: Capitalized Overhead Engineering	(138,857)	4		-	-	-	(138,857)	-	-	-
<u>Benefits (Based on 12/31/08 Schedule)</u>										
Officers Salaries & Wages	451,243	1		451,243	-	-	-	-	-	-
Officers Salaries Transferred Out	(76,882)	1		(76,882)	-	-	-	-	-	-
Superintendence (PAC) - C Sheing	22,591	7	100% to PAC as Direct	-	-	-	-	-	-	22,591
Salaries - Engineering	204,046	4		-	-	-	204,046	-	-	-
Office Salaries and Wages - IS	98,950	1		98,950	-	-	-	-	-	-
Office Salaries and Wages - Acctg	218,013	1		218,013	-	-	-	-	-	-
Office Salaries and Wages - Admin	112,557	1		112,557	-	-	-	-	-	-
Office Salaries and Wages - C/S	202,811	2		-	202,811	-	-	-	-	-
Office Salaries and Wages - BR	10,061	4	23.80% of BR to utilities based on timesheets	-	-	-	10,061	-	-	-
Office Salaries and Wages - BR	32,213	6	76.20% of BR to PWSC based on time sheets 100% to PWSC as	-	-	-	-	32,213	-	-
Office Salaries and Wages - Other PWSC	-	6	Direct	-	-	-	-	-	-	-
Officer and Office Salaries - TSC	-	7	100% to TSC	-	-	-	-	-	-	-
Less: Capitalized Overhead Exec & IS	(11,075)	1		(11,075)	-	-	-	-	-	-
Less: Capitalized Overhead Engineering	(53,224)	4		-	-	-	(53,224)	-	-	-

PENNICHUCK WATER GIA EXPENSES ALLOCATED

Full Year Budgeted Amounts (to be allocated) - Tier 1	Dollars Applicable to:								C. Sheng Wages & Fringes Only (budgeted specifically on	
	Tier Allocation Required	Special Allocation	Tier 1 (All)	Tier 2 (Regulated + PWSC)	Tier 3 (PWW+PEU+ PWSC)	Tier 4 (Regulated)	PWSC Only	PAC Only		
<u>Facilities - Manchester Street</u>										
Leasehold Amort Exp	-	1	-	-	-	-	-	-	-	
HECOP III Fit-up Amort Exp	-	1	-	-	-	-	-	-	-	
Office Supplies & Expense	35,990	1	35,990	-	-	-	-	-	-	
Office Equipment Rental	28,196	1	28,196	-	-	-	-	-	-	
Rental Exp HECOP III	322,795	1	322,795	-	-	-	-	-	-	
Manchester St Phone	22,865	1	22,865	-	-	-	-	-	-	
HECOP III Fit-up Allowance	(23,705)	1	(23,705)	-	-	-	-	-	-	
Maintenance Manchester St	29,153	1	29,153	-	-	-	-	-	-	
Office Equipment maintenance	13,227	1	13,227	-	-	-	-	-	-	
<u>Miscellaneous Charges</u>										
Senior Management Vehicles	3,144	1	3,144	-	-	-	-	-	-	
Senior Management Fuel Purchased	9,120	1	9,120	-	-	-	-	-	-	
Senior Management Vehicle Registrations	2,186	1	2,186	-	-	-	-	-	-	
Courier & Express Mail Expense	101	1	101	-	-	-	-	-	-	
Outside Svcs (Supervision/Spec Svcs)	142,869	1	142,869	-	-	-	-	-	-	
Meetings and Conventions	32,297	1	32,297	-	-	-	-	-	-	
License Fees	19,488	1	19,488	-	-	-	-	-	-	
Meals	5,645	1	5,645	-	-	-	-	-	-	
Recruiter Fees	689	1	689	-	-	-	-	-	-	
Engineering Dept Expense	4,558	4	-	-	-	4,558	-	-	-	
Engineering Vehicles	6,753	4	-	-	-	6,753	-	-	-	
Engineering - Fuel Purchased	14,740	4	-	-	-	14,740	-	-	-	
Engineering - Vehicle Registration	1,793	4	-	-	-	1,793	-	-	-	
Maint of Communication Equip	8,909	2	-	8,909	-	-	-	-	-	
Computer Maintenance	237,586	1	237,586	-	-	-	-	-	-	
<u>Depreciation - 2403 & Amort</u>										
Comm Depreciation	50,722	2	-	50,722	-	-	-	-	-	
Computer Depreciation	300,192	1	300,192	-	-	-	-	-	-	
Office Furniture Depreciation	39,667	1	39,667	-	-	-	-	-	-	
Leasehold Amort Exp	45,411	1	45,411	-	-	-	-	-	-	
HECOP III Fit-up Amort Exp	23,705	1	23,705	-	-	-	-	-	-	
Amort Recruiter Fees (Def Chgs)	39,337	1	39,337	-	-	-	-	-	-	
Synergen Training 2007 (Def Chgs)	7,652	1	7,652	-	-	-	-	-	-	
Total Allocable Expenses	5,796,594		4,198,784	791,559	-	608,467	116,255	-	61,528	5,796,594

Tier 1 - use the corporate expense allocation between TSC, PWSC and regulated utilities. The allocation among utilities will be based on total assets and customers.

