

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 12-085

Aquarion Water Company's Response to Record Request #2

ORIGINAL	
Case No.	DW 12-085
Exhibit No.	24
Witness	
DO NOT REMOVE FROM FILE	

Date Request Received: May 23, 2013
Record Request No. 2

Date of Response: May 31, 2013
Witness: Troy Dixon

REQUEST: Please provide a copy of the "Five Year Plan" for Aquarion Water Company of New Hampshire referenced by Mr. Dixon during his testimony at the Final Hearing in this matter.

RESPONSE: Attachment A to this Record Request is the portion of a PowerPoint presentation of Aquarion Water Company's business plan for the years 2013 – 2017 that pertains to Aquarion Water Company of New Hampshire ("the Company"). The average annual customer bill amounts reflected on page 2 of Attachment A reflect the Company's estimates of what a residential customer will pay over the next five years assuming a consistent level of usage. Similarly, the returns shown on Attachment A reflect the Company's projection of the earned return for each year, not the authorized return. The plan assumes that a new base rate case would be filed in 2015. WICA is assumed for the duration of the five year projections.

Attachment B to this record request sets forth in detail the Company's estimated five-year capital budget for the years 2013 – 2017. Attachment C to this record request provides the Company's projected financial statements for the same period of time. Included are income statements, balance sheets and cash flow statements depicting actual results from 2010 through 2012, monthly budgets for the current 2013 calendar year, and projections for 2014 through 2017. These financial statements reflect the underlying data supporting the higher level information provided in Attachment A.



