

**PENNICHUCK EAST UTILITY, INC.**  
**BALANCE SHEET**  
**ASSETS AND DEFERRED CHARGES**  
**For the Twelve Months Ended December 31, 2020**

Schedule LDG-1  
Page 1 of 2  
Updated 10/13/21 OCA DR 1

	Account Number	12/31/2020	Pro Forma Adjustments	Proforma 12/31/20
<b><u>PLANT ASSETS</u></b>				
Plant in Service	301 to 348	81,669,595	-	81,669,595
Work in process	105	391,156	-	391,156
Utility Plant		82,060,751	-	82,060,751
Accumulated depreciation	108	16,404,405	-	16,404,405
Net Plant		65,656,346	-	65,656,346
Net Acquisition Adjustment	114 & 115	4,892,140	-	4,892,140
Total Net Utility Plant		60,764,206	-	60,764,206
<b><u>CURRENT ASSETS</u></b>				
Cash & Special Deposits	131 & 133	676,883	657,043 (1)	1,333,926
Accounts receivable-billed, net	141 & 143	1,146,764	-	1,146,764
Accounts receivable-unbilled, net	173	614,852	-	614,852
Accounts receivable-other	142	-	-	-
Inventory	151	-	-	-
Prepaid expenses	162	9,340	-	9,340
Prepaid property taxes	163 & 236	213,672	-	213,672
Prepaid taxes	162.3	-	-	-
		2,661,511	657,043	3,318,554
<b><u>OTHER ASSETS</u></b>				
Debt issuance expenses	181	227,062	-	227,062
Acquisition Premium - MARA	186	7,147,636	-	7,147,636
Other & Deferred Charges	182,184,186	820,158	-	820,158
		8,194,855	-	8,194,855
<b>TOTAL ASSETS</b>		<b>\$ 71,620,572</b>	<b>\$ 657,043</b>	<b>\$ 72,277,615</b>

**Notes:**

(1) refill of PEU RSF bank accounts to their imprest levels, compared to the actual balances at 12/31/2020.

	Bank Balance at 12/31/2020	Imprest Levels	Adjustment Required
CBFRR RSF	200,428.00	31,000.00	(169,428.00)
MOERR RSF	17,689.00	898,000.00	880,311.00
DSRR RSF	104,840.00	51,000.00	(53,840.00)
	322,957.00	980,000.00	657,043.00

<u>Allocation of borrowed funds:</u>	refill of RSF funds	657,043.00
	Repayment of intercompany payables used to fund RSFs	1,886,452.00
		2,543,495.00

\$ 71,620,572.17    *check*

**PENNICHUCK EAST UTILITY, INC.**  
**BALANCE SHEET**  
**EQUITY AND LIABILITIES**  
**For the Twelve Months Ended December 31, 2020**

Schedule LDG-1  
Page 2 of 2  
Updated 10/13/21 OCA DR 1

	Account Number	12/31/2020	Pro Forma Adjustments	Proforma 12/31/20
<b>STOCKHOLDERS' EQUITY</b>				
Common stock	201	\$ 100	\$ -	\$ 100
Paid in capital	211	\$ 10,917,251	-	\$ 10,917,251
Comprehensive Income	219	\$ (275,723)	-	\$ (275,723)
Retained earnings	215	\$ (2,517,638)	(83,462) (2)	\$ (2,601,100)
		8,123,990	(83,462)	8,040,528
<b>LONG TERM DEBT</b>				
Bonds, notes and mortgages	221	\$ 22,294,289	2,543,495 (1),(3)	24,837,784
Intercompany advances	223	9,547,734	(1,802,990) (3)	7,744,744
Other Long Term Debt	224	\$ 459,539	-	459,539
<b>CURRENT LIABILITIES</b>				
Accounts payable	231	\$ 1,081,549	-	1,081,549
Accrued property taxes	236	\$ -	-	-
Accrued interest payable	237	\$ 35,409	-	35,409
Fixed Asset Line of Credit	232	\$ 306,270	-	306,270
Other accrued expenses	241	\$ 428,972	-	428,972
Income taxes payable	236	\$ -	-	-
Customer deposits & other	235	\$ 95,814	-	95,814
		1,948,015	-	1,948,015
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>				
Deferred income taxes	282 & 283	\$ 5,887,764	-	5,887,764
Customer advances	252	\$ -	-	-
CIAC, net	271 & 272	\$ 23,359,240	-	23,359,240
Other long term liabilities		-	-	-
		29,247,005	-	29,247,005
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>\$ 71,620,572</b>	<b>\$ 657,043</b>	<b>\$ 72,277,615</b>