Tier 2 - allocate to PWW, PEU, PAC and PWSC based on total assets and customers

Tier 3 - allocate to PWW, PEU and PWSC based on total assets and customers

Tier 4 - allocate to the regulated utilities (PWW, PEU and PAC) based on total assets and customers.

(1) Retention/Bonus, Overtime, Merit increases and summer temp help are included in Officers' and Office Salaries

(2) Outside Services include temporary help from temporary services providers

(3) Effectively, all Admin & Gen Expense (incl. Engineering) are allocated less insurance, Regulatory Commission, Memberships, Misc General, Public Relations and Charitable Contributions and Union Benefits

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Allocation Calculation - Tier 1 (All Companies)

	PWW	PEU	Pittsfield	North Country	Total Regulated	Con Ops (PWS)1	Real Estate (TSC) ¹	Total
Revenues ⁴	\$ 23,403,250	\$ 5,037,925	\$ 804,498	\$ 947,769	\$ 29,993,442	\$ 2,770,212	\$ -	\$ 32,763,654
					\$1 54%	8.46%	0.00%	100.00%
Employees (FTE's) - 2009 (including summer help)					105	15	0	107
					98.59%	1.41%	0.00%	100.00%
Square Footage - w/ add'l lease space Manchester Street Facility ⁵					17,891	1,574	0	19,465
					91.91%	8.09%	0.00%	100.00%
Total Assets ²	\$ 136,548,832	\$ 25,439,853	\$ 3,194,767	\$ 6,259,194	\$ 171,442,646	\$ 310,320	\$ 2,589,362	\$ 174,342,328
	79.65%	14.84%	1.86%	3.65%	98.34%	0.18%	1.49%	100.01%
Customers ³	26,189	5,558	649	1,135	33,531			
	76.10%	16.58%	1.94%	3.38%	100.00%			
Average Percentage	78.88%	15.71%	1.90%	3.52%	95.10%	4.54%	0.37%	100.01%
Allocation of Allocable Expenses	3,148,982	627,241	75,860	140,540	3,992,623	190,625	15,536	\$ 4,198,784
Effective Allocation %	75.00%	14.94%	1.81%	3.35%		4.54%	0.37%	
								<u>Check Total</u>
								\$ -

¹ - TSC employees not counted as their payroll and benefits are charged directly; PWS - 100% of 1 employee and 50% of 1 employee charged directly and not counted

² - Based on December 2009 Preliminary Less Intercompany Account Balances per Charlie/Larry 5/07

³ - Based on December 2009 Actuals

⁴ - Based on December 2009 Preliminary

⁵ - Effective 5/31/08 TSC will not be charged square footage

Allocation Calculation - Tier 2 (All Regulated Companies plus PWSC)

	PWW	PEU	Pittsfield	North Country	Total Regulated	Con Ops (PWS) 1	Real Estate (TSC)	Total
Total Assets ²	\$ 142,808,027	\$ 25,439,853	\$ 3,194,767	\$ 6,259,194	\$ 171,442,646	\$ 310,320	\$ -	\$ 171,752,966
	83.30%	14.84%	1.86%	3.65%	99.82%	0.18%	0.00%	100.00%
Customers ³	26,189	5,558	649	1,135	33,531	5,521	0	39,052
	78.10%	16.58%	1.94%	3.38%	85.86%	14.14%		
Average Percentage	80.70%	15.71%	1.90%	3.52%	92.84%	7.16%		100.00%
Allocation of Allocable Expenses	579,602	115,450	13,963	25,868	734,883	56,676	0	\$ 791,559
Effective Allocation %	73.22%	14.59%	1.76%	3.27%		7.16%	N/A	
								<u>Check Total</u>
								\$ -

¹ - PWS customers based on municipality customers and pro rated based on services rendered

Allocation Calculation - Tier 3 (PWW, PEU and PWSC)

	PWW	PEU	Pittsfield	North Country	Con Ops (PWS)	Real Estate (TSC)	Total
Total Assets ²	\$ 142,808,027	\$ 25,439,853			\$ 310,320		\$ 168,558,199
	84.72%	15.09%			0.18%		99.99%
Customers ³	26,189	5,558			5,521		37,268
	70.27%	14.91%			14.81%		99.99%
Average Percentage	77.50%	15.00%			7.50%		100.00%
Allocation of Allocable Expenses	\$ -	\$ -	0		\$ -	0	\$ -
Effective Allocation %	#DIV/0!	#DIV/0!	N/A		#DIV/0!	N/A	
							<u>Check Total</u>
							\$ -

