

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 2014 Year End Balance (b)	Annualized Adjustment (c)	Annualized 2014 Year End Balance (d)	Proforma Adjustments (e)	Proforma 2014 Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 111,808	\$ 15,973	\$ 127,781	\$ 11,018	\$ 138,799
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)	49,815	7,116	56,931	6,323	63,254
4	Depreciation Expense (403)	15,471	2,210	17,681	1,973	19,654
5	Amortization of Contribution in Aid of Construction (405)	(1,231)	(176)	(1,407)	-	(1,407)
6	Amortization of Utility Plant Acquisition Adjustment (406)					
7	Amortization Expense-Other (407)			-	4,726	4,726
8	Taxes Other Than Income (408.1-408.13)	9,581	1,369	10,950	3,798	14,748
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	7,425	1,061	8,486	5,392	13,878
10	Total Operating Expenses	\$ 81,081	\$ 11,580	\$ 92,641	\$ 22,213	\$ 114,854
11	Net Operating Income (Loss)	30,747	4,392	35,139	(11,195)	23,945
12	Other Income and Deductions					
13	Interest and Dividend Income (419)	1,471		1,471		1,471
14	Allow. for funds Used During Construction (420)					
15	Nonutility Income (421)					
16	Gains (Losses) From Disposition of Nonutility Property (421)					
17	Miscellaneous Nonutility Expenses (426)					
18	Interest Expense (427)	(5,794)		(5,794)		(5,794)
19	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
20	Total Other Income and Deductions	\$ (4,323)	\$ -	\$ (4,323)	\$ -	\$ (4,323)
21	NET INCOME (LOSS)	\$ 26,424	\$ 4,392	\$ 30,816	\$ (11,195)	\$ 19,622



**AWC Belmont Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A
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Operating Revenues

1	Proforma 2014 Year End Balance	\$138,799
	Annualized 2014 Year End Balance	<u>127,781</u>
	Proforma Adjustment	<u>\$11,018</u>
	To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.	
	Total Proforma Adjustment to Operating Revenues	\$11,018

Operation and Maintenance Expenses

2	<u>Water Testing</u>	
	Proforma 2014 Year End Balance	\$12,352
	Annualized 2014 Year End Balance	<u>12,152</u>
	Proforma Adjustment	<u>\$200</u>
	To adjust test year expenses for 1/6 (\$1,200 / 6 yrs.) of the SOC testing scheduled for 2015	
3	<u>Auditing / Accounting Services</u>	
	Proforma 2014 Year End Balance	\$6,432
	Annualized 2014 Year End Balance	<u>309</u>
	Proforma Adjustment	<u>\$6,123</u>
	To adjust test year expenses for \$4,875 (\$13,000 x 75% x 50%) of the auditing costs and for \$1,248 (\$3,328 x 75% x 50%) of accounting costs	
	Total Proforma Adjustment to Operation and Maintenance Expenses	\$6,323

Depreciation Expenses

4	Annualized 2014 Year End Balance adjusted for add'l half year depr on 2014 additions	\$19,129
	Annualized 2014 Year End Balance	<u>17,681</u>
	Proforma Adjustment	<u>\$1,448</u>
	To adjust test year depreciation expenses for an add'l half year depreciation on 2014 adds	

5	Annualized 2014 Year End Balance adjusted for full year depr on 2015 additions	19,654
	Annualized 2014 Year End Balance adjusted for add'l half year depr on 2014 additions	<u>19,129</u>
	Proforma Adjustment	<u>\$525</u>
	To adjust test year depreciation expenses for full year depreciation on 2015 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$1,973</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2014 Year End Balance	(\$1,407)
	Actual 2014 Year End Balance	<u>(1,407)</u>
	Proforma Adjustment	<u>\$0</u>
	To adjust test year amortization of CIAC for correct amortization	

Amortization of Organizational Costs

7	Proforma 2014 Year End Balance	\$4,726
	Actual 2014 Year End Balance	<u>0</u>
	Proforma Adjustment	<u>\$4,726</u>
	To adjust test year expenses for the amortization of org. costs over 12 years	

Taxes other than Income

State of New Hampshire

8	Actual 2014 Year End Balance adjusted for state utility property taxes	\$3,328
	Annualized 2014 Year End Balance	<u>2,537</u>
	Proforma Adjustment	<u>\$789</u>

Town of Belmont

9	Actual 2014 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$11,422
	Annualized 2014 Year End Balance	<u>8,413</u>
	Proforma Adjustment	<u>\$3,009</u>

Total Proforma Adjustments to Taxes other than Income **\$3,798**
 See 3B for calculation of additional state and local property taxes.

Income Taxes

Federal Income Taxes

10	Proforma 2014 Year End Balance	\$9,688
	Annualized 2014 Year End Balance	<u>5,488</u>
	Proforma Adjustment	<u>\$4,202</u>

State Business Taxes

11	Proforma 2014 Year End Balance	\$2,647
	Annualized 2014 Year End Balance	<u>1,457</u>
	Proforma Adjustment	<u>\$1,190</u>

To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 5.

Total Proforma Adjustments to Income Taxes **\$5,392**

AWC Belmont Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
1. Cash													
2. Accounts Receivable													
3. Prepaid Expenses													
4. Inventory													
5. Fixed Assets													
6. Other Assets													
7. Total Assets													
8. Accounts Payable													
9. Other Liabilities													
10. Total Liabilities													
11. Equity													
12. Total Equity													
13. Total Liabilities & Equity													

AWC Belmont Water

Schedule 3

Rate Base - Water

Line No.	Account Title (a)	December 2013 Balance (b)	March 2014 Balance (c)	June 2014 Balance (d)	September 2014 Balance (e)	December 2014 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$529,217	\$537,581	\$551,334	\$564,276	\$575,113	\$551,504	\$101,348	\$652,852
2	Less: Accumulated Depreciation	<u>271,478</u>	<u>274,646</u>	<u>279,398</u>	<u>284,150</u>	<u>289,149</u>	<u>279,764</u>	<u>13,458</u>	<u>293,222</u>
3	Net Utility Plant	257,739	262,935	271,936	280,126	285,964	271,740	87,890	359,630
4	Material and Supplies	0	0	0	0	0	0	0	0
5	Prepayments	0	0	1,238	0	1,597	567	1,030	1,597
6	Contribution in Aid of Construction	(43,052)	(43,052)	(43,052)	(43,052)	(43,052)	(43,052)	0	(43,052)
7	Accumulated Amortization of CIAC	4,987	5,342	5,697	6,051	6,405	5,696	709	6,405
8	Accumulated Deferred Income Taxes	<u>(32,134)</u>	<u>(32,575)</u>	<u>(33,017)</u>	<u>(33,458)</u>	<u>(33,900)</u>	<u>(33,017)</u>	<u>0</u>	<u>(33,017)</u>
9	Rate Base	<u>\$187,540</u>	<u>\$192,650</u>	<u>\$202,802</u>	<u>\$209,667</u>	<u>\$217,014</u>	\$201,935	\$89,628	\$291,563
	Cash Working Capital (1)						7,020	780	7,799
	Total Rate Base						<u>\$ 208,954</u>	<u>\$ 90,408</u>	<u>\$ 299,362</u>
	(1) Cash Working Capital 5 Quarter Year End Balance is the same as the December 2014 Balance.								