AQUARION
Water Company

Stewards of the Environment™

2013-2017 Business Plan

AQUARION

Strictly Confidential

Bridgeport, CT January 30, 2013

AWC – New Hampshire

Financial Overview

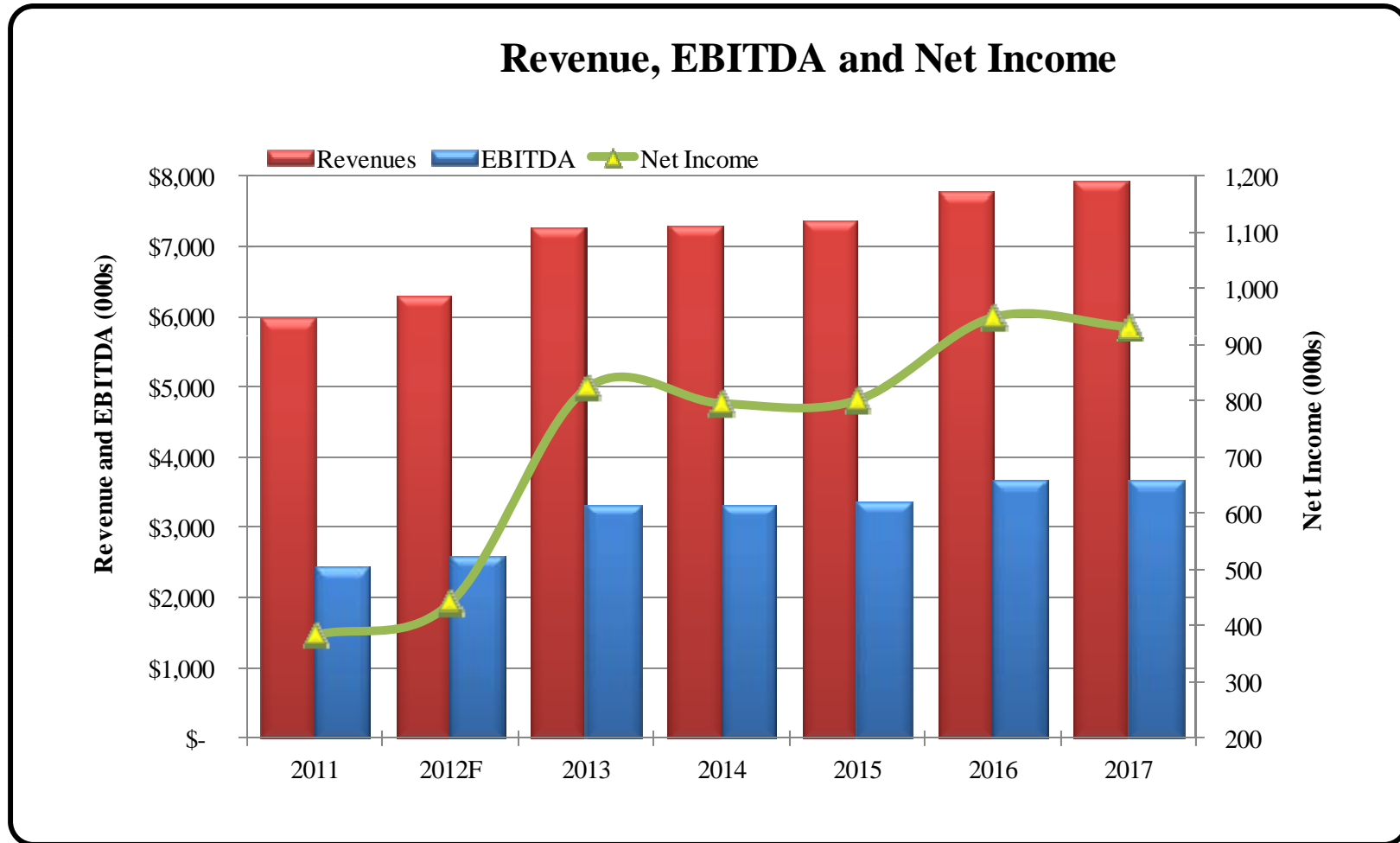
Financial Highlights

	<u>2011</u>	<u>2012F</u>	<u>Budget</u> <u>2013</u>	<u>2014</u>	<u>Projected</u> <u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues	\$ 5,970	\$ 6,288	\$ 7,250	\$ 7,282	\$ 7,359	\$ 7,769	\$ 7,911
EBITDA	2,431	2,572	3,320	3,318	3,367	3,659	3,670
EBIT	1,496	1,532	2,227	2,184	2,191	2,441	2,410
EBT	708	736	1,401	1,363	1,373	1,624	1,595
Net Income	383	440	821	795	801	948	931
Capex	\$ 1,461	\$ 1,880	\$ 1,500	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
Employees	12	12	12	12	12	12	12
Customers	9,007	9,052	9,097	9,142	9,188	9,234	9,280
ROE - projected	4.59%	4.45%	8.38%	7.68%	7.31%	8.37%	7.88%
Rate Base	\$ 22,415	\$ 23,039	\$ 23,403	\$ 23,974	\$ 24,463	\$ 24,906	\$ 25,301
Avg. Cust Bill ¹	\$463	\$488	\$562	\$565	\$571	\$602	\$614

¹ Annual residential bill assuming consistent usage.

