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PUC 1604.02(a)(1)
Cover Letter

October 30, 2020

Debra A. Howland
Executive Director & Secretary
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Dear Ms. Howland:

In accordance with the "Temporary Changes in Filing Requirements" dated March 17, 2020, on behalf of Abenaki Water Co. ("AWC" or "Company") and its Lakeland ("LL") water and sewer system, White Rock ("WR") water system, Tioga Gilford Village ("TGV") water system and Tioga Belmont ("TB") water system, attached is AWC's rate filing in DW 20-112. Additionally, a copy has been sent to Mr. Kreis, the Consumer Advocate.

The rate filing includes the following:

Summary of the Requested Rate Relief

Report of proposed rate changes for LL Sewer, LL Water, WR, TGV, TB and the combined water systems along with supporting rate calculations.

Proposed tariff rate pages for LL Sewer, LL Water, WR, TGV and TB

Direct testimony of Nick LaChance

Direct testimony of Donald J. E. Vaughan and Robert Gallo with supporting exhibits

Direct testimony of Stephen P. St. Cyr

Filing requirement schedules for permanent rate (including adjustments) for Total Company, LL Sewer, LL Water, WR, TGV, TB and the combined water systems.

Proposed statement to be transmitted to customers

Responses to NHPUC 1604.01b requirements

Rate case expense requirements

Mr. LaChance's attestation

Temporary rate filing

AWC believes that it has met the rate case filing requirements. It is our understanding that the Commissioners will schedule a prehearing conference and technical session to consider motions for intervention and a procedural schedule. AWC also anticipates being able to discuss and resolve any issues that may arise during the proceedings. If the Commissioners and/or its Staff have any questions, please contact me at 207-423-0215.

Sincerely,



Stephen P. St. Cyr

Stephen P. St. Cyr & Associates
17 Sky Oaks Drive
Biddeford, Me. 04005
207-423-0215
stephenpstcyr@yahoo.com

PUC 1604.02(a)(1)

Abenaki Water Company
LL Sewer, LL Water, WR, TGV, TB and AWC Combined
before the
New Hampshire Public Utilities Commission
DW 20-112
Summary of the Requested Rate Relief

Abenaki Water Company (“AWC” or “Company”) respectfully requests that the Commissioners accept this filing in support of its request for an increase in rates in its LL Sewer system and its LL Water, WR, TGV & TB water systems. AWC is also proposing that the Commission approve unified rates for its four water systems. Overall, AWC is proposing a revenue requirement for the four water systems of \$473,967, an increase \$221,840 in its annual revenues. A summary of the revenue increase for each system is briefly described below.

For LL Sewer, during the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to \$1,175. Its actual operating revenues amounted to \$115,921. Its actual operating expenses amounted to \$114,156, resulting in a net operating income (loss) of \$1,765. The net operating income (loss) of \$1,765 is less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issue here is 2020 and 2021 City of Laconia increases in sewer rates. LL Sewer needs a mechanism whereby City of Laconia sewer increases are passed on to LL Sewer customers after PUC review without a significant and costly proceeding.

For LL Water, during the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to \$24,447. Its actual operating revenues amounted to \$122,737. Its actual operating expenses amounted to \$93,129, resulting in a net operating income (loss) of \$29,608. The net operating income (loss) of \$29,608 is more than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. There are a couple of minor issues here. In 2019 and 2020 LL Water invested in plant, which needs to be full reflected in rate base. Also, in 2017, LL Water purchased water due to a water boiling order.

For WR, during the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to (\$19,532). Its actual operating revenues amounted to \$82,211. Its actual operating expenses amounted to \$99,636, resulting in a net operating income (loss) of (\$17,425). The net operating income (loss) of (\$17,425) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the anticipated 2020 expenditures of approximately \$170,000 including \$125,000 to be funded with NH DWSRF, the significant 2018 and 2019 water outage expenditures of \$87,625 and the 2019/2020 tank inspection of \$26,512.

For TGV, during the twelve months ended April 30, 2020 (the test year) the actual net income (loss) amounted to (\$24,600). Its actual operating revenues amounted to \$28,833. Its actual operating expenses amounted to \$52,677, resulting in a net operating income (loss) of (\$23,844). The net operating income (loss) of (\$23,844) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the 2019 purchase and installation of meters amounting to \$30,907 and the recovery of due diligence costs amounting to \$33,461 incurred in the process of purchasing the water system and gaining PUC approval.

For TB, during the twelve months ended April 30, 2020 (the test year) the actual net income (loss) amounted to (\$32,136). Its actual operating revenues amounted to \$18,346. Its actual operating expenses amounted to \$49,764, resulting in a net operating income (loss) of (\$31,418). The net operating income (loss) of (\$31,418) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the anticipated 2020 expenditures of approximately \$54,000 including \$50,000 to be funded with NH DWGTF, the recovery of due diligence costs of \$32,175 incurred in the process of purchasing the water system and gaining PUC approval and the main break and water purchases amounting to \$31,890.

AWC proposes that the new permanent rates for it LL Sewer, LL Water, WR, TGV & TB be effective December 1, 2020. As part of this filing, AWC is requesting temporary rates.

With respect to the specific rate filing and its exhibits and supporting schedules, AWC has engaged the services of Stephen P. St. Cyr of St. Cyr & Associates to assist the Company, prepare the exhibits, prepare, review and present testimony on the merits of the case and meet other rate filing requirements. Enclosed are exhibits, testimony and the other rate filing requirements.

SPSt. Cyr
10/30/20

AWC Lakeland Sewer

PUC 1604.02(a)(2)

Report of Proposed Rate Changes - Sewer

Utility: AWC Laleland Sewer Date Filed: 10/30/2020
 Tariff No.: Effective Date 12/1/2020

<u>Rate of Class of Service</u>	<u>Effect of Change</u>	<u>Number of Customers</u>	<u>Authorized Actual Revenue</u>	<u>Proposed Revenue</u>	<u>Proposed Change Amount</u>
Commercial A, FairPoint Communications	595	1	5,960	6,555	595
Commercial B	707	2	7,083	7,790	707
Residential, Multi-Family	2,112	1	21,167	23,279	2,112
Residential, Single Family	\$ 7,652	154	\$ 76,672	\$ 84,324	\$ 7,652
Total Sewer	\$ 11,066	158	\$ 110,882	\$ 121,948	\$ 11,066
Surcharge Revenues	(5,039)	-	5,039	-	(5,039)
Total	\$ 6,027	158	\$ 115,921	\$ 121,948	\$ 6,027
Average Single Family			\$ 720.01	\$ 791.87	\$ 71.86
Percent Increase					9.98%

**AWC Lakeland Sewer
CALCULATION OF CUSTOMER RATES**

Summary of Proposed Revenue Requirement	
Actual Test Year Sewer Revenues	\$ 115,921
Less: Surcharge Revenues	<u>5,039</u>
Adjusted Actual Test year Sewer Revenues	\$ 110,882
Proposed Increase in Revenue Requirement from Permanent Rates	<u>11,066</u>
Total Proposed Revenue Requirement	<u>\$ 121,948</u>
Total Proposed Increase in the Revenue Requirement	<u>9.98%</u>

Percent of Test Year Revenues per Customer Class	Number of Customers	Adjusted Test Year Revenues	
Commercial Class A (CA)	1	\$ 5,960	5.38%
Commercial Class B (CB)	2	7,083	6.39%
Residential Multi-Family (RM)	1	21,167	19.09%
Residential Single Family (RS)	<u>154</u>	<u>76,672</u>	<u>69.15%</u>
Total - Pro-forma Test Year	<u>158</u>	<u>\$ 110,882</u>	<u>100.00%</u>

	Calculation of Rates	Annual Revenue per Rate	Annual Revenue per Rate Class
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Commercial Class A:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 411.96		
1 + Percent Increase	x 1.0998		
Proposed Commercial Class A Quarterly Base Charge (Rounded)	<u>\$ 453.07</u>		
Number of Customers	x 1		
Annual Billing Periods	x 12	\$4,539.84	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,948		
Commercial Class A Percentage of Pro-forma Test Year Revenues	x 5.38%		
Commercial Class A Proposed Revenues	<u>\$ 6,554.81</u>		
Less: Commercial Class A Proposed Revenues from Base Charge	<u>4,539.84</u>		
Commercial Class A Proposed Revenues from Consumption Charge	<u>\$ 2,014.97</u>		
Commercial Class A Test Year Consumption (CCF)	+ 84.55		
Proposed Commercial Class A Consumption Charge	<u>\$ 23.83</u>		
Commercial Class A Annual Consumption (CCF)	x 84.55	<u>\$2,014.97</u>	<u>\$6,554.81</u>

Commercial Class B:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 137.49		
1 + Percent Increase	x 1.0998		
Proposed Commercial Class B Quarterly Base Charge (Rounded)	<u>\$ 151.21</u>		
Number of Customers	x 1		
Annual Billing Periods	x 12	\$1,814.54	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,948		
Commercial Class B Percentage of Pro-forma Test Year Revenues	x 6.39%		
Commercial Class B Proposed Revenues	<u>\$ 6,714.00</u>		
Less: Commercial Class B Proposed Revenues from Base Charge	<u>1,814.54</u>		
Commercial Class B Proposed Revenues from Consumption Charge	<u>\$ 4,899.46</u>		
Commercial Class B Test Year Consumption (CCF)	+ 565.31		
Proposed Commercial Class B Consumption Charge	<u>\$ 8,668.9</u>		
Commercial Class B Annual Consumption (CCF)	x 565.31	<u>\$4,899.46</u>	<u>\$6,714.00</u>

Residential Multi-Family:

Calculation of Base Charge:

Monthly Base Charge for Residential Single-Family - Present Tariff (32-units)	\$950.72		
1 + Percent Increase	x 1.0998		
Proposed Residential Multi-Family Quarterly Base Charge (Rounded)	<u>\$1,045.60</u>		
Number of Customers	x 1		
Annual Billing Periods	x 12	\$12,547.22	

Proposed Residential Multi-Family Monthly Base Charge per unit (Rounded) \$32.68

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,948.00		
Less: Combined Proposed Commercial Class A & B Revenue	(13,268.81)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	<u>(72,930.73)</u>		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	<u>\$ 35,748.46</u>		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,280.34		
Proposed Residential Multi- & Single- Family Consumption Charge	<u>\$ 5.69</u>		
Residential Multi-Family Annual Consumption (CCF)	x 1,696.15	<u>\$9,654.69</u>	<u>\$22,201.92</u>

Residential Single-Family:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 29.71		
1 + Percent Increase	x 1.0998		
Proposed Residential Single-Family Monthly Base Charge (Rounded)	<u>\$ 32.68</u>		
Number of Customers	x 154		
Annual Billing Periods	x 12	\$60,383.51	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,948		
Less: Combined Proposed Commercial Class A & B Revenue	(13,268.81)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	<u>(72,930.73)</u>		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	<u>\$ 35,748.46</u>		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,280.34		
Proposed Residential Multi- & Single- Family Consumption Charge	<u>\$ 5.69</u>		
Residential Single-Family Annual Consumption (CCF)	x 4,584.19	<u>\$ 26,093.77</u>	<u>\$86,477.28</u>

Total Proposed Revenue Requirement -Sewer Division \$121,948.00

AWC Lakeland Water

PUC 1604.02(a)(2)

Report of Proposed Rate Changes - Water

Utility: AWC Lakeland Water Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

Rate of Class of Service	Effect of Change	Number of Customers	Authorized Present Revenue	Proposed Revenue	Proposed Change Amount
Commercial A, Consolidated Communications	\$ 5	1	\$ 6,548	\$ 6,553	\$ 5
Commercial B	11	4	13,212	13,223	11
Residential, Multi-Family	19	1	22,966	22,985	19
Residential, Single Family	67	154	\$ 83,179	83,246	67
Total Water	\$ 67	160	\$ 125,905	\$ 126,007	\$ 102
Reg Rev Adj - Excess Inc Taxes	-	0	(6,765)	(6,765)	-
Misc Service Revenues			125	125	-
Surcharge			3,472		(3,472)
Total	\$ 67	160	\$ 122,737	\$ 119,367	\$ (3,370)
Average Single Family			\$ 540.12	\$ 540.56	\$ 0.44
Percent Increase					0.081%

AWC Lakeland Water
Calculation of Water Rates

Summary of Proposed Revenue Requirement:

	Present	Proposed
Adjusted Test Year Water Sales for Belmont Water	\$ 125,905	\$ 126,007
Other Operating Revenues	(3,168)	(6,640)
Total Annualized Operating Revenues - Belmont Water	\$ 122,737	\$ 119,367
Less: Other Operating Revenues	\$ 3,168	\$ 6,640
Proposed Increase (Decrease) in Revenue Requirement from Permanent Rates		
Proposed Step Increase in Revenue Requirement		
Total Proposed Revenue Requirement	\$ 125,905	\$ 126,007
Total Proposed Increase in the Revenue Requirement		0.081%

Percent of Pro-forma Test Year Revenues per Customer Class:

	Number of Customers	Pro-forma Test Year Revenues	Percentage of Revenues	Number of Customers	Pro-forma Test Year Revenues	Percentage of Revenues
Commercial Class A (MCA)	1	\$ 6,548	5.20%	1	6,553	5.20%
Commercial Class B (MCB)	4	13,212	10.49%	4	13,223	10.49%
Residential Multi-Family (MRM)	1	22,966	18.24%	1	22,985	18.24%
Residential Single Family (MRS)	154	83,179	66.06%	154	83,246	66.06%
	160	\$ 125,905	100.00%	160	\$ 126,007	100.00%

	Calculation of Rates	Annual Revenue per Rate	Annual Revenue per Rate Class	Calculation of Rates	Annual Revenue per Rate	Annual Revenue per Rate Class
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Commercial Class A:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 436.00			\$ 436.00		
1 + Percent Increase	x 1.0000			x 1.00081		
Proposed Commercial Class A Quarterly Base Charge (Rounded)	\$ 436.00			\$ 436.00		
Number of Customers	x 1			x 1		
Annual Billing Months	x 12	\$ 5,232.00		x 12	\$ 5,232.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 126,007		
Commercial Class A Percentage of Pro-forma Test Year Revenues	5.20%			5.20%		
Commercial Class A Proposed Revenues	\$ 6,548			\$ 6,553		
Less: Commercial Class A Proposed Revenues from Base Charge	(5,232)			(5,232)		
Commercial Class A Proposed Revenues from Consumption Charge	\$ 1,316			\$ 1,321		
Commercial Class A Test Year Consumption (CCF)	+ 84.55			+ 84.55		
Proposed Commercial Class A Consumption Charge	\$ 15,5648			\$ 15,6275		
Commercial Class A Annual Consumption (CCF)	x 84.55	\$ 1,316.00	\$ 6,548.00	x 84.55	\$ 1,321.31	\$ 6,553.31

Commercial Class B:

Calculation of Base Charge:

Quarterly Base Charge - Present Tariff	\$ 145.66			\$ 145.66		
1 + Percent Increase	x 1.0000			x 1.00081		
Proposed Commercial Class B Quarterly Base Charge (Rounded)	\$ 145.66			\$ 146.00		
Number of Customers	x 4			x 4		
Annual Billing Quarters	x 12	\$ 6,991.68		x 12	\$ 7,008.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 126,007		
Commercial Class B Percentage of Pro-forma Test Year Revenues	10.49%			10.49%		
Commercial Class B Proposed Revenues	\$ 13,212			\$ 13,223		
Less: Commercial Class B Proposed Revenues from Base Charge	(6,992)			(7,008)		
Commercial Class B Proposed Revenues from Consumption Charge	\$ 6,220			\$ 6,215		
Commercial Class B Test Year Consumption (CCF)	+ 863.81			+ 863.81		
Proposed Commercial Class B Consumption Charge	\$ 7,2010			\$ 7,1945		
Commercial Class B Annual Consumption (CCF)	x 864	\$ 6,220.32	\$ 13,212.00	x 863.81	\$ 6,214.70	\$ 13,222.70

Residential Multi-Family:

Calculation of Base Charge:

Quarterly Base Charge for Residential Single-Family - Present Tariff	\$ 28.00			\$ 28.00		
1 + Percent Increase	x 1.0000			x 1.00081		
Proposed Quarterly Base Charge per Unit (Rounded)	\$ 28.00			\$ 28.00		
Number of Units	x 32			x 32		
Proposed Residential Multi-Family Quarterly Base Charge (Rounded)	\$ 896.00			\$ 896.00		
Number of Customers	x 1			x 1		
Annual Billing Monthly	x 12	\$ 10,752.00		x 12	\$ 10,752.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 126,007		
Less: Combined Proposed Commercial Class A & B Revenue	(19,760)			(19,776)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	(62,496)			(62,496)		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	\$ 43,649			\$ 43,735		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,280.34			+ 6,280.34		
Proposed Residential Multi- & Single- Family Consumption Charge	\$ 6,9501			\$ 6,9638		
Residential Multi-Family Annual Consumption (CCF)	x 1,696.15	\$ 11,788.41	\$ 22,540.41	x 1,696.15	\$ 11,811.64	\$ 22,563.64

Residential Single-Family:

Calculation of Base Charge:

Quarterly Base Charge - Present Tariff	\$ 28.00			\$ 28.00		
1 + Percent Increase	x 1.0000			x 1.00081		
Proposed Residential Single-Family Quarterly Base Charge (Rounded)	\$ 28.00			\$ 28.00		
Number of Customers	x 154			x 154		
Annual Billing Quarters	x 12	\$ 51,744.00		x 12	\$ 51,744.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 126,007		
Less: Combined Proposed Commercial Class A & B Revenue	(19,760)			(19,776)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	(62,496)			(62,496)		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	\$ 43,649			\$ 43,735		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,284.34			+ 6,284.34		
Proposed Residential Multi- & Single- Family Consumption Charge	\$ 6,9457			\$ 6,9594		
Residential Single-Family Annual Consumption (CCF)	x 4,588.19	\$ 31,868.09	\$ 83,612.09	x 4,588.19	\$ 31,930.87	\$ 83,674.87

Total Proposed Revenue Requirement - Water Division

\$ 125,912.50 **\$ 126,014.52**

AWC White Rock Water

PUC 1604.02(a)(2)

Report of Proposed Revenue Changes

Utility: Abenaki Bow Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

<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	\$ 102,475	95	\$ 82,136	\$ 184,611	\$ 102,475
Reg Rev Adj - Excess Inc Tax	-		(2,642)	(2,642)	-
Misc. Service Revenues	-	-	20	20	-
Surcharge	(2,697)		2,697		(2,697)
Total Other Revenue	\$ (2,697)		\$ 75	\$ (2,622)	\$ (2,697)
Total	\$ 99,778	95	\$ 82,211	\$ 181,989	\$ 99,778
Average per Customer			\$ 864.59	\$ 1,943.27	\$ 1,078.68
Percent Increase					124.76%

AWC White Rock Water

Calculation of Rates

AWC Tioga Gilford Village Water

Calculation of Rates

Test Year Water Sales (Report of Proposed Revenue Changes; Column F)		\$	82,136		
Proposed Increase in Revenue Requirement from Permanent Rates (Column H)			102,475		
Proposed Step Increase in Revenue Requirement					
Total Proposed Revenue Requirement		\$	<u>184,611</u>		
Current Fixed Charge per Quarter (per Tariff)		\$	16.50	per Customer per Quarter	\$ 16.50
Increase in Fixed Charge per Quarter			<u>20.59</u>		x <u>2.2476</u>
Proposed Fixed Charge per Quarter		\$	<u>37.09</u>	per Customer per Quarter	<u>\$ 37.09</u>
Billing Periods per Year	x		<u>12</u>		
Proposed Fixed Charge per Year		\$	<u>445.02</u>		
Number of Customers	x		<u>95</u>		
Total Annual Revenue Derived from Fixed Charge			<u>\$42,277.36</u>		
Total Annual Revenue Derived from Consumption Charge	\$ 184,611	-	\$42,277.36	=	\$142,333.64
CF Consumption for the fiscal year ended 10/31/09			<u>4,733.64</u>	100 CF	
Proposed Consumption Charge (per CF)		\$	<u>30.0685</u>	per 100 CF	

AWC Tioga Gilford Village Water

PUC 1604.02(a)(2)

Report of Proposed Rate Changes

Utility: Abenaki Gilford Village Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

<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	\$ 47,942	39	\$ 28,833	\$ 76,775	\$ 47,942
Misc. Service Revenues	-	-			\$0
Total	\$ 47,942	39	\$ 28,833	\$ 76,775	\$ 47,942
Average per Customer	\$ 1,229.28		\$ 739.31	\$ 1,968.59	\$ 1,229.28
Percent Increase					<u>166.27%</u>

AWC Tioga Gilford Village Water

Calculation of Rates

Adjusted Test Year Water Sales (Sch 1; Column D)		\$ 28,833		
Proposed Increase in Revenue Requirement from Permanent Rates (Sch 1; Column E)		47,942		
Proposed Step Increase in Revenue Requirement				
Total Proposed Revenue Requirement		<u>\$ 76,775</u>		
Current Fixed Charge per Quarter (per Tariff)		\$ 35.97	per Unit per Quarter	\$ 35.97
Increase in Fixed Charge per Quarter		59.81		x <u>2.6627</u>
Proposed Fixed Charge per Quarter		\$ 95.78	per Customer per Quarter	<u>\$ 95.78</u>
Billing Periods per Year	x	<u>4</u>		
Proposed Fixed Charge per Year		\$ 383.11		
Number of Customers	x	<u>106</u>		
Total Annual Revenue Derived from Fixed Charge		<u>\$ 40,610</u>		
Total Annual Revenue Derived from Consumption Charge	\$ 76,775 - \$ 40,610 =	\$ 36,165		
CF Consumption for the test year		+ <u>315,115</u>	CF	
Proposed Consumption Charge (per CF)		<u>\$ 0.11</u>	per CF	

AWC Tioga Belmont Water

PUC 1604.02(a)(2)

Report of Proposed Rate Changes

Utility: Abenaki Belmont Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

<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	\$ 78,403	22	\$ 18,346	\$ 96,749	\$ 78,403
Misc. Service Revenues	-	-			-
Total	\$ 78,403	22	\$ 18,346	\$ 96,749	\$ 78,403
Average per Customer	<u>\$ 3,563.77</u>		<u>\$ 833.91</u>	<u>\$ 4,397.68</u>	<u>\$ 3,563.77</u>
Percent Increase					<u>427.36%</u>

AWC Tioga Belmont Water

Calculation of Rates

Adjusted Test Year Water Sales (Sch 1; Column D)		\$	18,346		
Proposed Increase in Revenue Requirement from Permanent Rates (Sch 1; Column E)			78,403		
Proposed Step Increase in Revenue Requirement (Att A; Sch 4)					
Total Proposed Revenue Requirement		\$	<u>96,749</u>		
Current Fixed Charge per Quarter (per Tariff)		\$	60.00	per Customer per Quarter	\$ 60.00
Increase in Fixed Charge per Quarter			196.42		x 4.2736
Proposed Fixed Charge per Quarter		\$	<u>256.42</u>	per Customer per Quarter	<u>\$ 256.42</u>
Billing Periods per Year	x		4		
Proposed Fixed Charge per Year			<u>\$1,025.66</u>		
Number of Customers	x		22		
Total Annual Revenue Derived from Fixed Charge		\$	<u>22,564.61</u>		
Total Annual Revenue Derived from Consumption Charge	\$ 96,749 - \$ 22,564.61 =	\$	74,184.39		
CF Consumption for the fiscal year ended 10/31/09		÷	<u>109,671</u>	CF	
Proposed Consumption Charge (per CF)		\$	<u>0.6764</u>	per CF	

PUC 1604.02(a)(2)

AWC Combined Water (Lakeland, White Rock, Tioga Gilford Village and Tioga Belmont

Report of Proposed Rate Changes - Water

Utility Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

Rate of Class of Service	Effect of Change	Number of Customers	Authorized Present Revenue	Proposed Revenue	Proposed Change Amount
Commercial A, Consolidated Communications	\$ 2,018	1	\$ 6,548	\$ 8,566	\$ 2,018
Commercial B	10,340	4	13,212	\$ 23,552	10,340
Residential, Multi-Family	21,710	4	22,966	\$ 44,676	21,710
Residential, Single Family	194,854	307	212,494	\$ 407,348	194,854
Total Water	\$ 228,922	316	\$ 255,220	\$ 484,142	\$ 228,922
Reg Rev Adj - Excess Inc Taxes	-		(9,407)	(9,407)	-
Misc Service Revenues	-		145	145	-
Surcharge	(6,169)		6,169		(6,169)
Total Other Revenue	(6,169)		(3,093)	(9,262)	(6,169)
Total	\$ 222,753	316	\$ 252,127	\$ 474,880	\$ 222,753
Average Single Family			\$ 692.16	\$ 1,326.87	\$ 634.70
Percent Increase					91.70%

Note: Customers within each rate class should be reviewed and adjusted as appropriate.