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Allocation Calculation - Tier 4 (Regulated Companies)

	PWW	PEU	Pittsfield	North Country	Con Ops (PWS)	Real Estate (TSC) ¹	Total	
Total Assets ²	\$ 142,808,027 80.36%	\$ 25,439,853 14.32%	\$ 3,194,767 1.80%	\$ 6,259,194 3.52%			\$ 177,701,840 100.00%	
Customers ³	26,189 78.10%	5,558 15.58%	649 1.94%	1,135 3.38%			33,531 100.00%	
Average Percentage	79.23%	15.45%	1.87%	3.45%			100.00%	
Allocation of Allocable Expenses	\$ 482,089	\$ 94,008	\$ 11,378	\$ 20,992	0	0	\$ 608,467	Check Total
Effective Allocation %	79.23%	15.45%	1.87%	3.45%	N/A	N/A		\$ -

Specific Allocation Calculations - Tier 5-7

	PWW	PEU	Pittsfield	North Country	Con Ops (PWS)	Real Estate (TSC) ¹	Total	Check Total
Direct Allocable Costs	0 N/A	0 N/A	-	-	116,255	0 N/A	116,255	\$ -

Summary of Allocations	PWW	PEU	Pittsfield	North Country	Con Ops (PWS)	Real Estate		Totals	unallocated	PAC	Total	Check Total
						(TSC)	(TSC)					
Tier 1	3,148,982	627,241	75,860	140,540	190,625	15,536		4,198,784				
Tier 2	579,602	115,450	13,963	25,868	56,676	-		791,559				
Tier 3	-	-	-	-	-	-		-				
Tier 4	482,089	94,008	11,378	20,992	-	-		608,467				
PWSC only and PAC only	-	-	-	-	116,255	-		116,255				
Total Allocations	4,210,674	836,699	101,201	187,400	363,556	15,536		5,715,066	81,528	5,796,594		-
	73.68%	14.64%	1.77%	3.29%	6.36%	0.27%		100.00%				

PENNICHUCK WATER G/A EXPENSES ALLOCATED

Step Allocation of Benefits				
2009 Benefits	Total Dollars	Non-Union Wage		Allocation Method
		Portion	Union Wage Portion	
Officer's Life Insurance	13,249	13,249	-	Specific
Pension - DB Plan	1,029,892	642,817	387,075	Allocated based on pro-rata wages
Group Pension 401K	183,919	114,795	69,124	Allocated based on pro-rata wages
Post Retirement Health Expense	149,051	93,032	56,019	Allocated based on pro-rata wages
Post Employment Health Expense	116,950	72,995	43,955	Allocated based on pro-rata wages
Group Health Insurance	1,122,036	561,018	561,018	Based on actual participation (HR)
Health Insurance Opt Out	11,875	6,498	5,377	Allocated based on pro-rata headcounts
Group Dental	136,443	68,222	68,222	Based on actual participation (HR)
Group Life/Disability Insurance	14,820	8,109	6,711	Allocated based on pro-rata headcounts
Employee Benefits/Section 125	7,828	4,283	3,545	Allocated based on pro-rata headcounts
Misc Employee Benefits	37,614	20,581	17,033	Allocated based on pro-rata headcounts
Tuition Reimbursements	9,066	4,961	4,105	Allocated based on pro-rata headcounts
Training Educational Seminars	64,234	35,147	29,087	Allocated based on pro-rata headcounts
Boot & Clothing Allowance-OPS	203,558	-	203,558	Allocated based on pro-rata wages
Boot & Clothing Allowance-CS-Union	4,171	-	4,171	Allocated based on pro-rata wages
Boot & Clothing Allowance-WTP	86,337	-	86,337	Allocated based on pro-rata wages
Union Sick Time	52,901	-	52,901	Allocated based on pro-rata wages
Vacation Earned YTD (per Acc Vac Rpt) Union Only	12,340	-	12,340	From LG's calculation
SERP	(36,357)	(36,357)	-	Specific
Payroll Taxes:				
Employer FICA/Medicare	498,361	293,447	204,914	Allocated based on pro-rata wages
FUTA	5,185	3,236	1,949	Allocated based on pro-rata wages
SUI	15,582	9,726	5,856	Allocated based on pro-rata wages
Total Benefits	3,739,055	1,915,759	1,823,295	
Benefits % (of wages)	52.3%	42.92%	67.85%	
Total Wages thru 12/31/09	7,126,998	4,448,385	2,678,613	Wages per Payroll (ADP)
Less: Accrued Wages as of 12/31/08	(77,213)	(48,528)	(28,685)	Year End Payroll Accrual Entry
Add: Accrued Wages thru current mo-end	100,674	63,361	37,314	Current Month Payroll Accrual
Grand Total Wages	7,150,459	4,463,217	2,687,242	
%	100.0%	62.4%	37.6%	
Total Headcount	106	58	48	
(Excluding Summer Help)	100.0%	54.7%	45.3%	