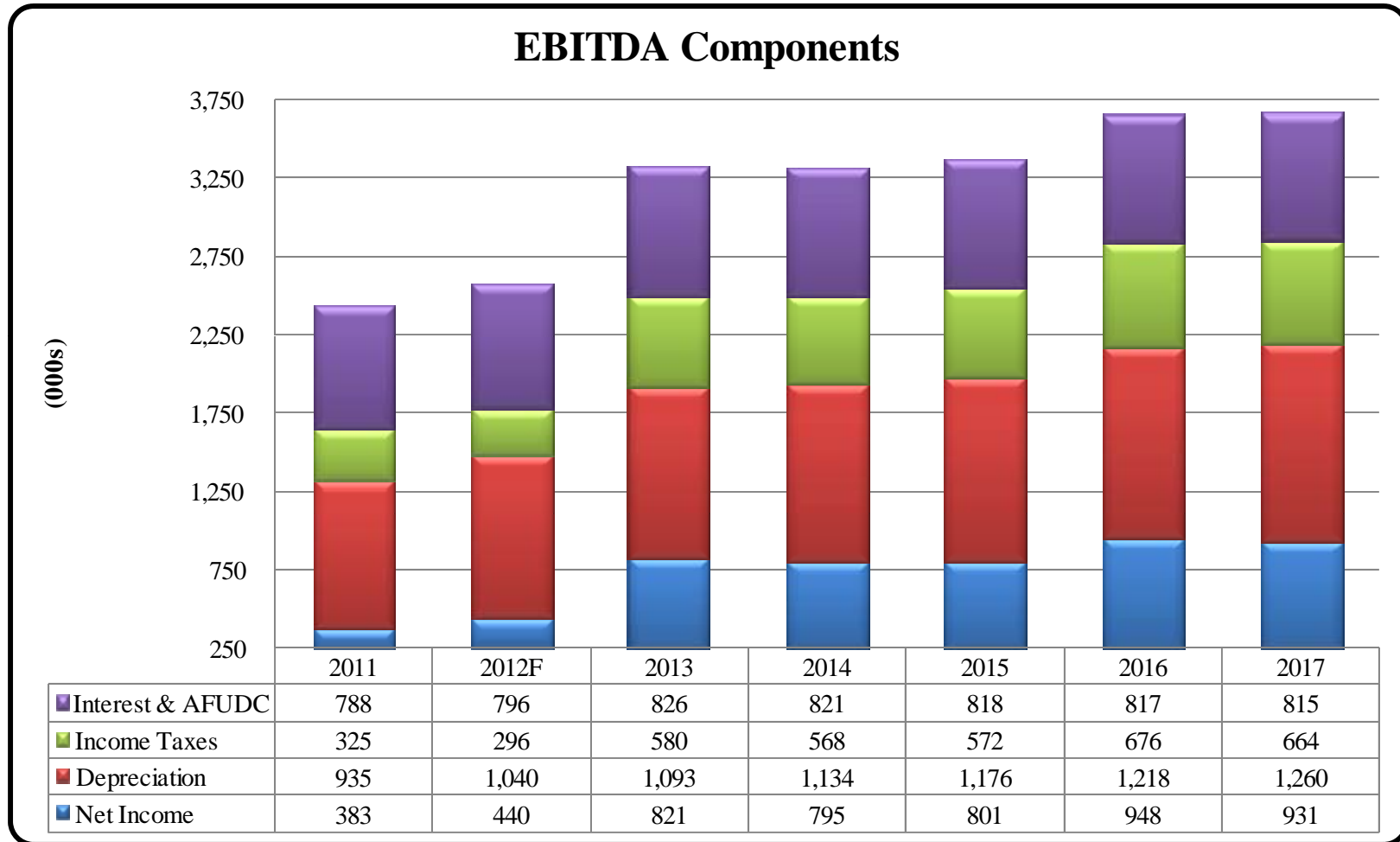
AWC – New Hampshire

Revenues, EBITDA and Net Income



AWC – New Hampshire

EBITDA Components



AWC – New Hampshire

Detailed Income Statement Comparison

	2011	2012	2013	Change 2012F-2013	
	<u>Actual</u>	<u>9+3 Forecast</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u> <u>\$ Variance</u>	<u>% Variance</u>
Operating Revenues	\$ 5,970	\$ 6,288	\$ 7,250	\$ 962	15.3%
O&M Variable					
Purchased Power	228	237	231	6	2.5%
Chemicals	52	40	29	11	27.5%
Main Breaks	70	48	48	0	0.0%
Sludge Disposal	0	0	0	0	0.0%
Total O&M Variable	350	325	308	17	5.2%
Gross Profit	5,620	5,963	6,942	979	16.4%
Operating Expenses					
Labor	798	796	808	(12)	-1.5%
Other Taxes - Utility	585	645	703	(58)	-9.0%
Pension	98	145	145	0	0.0%
Retiree Medical	144	207	207	0	0.0%
Medical	196	196	199	(3)	-1.5%
Operating Expenses	126	104	54	50	48.1%
Maintenance	265	196	280	(84)	-42.9%
Transportation	55	56	53	3	5.4%
Purchased Water	0	0	0	0	0.0%
Customer Service Expenses	6	8	13	(5)	-62.5%
Uncollectible Accounts	24	27	16	11	40.7%
IT Support and Outside Services	0	0	0	0	0.0%
Telecommunications	36	54	55	(1)	-1.9%
Property and General Liab Insurance	60	62	65	(3)	-4.8%
Workers Compensation	16	18	20	(2)	-11.1%
Rent Expense	60	109	119	(10)	-9.2%
Jobbing	(31)	(30)	(39)	9	-30.0%
Management Allocation	55	45	42	3	6.7%
Interdivisional Allocations	318	327	354	(27)	-8.3%
Miscellaneous	378	426	528	(102)	-23.9%
Total Operating Expenses	3,189	3,391	3,622	(231)	-6.8%
EBITDA	\$ 2,431	\$ 2,572	\$ 3,320	\$ 748	29.1%

AWC – New Hampshire

Capital Expenditures

	Budget		Projected			5-Year
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Treatment Plants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mains	641	960	872	911	939	4,323
Dams	-	-	-	-	-	-
Transmission & Distribution	196	278	180	186	186	1,026
IT	95	50	50	50	50	295
Meters	100	15	15	15	15	160
Source of Supply	282	91	40	40	40	493
Supply Operations	-	-	-	-	-	-
Treatment	55	126	312	318	239	1,050
Pumping	40	40	40	40	40	200
General Plant	91	40	91	40	91	353
Total Capex	\$ 1,500	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 7,900

Commentary

- The most significant area for investment for the Company is water mains, which comprise more than 50% of the capital spend over the projection period.
- The Company will continue to make significant investment in source development in 2013 with investments in wells (\$282k).
- The capex program has been increased due to the authorized WICA program in NH.

NEW HAMPSHIRE FIVE-YEAR CAPITAL BUDGET

Recap by Major Capital Spend Area

	2013	2014	2015	2016	2017	5-Year Total
Mains	641,000	960,000	872,000	911,000	939,000	4,323,000
Transmission & Distribution	196,000	278,000	180,000	186,000	186,000	1,026,000
IT	95,000	50,000	50,000	50,000	50,000	295,000
Meters	100,000	15,000	15,000	15,000	15,000	160,000
Source of Supply	282,000	91,000	40,000	40,000	40,000	493,000
Treatment	55,000	126,000	312,000	318,000	239,000	1,050,000
Pumping	40,000	40,000	40,000	40,000	40,000	200,000
General Plant	91,000	40,000	91,000	40,000	91,000	353,000
Capital Expenditure Total	\$1,500,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	7,900,000

DESCRIPTION	2013	2014	2015	2016	2017	5 Yr Total
Fleet Vehicles	\$51,000	\$0	\$51,000	\$0	\$51,000	153,000
Excavator						-
Lawn Mower						-
Valve Trailer						-
Radio System Upgrade						-
Glade Path Solar Panel		\$6,000				6,000
Purchase 5kw Generator			\$3,000		\$3,000	6,000
Lightning Upgrades			\$10,000	\$20,000		30,000
Recurring General Plant	\$40,000	\$34,000	\$27,000	\$20,000	\$37,000	158,000
						-
	\$91,000	\$40,000	\$91,000	\$40,000	\$91,000	\$353,000
						-
Recurring SCADA	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	250,000
Upgrade /Replace SCADA Sensors						-
NH GIS Integration	\$45,000					45,000
Upgrade Software to Wonderware						-
	\$95,000	\$50,000	\$50,000	\$50,000	\$50,000	\$295,000
Towle Farm Road - Drakeside Road	\$0					-
Miscellaneous Main Renewals (Capitalized Main R	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	75,000
WICA Main Replacements						-
Atlantic Avenue - Mill Rd to Maple					\$75,000	75,000
Rt 101, Tide Mill Road to Church Street	\$83,000	\$0	\$757,000	\$200,000		1,040,000
Well 7 Transmission Main	\$201,000					201,000
Well 9 Transmission Main	\$67,000					67,000
Great Boars Head	\$24,000				\$152,000	176,000
Church St., Highland Avenue to William St.	\$200,000	\$0				200,000
Kings Hwy, High St to Tenth St			\$0	\$87,000	\$567,000	654,000
Kings Hwy, Tenth St to PRV			\$0		\$0	-
Atlantic Ave, Ocean Blvd to Sea Rd						-
Meadow Pond/Genian/Greene	\$51,000			\$509,000		560,000
Ocean Blvd, Dumas Ave to Winnacunnet Rd	\$0	\$845,000				845,000
Winnacunnet Rd - bridge to Kings					\$30,000	30,000
Unidentified Main Replacements		\$100,000	\$100,000	\$100,000	\$100,000	400,000
	\$641,000	\$960,000	\$872,000	\$911,000	\$939,000	\$4,323,000
Periodic Meter Replacements	\$40,000	\$5,000	\$5,000	\$5,000	\$5,000	60,000
New Meters	\$60,000	\$10,000	\$10,000	\$10,000	\$10,000	100,000
	\$100,000	\$15,000	\$15,000	\$15,000	\$15,000	\$160,000
Recurring Pump	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	165,000
Install Well 13B VFD	\$7,000					7,000
Well 9 Pipe Replacement						-
Install Well 14 VFD		\$7,000				7,000
Install Well 17 VFD			\$7,000			7,000
Install Well 18 VFD				\$7,000		7,000
Install Well 19 VFD					\$7,000	7,000
	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000
Source of Supply (Source Exploration)						-
Whites Lane Wells						-
Bedrock Well at Well 7						-
Redevelop Well 22	\$242,000	\$51,000				293,000