**AWC Belmont Water
Rate Base - Water Proforma Adjustments**

Schedule 3A
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Plant In Service

1	December 2014 Balance	\$575,113
	5 Quarters Average Year End Balance	<u>551,504</u>
	Proforma Adjustment	<u>\$23,609</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2014 additions to plant	
2	Proforma Year End Balance with 2015 additions to plant	\$596,113
	December 2014 Balance	<u>575,113</u>
	Proforma Adjustment	<u>\$21,000</u>
	To adjust test year year end balance of plant in service for 2015 capital additions For additional support, please see schedule 3B	
3	Proforma Year End Balance with 2015 additions and organization costs	\$652,852
	Proforma Year End Balance with 2015 additions to plant	<u>596,113</u>
	Proforma Adjustment	<u>\$56,739</u>
	To adjust test year year end balance of plant in service for 2015 capital additions and org. costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	<u>\$101,348</u>

Accumulated Depreciation and Amortization

4	December 2014 Balance	\$289,149
	5 Quarters Average Year End Balance	<u>279,764</u>
	Proforma Adjustment	<u>\$9,385</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2014 accum depr	
5	Proforma Year End Balance with add'l depr	\$290,859
	December 2014 Balance	<u>289,149</u>
	Proforma Adjustment	<u>\$1,710</u>
	To adjust test year year end balance of plant in service for add'l half year for 2014 additions and for half year depreciation for 2015 additions. For additional support, please see schedule 3B	

6	Proforma Year End Balance with add'l depr and amort of org costs	\$293,222
	Proforma Year End Balance with add'l depr	<u>290,859</u>
	Proforma Adjustment	<u>\$2,363</u>

To adjust test year year end balance of plant in service for 2015 amortization of organizational costs
For additional support, please see schedule 3B

Total Proforma Adjustments to Accumulated Depreciation and Amortization \$13,458

Prepayments

7	Proforma Year End Balance	\$1,597
	5 Quarters Average Year End Balance	<u>567</u>
	Proforma Adjustment	<u>\$1,030</u>

To adjust 5 quarter average test year to year end balance

Total Proforma Adjustments to Accumulated Amortization of CIAC \$1,030

Contribution in Aid of Construction

8	Proforma Year End Balance	(\$43,052)
	5 Quarters Average Year End Balance	<u>(43,052)</u>
	Proforma Adjustment	<u>\$0</u>

To adjust 5 quarters average test year to year end balance.

Accumulated Amortization of CIAC

9	Proforma Year End Balance	\$6,405
	5 Quarters Average Year End Balance	<u>5,696</u>
	Proforma Adjustment	<u>\$709</u>

To adjust 5 quarter average test year to year end balance

Cash Working Capital

10 Year End Proforma Balance	\$7,799
December 2014 Year End Balance	<u>7,020</u>
Proforma Adjustment	<u>\$780</u>
To adjust test year cash working capital balance	
Total Proforma Adjustments to Cash Working Capital	<u>\$780</u>
See Schedule 3C for calculation of cash working capital.	

REPLACEMENT

AWC Belmont Sewer

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2014					
PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
371	Pumping Equipment	\$ 7,204	10.00%	\$ 720	\$ 360
Total 2014 Additions		<u>\$ 7,204</u>		<u>\$ 720</u>	<u>\$ 360</u>

Plant to be put in service in 2016					
PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
TOTAL		\$ -		\$ -	\$ -
TOTAL				<u>\$ -</u>	<u>\$ -</u>

To reclass Organizational Costs to Plant					
PUC Acct. No.	Description	Cost	Amort. Rate	Annual Cost	Accum Amort
301	Organizational costs (74% allocated to Belmont; 26% to sewer) \$102,233 x 75% x 26%	\$ 19,935	8.33%	\$ 1,661	\$ 830

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 27,139
Total Increase in Accum Depr & Amort	<u>1,190</u>
Net Total Increase in Plant	<u>\$ 25,949</u>
Total Increase in Plant per Thousands	26
State Utility Property Tax Rate	<u>\$ 6.60</u>
Total Increase in State Utility Property Taxes	<u>\$ 171</u>

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ 25,949
Total Increase in Plant per Thousands	26
Town of Belmont Property Tax Rate	<u>\$ 25.17</u>
Total Increase in Town of Belmont Property Taxes	<u>\$ 653</u>

AWC Belmont Water

Schedule 3C

Working Capital - Water

			2014 Proforma <u>Amount</u>	2014 Annualized <u>Amount</u>
Operating and Maintenance Expenses			\$63,254	\$56,931
45/365			<u>12.33%</u>	<u>12.33%</u>
Working Capital			<u>\$7,799</u>	<u>\$7,020</u>

AWC Belmont Water

Rate of Return Information

Proforma Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	58.44%	10.75%	6.28%
Long Term Debt	41.56%	4.13%	1.72%
Total Capital	100.00%		8.00%

Actual Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	58.44%	9.75%	5.70%
Long Term Debt	41.56%	4.13%	1.72%
Total Capital	100.00%		7.41%

Capital Structure for Ratemaking Purposes	2014 Prof Amounts	2014 Prof Ratios	2014 Actual Amounts	2014 Actual Ratios
Common Stock				
Other Paid In Capital	339,521	55.82%	339,521	55.82%
Retained Earnings	15,956	2.62%	15,956	2.62%
Total Equity	\$ 355,477	58.44%	\$ 355,477	58.44%
Long Term Debt	\$252,802	41.56%	\$252,802	41.56%
Total Capital	\$ 608,279	100.00%	\$ 608,279	100.00%

Long Term Debt	2014 Prof Amount		2014 Actual Amount			
2014 CoBank Loan	\$252,802		\$252,802			
Total Long Term Debt	\$252,802		\$252,802		\$0	\$0

Proforma Cost of Debt	2009 Prof Amount		Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802		3.68%	\$8,637	\$1,803	\$10,440	4.13%
Total Cost of Debt	\$252,802			\$8,637	\$1,803	\$10,440	4.13%

Actual Cost of Debt	2014 Act Amount		Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802		3.68%	\$8,637	\$1,803	\$10,440	4.13%
Total Cost of Debt	\$252,802			\$8,637	\$1,803	\$10,440	4.13%

Cost of Common Equity Capital
The Company is utilizing a cost of common equity of 10.75%.

AWC Belmont Water**Schedule 5****Income Tax Computation**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$208,954	\$299,362
Equity Component of Cost of Capital	<u>5.70%</u>	<u>6.28%</u>
Operating Net Income Required	\$11,906	\$18,807
Tax Multiplier (Schedule 5A)	<u>7,809</u>	<u>12,335</u>
Income Required before Income Taxes	\$19,715	\$31,142
Less: NH Business Profits Tax @ 8.5%	<u>1,876</u>	<u>2,647</u>
Income subject to Federal Taxes	\$18,039	\$28,495
Less: Federal Income Tax @ 34%	<u>6,133</u>	<u>9,688</u>
Income after Income Taxes	<u>\$11,906</u>	<u>\$18,807</u>

AWC Belmont Water

Schedule 5A

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	8.50%
Federal Taxable Income	91.50%
Federal Income Tax Rate	34.00%
Effective Federal Income Tax Rate	31.11%
Add: NH Business Profit Tax	8.50%
Effective Tax Rate	39.61%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	39.61%
Percent Used as a Divisor in Determining the Revenue Requirement	60.39%
Tax Multiplier	65.59%

