

Aquarion Water Company of New Hampshire
2012 Annual WICA Surcharge Filing

**WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT
 CALCULATION OF SURCHARGE**

Line					<u>Schedule Ref.</u>	
1						
2	Total Investment through 09/30/2012				TD-1, Pg 3 Col 6 Ln 13	\$ 834,663
3						
4	Allowed Return on Rate Base				TD-1, Pg 2 Col 8	<u>7.49%</u>
5						
6	Allowed Return on Investment				Ln 17	\$ 62,516
7						
8	Income Tax on Equity Component					
9						
10		(a)	(b)	(c)	(d)	
11		Weighted	Tax	Pre tax	Tax Gross Up	
12		Cost	Multiplier	Cost	Col (c) - Col (a)	
13						
14	Debt	3.58%	1.00	3.58%	0.00%	
15	Equity	<u>3.91%</u>	1.68	<u>6.57%</u>	<u>2.66%</u>	
16						
17		7.49%		10.15%	2.66%	
18						
19	Total Eligible Investment (Line 2 above)				\$	834,663
20						
21	Income Tax Expense				Ln 16 Col D X Ln 18	22,202
22						
23	Depreciation Expense				TD-1, Pg 3 Col 8 Ln 41	16,080
24						
25	Property Tax Expense				TD 1, Pg 3 Col 10 Ln 41	16,447
26						
27	Adjustment: Annual Revenues Allowed				Lines 6 through 25	<u>\$ 117,246</u>
28						
29						

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**WATER INFRASTRUCTURE & CONSERVATION ADJUSTMENT
 COMPLETED PROJECTS**

Line	Project Name or Class Category **	1	2	3	4	5	6	7	8	9	10 = (4 x 8) + 5 + 6 + 7
		Estimated Completion Date**	Actual Completion Date	Estimated Project Cost**	Actual Project Cost	Depreciation Expense	Property Tax Expense	Income Tax Expense	Rate of Return	Annual Retail Revenues	WICA Adjustment
											Dollars
1											
2	Project Surcharge Proposed Herein										
3	Atlantice Avenue - H539 to Maple Road	30-Sep-12	30-Sep-12	\$ 574,500	\$ 553,908	\$ 6,394	\$ 10,790	\$ 14,734	7.49%	\$ 6,094,612	73,406
4	Customer Meters	30-Sep-12	30-Sep-12	\$ 230,860	\$ 224,539	\$ 8,323	\$ 4,622	\$ 5,973	7.49%	\$ 6,094,612	35,735
5	Hydrants	30-Sep-12	30-Sep-12	\$ 32,700	\$ 10,395	\$ 152	\$ 138	\$ 277	7.49%	\$ 6,094,612	1,346
6	Services	30-Sep-12	30-Sep-12	\$ 80,600	\$ 32,086	\$ 524	\$ 619	\$ 853	7.49%	\$ 6,094,612	4,400
7	Valves	30-Sep-12	30-Sep-12	\$ 10,800	\$ 13,734	\$ 687	\$ 278	\$ 365	7.49%	\$ 6,094,612	2,359
8											
9	TOTALS			\$ 929,460	\$ 834,663	\$ 16,080	\$ 16,447	\$ 22,202			\$ 117,246

* Emergency Replacement
 ** Per Docket Filing DW 12-325

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WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT
ELIGIBLE PROJECTS PLACED IN SERVICE

Line	Description of Project	Town	1 PUC Acct	2 Depr Rate	3 Type of Project*	4 Date in Service	5 Date of 1st Filing	6 Eligible Capital Costs	7 Retirements	8 = (6 - 7) x 2 Depreciation Expense	9 MII Rates Town State	Total	10 = (((6-7)/1000) x 12) Prop. Tax Expense**		
1															
2															
3	Atlantice Avenue - H539 to Maple Road	North Hampton	343	1.20%	Main Replacement	1/1/2012	9/30/2012	\$ 553,908	\$ 21,046	\$ 6,394	13.65	20.25	\$ 10,790		
4	Customer Meters	Hampton	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 180,552	\$ 4,881	\$ 6,675	15.25	21.85	\$ 3,838		
5	Customer Meters	North Hampton	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 24,105	\$ 143	\$ 911	13.65	20.25	\$ 485		
6	Customer Meters	Rye	346	3.80%	Meter Replacement	1/1/2012	9/30/2012	\$ 19,882	\$ 489	\$ 737	8.77	6.60	\$ 15.37	\$ 298	
7	Hydrants	Hampton	348	2.40%	Hydrants	1/1/2012	9/30/2012	\$ 8,846	\$ 2,701	\$ 147	15.25	6.60	\$ 21.85	\$ 134	
8	Hydrants	North Hampton	348	2.40%	Hydrants	1/1/2012	9/30/2012	\$ 1,549	\$ 1,350	\$ 5	13.65	6.60	\$ 20.25	\$ 4	
9	Services	Hampton	345	1.85%	Services	1/1/2012	9/30/2012	\$ 32,086	\$ 3,760	\$ 524	15.25	6.60	\$ 21.85	\$ 619	
10	Valves	Hampton	349	5.00%	Other T&D Plant	1/1/2012	9/30/2012	\$ 5,800	\$ -	\$ 290	13.65	6.60	\$ 20.25	\$ 117	
11	Valves	North Hampton	349	5.00%	Other T&D Plant	1/1/2012	9/30/2012	\$ 7,934	\$ -	\$ 397	13.65	6.60	\$ 20.25	\$ 161	
12															
13															
TOTALS								\$ 834,663	\$ 34,371	\$ 16,080			\$ 16,447		
								to TD-1,						to TD-1,	
								Pg 1, Ln 2						Pg 1, Ln 25	

* Type of Project (designations will be given for various types of projects)
**Property Tax Expense is for twelve months for the 2012 proposed surcharge projects.