NEW HAMPSHIRE FIVE-YEAR CAPITAL BUDGET

Recap by Major Capital Spend Area

	2013	2014	2015	2016	2017	5-Year Total
Mains	641,000	960,000	872,000	911,000	939,000	4,323,000
Transmission & Distribution	196,000	278,000	180,000	186,000	186,000	1,026,000
IT	95,000	50,000	50,000	50,000	50,000	295,000
Meters	100,000	15,000	15,000	15,000	15,000	160,000
Source of Supply	282,000	91,000	40,000	40,000	40,000	493,000
Treatment	55,000	126,000	312,000	318,000	239,000	1,050,000
Pumping	40,000	40,000	40,000	40,000	40,000	200,000
General Plant	91,000	40,000	91,000	40,000	91,000	353,000
Capital Expenditure Total	\$1,500,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	7,900,000

DESCRIPTION	2013	2014	2015	2016	2017	5 Yr Total
Bedrock Well at Mill Road						-
Redevelop Well 13B	\$20,000					20,000
Redevelop Well 18		\$20,000				20,000
Redevelop Well 19			\$20,000			20,000
Miscellaneous Well Projects	\$20,000	\$20,000	\$20,000	\$40,000	\$40,000	140,000
	\$282,000	\$91,000	\$40,000	\$40,000	\$40,000	\$493,000
Services - New	\$97,000	\$97,000	\$97,000	\$97,000	\$97,000	485,000
Services Replacements	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	150,000
Hydrants - New						-
Hydrants Replacements	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	120,000
Valves Replacements	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	75,000
Blowoffs - Replacements						-
Hydraulic Model		\$40,000				40,000
Repairs to Exeter Rd Tank				\$20,000		20,000
Repairs to Jenness Beach Tank					\$20,000	20,000
Repairs to Mill Rd Tank		\$7,000				7,000
Repairs to Glade Path Tank			\$14,000			14,000
Mill Rd Booster Upgrade	\$30,000					30,000
Kings Hwy Control Valve Upgrade		\$25,000				25,000
Install Glade Path Mixer		\$40,000				40,000
						-
	\$196,000	\$278,000	\$180,000	\$186,000	\$186,000	\$1,026,000
Recurring Treatment	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	100,000
Well 7 Modifications for Well 22	\$35,000	\$56,000				\$91,000
Jenness Station/Well 5/A Treatment Bldg Upgrade		\$50,000	\$200,000			\$250,000
Mill Rd to WTP						\$0
Pipe Wells 6, 9 & 11 to Mill Rd WTP						\$0
Install Iron/Manganese at Winnicut WTP			\$92,000	\$298,000	\$219,000	\$609,000
	\$55,000	\$126,000	\$312,000	\$318,000	\$239,000	\$1,050,000
TOTAL:	\$1,500,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$7,900,000
Tank Painting						-
WICA Eligible	\$695,000	\$914,000	\$826,000	\$865,000	\$893,000	4,193,000

Aquarion Water Company of New Hampshire
Income Statements
Actual (2009-2012), Budgeted Monthly (2013) & Forecast (2014-2017)
(In thousands)