Notes:

(1) To record the CoBank Debt and Intercompany Loan as follows:

CoBank Loan \$ 2,543,495 **CoBank**

(2) To record the impact of interest and income tax provision/benefit on retained earnings.

(3) To record the use of funds through the intercompany debt and the impact of the intercompany loan refinance.

\$ - check                      \$ - check

**PENNICHUCK EAST UTILITY, INC.**  
**OPERATING INCOME STATEMENT**  
**For the Twelve Months Ended December 31, 2020**

**Schedule LDG-2**  
**Page 1 of 2**  
**Updated 10/13/21 OCA DR 1**

	<b>Account Number</b>	<b>Twelve Months 12/31/20</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma 12 Months 12/31/20</b>
Water Sales	460 to 462	\$ 9,789,711	-	\$ 9,789,711
Other Operating Revenue	471	15,489	-	\$ 15,489
Total Revenues		9,805,200	-	9,805,200
Production Expenses	601 to 652	2,670,931	-	2,670,931
Transmission & Distribution Expenses	660 to 678	743,929	-	743,929
Customer Acct & Collection Exp	902 to 904	184,845	-	184,845
Administrative & General Expense	920 to 950	177,946	-	177,946
Inter Div Management Fee	930	2,481,134	-	2,481,134
Total Operating Expense		6,258,785	-	6,258,785
Dep Exp/Acq Adj Expense	403 & 406	1,788,380	-	1,788,380
Amortization Expense:CIAC	405	(835,087)	-	(835,087)
Amortization Expense	407	283,372	-	283,372
Gain on Debt Forgiveness	414	(24,708)	-	(24,708)
Property Taxes	408.1	1,186,363	-	1,186,363
Income Tax	409 to 410	738,337	(30,995) (2)	707,342
Total Operating Deductions		3,136,656	(30,995)	3,105,661
Net Operating Income		409,759	30,995	440,754
Other Income and Deductions		7,454	-	7,454
Interest Expenses		778,589	114,457 (1)	893,046
Net Income		(361,376)	(83,462)	(444,838)

**Notes:**  
1 - To record the change in interest expense.  
2 - To record the tax impact resulting from additional expenses, at the statutory rate of 27.08%.

(361,375.83) *check*

PENNICHUCK EAST UTILITY, INC.  
OPERATING INCOME STATEMENT  
For the Twelve Months Ended December 31, 2020

Schedule LDG-2  
Page 2 of 2  
Updated 10/13/21 OCA DR 1

**Supporting Calculations:**

**Interest Expense:**

	Amount	Rate	Interest
New CoBank Loan	\$ 2,543,495	4.500%	\$ 114,457
<b>Totals</b>	<b>\$ 2,543,495</b>		<b>\$ 114,457</b>

Pennichuck East Utility, Inc.  
2020 CoBank Financing  
Projected Rate Impact on Single Family Residential Home