AWC Belmont Sewer

Computation of Revenue Deficiency - Sewer

For the Test Year Ended December 31, 2014

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$72,270	\$93,006
Rate of Return (Schedule 4)	<u>7.41%</u>	<u>8.00%</u>
Annualized Operating Income Required	\$5,358	\$7,439
Annualized Net Operating Income (Schedule 1)	<u>(8,640)</u>	<u>7,439</u>
Operating Income (Deficiency) Surplus	(\$13,998)	\$0
Tax Effect		<u>0</u>
Revenue Deficiency (Surplus)	<u>(\$13,998)</u>	<u>\$0</u>

Statement of Income - Sewer

Line No.	Account Title (Number) (a)	Actual 2014 Year End Balance (b)	Annualized Adjustments (c)	Annualized 2014 Year End Balances (d)	Proforma Adjustments (e)	Proforma 2014 Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 68,524	\$ 9,789	\$ 78,313	\$39,246	\$ 117,559
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)	70,518	10,074	80,592	16,489	97,081
4	Depreciation Expense (403)	2,200	314	2,514	360	2,874
5	Amortization of Contribution in Aid of Construction (405)					
6	Amortization of Utility Plant Acquisition Adjustment (406)					
7	Amortization Expense-Other (407)				1,661	1,661
8	Taxes Other Than Income (408.1-408.13)	3,366	481	3,847	824	4,671
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	-	-	-	3,832	3,832
10	Total Operating Expenses	\$ 76,084	\$ 10,869	\$ 86,953	\$ 23,167	\$ 110,120
11	Net Operating Income (Loss)	\$ (7,560)	\$ (1,080)	(8,640)	16,079	7,439
12	Other Income and Deductions					
13	Interest and Dividend Income (419)	517		517		517
14	Allow. for funds Used During Construction (420)					
15	Nonutility Income (421)					
16	Gains (Losses) From Disposition of Nonutility Property (421)					
17	Miscellaneous Nonutility Expenses (426)					
18	Interest Expense (427)	(2,036)		(2,036)		(2,036)
19	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
20	Total Other Income and Deductions	\$ (1,519)	\$ -	(1,519)		(1,519)
21	NET INCOME (LOSS)	\$ (9,079)	\$ (1,080)	\$ (10,159)	\$ 16,079	\$ 5,920

**AWC Belmont Sewer
Statement of Income - Sewer Proforma Adjustments**

Schedule 1A
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Operating Revenues

1	Proforma 2014 Year End Balance	\$117,559
	Annualized 2014 Year End Balance	<u>78,313</u>
	Proforma Adjustment	<u>\$39,246</u>
	To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.	
	Total Proforma Adjustment to Operating Revenues	\$39,246

Operation and Maintenance Expenses

2	<u>Purchased Sewer Treatment</u>	
	Proforma 2014 Year End Balance	\$61,860
	Annualized 2014 Year End Balance	<u>53,119</u>
	Proforma Adjustment	<u>\$8,741</u>
	To adjust test year expenses for increase in City of Laconia sewer rates	
3	<u>Sewer Annual Cleaning, Preventative and Ongoing Maintenance</u>	
	Proforma 2014 Year End Balance	\$1,625
	Annualized 2014 Year End Balance	<u>0</u>
	Proforma Adjustment	<u>\$1,625</u>
	To adjust test year expenses for annual cleaning of wet well, preventative and ongoing maintenance	
4	<u>Auditing / Accounting Services</u>	
	Proforma 2014 Year End Balance	\$6,432
	Annualized 2014 Year End Balance	<u>309</u>
	Proforma Adjustment	<u>\$6,123</u>
	To adjust test year expenses for \$4,875 (\$13,000 x 75% x 50%) of the auditing costs and for \$1,248 (\$3,328 x 75% x 50%) of accounting costs	
	Total Proforma Adjustment to Operation and Maintenance Expenses	\$16,489

Depreciation Expenses

5	Annualized 2014 Year End Balance adjusted for add'l half year depr on 2014 additlons	\$2,874
	Annualized 2014 Year End Balance	<u>2,514</u>
	Proforma Adjustment	<u>\$360</u>
	To adjust test year depreciation expenses for an add'l half year depreciation on 2014 adds	

Total Proforma Adjustment to Depreciation Expenses \$360
Please see schedule 3B for more support.

Amortization of Organizational Costs

6	Proforma 2014 Year End Balance	\$1,661
	Actual 2014 Year End Balance	<u>0</u>
	Proforma Adjustment	<u>\$1,661</u>

To adjust test year expenses for the amortization of org. costs over 12 years
Please see schedule 3B for more support.

Taxes other than Income**State of New Hampshire**

7	Actual 2014 Year End Balance adjusted for state utility property taxes	\$1,062
	Annualized 2014 Year End Balance	<u>891</u>
	Proforma Adjustment	<u>\$171</u>

Town of Belmont

8	Actual 2014 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$3,609
	Annualized 2014 Year End Balance	<u>2,956</u>
	Proforma Adjustment	<u>\$653</u>

To adjust test year expenses for plant added in 2014

Total Proforma Adjustments to Taxes other than Income \$824
See 3B for calculation of additional state and local property taxes.

Income Taxes**Federal Income Taxes**

9	Proforma 2014 Year End Balance	\$3,010
	Annualized 2014 Year End Balance	0
	Proforma Adjustment	<u>\$3,010</u>

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 5.

State Business Taxes

10	Proforma 2014 Year End Balance	\$822
	Annualized 2014 Year End Balance	0
	Proforma Adjustment	<u>\$822</u>

To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 5.

Total Proforma Adjustments to Income Taxes \$3,832

AWC Belmont Sewer

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022				
1. Cash																																								
2. Accounts Receivable																																								
3. Inventory																																								
4. Equipment																																								
5. Land																																								
6. Buildings																																								
7. Intangible Assets																																								
8. Total Assets																																								
9. Accounts Payable																																								
10. Long-Term Debt																																								
11. Total Liabilities																																								
12. Total Equity																																								

AWC Belmont Sewer

Schedule 3

Rate Base - Sewer

Line No.	Account Title (a)	December 2013 Balance (b)	March 2014 Balance (c)	June 2014 Balance (d)	September 2014 Balance (e)	December 2014 Balance (f)	5 Qtr. Avg. Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$103,850	\$109,850	\$109,899	\$110,059	\$110,059	\$108,743	\$21,251	\$129,994
2	Less: Accumulated Depreciation	<u>53,242</u>	<u>53,623</u>	<u>54,195</u>	<u>54,947</u>	<u>55,699</u>	<u>54,341</u>	<u>2,548</u>	<u>56,889</u>
3	Net Utility Plant	50,608	56,227	55,704	55,112	54,360	54,402	18,702	73,105
4	Material and Supplies	7,931	7,931	7,931	7,931	7,931	7,931		7,931
5	Prepayments	0	0	0	0	0	0		0
6	Accumulated Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
7	Total Rate Base	\$58,539	\$64,158	\$63,835	\$63,043	\$62,291	\$62,333	\$18,702	\$81,036
8	Cash Working Capital (1)						<u>9,937</u>	<u>2,033</u>	<u>11,970</u>
9	Total Rate Base						<u>\$ 72,270</u>	<u>\$ 20,735</u>	<u>\$ 93,006</u>
(1) Cash Working Capital 5 Quarter Average Year End Balance is the same as December 2014 Balance.									