	Actual				Current Year Budget													Projections			
	2009	2010	2011	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	2014	2015	2016	2017
Revenue	\$5,623	\$6,009	\$5,970	\$6,288	\$463	\$455	\$474	\$556	\$941	\$798	\$773	\$669	\$585	\$555	\$487	\$494	\$7,250	\$7,282	\$7,359	\$7,769	\$7,911
Expenses, Net of Other Income																					
Labor	701	737	798	796	81	65	62	58	74	58	76	61	58	75	67	73	808	836	865	895	926
Other Taxes - Utility	497	444	585	645	59	59	58	58	59	59	59	58	59	59	58	58	703	724	746	768	792
Purchased Power	205	218	228	237	18	17	18	17	19	21	27	26	20	16	16	231	240	250	260	270	
Pension	115	90	98	145	12	12	12	12	12	12	13	12	12	12	12	145	145	145	145	145	
Retiree Medical	153	142	144	207	17	18	17	17	17	17	18	17	17	18	17	207	207	207	207	207	
Medical	204	241	196	196	17	17	16	16	17	17	16	17	17	16	17	199	215	232	251	271	
Chemicals	92	31	52	40	2	2	2	2	3	2	4	3	3	2	2	29	30	31	32	33	
HSV Direct Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Main Break Costs	37	42	70	48	7	2	7	6	5	10	3	4	0	0	2	2	48	49	50	52	54
Other	1,133	1,435	1,368	1,402	105	111	125	167	142	126	125	124	126	143	129	137	1,560	1,518	1,466	1,500	1,543
Total expenses, net of other income	3,137	3,380	3,539	3,716	318	303	317	353	348	322	341	322	312	341	320	333	3,930	3,964	3,992	4,110	4,241
EBITDA	2,486	2,629	2,431	2,572	145	152	157	203	593	476	432	347	273	214	167	161	3,320	3,318	3,367	3,659	3,670
Depreciation	951	948	935	1,040	91	91	91	92	90	91	92	91	90	91	91	92	1,093	1,134	1,176	1,218	1,260
AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	1,535	1,681	1,496	1,532	54	61	66	111	503	385	340	256	183	123	76	69	2,227	2,184	2,191	2,441	2,410
Interest Expense	666	767	788	796	68	69	69	68	69	69	68	70	70	69	70	67	826	821	818	817	815
Unrealized Loss on Swap	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	666	767	788	796	68	69	69	68	69	69	68	70	70	69	70	67	826	821	818	817	815
Earnings Before Taxes	869	914	708	736	(14)	(8)	(3)	43	434	316	272	186	113	54	6	2	1,401	1,363	1,373	1,624	1,595
Income Taxes	338	378	325	296	(6)	(3)	(1)	18	180	131	113	77	46	22	2	1	580	568	572	676	664
Net income	\$531	\$536	\$383	\$440	(\$8)	(\$5)	(\$2)	\$25	\$254	\$185	\$159	\$109	\$67	\$32	\$4	\$1	\$821	\$795	\$801	\$948	\$931
Interest Detail																					
Outside interest	532	748	768	787	68	68	69	67	69	68	68	68	69	68	68	67	817	820	820	820	820
Intercompany interest	127	11	11	0	(2)	(1)	(2)	(1)	(2)	(1)	(2)	0	(1)	(1)	0	(2)	(15)	(23)	(26)	(27)	(29)
Amortization of financing costs	7	8	9	9	2	2	2	2	2	2	2	2	2	2	2	2	24	24	24	24	24
Total interest expense	666	767	788	796	68	69	69	68	69	69	68	70	70	69	70	67	826	821	818	817	815
Income Tax Detail																					
Income taxes - Current State	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income taxes - Current Federal	388	412	306	228	(6)	(3)	(1)	18	178	130	112	76	46	22	2	1	575	705	636	730	710
Income taxes - Current	388	412	306	228	(6)	(3)	(1)	18	178	130	112	76	46	22	2	1	575	705	636	730	710
Income taxes - Deferred State	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income taxes - Deferred Federal	(50)	(34)	19	68	0	0	0	0	2	1	1	1	0	0	0	0	5	(137)	(64)	(54)	(46)
Income taxes - Deferred	(50)	(34)	19	68	0	0	0	0	2	1	1	1	0	0	0	0	5	(137)	(64)	(54)	(46)
Total State	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Federal	338	378	325	296	(6)	(3)	(1)	18	180	131	113	77	46	22	2	1	580	568	572	676	664
Total income taxes	338	378	325	296	(6)	(3)	(1)	18	180	131	113	77	46	22	2	1	580	568	572	676	664

Aquarion Water Company of New Hampshire
2009-2011 Actuals, 2013 Budget vs. 2012 Forecast, 2014-2017 Projections
(Dollars in thousands)