Residential Single Family include 3 multi-family units in TGV.

Residential Single Family include a few customers that may be considered commercial in TGV.

AWC Combined Water

Calculation of Rates

Test Year Water Sales (Report of Proposed Revenue Changes; Column D)	\$ 255,220
Proposed Increase in Revenue Requirement from Permanent Rates (Column F)	228,922
Proposed Step Increase in Revenue Requirement	
Total Proposed Revenue Requirement	<u>\$ 484,142</u>

Base Charge

Class A Commercial	\$ 600.00	x	12		1	\$ 7,200.00
Class B Commercial	\$ 200.00	x	12		4	9,600.00
Multi-Family: Maple Hill Acres	\$ 45.00	x	12	x	32	17,280.00
Single Family	\$ 45.00	x	12	x	<u>377</u>	<u>203,580.00</u>
Total Annual Revenue Derived from Base Charges					<u>414</u>	<u>\$ 237,660.00</u>
Total Annual Revenue Derived from Consumption Charge	\$ 484,142.00			-	\$ 237,660.00	\$ 246,482.00
Test year 100 CF					+	<u>15,260.11</u> 100 CF
Proposed Consumption Charge per 100 CF						<u>\$16.15</u> per 100 CF
Total Annual Revenue Derived from Consumption Charge						<u>\$ 246,482.00</u>
Total Proposed Revenue Requirement						<u>\$ 484,142.00</u>

NHPUC NO. 1 — Sewer

6th Revised Page 7

ABENAKI WATER CO., INC.

Superseding 5th Revised Page 7

Belmont, N. H.

**GENERAL SERVICE - METERED
For
BELMONT SEWER TARIFF SYSTEM**

CHARACTER OF SERVICE:

Receiving, transporting and disposal of sewage from the Customers' premises, subject to terms and conditions of this Tariff rendered in the monthly bill and are due and payable twenty-five days after mailing.

RATES:

The rate of metered service shall include a customer charge per month per class as follows:

<u>Customer Class</u>	<u>Base Charge</u>	<u>Consumption Charge (per 100 cf)</u>
Commercial A 1	\$453.07	\$23.83
Commercial B 2	\$151.21	\$8.67
Multi-Family/unit 3	\$32.68	\$5.69
Single Family 4	\$32.68	\$5.69

MINIMUM CHARGE:

The minimum charge will be the Base charge.

TERMS OF PAYMENT

Bills under these rates are net, will be rendered monthly and are due and payable twenty-five days after mailing. Interest charged at a rate of 1.5% per month (18% annually) after 30 days.

AVAILABILITY:

1. Applicable to all sewer service for Consolidated Communications.
2. Applicable to all Commercial sewer service customers other than Consolidated Communications.
3. Applicable to all sewer service for Maple Hill Acres.
4. Applicable to all residential sewer service other than 1, 2, and 3 above.

ISSUED: ...

ISSUED BY: Robert Gallo

EFFECTIVE: December 1, 2020

TITLE: President

Authorized by NHPUC Order No. ... in DW 20-112 dated ...

NHPUC NO. I- Water

3rd Revised Page 16

ABENAKI WATER CO., INC.

Superseding 2nd Revised Page 16

Belmont, N. H.

GENERAL SERVICE - METERED
For
BELMONT WATER TARIFF SYSTEM

CHARACTER OF SERVICE:

Water is obtained from wells and will be transmitted by pumps to the individual service pipe at a pressure of approximately 30-150 pounds per square inch for Single Family residential customers and approximately 70 pounds per square inch for all other customer classes.

RATES:

The rate of metered service shall include a customer charge per month per class as follows:

<u>Customer Class</u>	<u>Base Charge</u>	<u>Consumption Charge (per 100 cf)</u>
Commercial A 1	\$436.00	\$15.63
Commercial B 2	\$146.00	\$7.19
Multi-Family/unit 3	\$28.00	\$6.96
Single Family 4	\$28.00	\$6.96

MINIMUM CHARGE:

The minimum charge will be the base charge.

TERMS OF PAYMENT

Bills under these rates are net, will be rendered monthly and are due and payable twenty-five days after mailing. Interest charged at a rate of 1.5% per month (18% annually) after 30 days.

AVAILABILITY:

1. Applicable to all water service for Fairpoint Communications.
2. Applicable to all Commercial water service customers other than Fairpoint Communications.
3. Applicable to all water service for Maple Hill Acres.
4. Applicable to all residential water service other than 1,2, and 3 above.

ISSUED: ...

ISSUED BY: Robert Gallo

EFFECTIVE: December 1, 2020

TITLE: President

Authorized by NHPUC Order No. ... in DW 20-112 dated ...

NHPUC NO. 1 -Water

4th Revised Page 13

ABENAKI WATER CO., INC.

Superseding 3rd Revised Page 13

BOW, NH

**GENERAL SERVICE - METERED
For
BOW WATER TARIFF SYSTEM**

AVAILABILITY:

This schedule is applicable to all water service in the franchise area.

CHARACTER OF SERVICE:

Water is obtained from wells and will be transmitted by pumps to the individual service pipe at a pressure of 20 to 125 pounds per square inch.

RATES:

The rate of metered service shall include a customer charge per month per unit as follows:

<u>Customer Class</u>	<u>Base Charge</u>	<u>Consumption Charge (per 100 cf)</u>
Single Family	\$37.09	\$30.07

MINIMUM CHARGE:

The minimum charge will be the base charge.

TERMS OF PAYMENT

Bills under these rates are net, will be rendered monthly and are due and payable twenty-five days after mailing. Interest charged at a rate of 1.5% per month (18% annually) after 30 days.

Issued:
Effective:
Authorized by NHPUC Order No. in DW dated.

Issued by: Robert Gallo
Title: President

2nd Re-Exhibit Page 5
Original Page 1
Superseding Original Page 5

NHPUC NO. 1 – WATER
Abenaki Water Company, Inc.
Tioga – Gilford Village

GENERAL SERVICE- METERED

Rate Schedule - "GM"

AVAILABILITY:

This schedule is available to all metered water service in the franchise area.

CHARACTER OF SERVICE:

Water will be furnished and maintained at the normal operating pressure of not less than 20 psi nor more than 125 psi at the service connection.

RATES-MONTHLY

Fixed Monthly Charge:	\$95.78 per unit
Consumption Charge:	\$ 0.11 per gallon

TERMS OR PAYMENT:

Bills under this rate schedule are net, will be rendered monthly. The bills are due and payable upon presentation. If payment is not made within 30 days from the postmarked date, disconnect action may be taken in accordance with regulations of PUC 1203.11. If a check is returned to the Company, the charge shall be thirty five dollars (\$35.00).

Issued: Issued by: _____

Effective: Title: President

Authorized by NHPUC Order No. in DW dated.

NHPUC NO. 1 – WATER
Abenaki Water Company, Inc.
Tioga – Belmont

GENERAL SERVICE- METERED

Rate Schedule - "GM"

AVAILABILITY:

This schedule is available to all metered water service in the franchise area.

CHARACTER OF SERVICE:

Water will be furnished and maintained at the normal operating pressure of not less than 20 psi nor more than 125 psi at the service connection.

RATES-MONTHLY

Fixed Monthly Charge:	\$256.42 per unit
Consumption Charge:	\$ 0.68 per gallon

TERMS OR PAYMENT:

Bills under this rate schedule are net, will be rendered monthly. The bills are due and payable upon presentation. If payment is not made within 30 days from the postmarked date, disconnect action may be taken in accordance with regulations of PUC 1203.11.

If a check is returned to the Company, the charge shall be thirty five dollars (\$35.00).

Issued: _____ Issued by: _____

Effective: _____ Title: President

Authorized by NHPUC Order No. in DW dated.

PUC 1604.02(a)(3)

DW 20-112
Abenaki Water Company
Written Direct Testimony of
Nicholas A. LaChance

1 **Q. Mr. LaChance, please state your full name and business address.**

2 A. My name is Nicholas A. LaChance. My business address is 37 Northwest Drive, Plainville,
3 Connecticut 06062.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am President of New England Service Company, Inc. (“NESC”). In that capacity, I am
6 responsible for the financial management of all subsidiaries, namely; Valley Water
7 Systems (“VWS”) in Connecticut, Abenaki Water Company (“AWC”) in New
8 Hampshire, Colonial Water Company (“CWC”) and Mountain Water Systems (“MWS”) in
9 Massachusetts. As it pertains to this specific docket, I am the Vice President of AWC.

10 **Q. Please describe your educational background and professional experience.**

11 A. I have a Bachelor of Science degree in Business Management from Johnson & Wales
12 University. I am currently pursuing a Master of Business Administration from Central
13 Connecticut State University. I worked with Cintas Corporation in Rhode Island, Virginia
14 and Ohio from June 2006 until December 2016; my final assignment was as a Regional
15 Sales Manager. I have served on the Board of Directors of NESC since June 2015. I
16 began to work full time for NESC in January 2017 as the Administrative Director. In May
17 2017, I was named Vice President and Treasurer of NESC as well as Treasurer of Abenaki
18 Water Company. In June 2020, I was named President of New England Service Company
19 and Vice President of Abenaki Water Company.

1 **Q. Have you previously testified before the New Hampshire Public Utilities Commission**
2 **or other regulatory bodies?**

3 A. Yes, I have recently provided testimony in DW 17-165, which was a rate application for
4 the Company owned Rosebrook system. Further, I have submitted pre-filed testimony
5 in docket DW 20-044 and DW 20-088, which are financing applications for the Company
6 owned Tioga Belmont and White Rock systems. I have provided testimony to the
7 Massachusetts Department of Public Utilities (DPU) in the Mountain Water Systems, Inc.
8 rate application D.P.U. 17-154 in addition to Colonial Water Company's financing and
9 acquisition docket D.P.U. 17-177, and their Plymouth Division rate application docket
10 D.P.U. 18-105. I have also provided testimony to the Connecticut Public Utilities
11 Regulatory Authority (PURA) on behalf of Valley Water Systems for financing
12 applications.

13 **Q: What is the purpose of your testimony**

14 A: My testimony is to provide support for the requested rate increase contained within this
15 docket. Specifically, my testimony will highlight the following points:

- 16 • The reasons why a rate increase is necessary,
- 17 • The reasons to support a consolidated rate among the identified systems,
- 18 • City of Laconia increased sewer fees,
- 19 • Current financing dockets before the New Hampshire Public Utilities Commission
20 (PUC), and

- 1 • Explanation of modifications in the Company's Rules and Regulations

2 **Q: Please provide a background narrative detailing which systems are requesting a rate**
3 **increase.**

4 **A:** AWC is requesting rate relief for its systems in the Lakes Region. Specifically, these
5 systems are known as White Rock, Lakeland Water, Lakeland Sewer, Tioga Gilford
6 Village and Tioga Belmont. Collectively the systems comprise of about 300 water
7 customers and about 150 wastewater customers. AWC acquired the operating assets of
8 White Rock and the Lakeland systems in docket DW 13-236 and the operating assets of
9 the 2 Tioga systems in docket DW 18-108.

10 **Q: Why is a rate increase required for these systems at this time?**

11 **A:** The ownership and operations of water and wastewater utilities are extremely capital
12 intensive. Moreover, the ownership of small systems historically deferred capital
13 improvements which compounded the necessary present investments needed to
14 provide a safe and reliable water service. The Lakeland and White Rock present rates
15 date back to a 2015 test year. Needless to say, operational expenses have increased
16 over the 5 years since the present rates were developed.

17 Since Lakeland and White Rock's last rate application there have been significant
18 investments needed which are further outlined in the joint testimony of Mr. Vaughan
19 and Mr. Gallo. Additionally, docket DW 20-088 provides a backdrop for a substantial
20 capital project that is vital to the White Rock system. This financing is for the approval

1 to borrow funds needed to perform substantial work within the distribution system.
2 White Rock's distribution system was built using sub-standard materials often resulting
3 in distribution leaks that are difficult to find. The funding will be utilized for the
4 installation of strategically placed distribution valves for increased operational
5 capabilities. These valves will allow the operators to section off parts of the system
6 while performing proactive leak detection or identification of a live leak. Further, 2
7 pressure reducing valves (PRVs) have been identified for replacement as they are no
8 longer useful resulting in increased water pressures to the customers serviced at lower
9 gradients. Finally, the system's two 15,000 gallon storage tanks are in need of relining to
10 preserve the useful life while deferring complete tank replacements, as indicated in
11 their tank inspection report, from early 2020.

12 Upon acquiring the Tioga systems, AWC has made significant improvements to both
13 systems which again are noted in the joint testimony of Mr. Vaughan and Mr. Gallo.
14 Further, another substantial capital project, relative to the customer base, is before the
15 Commission in docket DW 20-044. This financing is for the approval to borrow funds
16 needed to increase storage capacity. The present capacity is insufficient in the event of
17 a distribution leak as evidenced by the recent loss of service overnight due to a 2-3
18 gallon per minute (gpm) leak. The increased storage capacity will not only allow AWC
19 operators the time needed to find and fix a leak, but it will also have the capacity to take
20 a full bulk water delivery in the event it is needed. Any additional funds will also be
21 utilized to install distribution valves which are sorely lacking in the current system. The

1 valves will provide operational efficiencies in the event of a leak and during leak
2 detection exercises.

3 The one proposed project above would provide more available capacity for bulk water
4 purchases. AWC has faced the harsh, and costly reality to do what is necessary in order
5 to ensure a safe and reliable water supply to be provided to its customers through bulk
6 water purchases. Specifically, these purchases were made over a series of months for
7 the White Rock system and a specific period of time for Tioga Belmont while distribution
8 leaks were being detected and repaired. As such, these purchases represent an
9 extraordinary event and significant expense that should be amortized over a period of
10 time in order to lessen the effect on both the Company and its customers. Mr. St. Cyr
11 provides further specifics of the Company's proposal within his pre-filed testimony.

12 AWC is seeking recoupment of its due diligence costs incurred relative to the acquisition
13 of the Tioga Belmont and Tioga Gilford Village systems. These due diligence costs are
14 comprised of attorney and consultant fees, expense associated with the assumption of
15 the State Revolving Funds (SRF) loans and internal labor necessary to transact the
16 purchase. The Company believes that under its ownership these newly acquired
17 customers are receiving a better service. Impacts due to distribution leaks, such as no
18 water service, have been minimized. The Company has been proactive in its efforts to
19 obtain low cost financing through the use of the State Drinking Water Trust Fund
20 program to minimize expense associated with increasing storage capacity, ultimately to
21 further enhance its water service abilities. Finally, these customers now have access to

1 a state of the art emergency call out system that the Company can use to communicate
2 with its customers instantly in the event of an emergency. For these reasons, and a
3 number of others, the Company believes these newly acquired customers are receiving
4 a higher level of service than under previous ownership.

5 In addition to the proposed capital projects presently being considered in financing
6 dockets before the Commission as stated above; and the deferred expenses, AWC has
7 performed substantial plant improvements since its last rate filing that need to be
8 placed into rate base across the various subject systems. The projects are described in
9 further detail in Mr. Vaughan's/Mr. Gallo's joint testimony.

10 **Q: What cost containment measures does the Company take relative to capital spending?**

11 A: All purchases must be approved via a PO by an officer of the Company. Non-recurring
12 expenditures greater than \$500 require multiple vendor prices to obtain the most cost-
13 effective price. Emergency excavation service prices have been pre-negotiated and are
14 under contract to ensure timely service and competitive pricing.

15 **Q: Please detail the City of Laconia's sewer fees that the Company is responsible for.**

16 A: The City of Laconia and the Company have a historic relationship where the Company
17 discharges wastewater, from the Lakeland wastewater collection system, to the City's
18 sewer treatment system. The relationship is such that the Company utilizes its water
19 meter readings obtained on a monthly basis for its own billing and applies the total
20 consumption for the month to the City's consumption charge. There is also a base fee

1 that the Company is charged for each of its sewer customers. The Company creates a
2 monthly bill outlining these charges and submits it, along with payment, on a monthly
3 basis to the City.

4 Outlined in the table below are the most current fees, along with the new 2021 fee from
5 the City of Laconia for its wastewater customers.

Year	Base Fee	Consumption Charge (per 100 cubic ft.
2019	12.41	5.20
2020	12.86	5.38
2021	13.33	5.57

6
7 As demonstrated in the table above, the City of Laconia has consistently raised its rates
8 each year. There is no evidence to point to that this practice will not continue in 2022.
9 Therefore, the Company requests the ability to file notice with the PUC, and its
10 customers, of increases imposed by the City, allowing the Company to pass the
11 increases through as they occur. Further discovery and/or proceedings to allow these
12 increases only drives the cost of service up for the Company's sewer customers further;
13 whereas the Company is simply seeking to remain whole on an expense charged by the
14 Town, which seemingly is increasing annually.

1 **Q: What is the amount AWC is seeking approval for the White Rock financing referenced**
2 **above?**

3 A: The full amount of funding that would likely be secured through the New Hampshire SRF
4 program is \$125,000 which carries no loan forgiveness. This docket is presently under
5 consideration before the Commission in DW 20-088.

6 **Q: What is the amount the Company is seeking approval for in the financing referenced**
7 **above for Tioga Belmont?**

8 A: The Company is seeking the approval of a \$50,000 loan from the New Hampshire
9 Drinking Water Trust Fund; of which, 10% of the loan will be forgiven. At this time, the
10 Company estimates that it would use the full amount it is seeking approval for in docket
11 DW 20-044.

12 **Q: Why is Abenaki seeking a consolidated rate for the four water systems?**

13 A: As stated above, these small systems are very capital intensive and require significant
14 oversight due to their fragile conditions and treatment requirements. One project of
15 any significance, relative to customer count, can be more costly than the total annual
16 revenues generated by an individual system. Under this scenario it would be easy to
17 understand why capital additions are often deferred; furthermore, operating expenses
18 have not been accounted for in this scenario either. Case in point is the storage tank
19 project for Tioga Belmont which is nearly double the cost of the annual revenues
20 produced.

1 Investments made in these small systems would typically require a financing as the
2 system would likely not have the means to make any sizable investment. The newly
3 acquired note would require additional funds to service it; ultimately triggering a rate
4 increase application. A consolidated rate allows the participating systems to utilize
5 collective funds for prudent investment while not having to immediately file for an
6 increase in rates. Given the nature of the capital needs of the systems, investment will
7 always be necessary across each of the participating systems, at one point or another, in
8 that no single system will subsidize another.

9 Through a consolidated rate the Company can realize cost reductions. The Company
10 spends an immense amount of time performing accounting activities that are necessary
11 due to each system having their own rate structure. The amount of time necessary to
12 perform these accounting functions is exorbitant, relative to the customer counts for
13 each system, which increases the administrative costs incurred by each system. Further,
14 due to the separate and distinct rates of each system, the Company's annual audit fees
15 are significant, again relative to the size of the Company. A consolidated rate would
16 alleviate portions of the audit which would drive down overall professional service costs
17 incurred by the Company. Although difficult to fully estimate, the Company believes the
18 administrative cost savings that could be obtained, both internally and externally, would
19 be profound resulting in lowering the cost of service in the future.

20 A consolidated rate structure has shown to work with other New Hampshire water
21 utilities; examples being Lakes Region Water Company and Hampstead Area Water

1 Company. Simply stated, the considered AWC systems are not able to self-sustain their
2 operating expenses and the capital work that is necessary to deliver a safe and reliable
3 water service. Therefore, the Company believes it to be in the best interest of all
4 stakeholders that the four water systems achieve a consolidated rate.

5 **Q: Please describe the revisions made to the subject water systems' Rules and**
6 **Regulations.**

7 A: In an effort to provide consistency across each of the Company's water systems; AWC
8 has made various modifications to each of the water system's Rules and Regulations.
9 Consistency in language and tariff charges will allow AWC to obtain operating
10 efficiencies in conducting its field operations and communications with customers.

11 The Rules & Regulations of a utility operate essentially as its "contract" with each
12 customer. As such, they lay the groundwork for how the utility and customer should
13 interact with one another. The Company has made clear in its revised Tariffs that it will
14 charge for certain items; namely, disconnection/reconnection services, returned check
15 fees and meter testing when incurred on an individual customer basis. The Company
16 has outlined these charges as they only pertain to the individual customer; they provide
17 no benefit to the remaining customers and should be the responsibility of the recipient
18 customer to avoid unnecessary expense across the entire customer base.

19 **Q: Was the Company's rate consultant role competitively bid for this engagement?**

1 A: Yes. The Company issued a request for pricing (RFP) to three firms and received three
2 bids. The selected bidder was the most cost-effective firm.

3 Q: **Does this conclude your testimony?**

4 A: Yes

PUC 1604.02(a)(3)

DW 20-112
Abenaki Water Company
Written Direct Testimony of
Robert Gallo and
Donald J. E. Vaughan

**State of New Hampshire
Public Utilities Commission**

**Application of
Abenaki Water Company
For Approval of a Rate Adjustment**

Direct Joint Testimony of Robert Gallo and Donald J.E. Vaughan

DW 20-112

Introduction

1 **Q. Mr. Vaughan, please state your full name and business address.**

2 A. My name is Donald J.E. Vaughan. My business address is 37 Northwest Drive,
3 Plainville, Connecticut 06062.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am Vice President of operations at New England Service Company, Inc. (“NESC”). In
6 that capacity, I am responsible for management oversight of all aspects of the operations
7 of its subsidiaries, namely; Valley Water Systems in Connecticut and Colonial Water
8 Company in Massachusetts, Mountain Water Systems in Massachusetts and Abenaki
9 Water Company in New Hampshire.

10 **Q. Please describe your educational background and professional experience.**

11 A. I have a Bachelor of Science degree in Civil Engineering from Northeastern University
12 and a Master of Business Administration from Nichols College. From 1976 to 1980, I
13 served as the Director of Water Operations for the City of Worcester. In that capacity, I
14 was involved in all phases of supply and distribution activities. Subsequently, I was
15 employed by Citizen’s Utilities as Assistant General Manager for California Water
16 Properties. I also served as President and General Manager of Southbridge Water Supply
17 and as the Superintendent of Supply Operations for Aquarion Water Company with
18 responsibilities primarily in Connecticut. In 1992, I joined Plainville Water Company
19 (now Valley Water Systems, Inc.). In 1996, I managed the formation of New England
20 Service Company which now holds the subsidiaries mentioned in the preceding

21 **Q. Mr. Gallo, please state your full name and business address.**

1 A. My name is Robert J, Gallo. My business address is 37 Northwest Drive, Plainville,
2 Connecticut.

3 **Q. By whom are you employed and in what capacity?**

4 A. I am Vice President of Engineering at the New England Service Company, Inc.
5 (“NESC”). In that capacity, I am responsible for the management oversight of all capital
6 projects, engineering evaluation and design. My duties extend to all NESC subsidiaries,
7 namely; Valley Water Systems in Connecticut, Colonial Water Company in
8 Massachusetts, Mountain Water Systems in Massachusetts and Abenaki Water Company
9 in New Hampshire.

10 **Q. Please describe your educational background and professional experience.**

11 A. I hold an Associates of Arts degree from Ocean County College in Toms River, New
12 Jersey, and I have a Bachelor of Science in Civil & Environmental Engineering from the
13 University of Vermont, in Burlington, Vermont. From 1999 to 2002 I was employed as
14 an engineering technician by the City of Burlington Department of Public Works, where I
15 was involved in water system modeling, water main installation inspection,
16 administration of the annual paving program and pavement evaluation, including the
17 management of the pavement management computer software. From 2003 to 2004 I was
18 employed by Strand Associates, Inc., in Louisville, Kentucky. During my tenure at
19 Strand Associates I was on contract to the Louisville Metropolitan Sewer District, where
20 my duties included the inspection and record keeping for the construction of sewer
21 collection/pump station systems, stormwater conveyance and treatment systems, and
22 erosion control systems on various projects. From 2004 to 2011 I was employed by
23 Trudell Consulting Engineers in Williston, Vermont. My work at Trudell Consulting, as

1 a project manager, involved most aspects of land development and permitting, including
2 utility modeling and design (water, sanitary sewer, stormwater), roadway, grading, and
3 erosion control design. Another facet to the position was extensive regulatory permitting
4 with local, State and Federal agencies. From 2011 to 2019 I was employed by AI
5 Engineers, Inc. in Middletown, Connecticut, where I was the Director of Civil
6 Engineering and Surveying Services. My duties included the technical, operational and
7 managerial oversight of the department. Typical design work included underground
8 utility design (sanitary sewer, water and stormwater), roadway design, bridge design
9 support services and site design/permitting. I am a registered Professional Engineer in
10 Vermont, New Hampshire, Massachusetts and New York.

11 **Q. Have you previously testified before the New Hampshire Public Utilities**
12 **Commission or other regulatory bodies?**

13 A. I have testified before the New Hampshire Public Utilities Commission. I have also
14 provided expert witness testimony in Vermont Superior Court.