PWSC Customers	Operations	Water Supply	Billing	Cust Svc	Customers	Customers
Hudson	0.25	0.25	-	-	5,827	2,914
Salisbury	0.25	-	0.25	0.25	3,476	2,607
Hyannis	-	-	0.25	-	-	-
Wilton	0.25	0.25	-	-	-	-
						5,521

Note: Customer Counts based on Tara King email dated 2/19/09

Work Order OH

Pennichuck Water Works
 Work Order Allocation of Operations and Production Expenses
 For Month Ending 12/31/09

<u>Full Year Amounts (to be allocated)</u>	
<u>Wages</u>	
Superintendence - WTP	209,722
Office Salaries & Wages: WTP	170,315
Purification Labor	182,050
Superintendence - Operations	227,615
Office Salaries - Operations	97,632
<u>Benefits</u>	
Superintendence - WTP	80,386
Office Salaries & Wages: WTP	65,282
Purification Labor	69,780
Superintendence - Operations	87,245
Office Salaries - Operations	37,422
<u>Facilities - Will Street</u>	
Maint: Meter Department	1,665
Will Street Parking	6,240
Will Street Office Supplies	13,669
Will Street Gas	5,872
Will Street Electric	8,098
Will Street Phone	17,196
<u>Miscellaneous Charges</u>	
Misc Gen Exp Ops	6,081
Misc T&D Materials & Supplies	14,499
Stores Expense	5,667
Small Tools Expense	16,521
OPS - Non-Union Vehicles	7,914
OPS - Non-Union Vehicle Registration	775
WTP - Non-Union Vehicles	9,822
WTP - Non-Union Vehicle Registration	336
Misc.Transport Expense	58,924
Non-Union Vehicle Fuel Costs	29,549
Vactor Machine	-
Misc Gen Equipment Exp	13,802
<u>Depreciation - 2304</u>	
Will Street Facility	10,032
Tools, Shop & Garage	10,826
Other Tangible Equipment-Misc Equip	17,147
Non-Union Transportation Depreciation	43,702
Total Allocable Expenses	1,525,786