	2009	2010	2011	2013	2012 9+3	2012	2013 Budget vs. 2012 Actual		2013 Budget vs. 2012 Budget		2014	2015	2016	2017
	Actual	Actual	Actual	Budget	Forecast	Budget	\$ Variance	% Variance	\$ Variance	% Variance	Forecast	Actual	Actual	Actual
Operating Revenues														
Residential	\$3,438	\$3,598	\$3,515	\$4,313	\$3,722	\$3,674	\$591	15.88%	\$639	17.39%	\$4,332	\$4,378	\$4,622	\$4,706
Commercial	1,072	1,135	1,165	1,427	1,223	1,180	204	16.68%	247	20.93%	1,433	1,448	1,529	1,557
Industrial	17	38	24	32	26	24	6	23.08%	8	33.33%	32	32	34	35
Public Authorities	86	117	103	105	85	105	20	23.53%	0	0.00%	105	107	113	115
Public Fire	649	694	704	839	737	725	102	13.84%	114	15.72%	843	852	899	915
Private Fire	272	286	300	361	317	306	44	13.88%	55	17.97%	363	366	387	394
Other Revenues	89	141	159	173	178	169	(5)	-2.81%	4	2.37%	174	176	185	189
Total Operating Revenues	5,623	6,009	5,970	7,250	6,288	6,183	962	15.30%	1,067	17.26%	7,282	7,359	7,769	7,911
Operating Expenses														
Labor	701	737	798	808	796	827	12	1.51%	(19)	-2.30%	836	865	895	926
Other Taxes - Utility	497	444	585	703	645	506	58	8.99%	197	38.93%	724	746	768	792
Purchased Power	205	218	228	231	237	214	(6)	-2.53%	17	7.94%	240	250	260	270
Pension	115	90	98	145	145	145	0	0.00%	0	0.00%	145	145	145	145
Retiree Medical	153	142	144	207	207	207	0	0.00%	0	0.00%	207	207	207	207
Medical	204	241	196	199	196	188	3	1.53%	11	5.85%	215	232	251	271
Chemicals	92	31	52	29	40	33	(11)	-27.50%	(4)	-12.12%	30	31	32	33
HSV Direct Costs	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0
Main Break Costs	37	42	70	48	48	46	0	0.00%	2	4.35%	49	50	52	54
Operating Expenses	70	105	126	54	104	82	(50)	-48.08%	(28)	-34.15%	56	58	60	62
Maintenance	208	260	265	280	196	226	84	42.86%	54	23.89%	288	297	306	315
Transportation	41	51	55	53	56	55	(3)	-5.36%	(2)	-3.64%	55	57	59	61
Purchased Water	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0
Lab Contract Costs	21	24	15	20	9	19	11	122.22%	1	5.26%	21	22	23	24
Sludge Disposal	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0
Customer Service Expenses	9	6	6	13	8	14	5	62.50%	(1)	-7.14%	13	13	13	13
Postage and Bill Processing Fees	36	36	36	50	39	42	11	28.21%	8	19.05%	52	54	56	58
Uncollectible Accounts	19	24	24	16	27	26	(11)	-40.74%	(10)	-38.46%	16	16	17	17
IT Support and Outside Services	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0
Bonus	(5)	16	19	18	16	20	2	12.50%	(2)	-10.00%	19	20	21	22
Telecommunications	43	58	36	55	54	52	1	1.85%	3	5.77%	57	59	61	63
Office Supplies	39	39	38	39	42	36	(3)	-7.14%	3	8.33%	40	41	42	43
Other Consulting	71	72	100	122	110	108	12	10.91%	14	12.96%	126	130	134	138
Legal Expense	23	15	21	12	16	11	(4)	-25.00%	1	9.09%	12	12	12	12
Property and General Liab Insurance	47	62	60	65	62	65	3	4.84%	0	0.00%	67	69	71	73
Workers Compensation	20	19	16	20	18	17	2	11.11%	3	17.65%	21	22	23	24
401(k)	11	22	22	29	24	26	5	20.83%	3	11.54%	30	31	32	33
Supplemental Pension	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0
Other Fringe Benefits	20	18	20	23	24	23	(1)	-4.17%	0	0.00%	24	25	26	27
Regulatory Commission	23	140	34	124	33	33	91	275.76%	91	275.76%	126	129	132	135
Company Membership Dues	8	9	10	5	10	9	(5)	-50.00%	(4)	-44.44%	5	5	5	5
Conferences	1	2	5	7	5	10	2	40.00%	(3)	-30.00%	7	7	7	7
Rent Expense	64	61	60	119	109	121	10	9.17%	(2)	-1.65%	123	127	131	135
Jobbing	(24)	(27)	(31)	(39)	(30)	(34)	(9)	30.00%	(5)	-14.71%	(39)	(39)	(39)	(39)
Management Allocation	70	61	55	42	45	61	(3)	-6.67%	(19)	-31.15%	43	44	45	46
Interdivisional Allocations	318	313	318	354	327	343	27	8.26%	11	3.21%	365	376	387	399
Allocated Fringe Benefits	67	103	114	142	139	155	3	2.16%	(13)	-8.39%	146	150	155	160
Capitalized Fringe Benefits	(53)	(69)	(75)	(92)	(68)	(59)	(24)	35.29%	(33)	55.93%	(95)	(98)	(101)	(104)
Miscellaneous	(14)	15	19	29	27	33	2	7.41%	(4)	-12.12%	(60)	(161)	(178)	(186)
Total Operating Expenses	3,137	3,380	3,539	3,930	3,716	3,660	214	5.76%	270	7.38%	3,964	3,992	4,110	4,241
EBITDA	2,486	2,629	2,431	3,320	2,572	2,523	748	29.08%	797	31.59%	3,318	3,367	3,659	3,670
Depreciation	951	948	935	1,093	1,040	1,032	53	5.10%	61	5.91%	1,134	1,176	1,218	1,260
AFUDC	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0
EBIT	1,535	1,681	1,496	2,227	1,532	1,491	695	45.37%	736	49.36%	2,184	2,191	2,441	2,410
Interest Expense	666	767	788	826	796	823	30	3.77%	3	0.36%	821	818	817	815
Unrealized Loss on Swap	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0
Income Before Taxes	869	914	708	1,401	736	668	665	90.35%	733	109.73%	1,363	1,373	1,624	1,595
State Income Tax - Current	20	85	59	121	49	44	72	146.94%	77	175.00%				
Federal Income Taxes - Current	368	327	247	454	179	163	275	153.63%	291	178.53%				
State Income Tax - Deferred	(12)	(11)	0	(3)	14	13	(17)	-121.43%	(16)	-123.08%				
Federal Income Taxes - Deferred	(38)	(23)	19	8	54	49	(46)	-85.19%	(41)	-83.67%				
Total Income Taxes	338	378	325	580	296	269	284	95.95%	311	115.61%	568	572	676	664
Net Income	\$531	\$536	\$383	\$821	\$440	\$399	\$381	86.59%	\$422	105.76%	\$795	\$801	\$948	\$931

Aquarion Water Company of New Hampshire
Balance Sheets
Actual (2009-2012), Budgeted Monthly (2013) & Forecast (2014-2017)
(In thousands of dollars)