**AWC Belmont Sewer
Rate Base - Sewer Proforma Adjustments
Plant in Service**

Schedule 3A
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1	Proforma Year End Balance	\$110,059
	5 Quarter Average Year End Balance	<u>108,743</u>
	Proforma Adjustment	<u>\$1,316</u>
	To adjust 5 quarter average test year plant in service to year end balance	
2	Proforma Year End Balance with organization costs	\$129,994
	Proforma Year End Balance	<u>110,059</u>
	Proforma Adjustment	<u>\$19,935</u>
	To adjust test year year end balance of plant in service for organization costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	<u>\$21,251</u>

Accumulated Depreciation and Amortization

3	Proforma Year End Balance	\$55,699
	5 Quarter Average Year End Balance	<u>54,341</u>
	Proforma Adjustment	<u>\$1,358</u>
	To adjust 5 quarter average test year plant in service to year end balance	
4	Proforma Year End Balance	\$56,059
	Proforma Year End Balance	<u>55,699</u>
	Proforma Adjustment	<u>\$360</u>
	To adjust test year accumulated depreciation for additional 2014 depreciation	
5	Proforma Year End Balance with add'l depr and amort of org costs	\$56,889
	To adjust 5 quarter average test year plant in service to year end balance	<u>56,059</u>
	Proforma Adjustment	<u>\$830</u>
	To adjust test year year end balance of plant in service for 2015 amortization of organizational costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Accumulated Depreciation	<u>\$2,548</u>

Cash Working Capital

6 Proforma Year End Balance	\$11,970
Year End Balance	<u>9,937</u>
Proforma Adjustment	<u>\$2,033</u>

To adjust test year cash working capital balance
For additional support, please see schedule 3C

AWC Belmont Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2014

PUC			Depr.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Depr.
311	Pumpng Equipment	\$ 823	10.00%	\$ 82	\$ 41
333	Services	295	2.50%	7	4
334	Purchase & Installation of Meters	38,847	5.00%	1,942	971
346	Communication Equipment	489	14.29%	70	35
347	Set up Computer Billing/GLJAP System and Website	5,164	14.29%	738	369
347	Remote Access Software	278	20.00%	56	28
TOTAL		\$ 45,896		\$ 2,895	\$ 1,448

Plant to be put in service in 2015

PUC			Depr.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Depr.
304	Structures & Improvements - Rebuild Pump Station	\$ 20,000	2.50%	\$ 500	\$ 250
333	Services Lines / Gate Valves	1,000	2.50%	25	13
TOTAL		\$ 21,000		\$ 525	\$ 263
TOTAL					\$ 1,710

To reclass Organizational Costs to Plant

PUC			Amort.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Amort
301	Organizational costs (75% allocated to Belmont; 74% to water) \$102,233 x 75% x 74%	\$ 56,739	8.33%	\$ 4,726	\$ 2,363

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 123,635
Total Increase in Accum Depr & Amort	4,073
Net Total Increase in Plant	\$ 119,562
Total Increase in Plant per Thousands	120
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	\$ 789

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ 119,562
Total Increase in Plant per Thousands	120
Town of Belmont Property Tax Rate	\$ 25.17
Total Increase in Town of Belmont Property Taxes	\$ 3,009

AWC Belmont Sewer

Schedule 3C

Working Capital - Sewer

	<u>2014 Proforma Amount</u>	<u>2014 Annualized Amount</u>
Operating and Maintenance Expenses	\$97,081	\$80,592
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$11,970</u>	<u>\$9,937</u>

Rate of Return Information

Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	58.44%	10.75%	6.28%
Long Term Debt	41.56%	4.13%	1.72%
Total Capital	100.00%		8.00%

Actual Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	58.44%	9.75%	5.70%
Long Term Debt	41.56%	4.13%	1.72%
Total Capital	100.00%		7.41%

Capital Structure for Ratemaking Purposes	2014 Prof Amounts	2014 Prof Ratios	2014 Actual Amounts	2014 Actual Ratios
Common Stock				
Other Paid In Capital	339,521	55.82%	339,521	55.82%
Retained Earnings	15,956	2.62%	15,956	2.62%
Total Equity	\$ 355,477	58.44%	\$ 355,477	58.44%
Long Term Debt	\$252,802	41.56%	\$252,802	41.56%
Total Capital	\$ 608,279	100.00%	\$ 608,279	100.00%

Proforma Cost of Debt	2014 Prof Amount	Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802	3.68%	\$8,637	\$1,803	\$10,440	4.13%
Total Cost of Debt	\$252,802		\$8,637	\$1,803	\$10,440	4.13%

Actual Cost of Debt	2014 Act Amount	Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802	3.68%	\$8,637	\$1,803	\$10,440	4.13%
Total Cost of Debt	\$252,802		\$8,637	\$1,803	\$10,440	4.13%

Cost of Common Equity Capital
The Company is utilizing a cost of common equity of 10.75%.

AWC Belmont Sewer

Schedule 5

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$72,270	\$93,006
Equity Component of Cost of Capital	<u>5.70%</u>	<u>6.28%</u>
Operating Net Income Required	\$4,118	\$5,843
Tax Multiplier (Schedule 5A)	<u>2.701</u>	<u>3.832</u>
Income Required before Income Taxes	\$6,819	\$9,675
Less: NH Business Profits Tax @ 8.5%	<u>580</u>	<u>822</u>
Income subject to Federal Taxes	\$6,239	\$8,853
Less: Federal Income Tax @ 34%	<u>2,121</u>	<u>3,010</u>
Income after Income Taxes	<u>\$4,118</u>	<u>\$5,843</u>

AWC Belmont Sewer

Schedule 5A

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	8.50%
Federal Taxable Income	91.50%
Federal Income Tax Rate	34.00%
Effective Federal Income Tax Rate	31.11%
Add: NH Business Profit Tax	8.50%
Effective Tax Rate	39.61%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	39.61%
Percent Used as a Divisor in Determining the Revenue Requirement	60.39%
Tax Multiplier	65.59%

AWC Bow Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2014

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$108,113	\$180,870
Rate of Return (Schedule 4)	<u>7.41%</u>	<u>8.00%</u>
Operating Income Required	\$8,016	\$14,467
Annualized Net Operating Income (Schedule 1)	<u>(189)</u>	<u>14,468</u>
Operating Income (Deficiency) Surplus	(\$8,205)	\$0
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>(\$8,205)</u>	<u>\$0</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 2014 Year End Balance (b)	Annualized Adjustment (c)	Annualized 2014 Year End Balance (d)	Proforma Adjustments (e)	Proforma Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 58,021	\$ 8,289	\$ 66,310	\$ 34,375	\$ 100,685
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)	41,864	5,981	47,845	6,607	54,452
4	Depreciation Expense (403)	10,764	1,538	12,302	2,416	14,717
5	Amortization of Contribution in Aid of Construction (405)	(5,790)	-	(5,790)	651	(5,139)
6	Amortization of Utility Plant Acquisition Adjustment (406)					
7	Amortization Expense-Other (407)	-	-	-	2,129	2,129
8	Taxes Other Than Income (408.1-408.13)	8,150	1,164	9,314	2,777	12,092
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	2,475	354	2,829	5,138	7,966
10	Total Operating Expenses	\$ 57,463	\$ 9,036	\$ 66,499	\$ 19,718	\$ 86,218
11	Net Operating Income (Loss)	558	(747)	(189)	14,657	14,468
12	Other Income and Deductions					
13	Interest and Dividend Income (419)	663	-	663		663
14	Allow. for funds Used During Construction (420)					
15	Nonutility Income (421)					
16	Gains (Losses) From Disposition of Nonutility Property (421)					
17	Miscellaneous Nonutility Expenses (426)					-
18	Interest Expense (427)	(2,610)	(373)	(2,983)	-	(2,983)
19	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
20	Total Other Income and Deductions	\$ (1,948)	\$ (373)	\$ (2,321)	\$ -	\$ (2,321)
21	NET INCOME (LOSS)	\$ (1,389)	\$ (1,120)	\$ (2,510)	\$ 14,657	\$ 12,147

**AWC Bow Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A
Page 1 of 3

1 Operating Revenues

Proforma 2014 Year End Balance	\$100,685
Annualized 2014 Year End Balance	<u>66,310</u>
Proforma Adjustment	<u>\$34,375</u>

To adjust test year revenues for the additional revenue needed in order for the Company to earn its rate of return and to recover its expenses.