2009 Workorder Costs

	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	58,288.08	585,635.92	901,864.86	46,363.82	44,993.53	396,519.13	64,870.09	4,234.46	152,558.97	24,176.57	295,251.19	2,574,756.62
Contractor Clearing	7,604.28	-	9,327.72	126,328.67	56,539.64	-	542,677.80	500.00	-	3,977.74	793.81	747,749.66
Inventory: Pipes & Fittings	20,345.37	-	48,282.20	-	46,863.90	202.26	13,121.50	1,036.21	6,763.47	8,287.11	14,682.90	159,584.92
Inventory: Meters	76,691.12	-	3,148.47	-	452.40	5,795.30	36,608.20	5,551.47	64.32	18,764.16	-	147,075.44
Inventory: Misc T&D	4,032.84	98.32	5,257.36	-	1,732.74	-	874.91	186.58	1,318.84	952.84	1,685.48	16,139.91
Inventory: Chemicals	-	628,465.23	-	-	-	-	24,489.86	-	383.02	-	57,036.55	710,374.66
Inventory: Fleet	-	-	4.43	2,732.00	-	-	-	-	-	-	-	2,736.43
Misc T&D Supplies	-	-	-	-	2,345.48	-	457.00	-	-	-	-	2,802.48
Truck	21,287.22	48,951.63	153,257.63	1,045.27	14,549.92	117,112.96	15,903.16	1,416.38	40,314.24	8,585.42	98,049.05	520,472.88
Backhoe	6,589.00	697.75	16,037.75	-	6,180.50	-	2,882.50	405.00	5,264.75	2,164.75	8,753.25	48,975.25
Compressor	40.50	-	4,789.38	-	-	54.00	331.00	-	-	-	721.50	5,936.38
Inspection Fees	-	-	-	-	39,736.23	-	-	-	-	-	-	39,736.23
Overhead	4,553.13	-	-	-	45,426.64	-	-	313.64	-	1,646.80	-	51,940.21
Labor Overhead	38,558.31	389,799.27	600,281.25	30,859.76	43,697.29	249,959.25	42,764.06	2,814.30	90,959.59	15,976.89	192,150.01	1,697,819.98
Misc General Equipment	251.25	-	-	-	-	40.00	132.50	75.00	-	20.00	135.00	653.75
Total Costs	238,241.10	1,653,648.12	1,742,251.05	207,329.52	302,518.27	769,682.90	745,112.58	16,533.04	297,627.20	84,552.28	669,258.74	6,726,754.80
Total Costs w/o OH & CWIP	226,083.69	1,653,648.12	1,732,923.33	81,000.85	200,551.99	769,682.90	202,434.78	15,719.40	297,627.20	78,927.74	668,464.93	5,927,064.93
% of Total	3.54%	24.58%	25.90%	3.08%	4.50%	11.44%	11.08%	0.25%	4.42%	1.26%	9.95%	100.00%
% of Total w/o OH & CWIP	3.81%	27.90%	29.24%	1.37%	3.38%	12.99%	3.42%	0.27%	5.02%	1.33%	11.28%	100.00%
Overhead Allocable to Work Orders	1,525,786											
	58,200	425,694	446,101	20,852	51,627	198,137	52,112	4,047	76,617	20,318	172,081	1,525,786
Totals by Company:												
PWW	58,200	425,694	446,101	20,852	51,627							1,002,474
PEU										20,318	172,081	192,399
PAC								4,047	76,617			80,664
PWS						198,137	52,112					250,249
Total Overhead	58,200	425,694	446,101	20,852	51,627	198,137	52,112	4,047	76,617	20,318	172,081	1,525,786
% Labor	2.26%	22.75%	35.03%	1.80%	1.75%	15.40%	2.52%	0.16%	5.93%	0.94%	11.47%	100.00%
**070, 080 & Fleet Labor Overhead has been calculated per Charlie.												
				612 - NC	8,767.57				670 - PAC	110,352.04	37.08%	28,407.49
				620 - PAC	-				670 - NC	187,275.16	62.92%	48,209.51
				620 - NC	-					297,627.20	100.00%	76,617.00
				621 - NC	-		80,664.00					
				630 - PAC	-				NC	12,156.75	77.34%	3,129.79
				650 - PAC	427.11				PAC	3,562.65	22.66%	917.21
				650 - NC	2,388.31					15,719.40	100.00%	4,047.00
				651 - PAC	784.41							
				651 - NC	307.04							
				653 - PAC	1,389.40							
				653 - NC	436.68							80,664.00
				654 - NC	257.15							
				654 - PAC	961.73							
					15,719.40							

Return on Assets

Pennichuck Water Works
Return on Common Assets Allocation (to other Subsidiary Companies)
For Month Ending 12/31/09

12

Effective Tax Rate - current 41.63%
7.38%

Dollars Applicable to:

Full Year Amounts (to be allocated)	Rate of Return	Net Book Value	Tier Allocation Required	Tier 1 (All)	Tier 2	Tier 3	Tier 4	PWSC Only	PAC Only	TSC Only
					(Regulated + PWSC)	(PWW+PEU+ PWSC)	(Regulated)			(budgeted specifically on TSC P/L)
Office Furniture & Equipment	23,494	318,343.51	1	23,494	-	-	-	-	-	-
Transportation Equipment	91,783	1,243,676.44	2	-	91,783	-	-	-	-	-
Tools, Shop & Garage Equipment	9,530	129,136.35	3	-	-	9,530	-	-	-	-
Construction Motors	164	2,227.89	2	-	164	-	-	-	-	-
Power Operated Equipment	9,321	126,306.58	2	-	9,321	-	-	-	-	-
Communication Equipment	48,067	651,315.29	4	-	-	-	48,067	-	-	-
Computer Equipment	60,543	820,360.84	1	60,543	-	-	-	-	-	-
Other Plant and Misc Equipment	20,467	277,326.64	4	-	-	-	20,467	-	-	-
Will Street Office	158	2,143.22	3	-	-	158	-	-	-	-
Will Street Expansion	15,372	208,298.40	3	-	-	15,372	-	-	-	-
Leasehold Improvement - Manchester St	393	5,331.92	1	393	-	-	-	-	-	-
Deferred Pension Costs	280,383	3,799,234	1	280,383	-	-	-	-	-	-
Deferred Post Employment Health	8,543	115,760	1	8,543	-	-	-	-	-	-
Deferred Post Retirement Health	(3,568)	(48,344)	1	(3,568)	-	-	-	-	-	-
Deferred SERP	42,753	579,308	1	42,753	-	-	-	-	-	-
VEBA Trust - Union	33,119	448,763	1	33,119	-	-	-	-	-	-
VEBA Trust - Non-union	14,927	202,268	1	14,927	-	-	-	-	-	-
Employer Recruiter Fees	1,285	17,411	1	1,285	-	-	-	-	-	-
Union Negotiations - 2006 & 2007	157	2,123	1	157	-	-	-	-	-	-
2004 Compensation Study	-	-	1	-	-	-	-	-	-	-
Synergen Training - 2007	518	7,015	1	518	-	-	-	-	-	-
2008 Compensation Study	1,390	18,836	1	1,390	-	-	-	-	-	-
§ 106 & FAS 158 Costs (net of taxes at 39.61%)										
Deferred Pension Costs		3,799,234.00								
Deferred Post Employment Health		115,760.47								
Deferred Post Retirement Health		(48,343.53)								
Deferred SERP		579,307.83								
Less: Accrued Liability Pension - ST		-								
Less: Accrued Liability Pension - LT		(4,031,374)								
Less: Post Employment Health Liability - ST		(40,800)								
Less: Post Employment Health Liability - LT		(613,901)								
Less: Accrued Liability SERP		(800,785)								
VEBA Trust - Union		448,763.14								
VEBA Trust - Non-union		202,267.72								
Less: Post Retirement Liability Health - ST		-								
Less: Post Retirement Liability Health - LT		(1,493,355)								
Subtotal		(2,063,226)								
Less: Tax Impact at current effective tax rate		868,497								
Net Impact Unfunded FAS 106 & FAS 158 Costs	(89,647)	(1,214,729)	1	(89,647)	-	-	-	-	-	-
Total Allocable Expenses	569,152	7,712,115.21		374,290	101,268	25,060	68,534	-	-	-