	Actual				Current Year Budget												Forecast			
	2009	2010	2011	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014	2015	2016	2017
Assets and Other Debits																				
Property, Plant and Equipment																				
Utility Plant	\$34,941	\$34,258	\$35,700	\$37,472	\$37,522	\$37,596	\$37,673	\$37,801	\$37,971	38,184	38,374	\$38,494	38,594	38,706	38,797	38,822	40,262	41,702	43,142	44,582
Less: Accumulated depreciation	(9,292)	(8,258)	(9,166)	(10,135)	(10,220)	(10,303)	(10,385)	(10,463)	(10,534)	(10,601)	(10,672)	(10,750)	(10,829)	(10,908)	(10,989)	(11,078)	(12,052)	(13,068)	(14,126)	(15,226)
Net utility plant	25,649	26,000	26,534	27,337	27,302	27,293	27,288	27,338	27,437	27,583	27,702	27,744	27,765	27,798	27,808	27,744	28,210	28,634	29,016	29,356
Non-Utility property and equipment																				
Less: Accumulated depreciation																				
Net non-utility property and equipment																				
Current and Accrued Assets																				
Cash	50	36	5																	
Restricted cash																				
Accounts receivable	370	381	363	382	368	267	406	317	454	516	415	541	582	531	324	440	442	447	472	481
Miscellaneous receivables	94	65	34	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36	36
Reserve for uncollectibles	(23)	(34)	(41)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(53)	(54)	(57)	(58)
Receivables from associated companies	(28)	189	91	700	600	700	800	800	800	700	500	500	200	400	700	700	800	900	900	1,000
Accrued revenues	847	422	445	469	639	669	537	634	816	753	965	945	924	730	751	541	543	549	580	591
Materials and supplies, at cost	105	94	133	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114	114
Prepayments	89	116	151	159	265	212	159	265	212	159	265	212	159	265	212	159	159	159	159	159
Other investments																				
Total current assets	1,504	1,269	1,181	1,819	1,980	1,955	2,008	2,121	2,386	2,231	2,247	2,299	1,965	2,025	2,085	1,937	2,041	2,151	2,204	2,323
Other Assets																				
Investments in subsidiaries																				
Goodwill																				
Unamortized debt discount and expense	191	182	174	258	256	254	252	250	248	246	244	242	240	238	236	234	210	186	162	138
Unfunded deferred taxes	537	522	506	506	506	506	506	506	506	506	506	506	506	506	506	506	506	506	506	506
Deferred taxes																				
Prepaid pension expense																				
Deferred pension and OPEB	1,122	1,263	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971
Notes receivable from associated companies																				
Other deferred debits	416	242	243	334	329	324	318	313	308	290	272	254	237	219	201	183	25	10	7	7
Total other assets	2,266	2,209	2,894	3,069	3,062	3,055	3,047	3,040	3,033	3,013	2,993	2,973	2,954	2,934	2,914	2,894	2,712	2,673	2,646	2,622
Total Assets and Other Debits	29,419	\$29,478	\$30,609	\$32,225	\$32,344	\$32,303	\$32,343	\$32,499	\$32,856	\$32,827	\$32,942	\$33,016	\$32,684	\$32,757	\$32,807	\$32,575	\$32,963	\$33,458	\$33,866	\$34,301

Aquarion Water Company of New Hampshire
Balance Sheets
Actual (2009-2012), Budgeted Monthly (2013) & Forecast (2014-2017)
(In thousands of dollars)

	Actual				Current Year Budget												Forecast			
	2009	2010	2011	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014	2015	2016	2017
<u>Liabilities and Other Credits</u>																				
<u>Stockholders' Equity</u>																				
Preferred stock	3	2	2	2	2	2	2	2	2	2	2	\$ 2	2	2	2	2	2	2	2	\$2
Common stock	\$2,187	\$2,187	\$2,187	\$2,187	\$2,187	\$2,187	\$2,187	2,187	2,187	\$2,187	\$2,187	2,187	\$2,187	\$2,187	2,187	2,187	\$2,187	\$2,187	2,187	2,187
Paid in capital	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558	3,558
Contributed capital	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480
Retained earnings	2,329	2,455	2,838	3,278	3,270	3,265	3,213	3,238	3,492	3,401	3,560	3,669	3,520	3,552	3,556	3,483	3,682	3,882	3,929	3,976
Total stockholders' equity	8,557	8,682	9,065	9,505	9,497	9,492	9,440	9,465	9,719	9,628	9,787	9,896	9,747	9,779	9,783	9,710	9,909	10,109	10,156	10,203
<u>Long-Term Debt</u>																				
Outside	8,900	8,900	8,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900
Investor notes	4,000	4,000	4,000																	
Total	12,900	12,900	12,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900
<u>Current and Accrued Liabilities</u>																				
Accounts payable and accrued liabilities	272	223	313	350	469	518	512	649	652	732	690	557	520	569	517	480	413	379	401	442
Current maturities of long-term debt												-								
To associated companies	400	100										-								
Other short-term debt												-								
Accrued bond interest	172	234	234	229	242	127	196	208	277	229	242	310	196	207	276	229	229	229	229	229
Accrued income taxes												-								
Other accrued taxes																				
Total current liabilities	844	557	547	579	711	645	708	857	929	961	932	867	716	776	793	709	642	608	630	671
<u>Other Liabilities and Deferred Credits</u>																				
Deferred taxes	2,915	2,867	2,869	2,940	2,940	2,940	2,940	2,940	2,942	2,943	2,944	2,945	2,945	2,945	2,945	2,945	2,808	2,744	2,690	2,644
Uncertain tax position												-								
Customers' advances for construction	16	2	6									-								
Contributions in aid of construction	2,331	2,316	2,283	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366	2,366
Accrued pension liability	831	982	1,357	1,338	1,316	1,328	1,340	1,305	1,317	1,329	1,295	1,307	1,258	1,221	1,233	1,245	1,535	1,825	2,115	2,405
Other post retirement benefits	1,025	1,172	1,582	1,597	1,614	1,632	1,649	1,666	1,683	1,700	1,718	1,735	1,752	1,770	1,787	1,700	1,803	1,906	2,009	2,112
Derivative liability												-								
Other deferred credits																				
Total deferred credits	7,118	7,339	8,097	8,241	8,236	8,266	8,295	8,277	8,308	8,338	8,323	8,353	8,321	8,302	8,331	8,256	8,512	8,841	9,180	9,527
Total Liabilities and Other Credits	29,419	\$29,478	\$30,609	\$32,225	\$32,344	\$32,303	32,343	\$32,499	\$32,856	\$32,827	\$32,942	\$33,016	\$32,684	\$32,757	\$32,807	\$32,575	\$32,963	\$33,458	\$33,866	\$34,301
<u>Retained Earnings</u>																				
	AWC of NH	AWC of NH	AWC of NH	AWC of NH													AWC of NH	AWC of NH	AWC of NH	AWC of NH
Beginning retained earnings	2,220	2,329	2,455	2,838													3,278	3,483	3,682	3,882
Net income	531	536	383	440													821	795	801	948
Less: dividends	(422)	(410)		0													(616)	(596)	(601)	(901)
Less: pref'd dividends (external)																				
Earnings of subsidiaries																				
FAS 115																				
FAS 158																				
Minimum pension liability adjustment																				
Adjustments				0													0	0	0	0
Ending retained earnings	2,329	2,455	2,838	3,278	0	0	0	0	0	0	0	0	0	0	0	0	3,483	3,682	3,882	3,929