Total Proforma Adjustment to Operating Revenues	\$34,375
-------------------------------------------------	-----------------

Operation and Maintenance Expenses

2 Electric

Proforma 2014 Year End Balance	\$50,270
Annualized 2014 Year End Balance	<u>47,845</u>
Proforma Adjustment	<u>\$2,425</u>

To adjust test year expenses for Increase in electric rate eff. Dec. 2014

3 Water Testing

Proforma 2014 Year End Balance	\$5,944
Annualized 2014 Year End Balance	<u>5,844</u>
Proforma Adjustment	<u>\$100</u>

To adjust test year expenses for 1/6 (\$600 / 6 yrs.) of the SOC testing scheduled for 2016

4 Auditing / Accounting Services

Proforma 2014 Year End Balance	\$4,287
Annualized 2014 Year End Balance	<u>205</u>
Proforma Adjustment	<u>\$4,082</u>

To adjust test year expenses for \$3,250 (\$13,000 x 25%) of the auditing costs and for \$832 (\$3,328 x 25%) of accounting costs

Total Proforma Adjustment to Operation and Maintenance Expenses	\$6,607
-----------------------------------------------------------------	----------------

Depreciation Expenses

5	Annualized 2014 Year End Balance adjusted for add'l half year depr on 2014 additions	\$13,043
	Annualized 2014 Year End Balance	<u>12,302</u>
	Proforma Adjustment	<u>\$741</u>
	To adjust test year depreciation expenses for an additional half year depreciation on 2014 additions	
6	Annualized 2014 Year End Balance adjusted for full year depr on 2015 additions	14,717
	Annualized 2014 Year End Balance adjusted for additional half year depreciation	<u>13,043</u>
	Proforma Adjustment	<u>\$1,675</u>
	To adjust test year depreciation expenses for 2015 additions	
	Total Proforma Adjustment to Depreciation Expenses	\$2,416
	Please see schedule 3B for more support.	

Amortization of Contribution In Aid of Construction

7	Proforma 2014 Year End Balance	(\$5,139)
	Actual 2014 Year End Balance	<u>(5,790)</u>
	Proforma Adjustment	<u>\$651</u>
	To adjust test year amortization of CIAC for correct amortization	

Amortization of Organizational Costs

8	Proforma 2014 Year End Balance	\$2,129
	Actual 2014 Year End Balance	<u>0</u>
	Proforma Adjustment	<u>\$2,129</u>
	To adjust test year expenses for the amortization of org. costs over 12 years	

Taxes other than Income**State of New Hampshire**

9	Actual 2014 Year End Balance adjusted for state utility property taxes	\$1,687
	Annualized 2014 Year End Balance	<u>1,143</u>
	Proforma Adjustment	<u>\$544</u>

10	Actual 2014 Year End Balance adjusted for Town of Bow Prop. Taxes	\$10,404
	Annualized 2014 Year End Balance	<u>8,171</u>
	Proforma Adjustment	<u>\$2,233</u>
	Total Proforma Adjustments to Taxes other than Income	<u>\$2,777</u>

Income Taxes

Federal Income Taxes

11	Proforma 2014 Year End Balance	\$5,854
	Annualized 2014 Year End Balance	<u>1,829</u>
	Proforma Adjustment	<u>\$4,025</u>

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 5.

State Business Taxes

12	Proforma 2014 Year End Balance	\$1,599
	Annualized 2014 Year End Balance	<u>486</u>
	Proforma Adjustment	<u>\$1,113</u>

To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 5.

	Total Proforma Adjustments to Income Taxes	<u>\$5,138</u>
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AWC Bow Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1. Cash										
2. Accounts receivable										
3. Inventory										
4. Prepaid expenses										
5. Other assets										
6. Total assets										
7. Accounts payable										
8. Long-term debt										
9. Other liabilities										
10. Total liabilities										
11. Total liabilities and equity										

AWC Bow Water

Schedule 3

Rate Base - Water

Line No.	Account Title (a)	December 2013 Balance (b)	March 2014 Balance (c)	June 2014 Balance (d)	September 2014 Balance (e)	December 2014 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$403,442	\$404,002	\$408,522	\$424,637	\$425,965	\$413,314	\$75,210	\$488,523
2	Less: Accumulated Depreciation	<u>205,158</u>	<u>208,996</u>	<u>212,494</u>	<u>215,992</u>	<u>217,428</u>	<u>212,014</u>	<u>8,057</u>	<u>220,071</u>
3	Net Utility Plant	198,284	195,006	196,028	208,645	208,537	201,300	67,152	268,452
4	Material and Supplies	424	424	424	424	424	424	0	424
5	Prepayments	0	0	0	0	360	72	288	360
6	Contribution in Aid of Construction - Net	(143,900)	(143,900)	(143,900)	(143,900)	(143,900)	(143,900)	0	(143,900)
7	Accumulated Amortization of CIAC	43682	43030	43030	43030	48820	44,318	4,502	48,820
8	Accumulated Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9	Rate Base	<u>\$98,490</u>	<u>\$94,560</u>	<u>\$95,582</u>	<u>\$108,199</u>	<u>\$114,241</u>	<u>\$102,214</u>	<u>\$71,942</u>	<u>\$174,156</u>
10	Cash Working Capital (1)						5,899	815	6,714
11	Total Rate Base						\$ 108,113	\$ 72,757	\$ 180,870
	(1) Cash Working Capital Average Year End Balance is the same as the December 2014 Balance.								

**AWC Bow Water
Rate Base - Water Proforma Adjustments**

Schedule 3A
Page 1 of 2

Plant in Service

1	December 2014 Balance	\$425,965
	5 Quarters Average Year End Balance	<u>413,314</u>
	Proforma Adjustment	<u>\$12,651</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2014 additions to plant	
2	Proforma Year End Balance with 2015 additions to plant	\$462,965
	December 2014 Balance	<u>425,965</u>
	Proforma Adjustment	<u>\$37,000</u>
	To adjust test year year end balance of plant in service for 2015 capital additions	
3	Proforma Year End Balance with 2015 additions and organization costs	\$488,523
	Proforma Year End Balance with 2015 additions to plant	<u>462,965</u>
	Proforma Adjustment	<u>\$25,558</u>
	To adjust test year year end balance of plant in service for 2015 capital additions and org. costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	<u>\$75,210</u>

Accumulated Depreciation and Amortization

4	December 2014 Balance	\$217,428
	5 Quarters Average Year End Balance	<u>212,014</u>
	Proforma Adjustment	<u>\$5,414</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2014 accum depr	
5	Proforma Year End Balance with add'l depr	\$219,006
	December 2014 Balance	<u>217,428</u>
	Proforma Adjustment	<u>\$1,578</u>
	To adjust test year year end balance of plant in service for add'l half year for 2014 additions and for half year depreciation for 2015 additions. For additional support, please see schedule 3B	