15 **Q. Please describe the purpose of your testimony.**

16 A. My testimony is to provide background information to assist understanding of: (1)
17 Abenaki Water Company's ("the Company") need for a rate adjustment; (2) capital
18 expenditures transacted and operations which have been employed to improve service;
19 (3) a proposed capital plan designed to realize future optimal operations through prudent
20 investment; and, (4) the benefits of consolidation and rate unification.

21 **Q. What is the test year the Company will be using in this application?**

1 A. The Company is using the twelve months ending December 31, 2019 for Lakeland Water
2 (“LL Water”) and Lakeland Sewer (“LL Sewer”) and White Rock (“WR”) and the twelve
3 months ended April 30, 2020 for Tioga Gilford Village (“TGV”) and Tioga Belmont
4 (“TB”) It is using the twelve months ended April 30, 2020 for TGVe and TB because
5 there is only 8 months of actual data under the Company’ s ownership as of December
6 31, 2019

7 **Q. When was the Company’s last rate adjustment petition submitted and ordered?**

8 A. The Company’s first petition for a rate adjustment for LL Water and LL Sewer and WR
9 was submitted July 23rd, 2015 and the commission rendered an order June 3rd, 2016 as
10 DW 15-199.

11 **Q. Why is the Company now requesting an adjustment in rates?**

12 A. As stated earlier, the Company’s last rate filing was July 23rd, 2015. It will have been
13 more than five years when a future, permanent rate adjustment will take place and in
14 between these years the Company has made plant investments and incurred rising
15 operating costs. Consequently, the Company seeks to recover those costs and capital
16 expenditures in order to maintain its viability atLL Water, LL Sewer WR, TGV & TB.
17 LL Sewer, WR, TGV & TB are experiencing returns far less than satisfactory.

18 **Q. Please explain the benefits of rate unification as the Company has requested.**

19 A. As previously testified, rate unification is a pricing methodology that already exists in
20 even the smallest of water systems under the Commission’s Jurisdiction. It is
21 significantly common in the gas and electric utilities. Accordingly, Abenaki and its
22 customers will benefit over time via more stable rates and mitigated increases influenced

1 by a combination of scale and single tariff pricing. Even within large water systems,
2 socialization of prices currently exists when considering the cost of service to supply,
3 say, one group of customers benefitting from a pump station; or another which receives
4 water from an unusually long pipe line; over an array of other consumers. Further,
5 exceptionally expensive main breaks, protracted leak detection in search of destabilizing
6 water losses, or mandated/necessitated capital improvements can occur in any system at
7 any location with little or no notice.

8 Additionally, the costs of regulatory (rate case) expense, audits, and administrative filings
9 can be shared by customers on an equal basis that will limit exposure to these
10 expenditures. Effectively, rate unification eases the impact of expenses by spreading
11 costs over the entire customer base rather than directing it to the few.

12 **Q. Please provide an overview of the plant, operations, and issues of the individual**
13 **systems subject to this filing.**

14 **A.** Four water operating systems are involved in this rate application, namely; White Rock,
15 Lakeland, Tioga Gilford Village and Tioga Belmont.

16 The White Rock system is located in Bow and has approximately 95 customers. Its
17 groundwater is sourced from 3 bedrock wells and processed through an arsenic treatment
18 plant. Storage is contained in two 15,000-gallon buried atmospheric tanks which have
19 been recently inspected and proposed for lining, as shown on the enclosed capital plan. A
20 manifold has recently been installed (part of the Company's 2020 improvements) which
21 allows for isolating each tank for shutdown, while keeping the other in service.

22 The bedrock wells are extraordinarily deep with one drilled over 1,000 ft. On a sustained
23 basis, which can occur with an undetected leak or under drought conditions, the

1 Company has observed that these wells can only produce a combined 12-15 gallons per
2 minute, which is unsatisfactory for a system of this size. Historically, the system has
3 frequently operated under a supply deficit which has necessitated tanker truck deliveries
4 of purchased water. This has occurred several times over the past and has forced the
5 Company to defer these expenses (which are large and unpredictable costs) so that they
6 may be amortized over time.

7 The distribution system was constructed using inferior water works materials consisting
8 of fused/glued PVC, nylon connecting fittings, and typically polyethylene services. The
9 entire distribution system is fragile and prone to leaks. Particularly problematic are the
10 nylon fitting's which are highly susceptible to cracking and ultimately failing. A picture
11 showing such a fitting is attached as Exhibit 1. Accumulation of small undetected leaks
12 (and they are difficult to detect) of say 4 -5 gallons per minute can represent 40 to 50% of
13 production, and which is recorded as unaccounted/non-revenue water. Leak detection on
14 this system is continual and at a significant on-going cost. Due to the tentative
15 sustainability of adequate supplies and the leak prone condition of the distribution
16 system, the Company has messaged customers requesting no outdoor water use.

17 In view of the foregoing, the Company has included in the capital plan a search for a new
18 water source, the potential for treatment improvements (additionally the need to meet
19 new arsenic standards of 5ppb in 2021) and gradual upgrades to the distribution system.
20 However, the Company has reconsidered the plan, particular with respect to the search
21 for new supplies and the associated risk of success/ failure in drilling productive bedrock
22 wells. The cost of drilling unsuccessfully (a high probability) is a transferable cost to
23 customers and is on which the Company would like to minimize. That message was

1 conveyed in a virtual meeting with members of the Village Shores Estates; customers of
2 the Company, on August 20th, 2020 and the consensus was to seek multi-system funding
3 for improvements. Accordingly, the Company has scaled back its capital plan for the
4 White Rock system. In the meantime, operation of the system is precarious, subject to
5 the significant frailties of the aforementioned infrastructure.

6 As shown on the capital plan and based upon the Company's internal study which
7 appears as Exhibit 2, the Company has planned to replace two pressure reducing valves.
8 At the same time, the Company would install at least two main line valves for the express
9 purpose of having better ability to isolate sections of the system thereby improving leak
10 detection ability.

11 The Tioga Gilford Village system serves about 39 customers using production from two
12 wells. Treatment is by filtration which is presently being evaluated and proposed on the
13 capital plan. Consideration of the filter media is also in process to lower Radium 226 and
14 228 levels. The distribution system is marginal at best and is composed of a variety of
15 materials including iron, PVC, and polyethylene.

16 Tioga Belmont is a similar operating system of about 22 customers with a filtration
17 system treating water from two bedrock wells. Total storage capacity is about 4,500
18 gallons which is insufficient, and became painfully apparent this past year due to the
19 extended existence of an undetected leak. Purchased water brought in by a 6,000-gallon
20 tank truck could not be fully accommodated by the storage tank. The distribution system
21 is subpar, being composed of PVC, nylon fittings and polyethylene.

22 Capital improvements for this system include up to a 12,000-gallon storage tank as well
23 as treatment/ filtration improvements and are shown on the 5-year capital plan.

1 The Lakeland system is one that has approximately 160 water customers and 158
2 customers served by the Company's sewer collection system. During the course of 2020,
3 the Company installed a much-needed grinder pump at its sewer pump station. The water
4 distribution system is composed of PVC mains. Source water is from two wells. Capital
5 improvements scheduled for the system include VFD pump/motors, strategic isolation
6 (main) valves and flushing blow-offs.

7 **Q. What was the benefit of the meter installation project at the Tioga systems?**

8 A. As was the case in a similar project completed earlier at the White Rock and Lakeland
9 systems, radio read meters were installed in the Tioga systems to reduce overall meter
10 reading expense, produce more financially manageable bills on a monthly basis and
11 allowed the calculation of unaccounted for water more frequently. Additionally, radio
12 read bills allow customers earlier recognition of internal plumbing leaks.

13 Generally speaking, there are few billing complaints when customers are billed on a
14 monthly basis.

15 **Q. Please comment on the projected capital program?**

16 A. The capital projects shown on Exhibit 3 are generally the ones mentioned in the
17 preceding, and which the Company regards as having priority until some incident
18 requires an addition superseding it. The plan is brief, by no means comprehensive and
19 goes out only three years, which in itself stretches the Company's ability to target
20 specific projects in light of other capital needs coming to the fore instead. Suffice it to say
21 that the mentioned four systems are needy, making them highly capital intensive. The
22 needs in the respective systems are virtually interchangeable in their importance.

1 **Q. Does this conclude your testimony?**

2 A. Yes.

3

4 LIST OF ATTACHMENTS

5 Exhibit 1

6 Exhibit 2

7 Exhibit 3

Exhibit 1





Date: 8/14/2020

To: Don Vaughan
Nick LaChance

From: Josh Davis

CC: Taylor DeOgburn
Bob Gallo

Subject: White Rock Pressure Reduction Valve Test

Four Pressure Reduction Valves (PRVs) were installed at the White Rock Water System in 1992 due to large elevation changes throughout the system; the system ranges in elevation from 615' to around 325'. Before PRVs were installed, the pressure at the low point (45 Rocky Point Dr.) was 171 psi with a pump house discharge pressure of 45 psi.

In 1992, the pressures were tested at 9 different houses to determine the effectiveness of each PRV. These locations were selected to provide a picture of the water pressure throughout the distribution system. These same houses were tested on June 18, 2020 to determine the condition of each PRV. Table 1 compares the pressure readings from 1992 and 2020. The table also provides the approximate elevation at each location. Figure 1 shows a layout of the distribution system and the location of each PRV.

Based on the results shown, it appears that neither of the two PRVs at the top of the system are working. The down stream sample locations are both 20 psi higher than the houses upstream of the PRVs in question; they are also over 25 psi higher when compared to the pressure recorded in 1992. That 25 psi difference is observed throughout the system downstream of the two PRVs when comparing the 1992 and 2020 pressure readings.

Given the low reading at 45 Rocky Point Dr (65 psi at the bottom of the system), additional pressure readings were collected on August 5, 2020. Pressures were recorded at an additional six locations and are included in both Table 1 and Figure 1. When collecting the reading at 44 Rocky River Point Drive, the home owner stated that he had a pressure regulator inside his home. The pressure regulator had gauges on either side, 120 psi coming from the distribution system and 70 after the regulator.

Based on this information, it is assumed that both 45 and 46 Rocky Point Drive also have pressure regulators inside their house. Unfortunately, neither homeowner was present to confirm.

In conclusion, the pressures in the system have increased by over 25 psi in some locations in the distribution system compared to when the PRVs were first installed. Based on the readings throughout the system, it is apparent the PRVs 1 and 2 have failed. The system now has several houses with pressures well over 100 psi. It is recommended that PRVs 1 and 2 be replaced and the other three monitored annually.



Table 1 – Pressure Variations Throughout the Distribution System

Address	Approx. Elevation	Location	1992 Data (psi)	2020 Data (psi)
12 Shore View Drive	540	Upstream PRV #1	60	60
22 Rocky Point Drive	510	Downstream PRV #1	54	80
34 Rocky Point Drive	430	Upstream PRV #4	86	110
38 Rocky Point Drive	405	Downstream PRV #4	80	101
45 Rocky Point Drive*	350	Bottom of System (Downstream PRVs 4/3)	66	65
6 Surrey Drive	440	Upstream PRV #3	74	104
23 Surrey Drive	370	Downstream PRV #3	84	105
7 Old Coach Road**	515	Downstream PRV #2 Upstream PRV #5	52	80
2 Surrey Coach Lane	440	Downstream PRV #5		65
4 West Gate Drive	420	Dead End Rd (Downstream PRVs 5/3)	78	71
17 Rocky Point Drive	525	Downstream PRV #4		60
39 Rocky Point Drive	370	Downstream PRV #4		90
43 Rocky Point Drive	340	Downstream PRV #4		90
44 Rocky Point Drive	350	Downstream PRV #4		70/120***
46 Rocky Point Drive	340	Downstream PRV #4		50
1 Oak Ridge Road	410	Upstream PRV #2		90

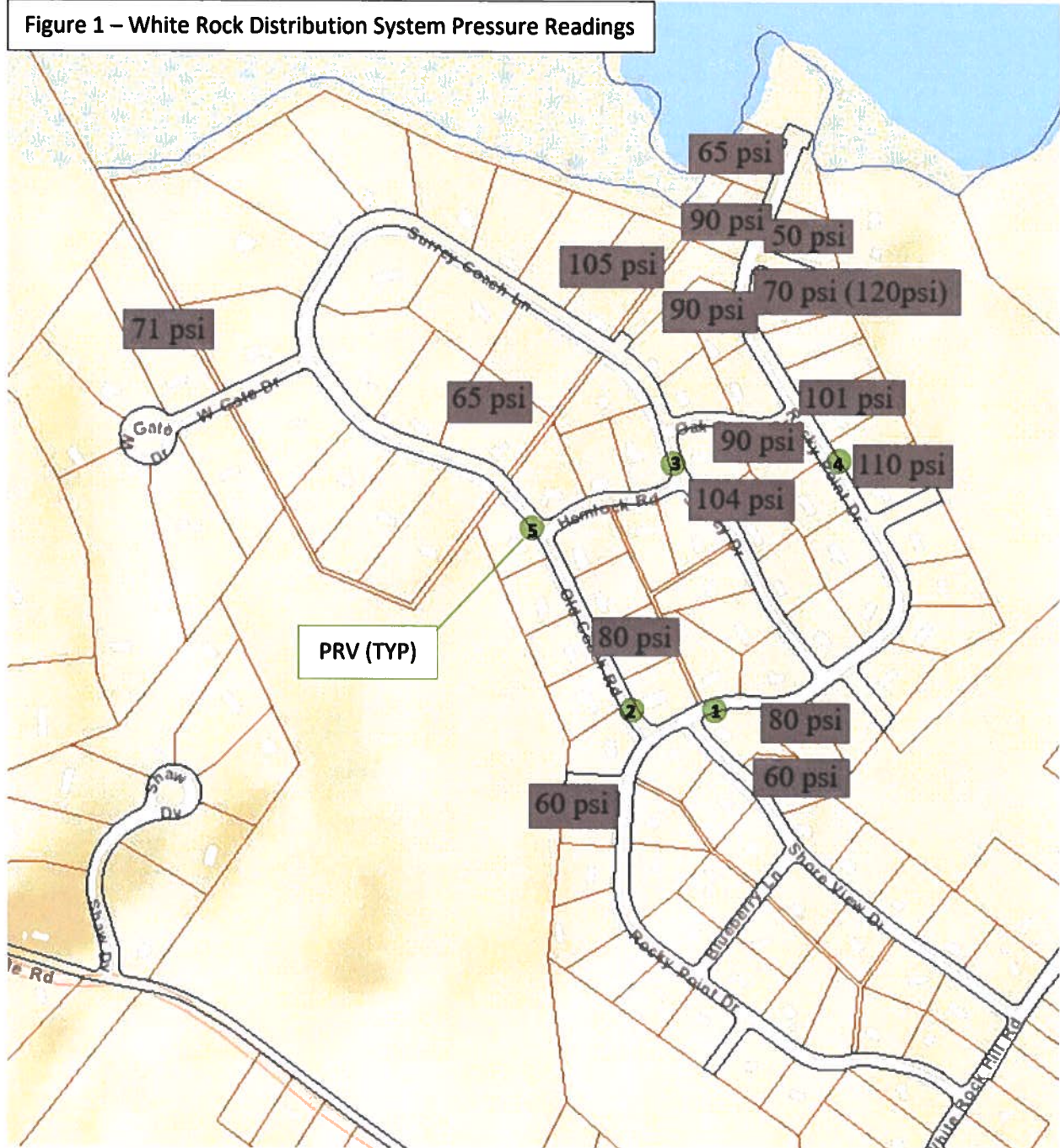
*Assumed house has Pressure Regulator Installed

**Water was turned off at 7 Old Coach Road; 6 Old Coach Road was used instead.

***House has pressure regulator after meter. 120 psi coming into house / 70 psi throughout the house.



Figure 1 – White Rock Distribution System Pressure Readings





PRV #1



PRV #2





PRV #3



PRV #4





PRV #5



Capital Spending 3-year forecast

Project	Year	Lakeland Water	White Rock	Tioga Gilford	Tioga Belmont	Lakeland Sewer	Yearly Total
Replace Filtration and Media Equipment	2021			20,000			
Storage Tank Installation	2021				40,000		
Installation of Isolation Valves	2021				10,000		
Replace Filtration and Media Equipment	2022				15,000		
Tank Lining	2021		50,000				
Installation of Isolation Valves	2021		45,000				
Installation of Pressure Reducing Valves	2021		30,000				
2021 Total							210000
Upgrade Arsenic Treatment System	2022		30,000				
Replace Generator Transfer Switch	2022					3000	
SCADA Upgrades	2022	10000					
Pumping Equipment Upgrades	2022	20000					
Add System Blowoffs	2022			20000			
2022 Total							83000
Install SCADA	2023		15000				
Install SCADA	2023				10000		
System Mapping	2023	5000		5000	5000		
Update Station Panel & Controls	2023					20000	
2023 Total							60000

Please note, project scheduling or proposed capital expenditures may change due to unanticipated events.

PUC 1604.02(a)(3)

DW 20-112
Abenaki Water Company
Written Direct Testimony of
Stephen P. St. Cyr

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3 Biddeford, Me. 04005
4 207-423-0215
5 stephenpstcyr@yahoo.com
6

7 Direct Testimony of Stephen P. St. Cyr in DW 20-112
8

9 Q. Please state your name and address.

10
11 A. Stephen P. St. Cyr of Stephen P. St. Cyr & Associates, 17 Sky Oaks Drive,
12 Biddeford, Me. 04005.
13

14 Q. Please state your present employment position and summarize your professional
15 and educational background.
16

17 A. I am presently employed by St. Cyr & Associates, which provides accounting,
18 tax, management and regulatory services. St. Cyr & Associates was established
19 in 1993. The Company devotes a significant portion of the practice to serving
20 utilities. The Company has a number of regulated water utilities among its
21 clientele. I have prepared and presented a number of rate case filings before the
22 New Hampshire Public Utilities Commission. Prior to establishing St. Cyr &
23 Associates, I worked in the utility industry for 16 years, holding various
24 managerial accounting and regulatory positions. I have a Business
25 Administration degree with a concentration in accounting from Northeastern
26 University in Boston, Ma. I obtained my CPA certificate in Maryland, however,
27 I'm not currently licensed in NH due to different licensing requirements. I have a
28 master level Certificate in Taxation from New Hampshire College (now Southern
29 New Hampshire University).
30

31 Q. Is St. Cyr & Associates presently providing services to Abenaki Water Company
32 ("AWC" or "Company")?
33

34 A. Yes. St. Cyr & Associates prepared the various exhibits and supporting schedules
35 as well as the written testimony and other rate case filing requirements. Also, St.
36 Cyr & Associates prepare both recent financing applications (DW 20-044 and
37 DW 20-088). In addition, St. Cyr & Associates prepares Abenaki's PUC Annual
38 Reports.
39

40 Q. Are you familiar with the pending rate application of the various AWC water and
41 sewer systems and with the various exhibits submitted as Schedules 1 through 4
42 inclusive, with related pages and attachments for each of the water systems, the
43 sewer system and the combined water system?
44

45 A. Yes, I am. The exhibits were prepared by me, utilizing the financial records of
46 the Company.

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6
7 Q. What is the test year that AWC is using in this filing?

8
9 A. AWC is utilizing the twelve months ended December 31, 2019 for the Lakeland
10 (“LL”) Water and White Rock (“WR”) and the 12 months ended 4/30/20 for
11 Tioga Gilford Village (“TGV”) and Tioga Belmont (“TB”). AWC is using the 12
12 months ended 4/30/20 for TGV and TB because there were only 8 months of
13 actual data in the 2019 test year. AWC is also is utilizing the twelve months
14 ended December 31, 2019 for the Lakeland (“LL”) Sewer.

15
16 Q. Before you explain the schedules, please provide a brief overview of AWC.

17
18 A. AWC, a wholly owned subsidiary of New England Service Company (“NESC”),
19 is a public utility distributing water to approximately 725 customers in Carroll,
20 Belmont, Bow and Gilford, NH. It also provides sewer to 158 customers in
21 Belmont, NH. As a public utility operating in New Hampshire, the Company
22 functions under the rules and regulations prescribed by the New Hampshire
23 Public Utilities Commission (“NHPUC”).

24
25 Q. Is the rate application applicable to all of AWC’s systems?

26
27 A. No, the rate application excludes the Rosebrook water system.

28
29 Q. Are there specific things prompting the rate filing?

30
31 A. Yes. First of all, the WR, TGV and TB all experience net losses during the test
32 year. As such, part of the rate application is simply to allow those systems to
33 recover its costs and earn its PUC approved rates of return. Second, each of the
34 water systems incurred normal replacement of plant and/or new plant during the
35 test year. Both TGV and TB made significant investments in the purchased and
36 installed meters. Both TGV and TB are also seeking recovery of its due diligence
37 costs incurred during its purchase by the AWC and the approval by the NHPUC.
38 Third, each of the water systems has also incurred normal replacement of plant
39 and/or new plant in 2020. Both WR and TB have financing requests before the
40 NHPUC in DW 20-044 and DW 20-088 to make significant improvements to the
41 systems. Fourth, LL Water, WR & TB systems has incurred costs i.e., water
42 boiling, tax rate effect change, water outages, tank inspection, etc. that have been
43 deferred. Those systems are now seeking recovery of such costs over various
44 periods of time. Lakeland and White Rock’s last rate increase was approved in
45 DW 15-199, based on a proformed 2014 test year. TGV and TB’s last rate
46 increase was approved in DW 10-217, based on a proformed test year for the 12

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6
7 months ended 10/31/09. With the proposed increase in rates and revenues, AWC
8 should be able to eliminate the net loss, recover its investments, earn a fair and
9 reasonable rate of return on its investment and continue to provide service to its
10 customers at fair and reasonable rates.

11
12 Q. Is there anything else prior to summarizing the schedules?

13
14 A. Yes. AWC seeks Commission approval of a year-end rate base. While the
15 Company has always believed that a year-end rate base is appropriate, that is
16 particularly true for WR, TGV and TB due to the investments made during the
17 test year. All of these investments are “used and useful” and providing service to
18 customers.

19
20 TGV and TB are also seeking recovery of its due diligence costs. These are the
21 costs that were incurred in the process of purchasing the water system and gaining
22 PUC approval (DW 18-108). The recovery of these costs consistent with the
23 PUC’s approval of similar due diligence costs incurred when Abenaki purchased
24 Lakeland, White Rock and Rosebrook. AWC is proposing to amortize the due
25 diligence costs over a 15 year period.

26
27 In addition, AWC is proposing consolidated rates for LL Water, WR, TGV & TB.
28 Unfortunately, any investment of a significant amount causes a significant rate
29 increase, which is particularly hard on water systems with a small number of
30 customers. Given the relatively small number of customers in each of these
31 systems, it’s in the customers and the Company’s best interest to be able to spread
32 such investments over a larger number of customers. See Mr. LaChance’s
33 testimony for further justification.

34
35 Finally, AWC is using a 10.44% return on equity. AWC is utilizing the
36 Commission Staff determined cost of common equity of 9.69% plus .50% for rate
37 case expense savings adder plus .25% exemplary performance adder. AWC
38 believes that it could justify a .50% exemplary performance adder but choose to
39 seek only .25% knowing the amount of the rate increase(s). The justification for
40 exemplary performance is provided as part of the Total Company Schedules.

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6
7 Q. Would you please summarize the schedules?

8
9 A. Yes. The schedules consist of AWC 2019, 2018 and 2017 balance sheets and
10 income statements, the 2019 statement of income by system, the 2019, 2018 and
11 2017 capital structures, the 2019 actual and pro forma long term debt and the rate
12 of return information (collectively referred to as the Total Company Schedules).
13 The Total Company Schedules are followed by a set of rate schedules for the LL
14 Sewer entity, the LL Water, WR, TGV and TB water systems, followed by the
15 combined water systems schedules.

16
17 Q. Please describe the **Total Company Schedules**.

18
19 A. The Total Company Schedules consist of the 2019, 2018 and 2017 balance sheets
20 and income statements, the 2019 statement of income by system, the 2019, 2018
21 and 2017 capital structures, the 2019 actual and pro forma long term debt and the
22 rate of return information

23
24 Overall, Schedule 1a and 1b shows the Company's balance sheet has increased
25 \$487,621 since 2017, including an increase in utility plant of \$599,472. The
26 Company's cash position has been strained, resulting in a significant A/P to
27 Associated Co., which was subsequently converted to additional paid in capital.
28 Company has also experienced increases in preliminary survey and investigation
29 charges of \$102,041 and miscellaneous deferred debits of \$157,681. In addition,
30 the Company has an increase in additional paid in capital of \$474,730 including
31 the previously mentioned conversion of A/P to Associated Co. Its long-term debt
32 decreased in 2018 and increased in 2019.