Aquarion Water Company of New Hampshire
Statement of Cash Flows
Actual (2009-2012), Budgeted Monthly (2013) & Forecast (2014-2017)
(thousands of dollars)

	Actual				Current Year Budget												Forecast			
	2009	2010	2011	2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014	2015	2016	2017
Cash flows from operating activities:																				
Net income	\$531	\$536	\$383	\$440	(\$8)	(\$5)	(\$2)	\$25	\$254	\$185	\$159	\$109	\$67	\$32	\$4	\$1	\$795	\$801	\$948	\$931
Adjustments reconciling net income to net cash provided by operating activities:																				
Depreciation and amortization	951	948	935	1,040	91	91	91	92	90	91	92	91	90	91	91	92	1,134	1,176	1,218	1,260
Allowance for funds used during construction (AFUDC)																				
Provision for losses on accounts receivable																				
Deferred income taxes	(51)	(33)	18	71					2	1	1	1					(137)	(64)	(54)	(46)
Gain on sale of land and property																				
Unrealized (gain) loss on derivative																				
Dividends of subsidiary																				
Changes in assets and liabilities	(272)	791	133	(181)	(127)	96	147	25	(157)	136	(241)	(68)	(130)	201	306	9	504	388	389	439
Net cash provided by (used in) operating activities	1,159	2,242	1,469	1,370	(44)	182	236	142	189	413	11	133	27	324	401	102	2,296	2,301	2,501	2,584
Cash flows from investing activities:																				
Capital additions, excluding AFUDC	(949)	(1,299)	(1,469)	(1,843)	(56)	(82)	(86)	(142)	(189)	(237)	(211)	(133)	(111)	(124)	(101)	(28)	(1,600)	(1,600)	(1,600)	(1,600)
Acquisition of businesses, less cash acquired																				
Proceeds from sale of land and property																				
Change in restricted cash																				
Long-term investments																				
Net cash provided by (used in) investing activities	(949)	(1,299)	(1,469)	(1,843)	(56)	(82)	(86)	(142)	(189)	(237)	(211)	(133)	(111)	(124)	(101)	(28)	(1,600)	(1,600)	(1,600)	(1,600)
Cash flows from financing activities:																				
Proceeds from long-term debt				1,000																
Proceeds from issuance of (payments on) short-term borrowings, net																				
Advances and contributions in aid of construction	(21)	(29)	(29)	77																
Refunds on advances for construction																				
Intercompany notes receipts (payments)	298	(517)	(2)	(609)	100	(100)	(100)			100	200		300	(200)	(300)		(100)	(100)		(100)
Principal payments on long-term debt																				
Capital contribution (return of capital) from Parent Company			(1)																	
Preferred dividends paid																				
Common dividends paid	(423)	(410)					(50)			(276)			(216)			(74)	(596)	(601)	(901)	(884)
Bond financing charges																				
Net cash provided by (used in) financing activities	(146)	(957)	(31)	468	100	(100)	(150)			(176)	200		84	(200)	(300)	(74)	(696)	(701)	(901)	(984)
Net increase (decrease) in cash and cash equivalents	64	(14)	(31)	(5)																
Cash and cash equivalents at beginning of year	(14)	50	36	5																
Cash and cash equivalents at end of period	\$50	\$36	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplementary Information																				
Decrease (increase) in accounts receivable & accrued revenues	(491)	454	33	(45)	(155)	72	(6)	(7)	(318)	2	(110)	(105)	(19)	246	187	95	(4)	(10)	(53)	(19)
Decrease (increase) in materials & supplies	7	11	(39)	19																
Decrease (increase) in prepaid expenses	31	(27)	(35)	(8)	(106)	53	53	(106)	53	53	(106)	53	53	(106)	53	53				
Increase (decrease) in accounts payable & accrued liabilities	(54)	(49)	90	37	119	49	(6)	137	3	80	(42)	(133)	(37)	49	(52)	(37)	(20)	(34)	22	41
Increase (decrease) in interest payable		62		(5)	13	(115)	69	12	69	(48)	13	68	(114)	11	69	(47)				
Change in other current assets																				
Net changes in other noncurrent balance sheet items	235	340	84	(179)	2	37	37	(11)	36	49	4	49	(13)	1	49	(55)	528	432	420	417
	(\$272)	\$791	\$133	(\$181)	(\$127)	\$96	\$147	\$25	(\$157)	\$136	(\$241)	(\$68)	(\$130)	\$201	\$306	\$9	\$504	\$388	\$389	\$439