6	Proforma Year End Balance with add'l depr and amort of org costs	\$220,071
	Proforma Year End Balance with add'l depr	<u>219,006</u>
	Proforma Adjustment	<u>\$1,065</u>
	To adjust test year year end balance of plant in service for 2015 amortization of organization costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Accumulated Depreciation	<u>\$8,057</u>

Prepayments

7	Proforma Year End Balance	\$360
	5 Quarters Average Year End Balance	<u>72</u>
	Proforma Adjustment	<u>\$288</u>
	To adjust 5 quarter average test year to year end balance	

Contribution in Aid of Construction

8	Proforma Year End Balance	(\$143,900)
	5 Quarters Average Year End Balance	<u>(143,900)</u>
	Proforma Adjustment	<u>\$0</u>
	To adjust 5 quarters average test year to year end balance	

Accumulated Amortization of CIAC

9	Proforma Year End Balance	\$48,820
	5 Quarters Average Year End Balance	<u>44,318</u>
	Proforma Adjustment	<u>\$4,502</u>
	To adjust 5 quarter average test year to year end balance	

Cash Working Capital

10	Year End Proforma Balance	\$6,714
	Average Year End Balance	<u>5,899</u>
	Proforma Adjustment	<u>\$815</u>
	To adjust test year cash working capital balance For additional support, please see schedule 3C	

REPLACEMENT

AWC Bow Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2014

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
310	Purchase and Install Stand-By Generator	\$ 13,700	5.00%	\$ 685	\$ 343
333	Services & Renewals	4,024	2.50%	101	50
334	Purchase meters	410	5.00%	21	10
334	Install meters	824	5.00%	41	21
347	Set up Computer Billing/GL/AP System and Website	2,952	20.00%	590	295
348	Misc. Capital Expenditures under \$1000	613	7.18%	44	22
	TOTAL	\$ 22,523		\$ 1,482	\$ 741

Plant to be put in service in 2015

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
331	Replace mainline gate valves	\$ 7,000	5.00%	\$ 350	\$ 175
333	Services & Renewals	5,000	2.50%	125	63
334	Purchase meters	15,000	5.00%	750	375
334	Install meters	7,000	5.00%	350	175
340	Groundwater Exploration Report	3,000	3.33%	100	50
	TOTAL	\$ 37,000		\$ 1,675	\$ 837

\$1,578

To reclass Organizational Costs to Plant

PUC Acct. No.	Description	Cost	Amort. Rate	Annual Cost	Accum Depr
301	Organizational costs (25% allocated to Bow)	\$ 25,558	8.33%	\$ 2,129	\$ 1,065

State Utility Property Taxes and Town of Bow Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 85,081
Total Increase in Accum Depr & Amort	2,643
Net Total Increase in Plant	<u>\$ 82,438</u>
Total Increase in Plant per Thousands	82
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	<u>\$ 544</u>

Town of Bow Property Taxes

Net Total Increase in Plant	\$ 82,438
Total Increase in Plant per Thousands	82
Town of Bow Property Tax Rate	\$ 27.09
Total Increase in Town of Bow Property Taxes	<u>\$ 2,233</u>

AWC Bow Water

Schedule 3C

Working Capital - Water

	<u>2014 Proforma Amount</u>	<u>2014 Actual Amount</u>
Operating and Maintenance Expenses	\$54,452	\$47,845
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$6,714</u>	<u>\$5,899</u>

Rate of Return Information

Proforma Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	58.44%	10.75%	6.28%
Long Term Debt	41.56%	4.13%	1.72%
Total Capital	100.00%		8.00%

Actual Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	58.44%	9.75%	5.70%
Long Term Debt	41.56%	4.13%	1.72%
Total Capital	100.00%		7.41%

Capital Structure for Ratemaking Purposes	2014 Prof Amounts	2014 Prof Ratios	2014 Actual Amounts	2014 Actual Ratios
Common Stock				
Other Paid in Capital	339,521	55.82%	339,521	55.82%
Retained Earnings	15,956	2.62%	15,956	2.62%
Total Equity	\$ 355,477	58.44%	\$ 355,477	58.44%
Long Term Debt	\$252,802	41.56%	\$252,802	41.56%
Total Capital	\$ 608,279	100.00%	\$ 608,279	100.00%

Long Term Debt	2014 Prof Amount	2014 Actual Amount				
2014 CoBank Loan	\$252,802	\$252,802				
Total Long Term Debt	\$252,802	\$252,802			\$0	\$0

Proforma Cost of Debt	2014 Prof Amount	Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802	3.68%	\$0	\$0	\$0	0.00%
Total Cost of Debt	\$252,802		\$0	\$0	\$0	0.00%

Actual Cost of Debt	2014 Act Amount	Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802	3.68%	\$8,637	\$1,803	\$10,440	4.13%
Total Cost of Debt	\$252,802		\$8,637	\$1,803	\$10,440	4.13%

Cost of Common Equity Capital
The Company is utilizing a cost of common equity of 10.75%.

AWC Bow Water**Schedule 5****Income Tax Computation**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$108,113	\$180,870
Equity Component of Cost of Capital	<u>5.70%</u>	<u>6.28%</u>
Operating Net Income Required	\$6,160	\$11,363
Tax Multiplier (Schedule 5A)	<u>4.040</u>	<u>7.453</u>
Income Required before Income Taxes	\$10,201	\$18,816
Less: NH Business Profits Tax @ 8.5%	<u>867</u>	<u>1,599</u>
Income subject to Federal Taxes	\$9,334	\$17,216
Less: Federal Income Tax @ 34%	<u>3,173</u>	<u>5,854</u>
Income after Income Taxes	<u>\$6,160</u>	<u>\$11,363</u>

AWC Bow Water

Schedule 5A

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	8.50%
Federal Taxable Income	91.50%
Federal Income Tax Rate	34.00%
Effective Federal Income Tax Rate	31.11%
Add: NH Business Profit Tax	8.50%
Effective Tax Rate	39.61%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	39.61%
Percent Used as a Divisor in Determining the Revenue Requirement	60.39%
Tax Multiplier	65.59%

AWC Consolidated Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2014

	<u>Belmont Water</u>	<u>Bow Water</u>	<u>Combine Proforma</u>
Rate Base (Schedule 3)	\$299,362	\$180,870	\$480,232
Rate of Return (Schedule 4)	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>
Operating Income Required	\$23,945	\$14,467	\$38,412
Net Operating Income (Schedule 1)	<u>23,945</u>	<u>14,467</u>	<u>38,412</u>
Operating Income (Deficiency) Surplus	\$0	(\$0)	\$0
Tax Effect			<u>0</u>
Revenue Surplus (Deficiency)	<u>\$0</u>	<u>(\$0)</u>	<u>\$0</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Belmont Proforma 2014 Year End Balance (b)	Bow Proforma 2014 Year End Balance (c)	Combined Proforma 2014 Year End Balance (d)
	UTILITY OPERATING INCOME			
1	Operating Revenues(400)	\$ 138,799	\$ 100,685	\$ 239,484
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	63,254	54,452	117,706
4	Depreciation Expense (403)	19,654	14,717	34,371
5	Amortization of Contribution in Aid of Construction (405)	(1,407)	(5,139)	(6,546)
6	Amortization of Utility Plant Acquisition Adjustment (406)			
7	Amortization Expense-Other (407)	4,726	2,129	6,855
8	Taxes Other Than Income (408.1-408.13)	14,748	12,092	26,840
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	13,878	7,966	21,844
10	Total Operating Expenses	\$ 114,853	\$ 86,217	\$ 201,070
11	Net Operating Income (Loss)	23,946	14,468	38,414
12	Other Income and Deductions			
13	Interest and Dividend Income (419)	1,471	663	2,134
14	Allow. for funds Used During Construction (420)			
15	Nonutility Income (421)			
16	Gains (Losses) From Disposition of Nonutility Property (421)			
17	Miscellaneous Nonutility Expenses (426)			
18	Interest Expense (427)	(5,794)	(2,983)	(8,777)
19	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)			
20	Total Other Income and Deductions	\$ (4,323)	\$ (2,320)	\$ (6,643)
21	NET INCOME (LOSS)	\$ 19,623	\$ 12,148	\$ 31,771