33
34 Overall, in 2019, Schedule 2a shows the Company's net income amounted to
35 \$29,063. The Company's operating revenues decreased in 2018 and increased in
36 2019, due to an increase in rates in its Rosebrook water system and 8 months of
37 revenue from newly acquired TGV and TB water systems. The Company's
38 operating expenses decreased in 2018 and increased in 2019. The increase in
39 2019 is in part due to O&M expenses associated with newly acquired TGV and
40 TB water system.

41
42 A closer look at the Company's 2019 net income as shown on Schedule 2b
43 reveals that Rosebrook and Lakeland contributed to the overall net income and
44 WR, TGV and TB did not. WR, TGV & TB experienced net losses amounting to
45 \$19,532, \$13,067 and \$19,975, respectively.

46

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6
7 As such, part of the proposed increase in rates / revenues is to simply allow those
8 systems to cover their expenses and earn their presently PUC approved rate of
9 return.

10
11 Schedule 3 shows the 2019, 2018 & 2017 capital structures. As indicated earlier,
12 the Company has an increase in additional paid in capital of \$474,730 including
13 the previously mentioned conversion of A/P to Associated Co. Its long-term debt
14 decreased in 2018 and increased in 2019.

15
16 Schedule 4 shows the Company's long term debt and interest expense for both
17 actual and pro forma 2019. The actual cost of debt is 4.08%. The pro forma long
18 term debt includes \$45,000 of NH DWGTF financing for TB tank and gate valves
19 (subject to PUC approval in DW 20-044) and \$125,000 of NH DWSRF financing
20 for WR improvements (subject to PUC approval in DW 20-088). The interest
21 rates on both pending loans are very attractive. The pro forma cost of debt is
22 3.96%.

23
24 Schedule 5 shows the rate of return information including overall rate of return of
25 7.81% and 7.95% for actual and pro forma, respectively. It also shows the capital
26 structures and capital structures percentage for 2019, 2018 and 2017. The
27 Company is utilizing the PUC Staff provided baseline ROE of 9.69%, plus rate
28 case expense savings added of .50%, plus a capital structure adder of .00%, plus
29 an exemplary performance adder of .25%. Please note that the Company is just
30 outside an "acceptable" capital structure with equity of 56 to 60 percent due in
31 part to the conversion of A/P to Associated Co. to additional paid in capital.

32
33 With respect to "exemplary performance," AWC utilizes a NHDES asset
34 management program. The Company performs regularly scheduled leak detection
35 across each of the Company systems. Once identified, the main/service is then
36 scheduled for repair/replacement. The Company also banned non-essential
37 outdoor water usage in the WR and TB. All purchases must be approved via a PO
38 by an officer of the Company. Non-recurring charges in excess of \$500 require
39 multiple vendor prices. The Company's emergency excavator is under
40 agreement, with specified pricing, that the Company has pre-negotiated to ensure
41 competitive pricing. The Company is now evaluating the new arsenic MCL (5
42 ppm) at WR. Further work has yet to be done, but any improvements or
43 techniques necessary will be determined. At TGV, the Company is addressing
44 Radium 226 & 228 through a series of sample testing. The forecast is either
45 replacing the present filtration media or blending of source water.
46

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6
7 The Company has recently just invested in a Job Order system that tracks
8 customer visits to ensure the concern has been completed satisfactorily to
9 management. These job Orders are archived into the customer profiles for
10 historic use. Recently, the Company rolled out a state of the art emergency alert
11 system that notifies customers via email, phone and text of emergencies or
12 planned work in the systems. The Company accepts credit card and payment via
13 its web site, it recently has added Apple payment methods as well. All of these
14 measures have been taken in part because the Company believes that they better
15 serve customers. While the Company believes that such measures merit .50 basis
16 points being added to the return on equity, it recognized that given the size of the
17 rate increases, it is willing to accept .25 basis points.

18
19 Q. Is there anything else that you would like to address related to the Total Company
20 Schedules?

21
22 A. No.

23
24 Q. Please begin by describing the **LL Sewer Schedules**.

25
26 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year
27 ended December 31, 2019," summarizes the supporting schedules. The actual
28 revenue (deficiency) surplus for LL Sewer for the test year amounts to (\$2,121).
29 It is based upon an actual test year with a 5 quarter average rate base of \$49,752
30 as summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual
31 test year. The rate of return of 7.81%, when multiplied by the rate base of
32 \$49,752, results in an operating income requirement of \$3,886. As shown on
33 Schedule 1, the actual net operating income (loss) for LL Sewer for the test year
34 was \$1,765. The operating income required, less the net operating income (loss),
35 results in an operating income (deficiency) surplus before taxes of (\$2,121). LL
36 Sewer did not calculate the tax effect of the revenue deficiency, resulting in a
37 revenue (deficiency) surplus for LL Sewer of (\$2,121).

38
39 The pro forma revenue deficiency for LL Sewer for the test year amounts to zero.
40 It is based upon a pro formed test year rate base of \$51,375, as summarized in
41 Schedule 3. AWC is utilizing a pro formed rate of return of 7.95% for the pro
42 formed test year. The pro formed rate of return of 7.95% when multiplied by the
43 rate base of \$51,375, results in an operating net income requirement of \$4,084.

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6
7 As shown on Schedule 1, the pro formed net operating income for LL Sewer for
8 the test year is \$4,085. The operating income required, less the net operating
9 income, results in a deficiency of zero. The tax effect of the deficiency is zero,
10 resulting in a revenue deficiency for LL Sewer of zero.

11
12 Schedule 1 reflects LL Sewer's Statement of Income. Column b shows the actual
13 2019 year end balances. Column c shows pro forma adjustments for known and
14 measurable changes to test year revenues and expenses.. Column d shows the pro
15 forma 2019 year end balances. The 2018 and 2017 Statements of Income are not
16 available since 2019 was the first year in which AWC separated the water and
17 sewer. During the 2019 test year, LL Sewer net income (loss) was \$1,175.

18
19 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
20 Company made 1 pro forma adjustment to operating revenues totaling \$11,068
21 and a few pro forma adjustments to operating expenses totaling \$8,764. The
22 specific pro forma adjustments are identified on the Statement of Income – Pro
23 forma Adjustments (Schedule 1A). A brief explanation is as follows:

24
25 Pro forma Adjustment to Operating Revenues

26
27 Operating Revenues – \$11,066

28
29 The Company has increased test year revenues for the proposed amount of
30 revenues necessary to cover its expenses and allow it to earn its proposed rate of
31 return.

32
33 Pro forma Adjustments to Operating Expense

34
35 Operating Expenses:

36
37 Purchased Water Treatment - \$5,035

38 In 2020 the City of Laconia increased its sewer rates from \$0.0520 to
39 \$0.0538 and per unit charge from \$12.41 to \$12.86. The resulting increase
40 amounts to \$2,689.

41 In 2021 the City of Laconia anticipates increasing its sewer rates from
42 \$0.0538 to \$0.0557 and per unit charge from \$12.86 to \$13.33. The resulting
43 increase amounts to \$2,346.

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6
7 Miscellaneous Pumping Expenses - \$2,206

8 In 2019 LL Sewer removed and unbound sewer pump 1. Initially, it
9 charged such expense to miscellaneous deferred debit. Upon further review, it
10 was determined that the expense was maintenance in nature and should have been
11 charged to expense. As such, the pro forma adjustment transferred the expense
12 from miscellaneous deferred debits to miscellaneous pumping expenses.

13
14 Lease Agreements - \$59

15
16 During the test year LL Sewer incurred \$1,573 for rent of lease space,
17 both at Laconia, NH and Plainville, CT. In 2020 NESC increased its rent to
18 \$1,632, resulting in an increase of \$59.

19
20 PUC Audit - \$500

21
22 In anticipation of a PUC audit, AWC estimated that it will incur \$7,500.
23 The estimated costs of \$7,500 will be equally allocated among the 5 systems
24 participating in this rate case, resulting \$1,500 costs per system. No such audit
25 expenses are reflected in the test year. LL Sewer is proposing to recover the
26 proposed audit expense of \$1,500 over 3 years, resulting in a test year adjustment
27 of \$500.

28
29 Amortization Expenses – Other - \$594
30 2019 Tax Rate Effect Change

31 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR
32 18-001 and DW 18-047 related to the PUC investigation to determine the rate
33 effect of federal and state corporate tax reductions. The investigation involved
34 AWC preparing a compliance plan along with attachments, the PUC Staff
35 recommendation and the PUC order approving Staff's recommendation. AWC
36 later allocated such costs to its 3 systems at the time including Lakeland. In 2019
37 Lakeland further allocated such costs between water and sewer. LL Sewer costs
38 amounts to \$1,536. LL Sewer is proposing to recover the costs over 5 years, at an
39 annual cost of \$307.

40
41 2019 Sewer Step Rate Increase

42
43 In DW 15-199 the PUC approved a step increase for an anticipated
44 increase in sewer rates that the City of Laconia charges LL Sewer. LL Sewer
45 pursued the step increase in 2019 and incurred various \$1,536 costs to do so. LL
46 Sewer is proposing to recover the costs over 5 years, at an annual cost of \$287.

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6
7 Income Taxes - \$352

8
9 The Company has provided the calculation of the federal income taxes and the
10 state business taxes (Schedule 1B). The Company has also provided the effective
11 tax factor (Schedule 1C).

12
13 The total pro forma adjustments to Operating Expenses amount to \$8,746.

14
15 The net of the pro forma adjustments to operating revenue of \$11,066 and
16 the pro forma adjustments to operating expenses of \$8,746 results in a net pro
17 forma adjustment of \$2,320. When the net operating income associated with the
18 pro forma adjustments is added to net operating income from the test year, the pro
19 forma test year net operating income totals \$4,085. The pro forma test year net
20 operating income of \$4,085 allows LL Sewer to cover its expenses and
21 earn its proposed 7.95% return on its investments.

22
23 Q. Does that complete your description of the pro forma adjustments to revenues and
24 expenses?

25
26 A. Yes.

27
28 Q. Please describe Schedule 2, the Balance Sheet.

29
30 A. See Total Company Balance Sheet.

31
32 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
33 schedule.

34
35 A. Schedule 3 reflects LL Sewer Rate Base for both the 5 quarter average and the pro
36 forma year-end balance. Column b – f shows the actual balance at the end of each
37 quarter. Column g shows the average of the 5 quarter balances. Column h shows
38 the pro forma adjustments. Column i shows the pro forma year-end balance.

39
40 Schedule 3A shows the Rate Base – LL Sewer Pro forma Adjustments. Pro forma
41 adjustments 2 & 5 adjust the 5 quarter average balances to the December 31, 2019
42 balances. It is appropriate to use the December 31, 2019 balance since all of the
43 invested capital is fully “used and useful,” providing service to customers and no
44 increase in customers during the test year.

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6
7 Adjustments #3 & #4 are the adjustments related to the Dockets IR 18-001 and
8 DW 18-047 regarding the PUC investigation to determine the rate effect of
9 federal and state corporate tax reductions and step increase costs totaling \$2,971.
10 LL Sewer is proposing to recover both costs over 5 years, at an annual cost of
11 \$594. The half year amortization of such costs is \$297.

12
13 Adjustment #6 pertains to cash working capital and shows the additional cash
14 working capital due to the proposed increase in O&M expenses. The cash
15 working capital balances are further supported by Schedules 3C.

16
17 The Total Pro Forma December 31, 2019 Rate Base balance amounts to \$51,375.

18
19 Q. Would you please explain Schedule 4, Rate of Return Information?

20
21 A. See Total Company Capital Structure and Rate of Return Information. Please
22 note that the Capital Structure and Rate of Return Information is for AWC (Total
23 Company) and not just LL Sewer.

24
25 Q. Please explain the Report of Proposed Rate Changes.

26
27 A. If LL Sewer's rate filing is approved as submitted, its total sewer Operating
28 Revenues will amount to \$126,987, an increase of \$11,066.

29
30 Q. Is LL Sewer proposing any changes to the methodology used in calculating the
31 rates?

32
33 A. No. LL Sewer is calculating the new rates in a manner consistent with its present
34 rates.

35
36 Q. When is LL Sewer proposing that the new rates be effective?

37
38 A. The proposed effective date is 30 days from LL Sewer's rate filing.

39
40 Q. Is LL Sewer proposing temporary rates?

41
42 A. Yes. LL Sewer expects to file a separate temporary rate filing, approximately 1 –
43 2 weeks after the permanent rate filing.

44
45

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6
7 Q. Would you please summarize what the LL Sewer is requesting in its rate filing?

8
9 A. LL Sewer respectfully requests that the Commissioners approve an increase in
10 annual revenues of \$11,065 for permanent rates.

11
12 Q. Is there anything further that you would like to discuss?

13
14 A. No, there is nothing further to my testimony as it pertains to LL Sewer.

15
16 Q. Please begin by describing the **LL Water Schedules**.

17
18 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year
19 ended December 31, 2019," summarizes the supporting schedules. The actual
20 revenue (deficiency) surplus for LL Water for the test year amounts to \$6,261. It
21 is based upon an actual test year with a 5 quarter average rate base of \$298,944 as
22 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual
23 test year. The rate of return of 7.81%, when multiplied by the rate base of
24 \$298,944, results in an operating income requirement of \$23,347. As shown on
25 Schedule 1, the actual net operating income (loss) for LL Water for the test year
26 was \$29,608. The operating income required, less the net operating income
27 (loss), results in an operating income (deficiency) surplus before taxes of \$6,261.
28 LL Water did not calculate the tax effect of the revenue deficiency, resulting in a
29 revenue (deficiency) surplus for LL Water of \$6,261.

30
31 The pro forma revenue deficiency for LL Water for the test year amounts to zero.
32 It is based upon a pro formed test year rate base of \$301,317, as summarized in
33 Schedule 3. AWC is utilizing a pro formed rate of return of 7.95% for the pro
34 formed test year. The pro formed rate of return of 7.95% when multiplied by the
35 rate base of \$301,317, results in an operating net income requirement of \$23,955.

36
37 As shown on Schedule 1, the pro formed net operating income for LL Water for
38 the test year is \$23,954. The operating income required, less the net operating
39 income, results in a deficiency of zero. The tax effect of the deficiency is zero,
40 resulting in a revenue deficiency for LL Water of zero.

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7

8 Schedule 1 reflects LL Water's Statement of Income. Column b shows the actual
9 2019 year end balances. Column c shows pro forma adjustments for known and
10 measurable changes to test year revenues and expenses. Column d shows the pro
11 forma 2019 year end balances. The 2018 and 2017 Statements of Income are not
12 available since 2019 was the first year in which AWC separated the water and
13 sewer. During the 2019 test year, LL Water net income (loss) was \$24,447.
14

15 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
16 Company made 1 pro forma adjustment to operating revenues totaling (\$3,370)
17 and a few pro forma adjustments to operating expenses totaling \$2,284. The
18 specific pro forma adjustments are identified on the Statement of Income – Pro
19 forma Adjustments (Schedule 1A). A brief explanation is as follows:
20

21 Pro forma Adjustment to Operating Revenues

22
23 Operating Revenues – (\$3,370)
24

25 The Company has decreased test year revenues for the proposed amount
26 of revenues necessary to cover its expenses and allow it to earn its proposed rate
27 of return.
28

29 Pro forma Adjustments to Operating Expense

30
31 Operating Expenses:
32

33 Lease Agreements - \$60
34

35 During the test year LL Water incurred \$1,592 for rent of lease space, both
36 at Laconia, NH and Plainville, CT. In 2020 NESC increased its rent to \$1,652,
37 resulting in an increase of \$60.
38

39 PUC Audit - \$500
40

41 In anticipation of a PUC audit, AWC estimated that it will incur \$7,500.
42 The estimated costs of \$7,500 will be equally allocated among the 5 systems
43 participating in this rate case, resulting \$1,500 costs per system. No such audit
44 expenses are reflected in the test year. LL Water is proposing to recover the
45 proposed audit expense of \$1,500 over 3 years, resulting in a test year adjustment
46 of \$500.

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6
7 Depreciation Expense - \$1,025

8
9 In 2019 LL Water added \$5,162 to plant in service. It recorded \$280 for
10 related depreciation. The \$280 of depreciation represents ½ year. The pro forma
11 adjustment for \$280 represents the additional ½ year depreciation in order to
12 reflect the full year's depreciation of \$560. Also, see Schedule 3B.

13
14 In 2020 LL Water anticipates adding \$5,648 to plant in service. The pro
15 forma adjustment for \$745 represents the full year's depreciation on the
16 anticipated 2020 plant in service. Also, see Schedule 3B.

17
18 Amortization Expense - \$990

19
20 In 2017 LL Water incurred \$6,996 related to a water boiling order. LL
21 Water deferred such costs. It is now proposing to seek recovery over a ten year
22 period. The annual costs amounts to \$700. Also, see Schedule 3C.

23
24 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR
25 18-001 and DW 18-047 related to the PUC investigation to determine the rate
26 effect of federal and state corporate tax reductions. The investigation involved
27 AWC preparing a compliance plan along with attachments, the PUC Staff
28 recommendation and the PUC order approving Staff's recommendation. AWC
29 later allocated such costs to its 3 systems at the time including Lakeland. In 2019
30 Lakeland further allocated such costs between water and sewer. LL Water costs
31 amounts to \$1,453. LL Water is proposing to recover the costs over 5 years, at an
32 annual cost of \$290. Also, see Schedule 3C.

33
34 Taxes other than Income - 157

35
36 In 2020 LL Water anticipates adding \$5,648 to plant in service. The
37 addition of \$5,648 to plant in service increases the property tax valuation for both
38 state and local property taxes. The calculation of the increase amounts to \$35 and
39 \$122 for state and local property taxes, respectively. Also, see Schedule 3B.

40
41 Income Taxes - (\$448)

42
43 The Company has provided the calculation of the federal income taxes and
44 the state business taxes (Schedule 1B). The Company has also provided the
45 effective tax factor (Schedule 1C).

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6
7 The total pro forma adjustments to Operating Expenses amount to \$2,284.

8
9 The net of the pro forma adjustments to operating revenue of (\$3,370) and
10 the pro forma adjustments to operating expenses of \$2,284 results in a net pro
11 forma adjustment of (\$5,654). When the net operating income associated with the
12 pro forma adjustments is added to net operating income from the test year, the pro
13 forma test year net operating income totals \$23,294. The pro forma test year net
14 operating income of \$23,294 allows LL Water to cover its expenses and
15 earn its proposed 7.95% return on its investments.

16
17 Q. Does that complete your description of the pro forma adjustments to revenues and
18 expenses?

19
20 A. Yes.

21
22 Q. Please describe Schedule 2, the Balance Sheet.

23
24 A. See Total Company Balance Sheet.

25
26 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
27 schedule.

28
29 A. Schedule 3 reflects LL Water Rate Base for both the 5 quarter average and the pro
30 forma year-end balance. Column b – f shows the actual balance at the end of each
31 quarter. Column g shows the average of the 5 quarter balances. Column h shows
32 the pro forma adjustments. Column i shows the pro forma year-end balance.

33
34 Schedule 3A shows the Rate Base – LL Water Pro forma Adjustments. Pro forma
35 adjustments 1, 3 8, 9 & 10 adjust the 5 quarter average balances to the December
36 31, 2019 balances. It is appropriate to use the December 31, 2019 balance since
37 all of the invested capital is fully “used and useful,” providing service to
38 customers with no increase in customers during the test year.

39
40 Adjustment #2 is the addition to plant in service for the anticipated additions to
41 plant in 2020 amounting to \$5,648. Also, see Schedule 3B.

42
43 Adjustment #s 4 and 5 are the additions to accumulated depreciation for the
44 additional ½ year depreciation of \$280 on 2019 additions and the ½ year
45 depreciation of \$372 on anticipated 2020 additions to plant. Also, see Schedule
46 3B.

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7 Adjustments #6 & #7 are the adjustments related to the 2017 water boiling
8 amounting to \$6,996 and the Dockets IR 18-001 and DW 18-047 regarding the
9 PUC investigation to determine the rate effect of federal and state corporate tax
10 reductions amounting to \$1,453. The total addition to rate base is \$8,449. Also,
11 see Schedule 3C. LL Water is proposing that the 2017 water boiling costs and the
12 PUC investigation costs be recovered over 10 years and 5 years, respectively.
13 The total ½ year amortization amounts to \$495. Also, see Schedule 3C

14

15 Adjustment #11 pertains to cash working capital and shows the additional cash
16 working capital due to the proposed increase in O&M expenses. The cash
17 working capital balances are further supported by Schedules 3D.

18

19 The Total Pro Forma December 31, 2019 Rate Base balance amounts to \$2,373.

20

21 Q. Would you please explain Schedule 4, Rate of Return Information?

22

23 A. See Total Company Capital Structure and Rate of Return Information. Please
24 note that the Capital Structure and Rate of Return Information is for AWC (Total
25 Company) and not just LL Water.

26

27 Q. Please explain the Report of Proposed Rate Changes.

28

29 A. If LL Water's rate filing is approved as submitted, its total water Operating
30 Revenues will amount to \$126,077, an increase of \$102.

31

32 R. Is LL Water proposing any changes to the methodology used in calculating the
33 rates?

34

35 A. No. LL Water is calculating the new rates in a manner consistent with its present
36 rates.

37

38 R. When is LL Water proposing that the new rates be effective?

39

40 A. The proposed effective date is 30 days from LL Water's rate filing.

41

42 Q. Is LL Water proposing temporary rates?

43

44 A. Yes. LL Water expects to file a separate temporary rate filing, approximately 1 –
45 2 weeks after the permanent rate filing.

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6
7 Q. Would you please summarize what the LL Water is requesting in its rate filing?

8
9 A. LL Water respectfully requests that the Commissioners approve an increase in
10 annual revenues of \$102 for permanent rates.

11
12 Q. Is there anything further that you would like to discuss?

13
14 A. No, there is nothing further to my testimony as it pertains to LL Water.

15
16 Q. Please begin by describing the **WR Water Schedules**.

17
18 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year
19 ended December 31, 2019," summarizes the supporting schedules. The actual
20 revenue (deficiency) surplus for WR for the test year amounts to (\$36,243). It is
21 based upon an actual test year with a 5 quarter average rate base of \$243,250 as
22 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual
23 test year. The rate of return of 7.81%, when multiplied by the rate base of
24 \$243,250, results in an operating income requirement of \$18,998. As shown on
25 Schedule 1, the actual net operating income (loss) for WR for the test year was
26 (\$17,425). The operating income required, less the net operating income (loss),
27 results in an operating income (deficiency) surplus before taxes of (\$36,423). WR
28 did not calculate the tax effect of the revenue deficiency, resulting in a revenue
29 (deficiency) surplus for WR of (\$36,423).

30
31 The pro forma revenue deficiency for WR for the test year amounts to zero. It is
32 based upon a pro formed test year rate base of \$507,033, as summarized in
33 Schedule 3. AWC is utilizing a pro formed rate of return of 7.95% for the pro
34 formed test year. The pro formed rate of return of 7.95% when multiplied by the
35 rate base of \$507,033, results in an operating net income requirement of \$40,309.

36
37 As shown on Schedule 1, the pro formed net operating income for WR for the test
38 year is \$40,309. The operating income required, less the net operating income,
39 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in
40 a revenue deficiency for WR of zero.

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6
7
8 Schedule 1 reflects WR's Statements of Income. Column b shows the actual 2019
9 year end balances. Column c shows pro forma adjustments for known and
10 measurable changes to test year revenues and expenses. Column d shows the pro
11 forma 2019 year end balances. The 2018 and 2017 Statements of Income are
12 shown in columns e and f, respectively. During the 2019 test year, WR net
13 income (loss) was (\$19,532).

14
15 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
16 Company made 1 pro forma adjustment to operating revenues totaling \$99,778
17 and a few pro forma adjustments to operating expenses totaling \$42,044. The
18 specific pro forma adjustments are identified on the Statement of Income – Pro
19 forma Adjustments (Schedule 1A). A brief explanation is as follows:

20
21 Pro forma Adjustment to Operating Revenues

22
23 Operating Revenues – \$99,778

24
25 The Company has increased test year revenues for the proposed amount of
26 revenues necessary to cover its expenses and allow it to earn its proposed rate of
27 return.

28
29 Pro forma Adjustments to Operating Expense

30
31 Operating Expenses:

32
33 Lease Agreements - \$81

34
35 During the test year WR incurred \$1,881 for rent of lease space, both at
36 Laconia, NH and Plainville, CT. In 2020 NESC increased its rent to \$1,962,
37 resulting in an increase of \$60.

38
39 PUC Audit - \$500

40
41 In anticipation of a PUC audit, AWC estimated that it will incur \$7,500.
42 The estimated costs of \$7,500 will be equally allocated among the 5 systems
43 participating in this rate case, resulting \$1,500 costs per system. No such audit
44 expenses are reflected in the test year. WR is proposing to recover the proposed
45 audit expense of \$1,500 over 3 years, resulting in a test year adjustment of \$500.