Schedule LDG-3  
Page 1 of 1  
Updated 10/13/21 OCA DR 1

CoBank Loan Amount -	\$ 2,543,495	(a)	\$ 2,543,495	
Loan Percentage -	4.50%		4.50%	
Loan Term (in years) -	25		25	
Annual Principal & Interest on Loan -	\$171,531	(b)	\$171,531	
Coverage Multiplier, under DW 16-806 -	1.1 x	(c)	1.1 x	
Revenue Requirement for P&I: [(b) x (c)] -	\$188,684	(d)	\$188,684	
Property tax rate/\$1000 <sup>Note 1</sup> -	\$ -	(e)	\$ -	
Projected Property Taxes: [(a)/1000 x (e)] -	\$ -	(f)	\$ -	
Projected Revenue Requirement: [(d) + (f)] -	\$188,684	(g)	\$188,684	
DW 17-128 Allowed Revenue Requirement -	\$ 8,276,261	(h)		
W 20-156 Revenue Requirement (based upon current status of 1604.06 schedules as 8/10/2021)		(h)	\$ 10,138,133	
Calculated QCPAC Surcharge: [(g)/(h)] -	2.28%	(i)	1.86%	resulting from the proposed external CoBank financing
Current Monthly Single Family Residential Bill <sup>Note 2</sup> -	\$ 74.54	(j)	\$ 74.54	
Monthly impact on Single Family Residential Bill of the external Financing: [(i) x (j)] -	\$ 1.70	per month	\$ 1.39	

Note 1 - combined blended local property taxes (\$15.30/1,000) and State Utility Tax (\$6.60/\$1,000) - not applicable in this docket

Note 2 - From rates approved under DW 17-128, without subsequent QCPAC surcharges

Pennichuck East Utility, Inc.  
Weighted Average Cost of Long-Term Debt  
For the Twelve Months Ended December 31, 2019  
Attachment TS 3-2b  
8/10/2021, updated 10/13/21 OCA DR 1