**AWC Consolidated Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A

Page 1 of 1

See Belmont and Bow Water Proforma adjustments

Account	2019	2018
Operating Revenue	1,234,567	1,123,456
Operating Expenses	(876,543)	(765,432)
Operating Income	358,024	358,024
Non-Operating Income	12,345	12,345
Non-Operating Expenses	(5,678)	(5,678)
Income Before Income Taxes	364,691	364,691
Income Tax Expense	(91,173)	(91,173)
Net Income	273,518	273,518
Other Adjustments	0	0
Total	273,518	273,518

Balance Sheet

F-1 BALANCE SHEET
Assets and Other Debits

Line #	Acct #	Account Title (a)	Current Year End Balance (c)
1		UTILITY PLANT	
2	101->105	Utility Plant	\$1,112,213
3	108+110	Less: Accumulated Depreciation & Amortization	506,577
4		Net Plant	\$605,636
5	114-115	Utility Plant Acquisition Adjustment - Net	
6		Total Net Utility Plant	\$605,636
7			
8		OTHER PROPERTY AND INVESTMENTS	
9	121	Nonutility Property	
10	122	Less: Accumulated Depreciation & Amortization	
11		Net Nonutility Property	
12	124	Utility Investments	
13	127	Depreciation Funds	
14		Total Other Property and Investments	
15			
16		CURRENT AND ACCRUED ASSETS	
17	131	Cash	\$25,808
18	132	Special Deposits	
19	133	Other Special Deposits	
20	141-143	Accounts & Notes Receivable Net	2,980
21	151	Plant Materials and Supplies	10,309
22	162+163	Prepayments	
23	174	Miscellaneous Current and Accrued Assets	66,523
24		Total Current and Accrued Assets	\$105,620
25			
26		DEFERRED DEBITS	
27	186	Miscellaneous Deferred Debits	\$124,694
28	190	Accumulated Deferred Income Taxes	
29		Total Deferred Debits	\$124,694
30		TOTAL ASSETS AND OTHER DEBITS	\$835,950

Balance Sheet

F-1 BALANCE SHEET
Equity Capital and Liabilities

Line #	Acct #	Account Title (a)	Current Year End Balance (c)
1		EQUITY CAPITAL	
2	201	Common Stock Issued	
3	204	Preferred Stock Issued	
4	211	Other Paid In Capital	339,521
5	215	Unappropriated Retained Earnings	
6	217	Retained Earnings	\$15,956
7	218	Proprietary Capital (Proprietorships & Partnerships only)	
8		Total Equity Capital	\$355,477
9			
10		LONG TERM DEBT	
11	223	Advances from Associated Companies	
12	224	Other Long-Term Debt	\$252,802
13		Total Long Term Debt	\$ 252,802
14			
15		CURRENT AND ACCRUED LIABILITIES	
16	231	Accounts Payable	\$18,265
17	232	Notes Payable	
18	235	Customer Deposits	
19	236	Accrued Taxes	8,089
20	237	Accrued Interest	
21	241	Miscellaneous Current & Accrued Liabilities	35,690
22		Total Current and Accrued Liabilities	\$62,044
23			
24		OTHER LIABILITIES	
25	252	Advances for Construction	
26	253	Other Deferred Credits	
27	255	Accumulated Deferred Investment Tax Credit	
28	265	Miscellaneous Operating Reserves	
29	271-272	CIAC - Net	131,727
30	281->283	Accumulated Deferred Income Taxes	33,900
31		Total Other Liabilities	\$165,627
32		TOTAL EQUITY CAPITAL AND LIABILITIES	\$835,950

AWC Consolidated Water

Schedule 3

Rate Base - Water

Line No.	Account Title (a)	Belmont Proforma Year End Balance (b)	Bow Proforma Year End Balance (c)	Combined Proforma Year End Balance (d)
1	Plant in Service	\$652,852	\$488,523	\$1,141,375
2	Less: Accumulated Depreciation	<u>293,222</u>	<u>220,071</u>	<u>513,293</u>
3	Net Utility Plant	359,630	268,452	628,082
4	Material and Supplies	0	424	424
5	Prepayments	1,597	360	1,957
6	Contribution in Aid of Construction	(43,052)	(143,900)	(186,952)
7	Accumulated Amortization of CIAC	6,405	48,820	55,225
8	Accumulated Deferred Income Taxes	<u>(33,017)</u>	<u>0</u>	<u>(33,017)</u>
9	Rate Base	\$291,563	\$174,156	\$465,719
10	Cash Working Capital (1)	7,799	6,714	14,513
11	Total Rate Base	<u>\$ 299,362</u>	<u>\$ 180,870</u>	<u>\$ 480,232</u>

**AWC Consolidated Water
Rate Base - Water Proforma Adjustments**

Schedule 3A

Page 1 of 1

See Belmont and Bow Water Proforma Adjustments

REPLACEMENT

AWC Consolidated Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

See Belmont and Bow Plant / Accumulated Depreciation / Depreciation

AWC Consolidated Water

Schedule 3C

Working Capital - Water

See Belmont and Bow Working Capital

Account	2014	2013	2012	2011
Accounts Receivable	1,234,567	1,123,456	1,012,345	901,234
Inventory	567,890	678,901	789,012	890,123
Prepaid Expenses	123,456	234,567	345,678	456,789
Other Assets	345,678	456,789	567,890	678,901
Accounts Payable	(234,567)	(345,678)	(456,789)	(567,890)
Other Liabilities	(456,789)	(567,890)	(678,901)	(789,012)
Working Capital	1,483,144	1,583,265	1,683,386	1,783,507

Account	2014	2013	2012	2011
Accounts Receivable	1,234,567	1,123,456	1,012,345	901,234
Inventory	567,890	678,901	789,012	890,123
Prepaid Expenses	123,456	234,567	345,678	456,789
Other Assets	345,678	456,789	567,890	678,901
Accounts Payable	(234,567)	(345,678)	(456,789)	(567,890)
Other Liabilities	(456,789)	(567,890)	(678,901)	(789,012)
Working Capital	1,483,144	1,583,265	1,683,386	1,783,507

Account	2014	2013	2012	2011
Accounts Receivable	1,234,567	1,123,456	1,012,345	901,234
Inventory	567,890	678,901	789,012	890,123
Prepaid Expenses	123,456	234,567	345,678	456,789
Other Assets	345,678	456,789	567,890	678,901
Accounts Payable	(234,567)	(345,678)	(456,789)	(567,890)
Other Liabilities	(456,789)	(567,890)	(678,901)	(789,012)
Working Capital	1,483,144	1,583,265	1,683,386	1,783,507