Note: Rate of Return based on YTD NBV/12#months

Tier 1 - use the corporate expense allocation between TSC, PWSC and regulated utilities. The allocation among utilities will be based on total assets and customers.

Tier 2 - allocate to PWW, PEU, PAC and PWSC based on total assets and customers.

Tier 3 - allocate to PWW, PEU and PWSC based on total assets and customers.

Tier 4 - allocate to the regulated utilities (PWW, PEU and PAC) based on total assets and customers.

Note: Laboratory Equipment not included. Currently, PWW charges a \$15 fee for all lab work which is considered to be a competitive price and \$5 higher than charged by the State of New Hampshire.

Return on Assets

Allocation Calculation - Tier 1 (All Companies)									
	PWW	PEU	Pittsfield	North Country	Total Regulated	Con Ops (PWS)1	Real Estate (TSC)1	Total	
Revenues ⁴	23,403,250	5,037,925	604,498	947,769	\$ 29,993,442	\$ 2,770,212	\$ -	\$ 32,763,654	
					91.54%	8.46%	0.00%	100.00%	
Employees (FTE's) - 2009 (including summer help)					105	1.5	0	107	
					98.59%	1.41%	0.00%	100.00%	
Square Footage - w/ addtl lease space Manchester Street Facility					17,891	1,574	0	19,465	
					91.91%	8.09%	0.00%	100.00%	
Total Assets ²	\$ 136,548,832	\$ 25,439,853	\$ 3,194,767	\$ 6,259,194	\$ 171,442,646	\$ 310,320	\$ 2,589,362	\$ 174,342,328	
	79.65%	14.84%	1.86%	3.65%	98.34%	0.18%	1.49%	100.01%	
Customers ³	26,189	5,558	649	1,135	33,531				
	78.10%	16.58%	1.94%	3.38%	100.00%				
Average Percentage	78.88%	15.71%	1.90%	3.52%	95.10%	4.54%	0.37%	100.01%	
Allocation of Allocable Expenses	280,708	55,914	6,762	12,528	355,912	16,993	1,385	\$ 374,290	<u>Check Total</u>
Effective Allocation %	75.00%	14.94%	1.81%	3.35%		4.54%	0.37%		\$ -
¹ - TSC employees not counted as their payroll and benefits are charged directly; PWS - 100% of 1 employee and 50% of 1 employee charged directly and not counted ² - Based on December 2009 Preliminary Less Intercompany Account Balances per Charlie/Larry 5/07 ³ - Based on December 2009 Actuals ⁴ - Effective 5/31/08 TSC will not be charged square footage									

Allocation Calculation - Tier 2 (All Regulated Companies plus PWSC)									
	PWW	PEU	Pittsfield	North Country	Total Regulated	Con Ops (PWS) 1	Real Estate (TSC)	Total	
Total Assets ²	\$ 136,548,832	\$ 25,439,853	\$ 3,194,767	\$ 6,259,194	\$ 171,442,646	\$ 310,320	\$ -	\$ 171,752,966	
	79.65%	14.84%	1.86%	3.65%	99.82%	0.18%	0.00%	100.00%	
Customers ³	26,189	5,558	649	1,135	33,531	5,521	0	39,052	
	78.10%	16.58%	1.94%	3.38%	65.86%	14.14%			
Average Percentage	78.88%	15.71%	1.90%	3.52%	92.84%	7.16%		100.00%	
Allocation of Allocable Expenses	74,152	14,770	1,796	3,309	94,017	7,251	0	\$ 101,268	<u>Check Total</u>
Effective Allocation %	73.22%	14.59%	1.76%	3.27%		7.16%	N/A		\$ -
¹ - PWS customers based on municipality customers and pro rated based on services rendered									