Schedule 5

PEU RSF COBANK LOAN PETITION  
DW 21-129  
LDG-7

Holder	Term	Maturity	Coupon Rate	Outstanding	New Debt	Annual Interest (1)	Annual	All In Annual Cost	Effective Rate	2019 TY	2019 TY	2019 TY	2019 Pro Form	2019 Pro Form	2019 TY Pro Form	2020 Principal Payments (6)	2020 Interest Payments (6)	2020 Principal and
				Balance as of 12/31/19	Added in 2020		Amortization Issue Costs			Principal Payments(6)	Interest Payments (6)	Principal and Interest Payments (6)	Adj to 2019 TY Principal	Adj to 2019 TY Interest	Principal and Interest Payments (6)			Interest Payments (6)
CoBank	20	03/01/30	5.950%	2,715,544	-	161,575	1,277	162,852	6.00%	\$ 212,716.10	\$ 120,540.12	\$ 333,256.22	\$ 7,378.39	\$ (44,721.70)	\$ 295,912.91	\$ 220,094.49	\$ 75,818.42	\$ 295,912.91
State of NH SRF (Green Hills) (4)	20	01/01/25	3.728%	113,245	-	4,222	6,854	11,076	9.78%	\$ 17,325.00	\$ 4,688.74	\$ 22,013.74	\$ -	\$ (862.06)	\$ 21,151.68	\$ 17,325.00	\$ 3,826.68	\$ 21,151.68
State of NH SRF (Pelham Tank)	20	01/01/27	3.488%	242,897	-	8,472	247	8,719	3.59%	\$ 30,113.95	\$ 9,044.21	\$ 39,158.16	\$ 1,067.31	\$ (1,067.31)	\$ 39,158.16	\$ 31,181.26	\$ 7,976.90	\$ 39,158.16
State of NH SRF (Maple Hills)	20	06/01/30	2.952%	353,184	-	10,426	483	10,909	3.09%	\$ 28,543.00	\$ 10,884.44	\$ 39,427.44	\$ 857.00	\$ (854.11)	\$ 39,430.33	\$ 29,400.00	\$ 10,030.33	\$ 39,430.33
State of NH SRF (Birch Hill) (3)	20	12/01/31	2.864%	1,193,378	-	34,178	549	34,727	2.91%	\$ 82,858.54	\$ 35,469.37	\$ -	\$ (82,858.54)	\$ (35,469.37)	\$ (118,327.91)	\$ -	\$ -	\$ -
State of NH SRF (Locke Lake - 2007) (4)	20	05/01/30	2.952%	151,960	-	4,486	90	4,576	3.01%	\$ 12,325.00	\$ 4,743.25	\$ 17,068.25	\$ 59.00	\$ (475.71)	\$ 16,651.54	\$ 12,384.00	\$ 4,267.54	\$ 16,651.54
State of NH SRF (Locke Lake - 2011) (4)	20	06/01/33	2.864%	227,937	-	6,528	434	6,962	3.05%	\$ 6,427.23	\$ 6,722.64	\$ 13,149.87	\$ 572.19	\$ (364.14)	\$ 13,357.92	\$ 6,999.42	\$ 6,358.50	\$ 13,357.92
State of NH SRF (Liberty Tree) (9)	20	04/01/35	3.104%	334,930	-	10,396	531	10,927	3.26%	\$ 8,013.00	\$ 10,651.04	\$ 18,664.04	\$ 752.00	\$ (477.56)	\$ 18,938.48	\$ 8,765.00	\$ 10,173.48	\$ 18,938.48
State of NH SRF (Locke Lake - 2012)	20	12/1/2033	2.720%	300,407	-	8,171	1,057	9,228	3.07%	\$ 17,522.57	\$ 8,430.29	\$ 25,952.86	\$ 482.62	\$ (482.60)	\$ 25,952.88	\$ 18,005.19	\$ 7,947.69	\$ 25,952.88
CoBank \$1.7M Loan (RX0848T4)	10	06/20/23	3.620%	1,294,541	-	46,862	1,632	48,494	3.75%	\$ 72,802.23	\$ 49,104.29	\$ 121,906.52	\$ 2,584.90	\$ (2,579.31)	\$ 121,912.11	\$ 75,387.13	\$ 46,524.98	\$ 121,912.11
CoBank \$925k Loan (RX0848T3)	20	06/20/33	4.250%	706,244	-	30,015	444	30,459	4.31%	\$ 37,785.18	\$ 31,402.82	\$ 69,188.00	\$ 1,575.36	\$ (1,571.50)	\$ 69,191.86	\$ 39,360.54	\$ 29,831.32	\$ 69,191.86
SRF Loan - Locke Lake Dam Site Phase 2	20	07/01/35	2.720%	327,933	-	8,920	-	8,920	2.72%	\$ 16,784.77	\$ 9,168.10	\$ 25,952.87	\$ 462.28	\$ (462.29)	\$ 25,952.86	\$ 17,247.05	\$ 8,705.81	\$ 25,952.86
SRF Loan - Locke Lake-Winwood & Monroe-Phase I	20	07/01/36	2.720%	333,303	-	9,066	343	9,409	2.82%	\$ 15,794.06	\$ 9,299.52	\$ 25,093.58	\$ 434.98	\$ (435.02)	\$ 25,093.54	\$ 16,229.04	\$ 8,864.50	\$ 25,093.54
SRF Loan - Locke Lake-Winwood & Monroe-Phase II	20	11/01/36	2.464%	349,020	-	8,600	263	8,863	2.54%	\$ 16,530.00	\$ 8,821.30	\$ 25,351.30	\$ 412.00	\$ (411.94)	\$ 25,351.36	\$ 16,942.00	\$ 8,409.36	\$ 25,351.36