Account	2014	2013	2012	2011
Accounts Receivable	1,234,567	1,123,456	1,012,345	901,234
Inventory	567,890	678,901	789,012	890,123
Prepaid Expenses	123,456	234,567	345,678	456,789
Other Assets	345,678	456,789	567,890	678,901
Accounts Payable	(234,567)	(345,678)	(456,789)	(567,890)
Other Liabilities	(456,789)	(567,890)	(678,901)	(789,012)
Working Capital	1,483,144	1,583,265	1,683,386	1,783,507

AWC Consolidated Water

Rate of Return Information

Proforma Overall Rate of Return		Component Ratio		Component Cost Rate		Weighted Average Cost Rate
Equity Capital		58.44%		10.75%		6.28%
Long Term Debt		41.56%		4.13%		1.72%
Total Capital		100.00%				8.00%

Actual Overall Rate of Return		Component Ratio		Component Cost Rate		Weighted Average Cost Rate
Equity Capital		58.44%		9.75%		5.70%
Long Term Debt		41.56%		4.13%		1.72%
Total Capital		100.00%				7.41%

Capital Structure for Ratemaking Purposes	2014 Prof Amounts		2014 Prof Ratios		2014 Actual Amounts		2014 Actual Ratios
Common Stock							
Other Paid In Capital	339,521		55.82%		339,521		55.82%
Retained Earnings	15,956		2.62%		15,956		2.62%
Total Equity	\$ 355,477		58.44%		\$ 355,477		58.44%
Long Term Debt	\$252,802		41.56%		\$252,802		41.56%
Total Capital	\$ 608,279		100.00%		\$ 608,279		100.00%

Long Term Debt	2014 Prof Amount		2014 Actual Amount			
2014 CoBank Loan	\$252,802		\$252,802			
Total Long Term Debt	\$252,802		\$252,802		\$0	\$0

Proforma Cost of Debt	2009 Prof Amount		Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802		3.68%	\$8,637	\$1,803	\$10,440	4.13%
Total Cost of Debt	\$252,802			\$8,637	\$1,803	\$10,440	4.13%

Actual Cost of Debt	2014 Act Amount		Interest Rate	Interest Expense	Amortization Of Fin Costs	Total Interest	Cost Rate
2014 CoBank Loan	\$252,802		3.68%	\$8,637	\$1,803	\$10,440	4.13%
Total Cost of Debt	\$252,802			\$8,637	\$1,803	\$10,440	4.13%

Cost of Common Equity Capital

The Company is utilizing a costs of common equity of 10.75%.

AWC Consolidated Water

Schedule 5

Income Tax Computation

See Belmont and Bow Income Tax Computations

AWC Consolidated Water

Schedule 5A

Effective Tax Factor

See Belmont and Bow Income Tax Factors

(The following table contains extremely faint and illegible text, likely representing a schedule of tax factors or financial data.)

AWC Belmont Water

Report of Proposed Rate Changes - Water

Utility **Abenaki Belmont**

Date Filed: **July 22, 2015**

Tariff No.: **1**

Effective Date:

Rate of Class of Service	Effect of Change	Number of Customers	Authorized Present Revenue	Proposed Revenue	Proposed Change Amount
Residential, Single Family	\$ 7,224	150	\$ 83,702	\$ 90,926	\$ 7,224
Residential, Multi-Family	1,948	4	22,570	24,518	1,948
Commercial A, FairPoint Communications	709	1	8,218	8,927	709
Commercial B	<u>1,137</u>	<u>4</u>	<u>13,176</u>	<u>14,313</u>	<u>1,137</u>
Total Water	\$ 11,018	159	\$ 127,666	\$ 138,684	\$ 11,018
Misc.	-	0	115	115	-
Total	<u>\$ 11,018</u>	<u>159</u>	<u>\$ 127,781</u>	<u>\$ 138,799</u>	<u>\$ 11,018</u>
Average Single Family			<u>\$ 558.01</u>	<u>\$ 606.17</u>	<u>\$ 48.16</u>
Percent Increase					<u>8.63%</u>

AWC Belmont Sewer

Report of Proposed Rate Changes - Sewer

Utility

Abenaki Belmont

Date Filed: July 22, 2015

Tariff No.: 1

Effective Date:

<u>Rate of Class of Service</u>	<u>Effect of Change</u>	<u>Number of Customers</u>	<u>Authorized Annualized Revenue</u>	<u>Proposed Revenue</u>	<u>Proposed Change Amount</u>
Residential, Single Family	\$ 26,379	148	\$ 52,637	\$ 79,016	\$ 26,379
Residential, Multi-Family	8,150	4	16,263	24,413	8,150
Commercial A, FairPoint Communications	2,337	1	4,663	7,000	2,337
Commercial B	2,380	3	4,750	7,130	2,380
Total Sewer	\$ 39,246	156	\$ 78,313	\$ 117,559	\$ 39,246
Misc.	-	-	-	-	-
Total	\$ 39,246	156	\$ 78,313	\$ 117,559	\$ 39,246
Average Single Family			\$ 355.66	\$ 533.89	\$ 178.23
Percent Increase					50.11%

AWC Bow Water

Report of Proposed Rate Changes

Utility **Abenaki Bow**

Date Filed: **July 22, 2015**

Tariff No.: **1**

Effective Date:

<u>Rate of Class of Service</u>	<u>Effect of Change</u>	<u>Number of Customers</u>	<u>Authorized Present Revenue</u>	<u>Proposed Revenue</u>	<u>Proposed Change Amount</u>
Residential	\$ 34,375	95	\$ 66,207	\$ 100,582	\$ 34,375
Misc. Service Revenues	\$0	0	103	103	\$0
Total	\$ 34,375	95	\$ 66,310	\$ 100,685	\$ 34,375
Average per Customer	\$ 361.84		\$ 696.92	\$ 1,058.76	\$ 361.84
Percent Increase					51.92%

AWC Consolidated Water

Report of Proposed Rate Changes - Water

Utility **Abenaki Combined**

Date Filed: **July 22, 2015**

Tariff No.: **1**

Effective Date:

<u>Rate of Class of Service</u>	<u>Effect of Change</u>	<u>Number of Customers</u>	<u>Authorized Annualized Revenue</u>	<u>Proposed Revenue</u>	<u>Proposed Change Amount</u>
Residential, Single Family	\$ 35,099	245	\$ 149,909	\$ 185,008	\$ 35,099
Residential, Multi-Family	5,284	4	22,570	27,854	5,284
Commercial A, FairPoint Communications	1,924	1	8,218	10,142	1,924
Commercial B	<u>3,085</u>	<u>4</u>	<u>13,176</u>	<u>16,261</u>	<u>3,085</u>
Total Water	\$ 45,393	254	\$ 193,873	\$ 239,266	\$ 45,393
Misc.	-	0	218	218	-
Total	\$ <u>45,393</u>	<u>254</u>	\$ <u>194,091</u>	\$ <u>239,484</u>	\$ <u>45,393</u>
Average Single Family			\$ <u>611.87</u>	\$ <u>755.14</u>	\$ <u>143.26</u>
Percent Increase					<u>23.41%</u>

Abenaki Water Company

Estimated Billing Data for Last 12 Months

	Rolling Quarterly/Monthly Billing Period*											
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
No. bills estimated 1 period only	26			8			2			0	0	0
No. bills estimated 2 or more in a row	15			4			0			0	0	0

* Abenaki Water Co. converted from quarterly to monthly billing after the first quarter (April 1) 2015 billing.