Return on Assets

Allocation Calculation - Tier 3 (PWW, PEU and PWSC)

					Con Ops	Real Estate	Total	Check Total
	PWW	PEU	Pittsfield	North Country	(PWS)	(TSC)		
Total Assets ²	\$ 136,548,832 84.13%	\$ 25,439,853 15.67%			\$ 310,320 0.19%		\$ 162,299,005 99.99%	
Customers ³	26,189 70.27%	5,558 14.91%			5,521 14.81%		37,268 99.99%	
Average Percentage	77.20%	15.29%			7.50%		99.99%	
Allocation of Allocable Expenses	\$ 19,348	\$ 3,832	0		\$ 1,880	0	\$ 25,060	\$ -
Effective Allocation %	77.21%	15.29%	N/A		7.50%	N/A		

Allocation Calculation - Tier 4 (Regulated Companies)

					Con Ops	Real Estate	Total	Check Total
	PWW	PEU	Pittsfield	North Country	(PWS)	(TSC) ¹		
Total Assets ²	\$ 136,548,832 82.66%	\$ 25,439,853 15.40%	\$ 3,194,767 1.93%	\$ 6,259,194 3.79%			\$ 165,183,452 99.99%	
Customers ³	26,189 80.84%	5,558 17.16%	649 2.00%	1,135 3.50%			32,396 100.00%	
Average Percentage	81.75%	16.28%	1.97%	3.65%			100.00%	
Allocation of Allocable Expenses	\$ 53,526	\$ 11,157	\$ 1,350	\$ 2,501	0	0	\$ 68,534	\$ -
Effective Allocation %	78.10%	16.28%	1.97%	3.65%	N/A	N/A		

Specific Allocation Calculations - Tier 5-7

					Con Ops	Real Estate	Total	Check Total
	PWW	PEU	Pittsfield	North Country	(PWS)	(TSC) ¹		
Direct Allocable Costs	0 N/A	0 N/A				0 N/A		\$ -

Return on Assets

Summary of Allocations	Real Estate						Totals	unallocated	Check Total
	PWW	PEU	Pittsfield	North Country	Con Ops (PWS)	(TSC)			
Tier 1	280,708	55,914	6,762	12,528	16,993	1,385	374,290		
Tier 2	74,152	14,770	1,786	3,309	7,251	-	101,268		
Tier 3	19,348	3,832	-	-	1,880	-	25,060		
Tier 4	53,526	11,157	1,350	2,501	-	-	68,534		
PWSC only and PAC only	-	-	-	-	-	-	-		
Total Allocations	427,734	85,673	9,898	18,338	26,124	1,385	569,152	TSC	
	75.15%	15.05%	1.74%	3.22%	4.59%	0.24%	100.00%		

Summary Transfers from PWW Operating to Other Companies		
Full Year Amounts		
	Annual Amts	Monthly Amts
PWW operating expense allocation - PWW	\$ (141,418)	\$ (11,784)
PWW operating expense allocation - PEU	\$ 85,673	\$ 7,139
PWW operating expense allocation - Pittsfield	\$ 9,898	\$ 825
PWW operating expense allocation - North Country	\$ 18,338	\$ 1,528
PWW operating expense allocation - PCP	\$ -	\$ -
PWW operating expense allocation - PWS	\$ 26,124	\$ 2,177
PWW operating expense allocation - TSC	\$ 1,385	\$ 115
Check Totals	\$ -	\$ -

Corporation

Pennichuck Corporation
Mgmt Fee Expense Allocation (to other Subsidiary Companies)
For Month Ending 12/31/09

Professional Fees	114,502
Prof Fees & Services: SOX Consult Fee	60,370
D&O Insurance	172,958
Annual Report Cost	34,965
Auditors Expense/SEC Legal	270,898
Corp Governance Legal/American Stock Transfer	42,053
Directors Fees & Meetings/Corporate Secretary	205,052
EDGAR Filing/NASDAQ/All Other Misc	74,427
YTD Twelve Months Ending 12/31/09	975,215

Allocation Calculation - level 1 (All Companies)