SRF Loan - W&E Main Replacement	20	08/01/36	2.616%	882,518	-	23,087	672	23,759	2.69%	\$ 41,965.90	\$ 23,683.68	\$ 65,649.58	\$ 1,111.09	\$ (1,111.06)	\$ 65,649.61	\$ 43,076.99	\$ 22,572.62	\$ 65,649.61
SRF Loan - Hickory & Avery	20	04/01/36	2.616%	359,529	-	9,405	119	9,524	2.65%	\$ 17,528.81	\$ 9,654.68	\$ 27,183.49	\$ 464.07	\$ (464.11)	\$ 27,183.45	\$ 17,992.88	\$ 9,190.57	\$ 27,183.45
SRF Loan - Hardwood Treatment Station	20	07/01/36	2.464%	491,091	-	12,100	349	12,450	2.54%	\$ 23,832.44	\$ 12,419.77	\$ 36,252.21	\$ 594.00	\$ (593.94)	\$ 36,252.27	\$ 24,426.44	\$ <b>11,825.83</b>	\$ 36,252.30
CoBank 625K Loan	25	03/06/40	4.900%	557,471	-	27,316	1,635	28,951	5.19%	\$ 15,609.72	\$ 28,158.70	\$ 43,768.42	\$ 714.99	\$ (713.68)	\$ 43,769.73	\$ 16,324.71	\$ 27,445.02	\$ 43,769.73
CoBank 1.25M Loan T6(1st tranche)	25	11/01/41	4.200%	1,160,174	-	48,727	489	49,217	4.24%	\$ 31,223.38	\$ 50,197.69	\$ 81,421.07	\$ 1,216.68	\$ (1,214.92)	\$ 81,422.83	\$ 32,440.06	\$ 48,982.77	\$ 81,422.83
CoBank 950K Loan T6(2nd tranche)	25	11/01/41	4.830%	887,255	-	42,854	211	43,066	4.85%	\$ 21,944.94	\$ 44,091.35	\$ 66,036.29	\$ 976.13	\$ (974.35)	\$ 66,038.07	\$ 22,921.07	\$ 43,117.00	\$ 66,038.07
SRF Loan - Locke Lake Varney Road	20	11/01/37	1.960%	1,356,529	-	26,588	691	27,279	2.01%	\$ 63,287.36	\$ 27,261.88	\$ 90,549.24	\$ 1,251.66	\$ (1,251.66)	\$ 90,549.24	\$ 64,539.02	\$ 26,010.22	\$ 90,549.24
Intercompany 2018 PEU - \$1,701,516	30	05/01/48	3.200%	1,646,609	-	52,691	-	52,691	3.20%	\$ 35,000.76	\$ 53,301.12	\$ 88,301.88	\$ 1,136.58	\$ (1,136.58)	\$ 88,301.88	\$ 36,137.34	\$ 52,164.54	\$ 88,301.88
Intercompany 2018 PEU (North Country)- \$1,157,403 (5)	30	05/01/48	3.200%	1,120,054	-	35,842	-	35,842	3.20%	\$ 23,808.14	\$ 36,256.42	\$ -	\$ (23,808.14)	\$ (36,256.42)	\$ (60,064.56)	\$ -	\$ -	\$ -
SRF Loan 2017 - Brady Ave (Derry)	30	TBD	1.960%	563,319	-	11,041	63	11,104	1.97%	\$ 5,633.11	\$ 16,196.16	\$ 21,829.27	\$ 5,871.92	\$ (5,276.75)	\$ 22,424.44	\$ 11,505.03	\$ 10,919.41	\$ 22,424.44
SRF Loan 2017 Hillcrest Road (Litchfield)	20	TBD	1.960%	238,741	-	4,679	-	4,679	1.96%	\$ 3,306.31	\$ 5,482.03	\$ 8,788.34	\$ 6,743.12	\$ (892.66)	\$ 14,638.80	\$ 10,049.43	\$ 4,589.37	\$ 14,638.80
Co-Bank	25	05/20/43	5.330%	339,168	-	18,078	402	18,480	5.45%	\$ 7,034.31	\$ 18,555.81	\$ 25,590.12	\$ 337.59	\$ (336.95)	\$ 25,590.76	\$ 7,371.90	\$ 18,218.86	\$ 25,590.76
Merrimack River Crossing SRF	20	09/01/39	1.960%	2,367,217	-	46,397	238	46,636	1.97%	\$ 32,783.37	\$ 64,446.05	\$ 97,229.42	\$ 66,860.63	\$ (18,940.57)	\$ 145,149.48	\$ 99,644.00	\$ 45,505.48	\$ 145,149.48
Locke Lake Georgetown Main Replacement (7)	30	TBD	2.704%	958,333	-	25,913	-	25,913	2.70%	\$ -	\$ -	\$ -	\$ \$0.00	\$ \$0.00	\$ -	\$ \$0.00	\$ \$0.00	\$ -
CoBank 1.153M Loan T9 (8)	25	06/01/44	4.380%	1,144,579	-	50,133	-	50,133	4.38%	\$ 8,421.40	\$ 18,326.07	\$ 26,747.47	\$ 17,606.13	\$ 32,176.77	\$ 76,530.37	\$ 26,027.53	\$ 50,502.84	\$ 76,530.37
2020 CoBank 800K Loan (2)	25	11/23/45	3.980%	-	800,122	31,845	-	31,845	3.98%	\$ -	\$ -	\$ -	\$ 19,264.31	\$ 31,844.86	\$ 51,109.17	\$19,264	\$31,845	\$ 51,109.17
2021 CoBank Loan to refill RSF (9)	25	-	4.500%	-	-	-	-	-	-	-	-	-	-	-	\$57,074	\$114,457	\$114,457	\$ 171,530.85
TOTAL				22,717,109	800,122	818,615	19,073	837,689	3.69%	\$ 800,253.90	\$ 655,275.75	\$ 1,455,529.65	\$ 140,786.93	\$ (23,650.85)	\$ 1,572,665.73	\$ 998,114.39	\$ 746,082.18	\$ 1,744,196.60