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6
7 Depreciation Expense - \$5,911

8
9 In 2019 WR added \$22,107 to plant in service. It recorded \$835 for
10 related depreciation. The \$835 of depreciation represents ½ year. The pro forma
11 adjustment for \$835 represents the additional ½ year depreciation in order to
12 reflect the full year's depreciation of \$1,657. Also, see Schedule 3B.

13
14 In 2020 WR anticipates adding \$169,097 to plant in service. The pro
15 forma adjustment for \$5,076 represents the full year's depreciation on the
16 anticipated 2020 plant in service. Also, see Schedule 3B.

17
18 Amortization of CIAC - \$1,600

19
20 In 2019/2020, WR had its tanks inspected, costing a total \$26,512. WR
21 received a grant of \$8,000 from WR deferred the costs and the related grant.
22 WR is now seeking recovery of the amount and the related grant over 5 year. The
23 annual amortization of CIAC over 5 years amounts to \$1,600. Also, see Schedule
24 3C.

25
26 Amortization Expense associated with Miscellaneous Deferred Debits - \$14,380

27
28 In 2018 & 2019 WR incurred significant expenditures amounting to
29 \$87,625 related to water outages. WR deferred such costs. It is now proposing to
30 seek recovery over a ten year period. The annual costs amounts to \$8,763. Also,
31 see Schedule 3C.

32
33 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR
34 18-001 and DW 18-047 related to the PUC investigation to determine the rate
35 effect of federal and state corporate tax reductions. The investigation involved
36 AWC preparing a compliance plan along with attachments, the PUC Staff
37 recommendation and the PUC order approving Staff's recommendation. AWC
38 later allocated such costs to its 3 systems at the time including WR. WR costs
39 amounts to \$1,577. WR is proposing to recover the costs over 5 years, at an
40 annual cost of \$315. Also, see Schedule 3C.

41
42 In 2019/2020, WR had its tanks inspected, costing a total \$26,512. WR
43 received a grant of \$8,000 from WR deferred the costs and the related grant.
44 WR is now seeking recovery of the amount and the related grant over 5 year. The
45 annual costs over 5 years amount to \$5,302. Also, see Schedule 3C.

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6
7 Taxes other than Income – 4,281

8
9 In 2020 WR anticipates adding \$169,097 to plant in service. The addition
10 of \$169,097 to plant in service increases the property tax valuation for both state
11 and local property taxes. The calculation of the increase amounts to \$861 and
12 \$3,420 for state and local property taxes, respectively. Also, see Schedule 3B.

13
14 Income Taxes – \$18,490

15
16 The Company has provided the calculation of the federal income taxes and
17 the state business taxes (Schedule 1B). The Company has also provided the
18 effective tax factor (Schedule 1C).

19
20 The total pro forma adjustments to Operating Expenses amount to
21 \$42,044.

22
23 The net of the pro forma adjustments to operating revenue of \$99,778 and
24 the pro forma adjustments to operating expenses of \$42,044 results in a net pro
25 forma adjustment of \$57,734. When the net operating income associated with the
26 pro forma adjustments is added to net operating income from the test year, the pro
27 forma test year net operating income totals \$40,309. The pro forma test year net
28 operating income of \$40,309 allows WR to cover its expenses and earn its
29 proposed 7.95% return on its investments.

30
31 Q. Does that complete your description of the pro forma adjustments to revenues and
32 expenses?

33
34 A. Yes.

35
36 Q. Please describe Schedule 2, the Balance Sheet.

37
38 A. See Total Company Balance Sheet.

39
40 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
41 schedule.

42
43 A. Schedule 3 reflects WR Rate Base for both the 5 quarter average and the pro
44 forma year-end balance. Column b – f shows the actual balance at the end of each
45 quarter. Column g shows the average of the 5 quarter balances. Column h shows
46 the pro forma adjustments. Column i shows the pro forma year-end balance.

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6
7 Schedule 3A shows the Rate Base – WR Pro forma Adjustments. Pro forma
8 adjustments 1, 3, 8, 10 & 12 adjust the 5 quarter average balances to the
9 December 31, 2019 balances. It is appropriate to use the December 31, 2019
10 balance since all of the invested capital is fully “used and useful,” providing
11 service to customers with no increase in customers during the test year.

12
13 Adjustment #2 is the addition to plant in service for the anticipated additions to
14 plant in 2020 amounting to \$169,097. Also, see Schedule 3B.

15
16 Adjustment #s 4 and 5 are the additions to accumulated depreciation for the
17 additional ½ year depreciation of \$835 on 2019 additions and the ½ year
18 depreciation of \$2,538 on anticipated 2020 additions to plant. Also, see Schedule
19 3B.

20
21 Adjustments #6 & #7 are the adjustments related to the 2018 & 2019 water
22 outages amounting to \$87,625, the Dockets IR 18-001 and DW 18-047 regarding
23 the PUC investigation to determine the rate effect of federal and state corporate
24 tax reductions amounting to \$1,577 and the 2019/2020 tank inspections
25 amounting to \$26,512. The total addition to rate base is \$115,714. Also, see
26 Schedule 3C. WR is proposing that the 2018 & 2019 water outages over 10 years
27 and the PUC investigation and tank inspection 5 years. The total ½ year
28 amortization amounts to \$7,190. Also, see Schedule 3C.

29
30 Adjustment #s 9 and 11 are related to the \$8,000 grant for the tank inspections
31 reflected as CIAC and the ½ year amortization of CIAC amounting to \$800.
32 Also, see Schedule 3C.

33
34 Adjustment #13 pertains to cash working capital and shows the additional cash
35 working capital due to the proposed increase in O&M expenses. The cash
36 working capital balances are further supported by Schedules 3D.

37
38 The Total Pro Forma December 31, 2019 Rate Base balance amounts to
39 \$263,783.

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7

8 Q. Would you please explain Schedule 4, Rate of Return Information?

9

10 A. See Total Company Capital Structure and Rate of Return Information. Please
11 note that the Capital Structure and Rate of Return Information is for AWC (Total
12 Company) and not just WR.

13
14 Q. Please explain the Report of Proposed Rate Changes.

15
16 A. If WR's rate filing is approved as submitted, its total water Operating Revenues
17 will amount to \$184,611, an increase of \$102,475.

18
19 S. Is WR proposing any changes to the methodology used in calculating the rates?

20
21 A. No. WR is calculating the new rates in a manner consistent with its present rates.

22
23 S. When is WR proposing that the new rates be effective?

24
25 A. The proposed effective date is 30 days from WR's rate filing.

26
27 Q. Is WR proposing temporary rates?

28
29 A. Yes. WR expects to file a separate temporary rate filing, approximately 1 – 2
30 weeks after the permanent rate filing.

31
32 Q. Would you please summarize what the WR is requesting in its rate filing?

33
34 A. WR respectfully requests that the Commissioners approve an increase in annual
35 revenues of \$102,475 for permanent rates.

36
37 Q. Is there anything further that you would like to discuss?

38
39 A. No, there is nothing further to my testimony as it pertains to WR.

40

41

42

43

44

45

46

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6
7 Q. Please begin by describing the **TGV Water Schedules**.

8
9 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year
10 ended December 31, 2019," summarizes the supporting schedules. The actual
11 revenue (deficiency) surplus for TGV for the test year amounts to (\$33,209). It is
12 based upon an actual test year with a 5 quarter average rate base of \$119,913 as
13 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual
14 test year. The rate of return of 7.81%, when multiplied by the rate base of
15 \$119,913, results in an operating income requirement of \$9,365. As shown on
16 Schedule 1, the actual net operating income (loss) for TGV for the test year was
17 (\$23,844). The operating income required, less the net operating income (loss),
18 results in an operating income (deficiency) surplus before taxes of (\$33,209).
19 TGV did not calculate the tax effect of the revenue deficiency, resulting in a
20 revenue (deficiency) surplus for TGV of (\$33,209).

21
22 The pro forma revenue deficiency for TGV for the test year amounts to zero. It is
23 based upon a pro formed test year rate base of \$145,202, as summarized in
24 Schedule 3. AWC is utilizing a pro formed rate of return of 7.95% for the pro
25 formed test year. The pro formed rate of return of 7.95% when multiplied by the
26 rate base of \$145,202, results in an operating net income requirement of \$11,544.

27
28 As shown on Schedule 1, the pro formed net operating income for TGV for the
29 test year is \$11,544. The operating income required, less the net operating
30 income, results in a deficiency of zero. The tax effect of the deficiency is zero,
31 resulting in a revenue deficiency for TGV of zero.

32
33 Schedule 1 reflects TGV's Statements of Income for the 12 months ended
34 4/30/20. As previously stated, TGV is using the 12 months ended 4/30/20
35 because there were only 8 months of actual data in the 2019 test year. Column b
36 shows the actual 12 months ended 4/30/20. Column c shows pro forma
37 adjustments for known and measurable changes to test year revenues and
38 expenses. Column d shows the pro forma 12 months ended 4/30/20. The 12
39 months ended 4/30/19 and 4/30/18 was prior to AWC's ownership. During the 12
40 months ended 4/30/20, TGV net income (loss) was (\$24,600).

41
42 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
43 Company made 1 pro forma adjustment to operating revenues totaling \$47,942
44 and a few pro forma adjustments to operating expenses totaling \$12,554. The
45 specific pro forma adjustments are identified on the Statement of Income – Pro
46 forma Adjustments (Schedule 1A). A brief explanation is as follows:

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5 stephenpstcyr@yahoo.com

6
7 Pro forma Adjustment to Operating Revenues

8
9 Operating Revenues – \$47,942

10
11 The Company has increased test year revenues for the proposed amount of
12 revenues necessary to cover its expenses and allow it to earn its proposed rate of
13 return.

14
15 Pro forma Adjustments to Operating Expense

16
17 Operating Expenses:

18
19 Lease Agreements - \$343

20
21 During the test year TGV incurred \$463 for rent of lease space, both at
22 Laconia, NH and Plainville, CT. In 2020 NESC increased its rent to \$806,
23 resulting in an increase of \$343.

24
25 PUC Audit - \$500

26
27 In anticipation of a PUC audit, AWC estimated that it will incur \$7,500.
28 The estimated costs of \$7,500 will be equally allocated among the 5 systems
29 participating in this rate case, resulting \$1,500 costs per system. No such audit
30 expenses are reflected in the test year. TGV is proposing to recover the proposed
31 audit expense of \$1,500 over 3 years, resulting in a test year adjustment of \$500.

32
33 Depreciation Expense - \$886

34
35 In 2019 TGV added \$31,715 to plant in service. It recorded \$783 for
36 related depreciation. The \$783 of depreciation represents ½ year. The pro forma
37 adjustment for \$786 represents the additional ½ year depreciation in order to
38 reflect the full year's depreciation of \$1,566. Also, see Schedule 3B.

39
40 In 2020 TGV anticipates adding \$1,471 to plant in service. The pro forma
41 adjustment for \$100 represents the full year's depreciation on the anticipated 2020
42 plant in service. Also, see Schedule 3B.

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6
7 Amortization of Organizational Costs - \$2,232

8
9 AWC incurred due diligence costs in the process of purchasing the TGV
10 water system and gaining PUC approval (DW xx-xxx). The recovery of these
11 costs is consistent with the PUC's approval of similar due diligence costs incurred
12 when AWC purchased LL, WR and Rosebrook. TGV is proposing to amortize
13 the due diligence costs over 15 years. The annual amortization expense is \$2,232.
14 Also, see Schedule 3B.

15
16 Taxes other than Income – \$1,031

17
18 Total annual property taxes for the Town of Gilford are \$1,523. The
19 amount of property taxes reflected in the test year was \$492, resulting in a pro
20 forma adjustment of \$1,031.

21
22 In 2020 TGV anticipates adding \$34,932 to plant in service. The addition
23 of \$34,932 to plant in service increases the property tax valuation for both state
24 and local property taxes. The calculation of the increase amounts to \$175 and
25 \$370 for state and local property taxes, respectively. Also, see Schedule 3B.

26
27 Income Taxes – \$7,562

28
29 The Company has provided the calculation of the federal income taxes and
30 the state business taxes (Schedule 1B). The Company has also provided the
31 effective tax factor (Schedule 1C).

32
33 The total pro forma adjustments to Operating Expenses amount to
34 \$12,554.

35
36 The net of the pro forma adjustments to operating revenue of \$47,942 and
37 the pro forma adjustments to operating expenses of \$12,554 results in a net pro
38 forma adjustment of \$35,388. When the net operating income associated with the pro
39 forma adjustments is added to net operating income from the test year, the pro
40 forma test year net operating income totals \$11,544. The pro forma test year net
41 operating income of \$11,544 allows TGV to cover its expenses and earn its
42 proposed 7.95% return on its investments.

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6
7 Q. Does that complete your description of the pro forma adjustments to revenues and
8 expenses?

9
10 A. Yes.

11
12 Q. Please describe Schedule 2, the Balance Sheet.

13
14 A. See Total Company Balance Sheet.

15
16 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
17 schedule.

18
19 A. Schedule 3 reflects TGV Rate Base for both the 5 quarter average and the pro
20 forma year-end balance. Column b – f shows the actual balance at the end of each
21 quarter. Column g shows the average of the 5 quarter balances. Column h shows
22 the pro forma adjustments. Column i shows the pro forma year-end balance.
23 Please note that the December 2018 and March 2019 balances are before AWC
24 purchase of TGV. As such, the December 2018 and the March 2019 balances are
25 assumed to be the same as June 2019.

26
27 Schedule 3A shows the Rate Base – TGV Pro forma Adjustments. Pro forma
28 adjustments 1, 4, 8, 9, 10, 11 & 12 adjust the 5 quarter average balances to the
29 December 31, 2019 balances. It is appropriate to use the December 31, 2019
30 balance since all of the invested capital is fully “used and useful,” providing
31 service to customers with no increase in customers during the test year.

32
33 Adjustment #2 is the addition to plant in service for the anticipated additions to
34 plant in 2020 amounting to \$1,471. Also, see Schedule 3B.

35
36 Adjustment #3 is the addition to plant in service for the due diligence costs of
37 \$33,461 in the process of purchasing the TGV water system and gaining PUC
38 approval (DW xx-xxx). Also, see Schedule 3B.

39
40 Adjustment #s 5 and 6 are the additions to accumulated depreciation for the
41 additional ½ year depreciation of \$783 on 2019 additions and the ½ year
42 depreciation of \$50 on anticipated 2020 additions to plant. Also, see Schedule 3B.

43
44 Adjustments #7 is the adjustments related to the due diligence costs of \$33,461 in
45 the process of purchasing the TGV water system and gaining PUC approval (DW
46 18-108). Also, see Schedule 3B.

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6
7 Adjustment #13 pertains to cash working capital and shows the additional cash
8 working capital due to the proposed increase in O&M expenses. The cash
9 working capital balances are further supported by Schedules 3C.

10
11 The Total Pro Forma December 31, 2019 Rate Base balance amounts to \$25,289.

12
13 Q. Would you please explain Schedule 4, Rate of Return Information?

14
15 A. See Total Company Capital Structure and Rate of Return Information. Please
16 note that the Capital Structure and Rate of Return Information is for AWC (Total
17 Company) and not just TGV.

18
19 Q. Please explain the Report of Proposed Rate Changes.

20
21 A. If TGV's rate filing is approved as submitted, its total water Operating Revenues
22 will amount to \$76,102, an increase of \$47,269.

23
24 Q. Is TGV proposing any changes to the methodology used in calculating the rates?

25
26 A. No. TGV is calculating the new rates in a manner consistent with its present
27 rates.

28
29 Q. When is TGV proposing that the new rates be effective?

30
31 A. The proposed effective date is 30 days from TGV's rate filing.

32
33 Q. Is TGV proposing temporary rates?

34
35 A. Yes. TGV expects to file a separate temporary rate filing, approximately 1 – 2
36 weeks after the permanent rate filing.

37
38 Q. Would you please summarize what the TGV is requesting in its rate filing?

39
40 A. TGV respectfully requests that the Commissioners approve an increase in annual
41 revenues of \$47,269 for permanent rates.

42
43 Q. Is there anything further that you would like to discuss?

44
45 A. No, there is nothing further to my testimony as it pertains to TGV.
46

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6

7 Q. Please begin by describing the **TB Water Schedules**.

8
9 A. The schedule entitled “Computation of Revenue Deficiency for the Test Year
10 ended December 31, 2019,” summarizes the supporting schedules. The actual
11 revenue (deficiency) surplus for TB for the test year amounts to (\$37,089). It is
12 based upon an actual test year with a 5 quarter average rate base of \$72,615 as
13 summarized in Schedule 3. AWC’s actual rate of return is 7.81% for the actual
14 test year. The rate of return of 7.81%, when multiplied by the rate base of
15 \$72,615, results in an operating income requirement of \$5,671. As shown on
16 Schedule 1, the actual net operating income (loss) for TB for the test year was
17 (\$31,418). The operating income required, less the net operating income (loss),
18 results in an operating income (deficiency) surplus before taxes of (\$37,089). TB
19 did not calculate the tax effect of the revenue deficiency, resulting in a revenue
20 (deficiency) surplus for TB of (\$37,089).
21

22 The pro forma revenue deficiency for TB for the test year amounts to zero. It is
23 based upon a pro formed test year rate base of \$199,606, as summarized in
24 Schedule 3. AWC is utilizing a pro formed rate of return of 7.95% for the pro
25 formed test year. The pro formed rate of return of 7.95% when multiplied by the
26 rate base of \$199,606, results in an operating net income requirement of \$15,569.
27

28 As shown on Schedule 1, the pro formed net operating income for TB for the test
29 year is \$15,869. The operating income required, less the net operating income,
30 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in
31 a revenue deficiency for TB of zero.
32

33 Schedule 1 reflects TB’s Statements of Income for the 12 months ended 4/30/20.
34 As previously stated, TB is using the 12 months ended 4/30/20 because there were
35 only 8 months of actual data in the 2019 test year. Column b shows the actual 12
36 months ended 4/30/20. Column c shows pro forma adjustments for known and
37 measurable changes to test year revenues and expenses. Column d shows the pro
38 forma 12 months ended 4/30/20. The 12 months ended 4/30/19 and 4/30/18 was
39 prior to AWC’s ownership. During the 12 months ended 4/30/20, TGV net
40 income (loss) was (\$32,136).
41

42 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
43 Company made 1 pro forma adjustment to operating revenues totaling \$78,403
44 and a few pro forma adjustments to operating expenses totaling \$31,116. The
45 specific pro forma adjustments are identified on the Statement of Income – Pro
46 forma Adjustments (Schedule 1A). A brief explanation is as follows:

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6
7 Pro forma Adjustment to Operating Revenues

8
9 Operating Revenues – \$78,403

10
11 The Company has increased test year revenues for the proposed amount of
12 revenues necessary to cover its expenses and allow it to earn its proposed rate of
13 return.

14
15 Pro forma Adjustments to Operating Expense

16
17 Operating Expenses:

18
19 Lease Agreements - \$179

20
21 During the test year TB incurred \$275 for rent of lease space, both at
22 Laconia, NH and Plainville, CT. In 2020 NESC increased its rent to \$454,
23 resulting in an increase of \$179.

24
25 PUC Audit - \$500

26
27 In anticipation of a PUC audit, AWC estimated that it will incur \$7,500.
28 The estimated costs of \$7,500 will be equally allocated among the 5 systems
29 participating in this rate case, resulting \$1,500 costs per system. No such audit
30 expenses are reflected in the test year. TB is proposing to recover the proposed
31 audit expense of \$1,500 over 3 years, resulting in a test year adjustment of \$500.

32
33 Depreciation Expense - \$1,752

34
35 In 2019 TB added \$8,512 to plant in service. It recorded \$211 for related
36 depreciation. The \$211 of depreciation represents ½ year. The pro forma
37 adjustment for \$211 represents the additional ½ year depreciation in order to
38 reflect the full year's depreciation of \$422. Also, see Schedule 3B.

39
40 In 2020 TB anticipates adding \$53,502 to plant in service. The pro forma
41 adjustment for \$1,541 represents the full year's depreciation on the anticipated
42 2020 plant in service. Also, see Schedule 3B.

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6
7 Amortization of CIAC - \$60

8
9 In 2020, NHDES approved a grant of \$5,000 as part of its approval of a
10 \$45,000 loan / \$5,000 grant special project from the NH DWGTF for a larger
11 storage tank and system isolation valves. TB allocated the grant to the tank and
12 valves with lives of 40 and 50 years, respectively. The annual amortization of
13 CIAC amounts to \$60. Also, see Schedule 3B.

14
15 Amortization Expenses – Other - \$5,335

16
17 AWC incurred due diligence costs in the process of purchasing the TB
18 water system and gaining PUC approval (DW xx-xxx). The recovery of these
19 costs is consistent with the PUC's approval of similar due diligence costs incurred
20 when AWC purchased LL, WR and Rosebrook. TB is proposing to amortize the
21 due diligence costs over 15 years. The annual amortization expense is \$2,146.
22 Also, see Schedule 3B.

23
24 In 2019 TB incurred significant expenditures associated with a main break
25 and the purchase of water to provide to customers during the outage. The
26 expenditures amounted to \$31,890. TB deferred such costs. It is now proposing
27 to seek recovery over a ten year period. The annual costs amounts to \$3,189.
28 Also, see Schedule 3C.

29
30 Taxes other than Income – \$11,430

31
32 Total annual property taxes for the Town of Belmont are \$11,730. The
33 amount of property taxes reflected in the test year was \$300, resulting in a pro
34 forma adjustment of \$11,430.

35
36 In 2020 TB anticipates adding \$85,677 to plant in service. The addition of
37 \$85,677 to plant in service increases the property tax valuation for both state and
38 local property taxes. The calculation of the increase amounts to \$433 and \$1,952
39 for state and local property taxes, respectively. Also, see Schedule 3B.

40
41 Income Taxes – \$11,860

42
43 The Company has provided the calculation of the federal income taxes and
44 the state business taxes (Schedule 1B). The Company has also provided the
45 effective tax factor (Schedule 1C).

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6
7 The total pro forma adjustments to Operating Expenses amount to
8 \$31,116.

9
10 The net of the pro forma adjustments to operating revenue of \$78,403 and
11 the pro forma adjustments to operating expenses of \$31,116 results in a net pro
12 forma adjustment of \$47,287. When the net operating income associated with the
13 pro forma adjustments is added to net operating income from the test year, the pro
14 forma test year net operating income totals \$15,869. The pro forma test year net
15 operating income of \$15,869 allows TB to cover its expenses and earn its
16 proposed 7.95% return on its investments.

17
18 Q. Does that complete your description of the pro forma adjustments to revenues and
19 expenses?

20
21 A. Yes.

22
23 Q. Please describe Schedule 2, the Balance Sheet.

24
25 A. See Total Company Balance Sheet.

26
27 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
28 schedule.

29
30 A. Schedule 3 reflects TB Rate Base for both the 5 quarter average and the pro forma
31 year-end balance. Column b – f shows the actual balance at the end of each
32 quarter. Column g shows the average of the 5 quarter balances. Column h shows
33 the pro forma adjustments. Column i shows the pro forma year-end balance.
34 Please note that the December 2018 and March 2019 balances are before AWC
35 purchase of TB. As such, the December 2018 and the March 2019 balances are
36 assumed to be the same as June 2019.

37
38 Schedule 3A shows the Rate Base – TB Pro forma Adjustments. Pro forma
39 adjustments 1, 4, 8, 11, 13 & 15 adjust the 5 quarter average balances to the
40 December 31, 2019 balances. It is appropriate to use the December 31, 2019
41 balance since all of the invested capital is fully “used and useful,” providing
42 service to customers with no increase in customers during the test year.

43
44 Adjustment #2 is the addition to plant in service for the anticipated additions to
45 plant in 2020 amounting to \$53,502. Also, see Schedule 3B.

46

1 Adjustment #3 is the addition to plant in service for the due diligence costs of
2 \$32,175 in the process of purchasing the TB water system and gaining PUC
3 approval (DW 18-108). Also, see Schedule 3B.

4
5 Adjustment #s 5 and 6 are the additions to accumulated depreciation for the
6 additional ½ year depreciation of \$211 on 2019 additions and the ½ year
7 depreciation of \$711 on anticipated 2020 additions to plant. Also, see Schedule
8 3B.

9
10 Adjustments #7 is the adjustments related to the due diligence costs of \$32,851 in
11 the process of purchasing the TB water system and gaining PUC approval (DW
12 xx-xxx). Also, see Schedule 3B.

13
14 Adjustments #9 & #10 are the 2019 main break and purchase of water amounting
15 to \$31,890 and the related ½ year amortization of such amount over 10 years
16 amounting to \$1,595. Also, see Schedule 3C.