	PWW	PEU	Pittsfield	North Country	Total Regulated	Con Ops (PWS)	Real Estate (TSC)	Total	
Revenues	\$ 23,403,250	\$ 5,037,925	\$ 604,498	\$ 947,769	\$ 29,993,442	\$ 2,770,212	\$ -	\$ 32,763,654	
December 2009 Prelims	71.43%	15.38%	1.85%	2.69%		8.46%	0.00%	100.00%	
Total Assets	\$ 136,548,832	\$ 25,439,853	\$ 3,194,767	\$ 6,259,194	\$ 171,442,646	\$ 310,320	\$ 2,589,362	\$ 174,342,328	
December 2009 Prelims	78.32%	14.59%	1.83%	3.59%		0.18%	1.49%	100.00%	
Average Percentage	74.88%	14.98%	1.84%	3.24%		4.32%	0.74%	100.00%	
Allocation of Allocable Expenses	730,207	146,131	17,929	31,612	925,879	42,095	7,241	975,215	<u>Check Total</u> \$ 0

Summary Transfers from PCP Operating to Other Companies - Full Year Amounts

	YTD Costs	Current Balance	Monthly Adj
PCP Mgmt Fee Expense Allocation - PCP	\$ (975,215)	\$ (975,225)	10
PCP Mgmt Fee Expense Allocation - PWW	\$ 730,207	730,977	(770)
PCP Mgmt Fee Expense Allocation - PEU	\$ 146,131	145,605	526
PCP Mgmt Fee Expense Allocation - PAC	\$ 49,541	49,366	175
PCP Mgmt Fee Expense Allocation - PWS	\$ 42,095	42,090	5
PCP Mgmt Fee Expense Allocation - TSC	\$ 7,241	7,187	54
Check Totals	\$ -	\$ -	\$ -

Step Allocation of Benefits

2008 Benefits	Total Dollars	Non-Union	Union Wage	Allocation Method
		Wage Portion	Portion	
Officer's Life Insurance	11,249	11,249	-	Specific
Pension - DB Plan	760,957	486,577	274,380	Allocated based on pro-rata wages
Group Pension: 401K	171,892	109,912	61,980	Allocated based on pro-rata wages
Post Retirement Health Expense	190,035	121,513	68,522	Allocated based on pro-rata wages
Post Employment Health Expense	95,457	61,038	34,419	Allocated based on pro-rata wages
Employee Service Awards	-	-	-	Allocated based on pro-rata headcounts
Group Health Insurance	1,045,956	522,978	522,978	Based on actual participation (HR)
Health Insurance: Opt Out	15,458	8,524	6,934	Allocated based on pro-rata headcounts
Group Dental	132,857	66,428	66,428	Based on actual participation (HR)
Group Life/Disability Insurance	22,203	12,243	9,960	Allocated based on pro-rata headcounts
Employee Benefits/Section 125	7,224	3,983	3,241	Allocated based on pro-rata headcounts
Misc Employee Benefits	46,394	25,582	20,812	Allocated based on pro-rata headcounts
Employee Relations	-	-	-	Allocated based on pro-rata headcounts
Tuition Reimbursements	9,243	5,097	4,146	Allocated based on pro-rata headcounts
Training Educational Seminars	38,237	21,084	17,153	Allocated based on pro-rata headcounts
Boot & Clothing Allowance-OPS	187,991	-	187,991	Allocated based on pro-rata wages
Boot & Clothing Allowance-CS-Union	3,833	-	3,833	Allocated based on pro-rata wages
Boot & Clothing Allowance-WTP	84,387	-	84,387	Allocated based on pro-rata wages
Union Sick Time	52,925	-	52,925	Allocated based on pro-rata wages
Vacation Earned YTD (per Acc Vac Rpt) Union Only	137,192	-	137,192	From LG's calculation
SERP	49,101	49,101	-	Specific
Payroll Taxes:				
Employer FICA/Medicare	509,654	303,673	205,981	Allocated based on pro-rata wages
FUTA	6,464	4,133	2,331	Allocated based on pro-rata wages
SUI	4,501	2,878	1,623	Allocated based on pro-rata wages
Total Benefits	3,583,209	1,815,993	1,767,216	
Benefits % (of wages)	48.5%	38.33%	66.56%	
Total Wages thru 12/31/08	7,467,472	4,774,907	2,692,565	Wages per Payroll (ADP)
Less: Accrued Wages as of 12/31/07	(151,622)	(85,559)	(66,063)	Year End Payroll Accrual Entry
Add: Accrued Wages thru current mo-end	77,213	48,528	28,685	Current Month Payroll Accrual
Grand Total Wages	7,393,063	4,737,877	2,655,187	
%	100.0%	64.1%	35.9%	
Total Headcount	107	59	48	
(Excluding Summer Help)	100.0%	55.1%	44.9%	

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

(27) Uniform Statistical Report – Not Applicable.

WAIVER OF CERTAIN PROVISIONS OF
PUC 1600 FILING RULES

- (28) Summary Work Papers – To be submitted with testimony and supporting schedules in 1604-06.