Notes:  
(1) The annual interest expense is calculated based on the outstanding balance at year end multiplied by the stated interest rate. The calculated interest expense will differ from interest expense recorded in the test year due to loan repayments made during the year.  
(2) Projected terms for CoBank 2020 loan  
Referred CoBank FALOC to pay for PEU 2019 QCP's \$ 800,122.00 \$ 19,264.31 \$31,844.86 Loan approved via PUC Ordeer #26,418 in response to DW20-081. Loan expected to be closed on during two weeks of December 2020  
Loan Term 25 Year  
Loan Interest Rate 3.98%  
(3) The Long Term Debt related to the SRF Loan for the Birch Hill assets associated with Capital Recovery Surcharge Related Property. The amount of this debt is proformed out in Schedule 1 and 2 and will be included in intercompany debt. The annual interest and amortization issue costs have also been removed on this schedule.  
(4) Principal payment shown is net of debt principal forgiveness  
(5) The Long Term Debt related to the Intercompany Loan for the Locke Lake assets associated with Capital Recovery Surcharge Related Property. The amount of this debt is proformed out in Schedule 1 and 2 and will be included in intercompany debt. The annual interest and amortization issue costs have also been removed on this schedule.  
(6) 2019 P&I payments associated with NCCRS debt is not included in these totals  
(7) Portion of \$4.24 million NHDES SRF loan approved in Order #26,189 in response to DW18-132 associated with the Georgetown water main replacement work that was completed in 2019. Loan will not convert from short to long term until June 2021 so no P&I allocable to this case.  
(8) CoBank Loan approved in Order #26,253 in response to DW19-069 associated with QCP's completed in 2018.  
(9) CoBank loan to refill RSF to improve levels per Puc 1604.06 Sch 1, Attach A, Pg 3 in the amount of \$ 2,543,495 for a period of 25 years at a rate of 4.50%  
Total amount of loan to refill RSF is based on a MOEF of 4.00%