17
18 Adjustment #s 12 and 14 are related to the \$5,000 grant for the tank/valves
19 reflected as CIAC and the ½ year amortization of CIAC amounting to \$60. Also,
20 see Schedule 3B.

21
22 Adjustment #15 pertains to cash working capital and shows the additional cash
23 working capital due to the proposed increase in O&M expenses. The cash
24 working capital balances are further supported by Schedules 3C.

25
26 The Total Pro Forma December 31, 2019 Rate Base balance amounts to
27 \$126,991.

28
29 Q. Would you please explain Schedule 4, Rate of Return Information?

30
31 A. See Total Company Capital Structure and Rate of Return Information. Please
32 note that the Capital Structure and Rate of Return Information is for AWC (Total
33 Company) and not just TB.

34
35 Q. Please explain the Report of Proposed Rate Changes.

36
37 A. If TB's rate filing is approved as submitted, its total water Operating Revenues
38 will amount to \$96,509, an increase of \$78,163.

39
40 Q. Is TB proposing any changes to the methodology used in calculating the rates?

41
42 A. No. TB is calculating the new rates in a manner consistent with its present rates.

43
44 Q. When is TB proposing that the new rates be effective?

45
46 A. The proposed effective date is 30 days from TB's rate filing.

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6
7 Q. Is TB proposing temporary rates?

8
9 A. Yes. TB expects to file a separate temporary rate filing, approximately 1 – 2
10 weeks after the permanent rate filing.

11
12 Q. Would you please summarize what the TB is requesting in its rate filing?

13
14 A. TB respectfully requests that the Commissioners approve an increase in annual
15 revenues of \$78,163 for permanent rates.

16
17 Q. Is there anything further that you would like to discuss?

18
19 A. No, there is nothing further to my testimony as it pertains to TB.

20
21 Q. Please begin by describing the **AWC Combined Water Schedules**.

22
23 A. The schedule entitled “Computation of Revenue Deficiency for the Test Year
24 ended December 31, 2019,” summarizes the supporting schedules. The actual
25 revenue (deficiency) surplus for AWC Combined for the test year amounts to
26 (\$100,461). It is based upon an actual test year with a 5 quarter average rate base
27 of \$734,721 as summarized in Schedule 3. AWC’s actual rate of return is 7.81%
28 for the actual test year. The rate of return of 7.81%, when multiplied by the rate
29 base of \$734,721, results in an operating income requirement of \$57,382. As
30 shown on Schedule 1, the actual net operating income (loss) for AWC Combined
31 for the test year was (\$43,079). The operating income required, less the net
32 operating income (loss), results in an operating income (deficiency) surplus
33 before taxes of (\$100,461). AWC Combined did not calculate the tax effect of the
34 revenue deficiency, resulting in a revenue (deficiency) surplus of (\$100,461).

35
36 The pro forma revenue deficiency for AWC Combined for the test year amounts
37 to zero. It is based upon a pro formed test year rate base of \$1,153,159, as
38 summarized in Schedule 3. AWC is utilizing a pro formed rate of return of 7.95%
39 for the pro formed test year. The pro formed rate of return of 7.95% when
40 multiplied by the rate base of \$1,153,159, results in an operating net income
41 requirement of \$91,676.

42
43 As shown on Schedule 1, the pro formed net operating income for AWC
44 Combined for the test year is \$91,676. The operating income required, less the
45 net operating income, results in a deficiency of zero. The tax effect of the
46 deficiency is zero, resulting in a revenue deficiency for AWC Combined of zero.

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7 Schedule 1 reflects test year Statements of Income for LL Water, WR, TGV &
8 TB, the combined Statements of Income, the Pro Forma Adjustments and the
9 Combined Pro Forma Balances.

10
11 Schedule 3 reflects the 5 quarter averages for LL Water, WR, TGV & TB, the
12 combined 5 quarter averages, the Pro Forma Adjustments and the Combined Pro
13 Forma Balances.

14
15 Q. Please explain the Report of Proposed Rate Changes for the AWC Combined.

16
17 A. If AWC Combined rate filing is approved as submitted, its total water Operating
18 Revenues will amount to \$483,229, an increase of \$228,009.

19
20 Q. Is there anything else that you would like to say about the Report of Proposed
21 Rate Changes for the AWC Combined?

22
23 A. Yes, please note that LL Water, WR, TGV & TB bill monthly. LL Water has
24 multiple classes of customers. WR, TGV & TB have just one class. TGV has 3
25 customers that consist of multi-family units. TGV also has a few customers that
26 may be considered commercial? This is all to say that if the water entities'
27 proposal to consolidate rates is put into place, a complete review of each customer
28 base should be made and adjusted as appropriate.

29
30 Q. Is there anything else that you would like to address?

31
32 A. Yes. AWC has engaged the services of Stephen P. St. Cyr & Associates to
33 prepare the rate filing and pursue the rate increase throughout the rate case
34 proceeding. St. Cyr & Associates and AWC have agreed on a per hour fee of
35 \$140.00 for each hour of work performed. AWC and I believe that the fees are
36 fair and reasonable. At this point, AWC does not anticipate utilizing outside legal
37 counsel.

38
39 Q. Is there anything else that you would like to address?

40
41 A. Yes. The water entities will pursue temporary rates as part of this rate case filing.
42 The temporary rate filing will be filed under a separate cover letter within 1 -2
43 weeks.
44
45
46

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6

7 Q. Does this conclude your testimony?
8

9 A. Yes.
10
11
12

13 SPSt. Cyr
14 09/11/20
15
16

PUC 1604.07

DW 20-112

Abenaki Water Company

Filing Requirement Schedules

Total Company

F-1 BALANCE SHEET
Assets and Other Debits

Line No.	Account Title (Number) (a)	Ref Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	UTILITY PLANT				
1	Utility Plant (101-106)	F-6	\$ 3,458,705	\$ 2,945,909	\$ 2,859,233
2	Less: Accumulated Depr. and Amort. (108-110)	F-6	1,565,196	1,285,619	1,225,049
3	Net Plant		\$ 1,893,509	\$ 1,660,290	\$ 1,634,184
4	Utility Plant Acquisition Adj. (Net) (114-115)	F-7	(13,484)	(13,485)	22,750
5	Total Net Utility Plant		\$ 1,880,025	\$ 1,646,805	\$ 1,656,934
	OTHER PROPERTY AND INVESTMENTS				
6	Nonutility Property (121)	F-14			
7	Less: Accumulated Depr. and Amort. (122)	F-15			
8	Net Nonutility Property				
9	Investment in Associated Companies (123)	F-16			
11	Utility Investments (124)	F-16	8,404	6,558	4,718
12	Other Investments	F-16			
13	Special Funds(126-128)	F-17			
14	Total Other Property & Investments		\$ 8,404	\$ 6,558	\$ 4,718
	CURRENT AND ACCRUED ASSETS				
16	Cash (131)		\$ 24,860	\$ 16,358	\$ 10,318
17	Special Deposits (132)	F-18			
18	Other Special Deposits (133)	F-18			
19	Working Funds (134)				
20	Temporary Cash Investments (135)	F-16			
21	Accounts and Notes Receivable-Net (141-144)	F-19	27,311	14,312	18,070
22	Accounts Receivable from Assoc. Co. (145)	F-21			
23	Notes Receivable from Assoc. Co. (146)	F-21			
24	Materials and Supplies (151-153)	F-22	14,032	10,606	12,116
25	Stores Expense (161)				
26	Prepayments-Other (162)	F-23	1,363	2,738	2,379
27	Prepaid Taxes (163)	F-38			
28	Interest and Dividends Receivable (171)	F-24			
29	Rents Receivable (172)	F-24			
30	Accrued Utility Revenues (173)	F-24	63,985	55,748	62,546
31	Misc. Current and Accrued Assets (174)	F-24	-		-
32	Total Current and Accrued Assets		\$ 131,551	\$ 99,762	\$ 105,429
	DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181) - Note 1	F-25			
33	Extraordinary Property Losses (182)	F-26			
34	Prelim. Survey & Investigation Charges (183)	F-27	186,492	103,023	84,451
35	Clearing Accounts (184)				
36	Temporary Facilities (185)				
37	Miscellaneous Deferred Debits (186)	F-28	290,095	237,290	132,414
38	Research & Development Expenditures (187)	F-29			
39	Accumulated Deferred Income Taxes (190)	F-30	3,000	39,800	28,000
40	Total Deferred Debits		\$ 479,587	\$ 380,113	\$ 244,865
	TOTAL ASSETS AND OTHER DEBITS		\$ 2,499,567	\$ 2,133,238	\$ 2,011,946

F-1 BALANCE SHEET
Equity Capital and Liabilities

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	EQUITY CAPITAL				
1	Common Stock Issued (201)	F-31			
2	Preferred Stock Issued (204)	F-31			
3	Capital Stock Subscribed (202,205)	F-32			
4	Stock Liability for Conversion (203, 206)	F-32			
5	Premium on Capital Stock (207)	F-31			
6	Installments Received On Capital Stock (208)	F-32			
7	Other Paid-In Capital (209,211)	F-33	1,066,251	620,021	589,521
8	Discount on Capital Stock (212)	F-34			
9	Capital Stock Expense(213)	F-34			
10	Retained Earnings (214-215)	F-3	115,931	86,877	51,443
11	Reacquired Capital Stock (216)	F-31			
12	Total Equity Capital		\$ 1,182,182	\$ 706,898	\$ 640,964
	LONG TERM DEBT				
13	Bonds (221)	F-35			
14	Reacquired Bonds (222)	F-35			
15	Advances from Associated Companies (223)	F-35			
16	Other Long-Term Debt (224)	F-35	555,324	525,432	566,839
17	Total Long-Term Debt - Note 1		\$ 555,324	\$ 525,432	\$ 566,839
	CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)		\$ 60,089	\$ 25,699	\$ 8,412
19	Notes Payable (232)	F-36	13,900	90,000	26,612
20	Accounts Payable to Associated Co. (233)	F-37	99,920	224,688	199,478
21	Notes Payable to Associated Co. (234)	F-37			
22	Customer Deposits (235)				
23	Accrued Taxes (236)	F-38	(18,196)	(1,231)	400
24	Accrued Interest (237)		5,382	3,798	1,807
25	Accrued Dividends (238)				
26	Matured Long-Term Debt (239)	F-39			
27	Matured Interest (240)	F-39			
28	Misc. Current and Accrued Liabilities (241)	F-39	-		-
29	Total Current and Accrued Liabilities		\$ 161,095	\$ 342,954	\$ 236,709
	DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)	F-25			
31	Advances for Construction (252)	F-40			
32	Other Deferred Credits (253)	F-41			
33	Accumulated Deferred Investment Tax Credits (255)	F-42			
34	Accumulated Deferred Income Taxes:				
35	Accelerated Amortization (281)	F-45			
36	Liberalized Depreciation (282) - Note 2	F-45	199,797	200,329	189,151
37	Other (283)	F-45			
38	Total Deferred Credits		\$ 199,797	\$ 200,329	\$ 189,151
	OPERATING RESERVES				
39	Property Insurance Reserve (261)	F-44			
40	Injuries and Damages Reserve (262)	F-44			
41	Pensions and Benefits Reserves (263)	F-44			
42	Miscellaneous Operating Reserves (265)	F-44			
43	Total Operating Reserves				
	CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	F-46	\$ 776,759	\$ 635,660	\$ 635,660
45	Accumulated Amortization of C.I.A.C. (272)	F-46	375,590	278,035	257,377
46	Total Net C.I.A.C.		\$ 401,169	\$ 357,625	\$ 378,283
46	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 2,499,567	\$ 2,133,238	\$ 2,011,946

F-2 STATEMENT OF INCOME

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	UTILITY OPERATING INCOME				
1	Operating Revenues(400)	F-47	\$ 705,735	\$ 633,885	\$ 640,896
2	Operating Expenses:				
3	Operating and Maintenance Expense (401)	F-48	\$ 489,703	\$ 433,892	\$ 497,153
4	Depreciation Expense (403)	F-12	120,700	102,770	96,171
5	Amortization of Contribution in Aid of Construction (405)	F-46.4	(25,581)	(20,658)	(20,821)
6	Amortization of Utility Plant Acquisition Adjustment (406)	F-49	8,068	4,358	4,358
7	Amortization Expense-Other (407)	F-49			
8	Taxes Other Than Income (408.1-408.13)	F-50	37,050	31,374	30,720
9	Income Taxes (409.1, 410.1, 411.1, 412.1)		11,700	(9,712)	28,770
10	Total Operating Expenses		\$ 641,640	\$ 542,024	\$ 636,351
11	Net Operating Income (Loss)		\$ 64,095	\$ 91,861	\$ 4,545
12	Income From Utility Plant Leased to Others (413)	F-51			
13	Gains(Losses) From Disposition of Utility Property (414)	F-52			
14	Net Water Utility Operating Income		\$ 64,095	\$ 91,861	\$ 4,545
	OTHER INCOME AND DEDUCTIONS				
15	Revenues From Merchandising, Jobbing and Contract Work (415)	F-53	\$ 100		
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	F-53			
17	Equity in Earnings of Subsidiary Companies (418)				
18	Interest and Dividend Income (419)	F-54	5,193	5,459	6033
19	Allow. for funds Used During Construction (420)				
20	Nonutility Income (421)	F-54			
21	Gains (Losses) Form Disposition Nonutility Property (422)				
22	Miscellaneous Nonutility Expenses (426)	F-54	(13,065)	(36,234)	
23	Total Other Income and Deductions		\$ (7,772)	\$ (30,775)	\$ 6,033
	TAXES APPLICABLE TO OTHER INCOME				
24	Taxes Other Than Income (408.2)	F-50			
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)				
26	Total Taxes Applicable To Other Income				
	INTEREST EXPENSE				
27	Interest Expense (427)	F-35	\$ 23,808	\$ 23,360	\$ 22,076
28	Amortization of Debt Discount & Expense (428)	F-25	3,452	2,292	2,291
29	Amortization of Premium on Debt (429)	F-25			
30	Total Interest Expense		\$ 27,260	\$ 25,652	\$ 24,367
31	Income Before Extraordinary Items		\$ 29,063	\$ 35,434	\$ (13,789)
	EXTRAORDINARY ITEMS				
32	Extraordinary Income (433)	F-55			
33	Extraordinary Deductions (434)	F-55			
34	Income Taxes, Extraordinary Items (409.3)	F-50			
35	Net Extraordinary Items				
	NET INCOME (LOSS)		\$ 29,063	\$ 35,434	\$ (13,789)

F-2 STATEMENT OF INCOME by SYSTEM

Year Ended December 31, 2019

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	LMC (c)	WR (d)	Rosebrook (e)	Tioga GillfordVillage (f)	Tioga Belmont (g)	Total (h)
	UTILITY OPERATING INCOME							
1	Operating Revenues(400)	F-47	\$ 238,658	\$ 82,211	\$ 353,557	\$ 18,671	\$ 12,698	\$ 705,735
2	Operating Expenses:							
3	Operating and Maintenance Expense (401)	F-48	\$ 161,503	\$ 82,034	\$ 181,601	\$ 28,701	\$ 35,864	\$ 489,703
4	Depreciation Expense (403)	F-12	25,232	19,061	61,260	9,615	5,532	120,700
5	Amortization of Contribution in Aid of Construction (405)	F-46.4	(1,419)	(5,139)	(13,999)	(2,710)	(2,314)	(25,581)
6	Amortization of Utility Plant Acquisition Adjustment (406)	F-49	3,268	1,091	3,709			8,068
7	Amortization Expense-Other (407)	F-49						
8	Taxes Other Than Income (408.1-408.13)	F-50	10,598	9,789	16,117	273	273	37,050
9	Income Taxes (409.1, 410.1, 411.1, 412.1)		8,100	(7,200)	23,400	(5,000)	(7,600)	11,700
10	Total Operating Expenses		\$ 207,282	\$ 99,636	\$ 272,088	\$ 30,879	\$ 31,755	\$ 641,640
11	Net Operating Income (Loss)		\$ 31,376	\$ (17,425)	\$ 81,469	\$ (12,208)	\$ (19,117)	\$ 64,095
12	Income From Utility Plant Leased to Others (413)	F-51						
13	Gains(Losses) From Disposition of Utility Property (414)	F-52						
14	Net Water Utility Operating Income		\$ 31,376	\$ (17,425)	\$ 81,469	\$ (12,208)	\$ (19,117)	\$ 64,095
	OTHER INCOME AND DEDUCTIONS							
15	Revenues From Merchandising, Jobbing and Contract Work (415)	F-53			\$ 100			\$ 100
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	F-53						
17	Equity in Earnings of Subsidiary Companies (418)							
18	Interest and Dividend Income (419)	F-54	1,294	429	3,470			5,193
19	Allow. for funds Used During Construction (420)	F-54						
20	Nonutility Income (421)	F-54						
21	Gains (Losses) Form Disposition Nonutility Property (422)							
22	Miscellaneous Nonutility Expenses (426)	F-54			(13,065)			(13,065)
23	Total Other Income and Deductions		\$ 1,294	\$ 429	\$ (9,495)	\$-	\$-	\$ (7,772)
	TAXES APPLICABLE TO OTHER INCOME							
24	Taxes Other Than Income (408.2)	F-50						
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)							
26	Total Taxes Applicable To Other Income							
	INTEREST EXPENSE							
27	Interest Expense (427)	F-35	\$ 5,422	\$ 1,995	\$ 15,834	\$ 298	\$ 259	\$ 23,808
28	Amortization of Debt Discount & Expense (428)	F-25	1,623	541	128	561	599	3,452
29	Amortization of Premium on Debt (429)	F-25						
30	Total Interest Expense		\$ 7,045	\$ 2,536	\$ 15,962	\$ 859	\$ 858	\$ 27,260
31	Income Before Extraordinary Items		\$ 25,625	\$ (19,532)	\$ 56,012	\$ (13,067)	\$ (19,975)	\$ 29,063
	EXTRAORDINARY ITEMS							
32	Extraordinary Income (433)	F-55						
33	Extraordinary Deductions (434)	F-55						
34	Income Taxes, Extraordinary Items (409.3)	F-50						
35	Net Extraordinary Items							
	NET INCOME (LOSS)		\$ 25,625	\$ (19,532)	\$ 56,012	\$ (13,067)	\$ (19,975)	\$ 29,063

F-1 BALANCE SHEET

Capital Structure

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	EQUITY CAPITAL				
1	Common Stock Issued (201)	F-31			
2	Preferred Stock Issued (204)	F-31			
3	Capital Stock Subscribed (202,205)	F-32			
4	Stock Liability for Conversion (203, 206)	F-32			
5	Premium on Capital Stock (207)	F-31			
6	Installments Received On Capital Stock (208)	F-32			
7	Other Paid-In Capital (209,211)	F-33	1,066,251	620,021	589,521
8	Discount on Capital Stock (212)	F-34			
9	Capital Stock Expense(213)	F-34			
10	Retained Earnings (214-215)	F-3	115,931	86,877	51,443
11	Reacquired Capital Stock (216)	F-31			
12	Total Equity Capital		\$ 1,182,182	\$ 706,898	\$ 640,964
	LONG TERM DEBT				
13	Bonds (221)	F-35			
14	Reacquired Bonds (222)	F-35			
15	Advances from Associated Companies (223)	F-35			
16	Other Long-Term Debt (224)	F-35	555,324	525,432	566,839
17	Total Long-Term Debt - Note 1		\$ 555,324	\$ 525,432	\$ 566,839
	TOTAL CAPITALIZATION		\$ 1,737,506	\$ 1,232,330	\$ 1,207,803

F-35 LONG TERM DEBT (Accounts 221, 222, 223, and 224)

Year Ended December 31, 2019

Line No.	Class and Series of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Actual Loan Balances (d)	INTEREST FOR YEAR			Total Interest Expense (h)	Pro Forma Loan Balances (i)	INTEREST FOR YEAR			Pro Forma Total Interest Expense (m)
					Interest Rate (e)	Interest Expense (f)	Amort. of Fin Costs (g)			Interest Rate (j)	Pro Forma Interest Expense (k)	Pro Forma Amort. of Fin Costs (l)	
1	Bonds (Account 221)												
2													
3													
4													
5													
6													
7													
8	TOTALS												
9	Advances from Associated Companies (Account 223)												
10													
11													
12	TOTALS												
13	Other Long Term Debt* (Account 224)												
14	LMC CoBank \$300,000 Loan	Feb-14	Feb-24	\$ 104,002	3.68%	\$ 4,719	\$ 1,623	\$ 6,342	\$ 104,002	3.68%	\$ 4,719	\$ 1,623	\$ 6,342
15	WR CoBank \$300,000 Loan	Feb-14	Feb-24	34,667	3.68%	1,573	541	2,114	34,667	3.68%	1,573	541	2,114
16	RBW CoBank \$400,000 Loan	Oct-16	Oct-26	353,886	3.55%	14,147	128	14,275	353,886	3.55%	14,147	128	14,275
17	TGV SRF Loan			34,367	2.86%	298	-	298	34,367	2.86%	983	-	983
18	TB SRF Loan			43,247	2.86%	259	-	259	43,247	2.86%	1,237	-	1,237
19	NH DWGTF								45,000	2.96%	1,309	500	1,809
20	NH DWSRF								125,000	1.70%	2,084	500	2,584
21	Total Long Term Debt / Interest			570,169				23,288	740,169				29,344
22	Long Term Debt Cost Rate							4.08%					3.96%
23	Unamortized Debt Expense			(14,845)									
24													
25	Total Long Term Debt			555,324									

Abenaki Water Company

Schedule 5
Page 1 of 2

Rate of Return Information

Overall Rate of Return	Actual			Proforma		
	Component Ratio	Component Cost Rate	Wght Avg Cost Rate	Component Ratio	Component Cost Rate	Wght Avg Cost Rate
Equity Capital	67.46%	9.60%	6.48%	61.50%	10.44%	6.42%
Long Term Debt	32.54%	4.08%	1.33%	38.50%	3.96%	1.53%
Total Capital	100.00%		7.81%	100.00%		7.95%

Capital Structure	2019 Actual		2019 Proforma	
	Amounts	Ratios	Amounts	Ratios
Common Stock	\$ -	0.00%	\$ -	0.00%
Other Paid in Capital	1,066,251	60.85%	1,066,251	55.47%
Retained Earnings	115,931	6.62%	115,931	6.03%
Total Equity	\$ 1,182,182	67.46%	\$ 1,182,182	61.50%
Long Term Debt	570,169	32.54%	740,169	38.50%
Total Capital	\$ 1,752,351	100.00%	\$ 1,922,351	100.00%

Capital Structure for 2019 - 2017	2019 Amounts	2018 Amounts	2017 Amounts
Common Stock	\$ -	\$ -	\$ -
Other Paid in Capital	1,066,251	620,021	589,521
Retained Earnings	115,931	86,877	51,443
Total Equity	\$1,182,182	\$ 706,898	\$ 640,964
Long Term Debt	570,169	537,892	581,591
Total Capital	\$1,752,351	\$ 1,244,790	\$ 1,222,555

Capital Structure Ratios for 2019 - 2017	<u>2019</u> <u>Ratios</u>	<u>2018</u> <u>Ratios</u>	<u>2017</u> <u>Ratios</u>
Common Stock	0.00%	0.00%	0.00%
Other Paid in Capital	60.85%	49.81%	48.22%
Retained Earnings	6.62%	6.98%	4.21%
Total Equity	67.46%	56.79%	52.43%
Long Term Debt	32.54%	43.21%	47.57%
Total Capital	100.00%	100.00%	100.00%

Cost of Common Equity Capital

The Company is utilizing the Commission determined cost of common equity of 9.69% plus .50% for rate case expense savings adder, plus .00% for capital structure adder, plus .25% for exemplary performance adder.