Pennichuck East Utility, Inc.  
Stabilization Fund Calculations  
Settlement Agreement  
Revised Per Staff and Town DR 3 and Tech session adjustments  
3/10/2021, updated 10/13/21 per OCA DR 1

PEU RSF CoBANK LOAN PETITION  
DW 21-129  
LDG-8

Increase in Material Operating Expenses of 3.00%  
per year based on average increase of these expenses  
per year between 2012 and 2017. See Table below  
for calculation  
Revenue Share

Percentage of revenues that were variable during the previous 5 years - 57.5%

Expense TypeAnnual Metered Sales (CCF)

Results in an Operating Expense reduction of	\$ 55,246
Results in an Operating Income reduction of	\$ 139,663

### Calculation of Annual Material Operating Expense Adjustment Percentage

	Production Expenses	\$ 1,991,779	\$ 1,966,063	\$ 2,290,425	\$ 2,257,199	\$ 2,349,324	\$ 2,670,931	17.95%	4.21%	1.28%	7.99%
	Transmission & Distribution Expenses	\$ 616,944	\$ 696,492	\$ 737,584	\$ 1,006,231	\$ 743,929	\$ 743,929	9.64%	2.33%	-0.43%	0.43%
	Customer Acct & Collection Exp	\$ 184,106	\$ 192,789	\$ 200,152	\$ 204,718	\$ 198,984	\$ 184,845	8.08%	1.96%	-0.29%	-3.90%
	Administrative & General Expenses	\$ 155,295	\$ 167,568	\$ 184,537	\$ 181,461	\$ 174,090	\$ 177,946	12.10%	2.90%	-2.87%	-1.80%
Inter Div Management Fee (Sum of PWW and PCP fees)		\$ 1,811,426	\$ 2,098,399	\$ 2,356,956	\$ 2,397,261	\$ 2,434,683	\$ 2,481,134	34.41%	7.67%	1.64%	2.60%
	Amortization Expense	\$ 50,687	\$ 58,618	\$ 86,683	\$ 127,440	\$ 52,281	\$ 64,174	3.14%	0.78%	-22.34%	-13.96%
	Property Taxes	\$ 1,051,160	\$ 891,416	\$ 1,021,406	\$ 1,174,044	\$ 1,241,441	\$ 1,182,385	18.10%	4.25%	10.25%	7.59%
	Federal and State Income Taxes	\$ -	\$ -	\$ 18,779	\$ 3,775	\$ 23,882	\$ 3,978				
	Less NOERR Expenses	\$ 8,305	\$ 20,278	\$ 36,869	\$ 27,863	\$ 7,163	\$ 17,518				
	Total Annual MOERR Expenses	\$ 5,853,091	\$ 6,051,067	\$ 6,859,654	\$ 7,324,266	\$ 7,143,950	\$ 7,491,804	22.05%	5.11%	2.05%	4.51%
	Less variable expenses for the year	\$ 1,355,962	\$ 1,301,115	\$ 1,492,906	\$ 1,443,389	\$ 1,520,218	\$ 1,801,903	12.11%	2.90%	0.91%	9.86%
	Total Annual MOERR Expenses less variable expenses	\$ 4,497,129	\$ 4,749,952	\$ 5,366,747	\$ 5,880,877	\$ 5,623,732	\$ 5,689,901	25.05%	5.75%	2.37%	2.97%

\$	209,470	\$	159,823
\$	425,224	\$	159,823
\$	647,451	\$	159,823

\$	7,313,909	\$	7,244,086	\$	69,823	\$	967,823
\$	7,313,909	\$	7,459,840	\$	(145,931)	\$	821,893
\$	7,313,909	\$	7,682,067	\$	(368,158)	\$	453,735
						\$	872,675

Pennichuck East Utilities  
DW17-128  
Calculation of Rate Stabilization Funds

- Notes:**
1. Based on Debt Service Multiplier of

1.10

per Sch A of 1604.06 schedules. The 1.1 multiplier is not applied to the North Country Capital Recovery Surcharge P&I. Revenue requirement is inclusive of the

\$

30,188.00

of other revenues
2. Revenue requirements per Sch A of 1604.06 schedules
3. Requested Rate Stabilization fund for Operating Expense and P & I Coverage each have a contingency of

0%

safety factor and are based on year ending 2019 results
4. PEU share of the \$5,000,000 RSF for distribution to the RSF, MOERSF and the P&IRSF is<sup>5</sup>

19.56%

based on % of PWW revenues (2012 Case) to % of all three regulated utilities revenues (2012 Cases) or

\$

980,000
5. Calculation of RSF Percentage based on Revenue requirements from DW13-126, 13-128 and 13-130

PWW Revenue Requirment -	\$	27,689,214	per DW13-130 Settlement Agreement
PEU Revenue Requirement -	\$	6,913,261	per DW13-126 Settlement Agreement
PAC Revenue Requirement -	\$	745,186	per DW13-128 Settlement Agreement
Total Utility Revenue Requirement -	\$	35,347,661	

6. For Calculation of Operating Expense Requirement see Exhibit 1.1

2015 Billed Recoupment from DW13-1xx -

\$

196,261

2016 Billed Recoupment from DW13-1xx -

\$

16,968
9. 2019 amortization expense proforma does not include deferred debit to refill depleted RSF accounts
10. 2018 Revenues include