PUC 1604.07

DW 20-112
Abenaki Water Company
Filing Requirement Schedules
Lakeland Sewer

AWC Lakeland Sewer

Computation of Revenue Deficiency - Sewer

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 49,752	\$ 51,375
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 3,886	\$ 4,084
Net Operating Income (Schedule 1)	<u>1,765</u>	<u>4,085</u>
Operating Income (Deficiency) Surplus	\$ (2,121)	\$ (0)
Tax Effect	<u> </u>	<u>-</u>
Revenue Deficiency (Surplus)	<u>\$ (2,121)</u>	<u>\$ (0)</u>

Statement of Income - Sewer

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustments (c)	Proforma 2019 Year End Balances (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 115,921	\$ 11,066	\$ 126,987		
2	Operating Expenses:					
3	Operating and Maintenance Expense:					
4	Purchased Sewer Treatment (710)	62,751	5,035	67,786		
5	Purchased Power (715)	6,959	-	6,959		
6	Miscellaneous Pumping Expenses (775)	8,001	2,206	10,207		
	Customer Accounts Expense	3,341	-	3,341		
7	General and Administrative Expenses	26,607	559	27,166		
8	Total Operating and Maintenance Expenses	107,659	7,800	115,459		
9	Depreciation Expense (403)	2,953	-	2,953		
10	Amortization of Contribution in Aid of Construction (405)					
11	Amortization of Utility Plant Acquisition Adjustment (406)	1,624		1,624		
12	Amortization Expense-Other (407)		594	594		
13	Taxes Other Than Income (408.1-408.13)	1,088	-	1,088		
14	Income Taxes (409.1, 410.1, 411.1, 412.1)	832	352	1,184		
15	Total Operating Expenses	\$ 114,156	\$ 8,746	\$ 122,902	\$ -	\$ -
16	Net Operating Income (Loss)	\$ 1,765	\$ 2,320	4,085	-	-
17	Other Income and Deductions					
18	Interest and Dividend Income (419)	133		133		
19	Allow. for funds Used During Construction (420)					
20	Nonutility Income (421)					
21	Gains (Losses) From Disposition of Nonutility Property (421)					
22	Miscellaneous Nonutility Expenses (426)					
23	Interest Expense (427)	(723)		(723)		
24	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
25	Total Other Income and Deductions	\$ (590)	\$ -	\$ (590)		\$ -
26	NET INCOME (LOSS)	\$ 1,175	\$ 2,320	\$ 3,495	\$ -	\$ -

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

Schedule 1A
Page 1 of 4

Operating Revenues

1	Proforma 2019 Year End Balance	\$ 126,987
	Actual 2019 Year End Balance	<u>115,921</u>
	Proforma Adjustment	<u>\$ 11,066</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	<u>\$ 11,066</u>

Operation and Maintenance Expenses

2	<u>Purchased Sewer Treatment</u>	
	Proforma 2019 Year End Balance	\$ 65,440
	Actual 2019 Year End Balance	<u>62,751</u>
	Proforma Adjustment	<u>\$ 2,689</u>
3	To adjust test year expenses for 2020 increases in City of Laconia sewer rates from \$0.0520 to \$0.0538 and per unnit charge from \$12.41 to \$12.86.	
	Proforma 2019 Year End Balance	\$ 67,786
	Actual 2019 Year End Balance	<u>65,440</u>
	Proforma Adjustment	<u>\$ 2,346</u>
	To adjust test year expenses for anticipated 2021 increase in City of Laconia sewer rates from \$0.0538 to \$0.0557 and per unnit charge from \$12.86 to \$13.33.	
	Total Purchased Sewer Treatment	<u>\$ 5,035</u>
4	<u>Purchase Power</u>	
	Proforma 2019 Year End Balance	\$ 6,959
	Actual 2019 Year End Balance	<u>6,959</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year expenses for ...	

5 Miscellaneous Pumping Expenses

Proforma 2019 Year End Balance	\$ 10,207
Actual 2019 Year End Balance	<u>8,001</u>
Proforma Adjustment	<u>\$ 2,206</u>

To adjust test year expenses for removal and unbinding of pump #1.
Initially, it was charged to misc def drs, but later determined to be normal maintenance.

6 Customer Accounts Expenses

Proforma 2019 Year End Balance	\$ 3,341
Actual 2019 Year End Balance	<u>3,341</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for ...

7 General and Administrative Expenses

Proforma 2019 Year End Balance	\$ 26,666
Actual 2019 Year End Balance	<u>26,607</u>
Proforma Adjustment	<u>\$ 59</u>

To adjust test year expenses for increase in office lease expense (\$1,631.73 - \$1,572.55)

8 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Actual 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 5,454</u>
---	-----------------

Depreciation Expenses

9	Proforma 2019 Year End Balance	\$	2,953
	Actual 2019 Year End Balance		<u>2,953</u>
	Proforma Adjustment	\$	<u>-</u>
	To adjust test year depreciation expenses for ...		

Amortization of Acquisition Adjustment

	Proforma 2019 Year End Balance	\$	1,624
	Actual 2019 Year End Balance		<u>1,624</u>
	Proforma Adjustment		<u>-</u>
	To adjust test year amortization expenses for ...		

Amortization Expenses

10	Proforma 2019 Year End Balance	\$	594
	Actual 2019 Year End Balance		<u>-</u>
	Proforma Adjustment	\$	<u>594</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years		

Taxes other than Income

Town of Belmont

11	Proforma 2019 Year End Balance	\$	842
	Actual 2019 Year End Balance		<u>842</u>
	Proforma Adjustment	\$	<u>-</u>
	To adjust test year expenses for ...		

State of New Hampshire

12 Proforma 2019 Year End Balance	\$ 246
Actual 2019 Year End Balance	<u>246</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year expenses for ...	
Total Proforma Adjustments to Taxes other than Income See 3B for calculation of additional state and local property taxes.	<u>\$ -</u>

Income Taxes

Federal Income Taxes

13 Proforma 2019 Year End Balance	\$ 877
Actual 2019 Year End Balance	<u>770</u>
Proforma Adjustment	<u>\$ 107</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

14 Proforma 2019 Year End Balance	\$ 348
Actual 2019 Year End Balance	<u>103</u>
Proforma Adjustment	<u>\$ 245</u>
To adjust test year expenses for the increase in state business taxes due to the increase	

Provision for Deferred Taxes

15 Proforma 2019 Year End Balance	\$ (41)
Actual 2019 Year End Balance	(41)
Proforma Adjustment	<u>\$ -</u>
Total Proforma Adjustments to Income Taxes	<u>\$ 352</u>

AWC Lakeland Sewer

Schedule 1b

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$49,752	\$51,375
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$3,224	\$3,298
Tax Multiplier (Schedule 5A)	<u>1,197</u>	<u>1,225</u>
Income Required before Income Taxes	\$4,421	\$4,523
Less: NH Business Profits Tax @ 7.7%	<u>340</u>	<u>348</u>
Income subject to Federal Taxes	\$4,081	\$4,175
Less: Federal Income Tax @ 21%	<u>857</u>	<u>877</u>
Income after Income Taxes	<u>\$3,224</u>	<u>\$3,298</u>

AWC Lakeland Sewer

Schedule 1c

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Lakeland Sewer

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

Rate Base - Sewer

Line No.	Account Title (a)	December 2018 Balance (b)	March 2019 Balance (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtr. Avg. Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$ 112,016	\$ 112,016	\$ 112,016	\$ 112,016	\$ 112,016	\$ 112,016	\$ -	\$ 112,016
2	Less: Accumulated Depreciation	<u>67,171</u>	<u>67,909</u>	<u>68,648</u>	<u>69,386</u>	<u>70,124</u>	<u>68,648</u>	<u>1,476</u>	<u>70,124</u>
3	Net Utility Plant	\$ 44,845	\$ 44,107	\$ 43,368	\$ 42,630	\$ 41,892	\$ 43,368	\$ (1,476)	\$ 41,892
4	Material and Supplies								
5	Miscellaneous Deferred Debits							2,971	2,971
6	Amortization of Misc Def DRs							(297)	(297)
7	Accumulated Deferred Income Taxes - Assets								
8	Contribution in Aid of Construction								
9	Accumulated Amortization of CIAC								
10	Accumulated Deferred Income Taxes - Liabilities	<u>(6,757)</u>	<u>(6,757)</u>	<u>(6,757)</u>	<u>(6,757)</u>	<u>(7,427)</u>	<u>(6,891)</u>	<u>(536)</u>	<u>(7,427)</u>
11	Total Rate Base	\$ 38,088	\$ 37,350	\$ 36,611	\$ 35,873	\$ 34,465	\$ 36,477	\$ 662	\$ 37,139
12	Cash Working Capital (1)						<u>13,274</u>	<u>962</u>	<u>14,236</u>
13	Total Rate Base						<u>\$ 49,752</u>	<u>\$ 1,623</u>	<u>\$ 51,375</u>
	(1) Cash Working Capital 5 Quarter Average Year End Balance is the same as December 2019 Balance.								

**AWC Lakeland Sewer
 Rate Base - Sewer Proforma Adjustments**

**Schedule 3A
 Page 1 of 2**

Plant in Service

1	Proforma Year End Balance	\$ 112,016
	5 Quarter Average Year End Balance	<u>112,016</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Accumulated Depreciation and Amortization

2	Proforma Year End Balance	\$ 70,124
	5 Quarter Average Year End Balance	<u>68,648</u>
	Proforma Adjustment	<u>\$ 1,476</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Miscellaneous Deferred Debits

3	Proforma Year End Balance with 2019 tax rate change and step increase costs	\$ 2,971
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 2,971</u>
	To adjust test year year end balance of miscellaneous deferred debits for 2019 tax rate effect change and sewer step increase costs	
	Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 2,971</u>

Amortization of Miscellaneous Deferred Debits

4	Proforma Year End Balance with add'l half year amort on 2020 additions	\$ (297)
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ (297)</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ (297)</u>

Accumulated Deferred Income Taxes - Liabilities

5	Proforma Year End Balance	\$ (7,427)
	5 Quarter Average Year End Balance	<u>(6,891)</u>
	Proforma Adjustment	<u>\$ (536)</u>

To adjust 5 quarter average test year plant in service to year end balance

Cash Working Capital

6	Proforma Year End Balance	\$ 14,236
	Year End Balance	<u>13,274</u>
	Proforma Adjustment	<u>\$ 962</u>

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

AWC Lakeland Sewer

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2019

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
371	Pumping Equipment	\$ -	10.00%	\$ -	\$ -
	Total 2014 Additions	\$ -		\$ -	\$ -

Plant to be put in service in 2020

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
	TOTAL	\$ -		\$ -	\$ -
	TOTAL				<u>\$ -</u>

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ -
Total Increase in Accum Depr & Amort	-
Net Total Increase in Plant	\$ -
Total Increase in Plant per Thousands	-
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	\$ -

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ -
Total Increase in Plant per Thousands	-
Town of Belmont Property Tax Rate	\$ 23.12
Total Increase in Town of Belmont Property Taxes	\$ -

AWC LL Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	<u>Cost</u>	Amort. <u>Rate</u>	Annual <u>Cost</u>	Accum <u>Amort.</u>
186	2019 Tax Rate Effect Change (158 / 318 x \$2,888)	\$ 1,435	20.00%	\$ 287	\$ 144
186	2019 Sewer Step Rate Increase	<u>1,536</u>	20.00%	<u>307</u>	<u>154</u>
	TOTAL	<u>\$ 2,971</u>		<u>\$ 594</u>	<u>\$ 297</u>

AWC Lakeland Sewer

Schedule 3D

Working Capital - Sewer

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$115,459	\$107,659
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$14,236</u>	<u>\$13,274</u>

AWC Lakeland Sewer

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.07

DW 20-112

Abenaki Water Company

Filing Requirement Schedules

Lakeland Water

AWC Lakeland Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 298,944	\$ 301,317
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 23,347	\$ 23,955
Net Operating Income (Schedule 1)	<u>29,608</u>	<u>23,954</u>
Operating Income (Deficiency) Surplus	\$ 6,261	\$ 0
Tax Effect	<u>0</u>	<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ 6,261</u>	<u>\$ 0</u>

AWC Lakeland Water

Statement of Income - Water

Schedule 1

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustment (c)	Proforma 2019 Year End Balance (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 122,737	(\$3,370)	\$ 119,367		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply	-		-		
5	Pumping Expenses	12,546		12,546		
6	Water Treatment Expense	7,633		7,633		
7	T&D Expenses	2,746		2,746		
8	Customer Expense	3,384		3,384		
9	Administrative & General Expense	27,537	560	28,097		
10	Total Operating and Maintenance Expense	53,846	560	54,406	-	-
11	Depreciation Expense (403)	22,279	1,025	23,304		
12	Amortization of Contribution in Aid of Construction (405)	(1,419)		(1,419)		
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,644		1,644		
14	Amortization Expense-Other (407)		990	990		
15	Taxes Other Than Income (408.1-408.13)	9,510	157	9,667		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	7,269	(448)	6,821		
17	Total Operating Expenses	\$ 93,129	\$ 2,284	\$ 95,413	\$ -	\$ -
18	Net Operating Income (Loss)	29,608	(5,654)	23,954	-	-
19	Other Income and Deductions					
20	Interest and Dividend Income (419)	1,161		1,161		
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(6,322)		(6,322)		
26	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
27	Total Other Income and Deductions	\$ (5,161)	\$ -	\$ (5,161)	\$ -	\$ -
28	NET INCOME (LOSS)	\$ 24,447	\$ (5,654)	\$ 18,793	\$ -	\$ -

Note: Lakeland's 2018 and 2017 Statement of Income includes both water and sewer.

AWC Lakeland Water

Schedule 1A

Statement of Income - Water Proforma Adjustments

Page 1 of 3

Operating Revenues

1	Proforma 2019 Year End Balance	\$ 119,367
	Actual 2019 Year End Balance	<u>122,737</u>
	Proforma Adjustment	<u>\$ (3,370)</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 \$ (3,370)

Operation and Maintenance Expenses

2 Administrative and General Expenses

	Proforma 2019 Year End Balance	\$27,597
	2019 Year End Balance	<u>27,537</u>
	Proforma Adjustment	<u>\$ 60</u>

To adjust test year expenses for increase in office lease expense (\$1,652.38 - \$1,592.45)

3 PUC Audit

	Proforma 2019 Year End Balance	\$ 500
	2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses \$ 560

Depreciation Expenses

4	Proforma 2019 Test Year Expense adjusted for add'l half year depr on 2019 additions	\$ 22,559
	2019 Test Year Expense	<u>22,279</u>
	Proforma Adjustment	<u>\$ 280</u>

To adjust test year depreciation expenses for an add'l half year depreciation on 2014 adds

5	Proforma 2019 Test Year Expense adjusted for full year depr on 2020 additions	\$ 23,304
	Proforma 2019 Test Year Expense adjusted for add'l half year depr on 2019 additions	<u>22,559</u>
	Proforma Adjustment	<u>\$ 745</u>
	To adjust test year depreciation expenses for full year depreciation on 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 1,025</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (1,419)
	Actual 2019 Year End Balance	<u>(1,419)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	

Amortization Expenses

7	Proforma 2019 Year End Balance	\$ 990
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 990</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years	

Taxes other than Income

State of New Hampshire

8	Actual 2014 Year End Balance adjusted for state utility property taxes	\$ 2,187
	Actual 2019 Year End Balance	<u>2,152</u>
	Proforma Adjustment	<u>\$ 35</u>

Town of Belmont

9	Actual 2019 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$ 7,480
	Actual 2019 Year End Balance	<u>7,358</u>
	Proforma Adjustment	<u>\$ 122</u>

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

\$ 157

Income Taxes

Federal Income Taxes

10	Proforma 2019 Year End Balance	\$ 5,142
	Actual 2019 Year End Balance	<u>6,735</u>
	Proforma Adjustment	<u>\$ (1,593)</u>

State Business Taxes

11	Proforma 2019 Year End Balance	\$ 2,043
	Actual 2019 Year End Balance	<u>898</u>
	Proforma Adjustment	<u>\$1,145</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.

Provision for Deferred Taxes

12	Proforma 2019 Year End Balance	\$ (400)
	Actual 2019 Year End Balance	<u>(400)</u>
	Proforma Adjustment	<u>\$ -</u>
	Total Proforma Adjustments to Income Taxes	<u>\$ (448)</u>

AWC Lakeland Water

Income Tax Computation

Schedule 1b

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$298,944	\$301,317
Equity Component of Cost of Capital	6.48%	6.42%
Operating Net Income Required	\$19,372	\$19,345
Tax Multiplier (Schedule 5A)	7,195	7,185
Income Required before Income Taxes	\$26,567	\$26,530
Less: NH Business Profits Tax @ 7.7%	2,046	2,043
Income subject to Federal Taxes	\$24,521	\$24,487
Less: Federal Income Tax @ 21%	5,149	5,142
Income after Income Taxes	<u>\$19,372</u>	<u>\$19,345</u>

AWC Lakeland Water

Effective Tax Factor

Schedule 1c

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Lakeland Water

Balance Sheet

Schedule 2

See Abenaki Water Company Balance Sheet.

AWC Lakeland Water

Rate Base - Water

Schedule 3

Line No.	Account Title (a)	December 2018 Balance (b)	March 2019 Balance (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$ 680,138	\$ 680,138	\$ 683,935	\$ 682,073	\$ 682,717	\$ 681,800	\$ 6,565	\$ 688,365
2	Less: Accumulated Depreciation	294,194	300,723	307,251	313,780	313,837	305,957	8,532	314,489
3	Net Utility Plant	385,944	379,415	376,684	368,293	368,880	375,843	(1,967)	373,876
4	Material and Supplies	7,316	7,316	7,316	7,316	7,316	7,316	0	7,316
5	Miscellaneous Deferred Debits						0	8,449	8,449
6	Accum Amort of Misc Def DRs						0	(495)	(495)
7	Contribution in Aid of Construction	(43,052)	(43,052)	(43,052)	(43,052)	(43,052)	(43,052)	0	(43,052)
8	Accumulated Amortization of CIAC	12,080	12,434	12,789	13,144	13,499	12,789	710	13,499
9	Accumulated Deferred Income Taxes	(59,494)	(59,494)	(59,494)	(59,494)	(64,984)	(60,592)	(4,392)	(64,984)
10	Rate Base	<u>\$302,794</u>	<u>\$296,619</u>	<u>\$294,243</u>	<u>\$286,207</u>	<u>\$281,659</u>	\$292,304	\$2,304	\$294,609
11	Cash Working Capital (1)						6,639	69	6,708
12	Total Rate Base						\$ 298,944	\$ 2,373	\$ 301,317
	(1) Cash Working Capital 5 Quarter Year End Balance is the same as the December 2019 Balance.								

AWC Lakeland Water

Schedule 3A

Rate Base - Water Proforma Adjustments

Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 682,717
	5 Quarters Average Year End Balance	<u>681,800</u>
	Proforma Adjustment	<u>\$ 917</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2020 additions to plant	\$ 688,365
	December 2019 Balance	<u>682,717</u>
	Proforma Adjustment	<u>\$ 5,648</u>
	To adjust test year year end balance of plant in service for 2020 capital additions For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	<u>\$ 6,565</u>

Accumulated Depreciation and Amortization

3	December 2019 Balance	\$ 313,837
	5 Quarters Average Year End Balance	<u>305,957</u>
	Proforma Adjustment	<u>\$ 7,880</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
4	Proforma Year End Balance with add'l half year depr on 2019 additions	\$ 314,117
	December 2019 Balance	<u>313,837</u>
	Proforma Adjustment	<u>\$ 280</u>
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions	
5	Proforma Year End Balance with add'l full year depr on 2020	\$ 314,489
	Proforma Year End Balance with add'l half year depr on 2019 additions	<u>314,117</u>
	Proforma Adjustment	<u>\$ 372</u>
	To adjust test year year end balance of plant in service for add'l full year for 2020 additions	

Total Proforma Adjustments to Accumulated Depreciation and Amortization	\$ 8,532
Please see schedule 3B for more support.	

Miscellaneous Deferred Debits

6 Proforma Year End Balance with 2017 boiling and 2019 tax rate effect change	\$ 8,449
December 2019 Balance	<u>-</u>
Proforma Adjustment	<u>\$ 8,449</u>
To adjust test year year end balance of miscellaneous deferred debots for 2017 water boiling and 2019 tax rate effect change	
Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 8,449</u>

Amortization of Miscellaneous Deferred Debits

7 Proforma Year End Balance with add'l half year amort on 2020 additions	\$ (495)
December 2019 Balance	<u>-</u>
Proforma Adjustment	<u>\$ (495)</u>
To adjust test year year end balance of half year amortization of misc def debits	
Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ (495)</u>

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>\$ -</u>
To adjust 5 quarters average test year to year end balance.	

Accumulated Amortization of CIAC

Proforma Year End Balance	\$ 13,499
9 5 Quarters Average Year End Balance	<u>12,789</u>
Proforma Adjustment	<u>\$ 710</u>

To adjust 5 quarters test year average accumulated amortization of CIAC to fully reflect 2019 accum depr

Accumulated Deferred Income Taxes

10	Proforma Year End Balance	\$ (64,984)
	5 Quarters Average Year End Balance	<u>(60,592)</u>
	Proforma Adjustment	<u>\$ (4,392)</u>
	To adjust 5 quarter average test year to year end balance	

Cash Working Capital

11	Year End Proforma Balance	\$ 6,708
	December 2019 Year End Balance	<u>6,639</u>
	Proforma Adjustment	<u>\$ 69</u>

Total Proforma Adjustments to Cash Working Capital
See Schedule 3D for calculation of cash working capital.

AWC Lakeland Water

Plant / Accumulated Depreciation / Depreciation Expense

Schedule 3B

Plant put in service in 2019

PUC			Depr.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Depr.
311	Pumping Equipment	\$ 4,729	10.00%	\$ 473	\$ 236
333	Services		2.50%	-	-
334	Purchase & Installation of Meters		5.00%	-	-
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	433	20.00%	87	43
TOTAL		\$ 5,162		\$ 560	\$ 280

Plant to be put in service in 2020

PUC			Depr.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Depr.
304	Structures & Improvements		2.50%	\$ -	\$ -
333	Services	2,199	2.50%	55	27
347	Digitize & Prepare Distribution Plan	3,449	20.00%	690	345
TOTAL		\$ 5,648		\$ 745	\$ 372
TOTAL					\$ 652

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 5,648
Total Increase in Accum Depr & Amort	372
Net Total Increase in Plant	\$ 5,276
Total Increase in Plant per Thousands	5
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	\$ 35

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ 5,276
Total Increase in Plant per Thousands	5
Town of Belmont Property Tax Rate	\$ 23.12
Total Increase in Town of Belmont Property Taxes	\$ 122

AWC LL Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Amort. Rate	Annual Cost	Accum Amort.
186	2017 Water Boiling	\$6,996	10.00%	\$700	\$350
186	2019 Tax Rate Effect Change (160 / 318 x \$2,888)	1,453	20.00%	291	145
TOTAL		<u>\$8,449</u>		<u>\$990</u>	<u>\$495</u>

AWC Lakeland Water

Working Capital - Water

Schedule 3D

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$54,406	\$53,846
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$6,708</u>	<u>\$6,639</u>

AWC Lakeland Water
Rate of Return Information

Schedule 4

PUC 1604.07

DW 20-112
Abenaki Water Company
Filing Requirement Schedules
White Rock Water

AWC White Rock Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 243,250	\$ 507,033
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 18,998	\$ 40,309
Actual Net Operating Income (Schedule 1)	<u>(17,425)</u>	<u>40,309</u>
Operating Income (Deficiency) Surplus	\$ (36,423)	\$ (0)
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (36,423)</u>	<u>\$ (0)</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustments (c)	Adjusted 2019 Year End Balance (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 82,211	\$ 99,778	\$ 181,989	\$ 91,528	\$ 98,965
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply			-		
5	Pumping Expenses	27,698		27,698	19,393	22,077
6	Water Treatment Expense	2,653		2,653	2,199	3,731
7	T&D Expenses	3,693		3,693	2,501	1,460
8	Customer Expense	7,068		7,068	7,874	4,962
9	Administrative & General Expense	40,922	581	41,503	36,850	36,778
10	Total Operating and Maintenance Expense	82,034	581	82,615	68,817	69,008
11	Depreciation Expense (403)	19,061	5,911	24,972	18,690	15,848
12	Amortization of Contribution in Aid of Construction (405)	(5,139)	(1,600)	(6,739)	(5,139)	(5,139)
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,091	-	1,091	1,089	1,089
14	Amortization Expense-Other (407)		14,380	14,380		
15	Taxes Other Than Income (408.1-408.13)	9,789	4,281	14,070	9,819	10,553
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,200)	18,490	11,290	199	6,904
17	Total Operating Expenses	\$ 99,636	\$ 42,044	\$ 141,680	\$ 93,475	\$ 98,263
18	Net Operating Income (Loss)	(17,425)	57,734	40,309	(1,947)	702
19	Other Income and Deductions					
20	Interest and Dividend Income (419)	429		429	451	530
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(1,995)		(1,995)	(2,046)	(1,994)
26		(541)		(541)	(541)	(541)
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (2,107)	\$ -	\$ (2,107)	\$ (2,136)	\$ (2,005)
29	NET INCOME (LOSS)	\$ (19,532)	\$ 57,734	\$ 38,202	\$ (4,083)	\$ (1,303)

**AWC White Rock Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A
Page 1 of 4

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 181,989
Actual 2019 Year End Balance	<u>82,211</u>
Proforma Adjustment	<u>\$ 99,778</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	<u>\$ 99,778</u>
---	------------------

Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$41,003
2019 Year End Balance	<u>40,922</u>
Proforma Adjustment	<u>\$ 81</u>

To adjust test year expenses for increase in office lease expense (\$1,962.20 - \$1,881.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 581</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 19,896
Actual 2019 Year End Balance	<u>19,061</u>
Proforma Adjustment	<u>\$ 835</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 24,972
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>19,896</u>
	Proforma Adjustment	<u>\$ 5,076</u>
	To adjust test year depreciation expenses for 2019 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 5,911</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (5,139)
	Actual 2019 Year End Balance	<u>(5,139)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for ...	
7	Proforma 2019 Year End Balance plus add'l amort of CIAC on \$8,000 grant	\$ (6,739)
	Proforma 2019 Year End Balance	<u>(5,139)</u>
	Proforma Adjustment	<u>\$ (1,600)</u>
	To adjust test year amortization of CIAC for correct amortization	
	To adjust test year amortization of CIAC for 2020 additions	<u>\$ (1,600)</u>

Amortization of Organizational Costs

8	Proforma 2019 Year End Balance	\$ 1,091
	Actual 2019 Year End Balance	<u>1,091</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year expenses for the amortization of org. costs over 12 years	

Amortization of Miscellaneous Deferred Debits

9	Proforma 2019 Year End Balance	\$ 14,380
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 14,380</u>

To adjust test year expenses for the amortization of misc. def debits over 5/10 years

Taxes other than Income

State of New Hampshire

10	Actual 2019 Year End Balance adjusted for state utility property taxes	\$ 2,480
	Actual 2019 Year End Balance	<u>1,619</u>
	Proforma Adjustment	<u>\$ 861</u>

Town of Bow

11	Actual 2019 Year End Balance adjusted for Town of Bow Prop. Taxes	\$ 11,590
	Actual 2019 Year End Balance	<u>8,170</u>
	Proforma Adjustment	<u>\$ 3,420</u>
	Total Proforma Adjustments to Taxes other than Income	<u>\$ 4,281</u>

Income Taxes

Federal Income Taxes

12	Proforma 2019 Year End Balance	\$ 8,653
	Actual 2019 Year End Balance	<u>(4,100)</u>
	Proforma Adjustment	<u>\$ 12,753</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.

Provision for Deferred Taxes

13	Proforma 2019 Year End Balance	\$ (800)
	Actual 2019 Year End Balance	<u>(800)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for the increase in the provision for deferred taxes

State Business Taxes

14 Proforma 2019 Year End Balance	\$ 3,437
Actual 2019 Year End Balance	<u>(2,300)</u>
Proforma Adjustment	<u>\$ 5,737</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>\$ 18,490</u>
Total Operating Expense Adjustements	<u>\$ 42,044</u>

AWC White Rock Water

Schedule 1b

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$243,250	\$507,033
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$15,763	\$32,552
Tax Multiplier (Schedule 5A)	<u>5.855</u>	<u>12.090</u>
Income Required before Income Taxes	\$21,617	\$44,642
Less: NH Business Profits Tax @ 7.7%	<u>1,665</u>	<u>3,437</u>
Income subject to Federal Taxes	\$19,953	\$41,204
Less: Federal Income Tax @ 21%	<u>4,190</u>	<u>8,653</u>
Income after Income Taxes	<u>\$15,763</u>	<u>\$32,552</u>

AWC White Rock Water

Schedule 1c

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC White Rock Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

AWC White Rock Water

Schedule 3

Rate Base - Water

Line No.	Account Title (a)	December 2018 Balance (b)	March 2019 Balance (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$555,358	\$570,481	\$573,306	\$579,235	\$581,320	\$571,940	\$178,477	\$750,417
2	Less: Accumulated Depreciation	238,485	243,557	248,630	253,704	258,637	248,603	13,408	262,010
3	Net Utility Plant	316,873	326,924	324,676	325,531	322,683	323,337	165,069	488,407
4	Material and Supplies								
5	Miscellaneous Deferred Debits							115,714	115,714
6	Amortization of Deferred Debits							(7,190)	(7,190)
7	Contribution in Aid of Construction - Net	(143,900)	(143,900)	(143,900)	(143,900)	(143,900)	(143,900)	(8,000)	(151,900)
8	Accumulated Amortization of CIAC	69,377	70,662	71,946	73,231	74,516	71,946	3,370	75,316
9	Accumulated Deferred Income Taxes	(16,936)	(16,936)	(16,936)	(16,936)	(23,500)	(18,249)	(5,251)	(23,500)
10	Rate Base	\$225,414	\$236,750	\$235,786	\$237,926	\$229,799	\$233,135	\$263,712	\$496,847
11	Cash Working Capital (1)						10,115	72	10,186
12	Total Rate Base						\$ 243,250	\$ 263,783	\$ 507,033
	(1) Cash Working Capital Average Year End Balance is the same as the December 2019 Balance.								

**AWC White Rock Water
Rate Base - Water Proforma Adjustments**

Schedule 3A
Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 581,320
	5 Quarters Average Year End Balance	<u>571,940</u>
	Proforma Adjustment	<u>\$ 9,380</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 750,417
	December 2019 Balance	<u>581,320</u>
	Proforma Adjustment	<u>\$ 169,097</u>
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
	Total Proforma Adjustments to Plant in Service	<u>\$ 178,477</u>

Accumulated Depreciation and Amortization

3	December 2019 Balance	\$ 258,637
	5 Quarters Average Year End Balance	<u>248,603</u>
	Proforma Adjustment	<u>\$ 10,034</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
4	Proforma Year End Balance with add'l depr	\$ 259,472
	December 2019 Balance	<u>258,637</u>
	Proforma Adjustment	<u>\$ 835</u>
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions.	
5	Proforma Year End Balance with add'l depr on 2020 additions	\$ 262,010
	December 2019 Balance	<u>259,472</u>
	Proforma Adjustment	<u>\$ 2,538</u>
	To adjust test year year end balance of plant in service for add'l half year for 2020 additions.	
	Total Proforma Adjustments to Accumulated Depreciation	<u>\$ 13,408</u>

Miscellaneous Deferred Debits

6	Proforma Year End Balance with 2018 and 2019 water outages	\$ 115,714
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 115,714</u>
	To adjust test year year end balance of miscellaneous deferred debots for 2028 and 2019 water outages	
	Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 115,714</u>

Amortization of Miscellaneous Deferred Debits

7	Proforma Year End Balance with add'l depr on 2020 additions	\$ 7,190
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 7,190</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ 7,190</u>

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>\$ -</u>
	To adjust 5 quarters average test year to year end balance	
9	Proforma Year End Balance plus ... grant	\$ (151,900)
	Proforma Year End Balance	<u>(143,900)</u>
	Proforma Adjustment	<u>\$ (8,000)</u>
	To adjust proforma year end balance for 2020 ... grant	
	Total Proforma Adjustments to CIAC	<u>\$ (8,000)</u>

Accumulated Amortization of CIAC

10	Proforma Year End Balance	\$ 74,516
	5 Quarters Average Year End Balance	<u>71,946</u>
	Proforma Adjustment	<u>\$ 2,570</u>
	To adjust 5 quarter average test year to year end balance	
11	Proforma Year End Balance plus amortization of grant	\$ 75,316
	Proforma Year End Balance	<u>74,516</u>
	Proforma Adjustment	<u>\$ 800</u>
	To adjust proforma year end balance for 2020 ... grant	
	Total Proforma Adjustments to Accumulated Amortization of CIAC	<u>\$ 3,370</u>

Accumulated Deferred Income Taxes

12	Proforma Year End Balance	\$ (23,500)
	5 Quarters Average Year End Balance	<u>(18,249)</u>
	Proforma Adjustment	<u>\$ (5,251)</u>
	To adjust 5 quarter average test year to year end balance	

Cash Working Capital

13	Year End Proforma Balance	\$ 10,186
	Average Year End Balance	<u>10,115</u>
	Proforma Adjustment	<u>\$ 72</u>
	To adjust test year cash working capital balance	
	For additional support, please see schedule 3D.	

AWC White Rock Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant Placed in Service in 2019

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
311	Pumping Equipment		10.00%		
320	Treatment Equipment	1,321	3.60%	48	24
333	Services	6,087	2.50%	152	76
334	Purchase & Installation of Meters	254	5.00%	13	6
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	14,445	10.00%	1,445	729
	TOTAL	\$ 22,107		\$ 1,657	\$ 835

2020 NH DWSRF Improvements

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
304	Water Treatment Structures	\$ -	2.50%	\$ -	\$ -
307	Wells	-	3.33%	-	-
309	Supply Mains	-	2.00%	-	-
311	Instrumentation and Equipment	-	10.00%	-	-
330	Water Tank Lining	50,000	2.50%	1,250	625
331	Distribution Valves - 4 valves	45,000	2.00%	900	450
331	Distribution Valves - 2 PRVs	30,000	2.00%	600	300
	TOTAL	\$ 125,000		\$ 2,750	\$ 1,375
	Other Plant Placed in Service in 2020				
311	Pumping Equipment - Well pump #1, motor & piping	\$ 8,251	10.00%	\$ 825	\$ 413
330	Distribution Reservoirs and Standpipes	14,210	2.00%	284	142
333	Services	11,503	2.50%	288	144
334	Purchase & Installation of Meters	1,680	5.00%	84	42
347	Computer Equipment - Distribution Plans	8,453	10.00%	845	423
	TOTAL	\$ 169,097		\$ 5,076	\$ 2,538

State Utility Property Taxes and Town of Bow Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 169,097
Total Increase in Accum Depr & Amort	2,538
Net Total Increase in Plant	<u>\$ 166,559</u>
Total Increase in Plant per Thousands	\$ 166.56
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	<u>\$ 861</u>

Town of Bow Property Taxes

Total Increase in Plant	\$ 169,097
Total Increase in Accum Depr & Amort	2,538
Net Total Increase in Plant	<u>\$ 166,559</u>
Total Increase in Plant per Thousands	\$ 166.56
Tax Value as % of Net Book Value	78.34%
Tow of Bow Property Tax Rate	26.21
Total State Utility and Town of Bow Property Taxes	<u>\$ 3,420</u>

NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	<u>1,660,290</u>
Percent of assessed value to net plant	<u>78.34%</u>

AWC White Rock Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
186	2018 Water Outage - 1/18	\$ 18,749	10.00%	\$ 1,875	\$ 937
186	2019 Water Outage - 1/19	13,164	10.00%	1,316	658
186	2019 Water Outage - 8/19	55,712	10.00%	5,571	2,786
	Total Water Outages	87,625		8,763	4,381
186	2019 Tax Rate Effect Change	1,577	20.00%	315	158
186	2019 / 2020 Tank Inspection	26,512	20.00%	5,302	2,651
				-	-
	TOTAL	\$ 115,714		\$ 14,380	\$ 7,190

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
186	2019 / 2020 Tank Inspection	\$ 8,000	20.00%	\$ 1,600	\$ 800
	TOTAL	\$ 8,000		\$ 1,600	\$ 800

AWC White Rock Water

Schedule 3D

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$82,615	\$82,034
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$10,186</u>	<u>\$10,115</u>

AWC White Rock Water

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.07

DW 20-112

Abenaki Water Company

Filing Requirement Schedules

Tioga Gilford Village Water

AWC Tioga Gilford Village Water
Computation of Revenue Deficiency - Water
For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 119,913	\$ 145,202
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 9,365	\$ 11,544
Actual Net Operating Income (Schedule 1)	<u>(23,844)</u>	<u>11,544</u>
Operating Income (Deficiency) Surplus	\$ (33,209)	\$ 0
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (33,209)</u>	<u>\$ 0</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 12 mos Ended 4/30/20 (b)	Proforma Adjustments (c)	Adjusted 12 mos Ended 4/30/20 (d)	Actual 12 mos Ended 4/30/19 (e)	Actual 12 mos Ended 4/30/18 (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 28,833	\$ 47,942	\$ 76,775		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply					
5	Pumping Expenses	12,719		12,719		
6	Water Treatment Expense	1,454		1,454		
7	T&D Expenses	5,370		5,370		
8	Customer Expense	4,443		4,443		
9	Administrative & General Expense	23,182	843	24,025		
10	Total Operating and Maintenance Expense	47,168	843	48,011		
11	Depreciation Expense (403)	12,054	886	12,940		
12	Amortization of Contribution in Aid of Construction (405)	(2,710)		(2,710)		
13	Amortization of Utility Plant Acquisition Adjustment (406)					
14	Amortization Expense-Other (407)		2,232	2,232		
15	Taxes Other Than Income (408.1-408.13)	1,165	1,031	2,196		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(5,000)	7,562	2,562		
17	Total Operating Expenses	\$ 52,677	\$ 12,554	\$ 65,231		
18	Net Operating Income (Loss)	(23,844)	35,388	11,544		
19	Other Income and Deductions					
20	Interest and Dividend Income (419)					
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(756)	(378)	(1,134)		
26	Amortization of Debt Expense (428)		-	-		
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (756)	\$ (378)	\$ (1,134)		
29	NET INCOME (LOSS)	\$ (24,600)	\$ 35,010	\$ 10,410		

Note: 12 months ended 4/30/19 and 4/30/18 were prior to AWC's ownership of TGV.

**AWC Tioga Gilford Village Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A
Page 1 of 3

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 76,775
Actual 2019 Year End Balance	<u>28,833</u>
Proforma Adjustment	<u>\$ 47,942</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	<u>\$ 47,942</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$ 23,525
2019 Year End Balance	<u>23,182</u>
Proforma Adjustment	<u>\$ 343</u>

To adjust test year expenses for increase in office lease expense (\$805.54 - \$463.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 843</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 12,840
Actual 2019 Year End Balance	<u>12,054</u>
Proforma Adjustment	<u>\$ 786</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 12,940
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>12,840</u>
	Proforma Adjustment	<u>\$ 100</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$886</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (2,710)
	Actual 2019 Year End Balance	<u>(2,710)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	
7	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ (2,710)
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>(2,710)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ -</u>
	Please see schedule 3B for more support.	

Amortization of Organizational Costs

8	Proforma 2019 Year End Balance	\$ 2,232
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 2,232</u>
	To adjust test year expenses for the amortization of org. costs over 10 years	

Taxes other than Income

State of New Hampshire

9	Actual 2019 Year End Balance adjusted for state utility property taxes	\$673
	Actual 2019 Year End Balance	<u>673</u>

Proforma Adjustment \$ -

Town of Gilford

10 Actual 2019 Year End Balance adjusted for Town of Gilford Prop. Taxes \$ 1,523

Actual 2019 Year End Balance 492

Proforma Adjustment \$ 1,031

Total Proforma Adjustments to Taxes other than Income \$ 1,031

Income Taxes

Federal Income Taxes

11 Proforma 2019 Year End Balance \$ 2,478

Actual 2019 Year End Balance (2,900)

Proforma Adjustment \$ 5,378

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see Schedule 1b.

Provision for Deferred Taxes

12 Proforma 2019 Year End Balance \$ (900)

Actual 2019 Year End Balance (900)

Proforma Adjustment \$ -

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 1b.

State Business Taxes

13 Proforma 2019 Year End Balance \$ 984

Actual 2019 Year End Balance (1,200)

Proforma Adjustment \$ 2,184

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 \$ 7,562

AWC Tioga Gilford Village Water

Schedule 1b

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$119,913	\$145,202
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$7,770	\$9,322
Tax Multiplier (Schedule 5A)	<u>2,886</u>	<u>3,462</u>
Income Required before Income Taxes	\$10,656	\$12,784
Less: NH Business Profits Tax @ 7.7%	<u>821</u>	<u>984</u>
Income subject to Federal Taxes	\$9,836	\$11,800
Less: Federal Income Tax @ 21%	<u>2,066</u>	<u>2,478</u>
Income after Income Taxes	<u>\$7,770</u>	<u>\$9,322</u>

AWC Tioga Gilford Village Water

Schedule 1c

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Tioga Gilford Village Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

Rate Base - Water

Line No.	Account Title (a)	December 2018 Balance(2) (b)	March 2019 Balance(2) (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$243,155	\$243,155	\$243,155	\$226,436	\$231,464	\$237,473	\$28,923	\$266,396
2	Less: Accumulated Depreciation	87,174	87,174	87,174	90,194	94,776	89,298	7,426	96,725
3	Net Utility Plant	155,981	155,981	155,981	136,242	136,688	148,175	21,497	169,671
4	Material and Supplies	0	0	0	0	0	0	0	0
5	Contribution in Aid of Construction - Net	(79,205)	(79,205)	(79,205)	(79,205)	(79,205)	(79,205)	0	(79,205)
6	Accumulated Amortization of CIAC	44,206	44,206	44,206	44,206	46,916	44,748	2,168	46,916
7	Accumulated Deferred Income Taxes					1,900	380	1,520	1,900
8	Rate Base	\$120,982	\$120,982	\$120,982	\$101,243	\$106,299	\$114,098	\$25,185	\$139,282
9	Cash Working Capital (1)						5,816	104	5,920
10	Total Rate Base						\$ 119,913	\$ 25,289	\$ 145,202
	(1) Cash Working Capital Average Year End Balance is the same as the December 2019 Balance. (2) December 2018 and March 2019 Balances are assumed to be the same as June 2019 Balance.								

**AWC Tioga Gilford Village Water
 Rate Base - Water Proforma Adjustments**

Schedule 3A
 Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 231,464
	5 Quarters Average Year End Balance	<u>237,473</u>
	Proforma Adjustment	<u>\$ (6,009)</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 232,935
	December 2019 Balance	<u>231,464</u>
	Proforma Adjustment	<u>\$ 1,471</u>
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
3	Proforma Year End Balance with 2019 additions and organization costs	\$ 266,396
	Proforma Year End Balance with 2019 additions to plant	<u>232,935</u>
	Proforma Adjustment	<u>\$ 33,461</u>
	To adjust test year year end balance of plant in service for 2019 capital additions and org. costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	<u>\$ 28,923</u>

Accumulated Depreciation and Amortization

4	December 2019 Balance	\$ 94,776
	5 Quarters Average Year End Balance	<u>89,298</u>
	Proforma Adjustment	<u>\$ 5,478</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
5	Proforma year End Balance with add'l depr	\$ 95,559
	December 2019 Balance	<u>94,776</u>
	Proforma Adjustment	<u>\$ 783</u>

To adjust test year year end balance of plant in service for add'l half year for 2019 additions.

6	Proforma Year End Balance with add'l depr for 2020 additions to plant	\$ 95,609
	Proforma Year End Balance with add'l depr	<u>95,559</u>
	Proforma Adjustment	<u>\$ 50</u>

To adjust test year year end balance of plant in service for 2019 amortization of organizational costs
For additional support, please see schedule 3B

7	Proforma Year End Balance with add'l depr and amort of org costs	\$ 96,675
	Proforma Year End Balance with add'l depr	<u>95,559</u>
	Proforma Adjustment	<u>\$ 1,116</u>

To adjust test year year end balance of plant in service for 2019 amortization of organizational costs
For additional support, please see schedule 3B

	Proforma Year End Balance with add'l depr on 2020 additions	<u>\$ 7,426</u>
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Contribution in Aid of Construction

8	Proforma Year End Balance	\$ (79,205)
	5 Quarters Average Year End Balance	<u>(79,205)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust 5 quarters average test year to year end balance

9	Proforma Year End Balance with 2019 additions to plant	\$ (79,205)
	December 2019 Balance	<u>(79,205)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.

	Total Proforma Adjustments to Plant in Service	<u>\$ -</u>
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Accumulated Amortization of CIAC

10	Proforma Year End Balance	\$ 46,916
	5 Quarters Average year End Balance	<u>44,748</u>
	Proforma Adjustment	<u>\$ 2,168</u>

To adjust 5 quarters average test year to year end balance

Page 3 of 3

11	Proforma Year End Balance with add'l amort	\$ 46,916
	December 2019 Balance	<u>46,916</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of CIAC for add'l half year for 2020 additions.	
	Total Proforma Adjustments to Accumulated Amortization of CIAC	<u>\$ 2,168</u>

Accumulated Deferred Income Taxes

12	December 2019 Balance	\$ 1,900
	5 Quarters Average Year End Balance	<u>380</u>
	Proforma Adjustment	<u>\$ 1,520</u>

To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

Cash Working Capital

13	Year End Proforma Balance	\$ 5,920
	Average Year End Balance	<u>5,816</u>
	Proforma Adjustment	<u>\$ 104</u>

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

AWC Tioga Gilford Village Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2019

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
311	Pumping Equipment		10.00%		
333	Services	808	2.50%	20	10
334	Purchase & Installation of Meters	30,907	5.00%	1,545	773
346	Communication Equipment		14.29%	-	-
347	Remote Access Software		20.00%		
TOTAL		\$ 31,715		\$ 1,566	\$ 783

Plant to be put in service in 2020

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
330	Water Tank		2.50%	-	-
331	Mains		2.00%	-	-
333	Services	569	2.50%	14	7
334	Purchase & Installation of Meters	84	5.00%	4	2
347	Computer Equipment - Distribution Plans	818	10.00%	82	41
TOTAL		\$ 1,471		\$ 100	\$ 50

To reclass Due Diligence Costs to Organizational Costs

PUC		Cost	Amort. Rate	Annual Cost	Accum Amort
Acct. No.	Description				
301	Organizational costs	\$ 33,461	6.67%	\$ 2,232	\$ 1,116

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
330	Water Tank		2.50%	-	-
331	Mains - 6 gate valves		2.00%	-	-
TOTAL		\$ -		\$ -	\$ -

State Utility Property Taxes and Town of Gilford Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 34,932
Total Increase in Accum Depr & Amort	1,166
Net Total Increase in Plant	\$ 33,766
Total Increase in Plant per Thousands	\$ 33.77
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	\$ 175

Town of Gilford Property Taxes

Total Increase in Plant	\$ 34,932
Total Increase in Accum Depr & Amort	1,166
Net Total Increase in Plant	\$ 33,766
Total Increase in Plant per Thousands	\$ 33.77
Tax Value as % of Net Book Value	78.34%
Town of Gilford Property Tax Rate	13.98
Total Increase in Town of Gilford Property Taxes	\$ 370

Total State Utility and Town of Gilford Property Taxes	\$ 544
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NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	1,660,290
Percent of assessed value to net plant	78.34%

AWC Tioga Gilford Village Water

Schedule 3C

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$48,011	\$47,168
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$5,920</u>	<u>\$5,816</u>

AWC Tioga Gilford Village Water

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.07

DW 20-112

Abenaki Water Company

Filing Requirement Schedules

Tioga Belmont Water

AWC Tioga Belmont Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 72,615	\$ 199,606
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 5,671	\$ 15,869
Annualized Net Operating Income (Schedule 1)	<u>(31,418)</u>	<u>15,869</u>
Operating Income (Deficiency) Surplus	\$ (37,089)	\$ 0
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (37,089)</u>	<u>\$ 0</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 12 mos Ended 4/30/20 (b)	Proforma Adjustments (c)	Adjusted 12 mos Ended 4/30/20 (d)	Actual 12 mos Ended 4/30/19 (e)	Actual 12 mos Ended 4/30/18 (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 18,346	\$ 78,403	\$ 96,749		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)					
4	Source of Supply			-		
5	Pumping Expenses	13,811		13,811		
6	Water Treatment Expense	2,603		2,603		
7	T&D Expenses	6,914		6,914		
8	Customer Expense	3,675		3,675		
9	Administrative & General Expense	23,927	679	24,606		
10	Total Operating and Maintenance Expense	50,930	679	51,609		
11	Depreciation Expense (403)	7,775	1,752	9,527		
12	Amortization of Contribution in Aid of Construction (405)	(2,314)	60	(2,254)		
13	Amortization of Utility Plant Acquisition Adjustment (406)					
14	Amortization Expense-Other (407)		5,335	5,335		
15	Taxes Other Than Income (408.1-408.13)	973	11,430	12,403		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,600)	11,860	4,260		
17	Total Operating Expenses	\$ 49,764	\$ 31,116	\$ 80,880		
18	Net Operating Income (Loss)	(31,418)	47,287	15,869		
19	Other Income and Deductions					
20	Interest and Dividend Income (419)					
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(718)		(718)		
26	Amortization of Debt Expense (428)			-		
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (718)	\$ -	\$ (718)		
29	NET INCOME (LOSS)	\$ (32,136)	\$ 47,287	\$ 15,151		

Note: 12 months ended 4/30/19 and 4/30/18 were prior to AWC's ownership of TB.

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

Schedule 1A
Page 1 of 3

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 96,749
Actual 2019 Year End Balance	<u>18,346</u>
Proforma Adjustment	<u>\$ 78,403</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	<u>\$ 78,403</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$24,106
2019 Year End Balance	<u>23,927</u>
Proforma Adjustment	<u>\$ 179</u>

To adjust test year expenses for increase in office lease expense (\$454.40 - \$275.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ 500
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 500</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	<u>\$ 679</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 7,986
Actual 2019 Year End Balance	<u>7,775</u>
Proforma Adjustment	<u>\$ 211</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

Page 2 of 3

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 9,527
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>7,986</u>
	Proforma Adjustment	<u>\$ 1,541</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 1,752</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (2,314)
	Actual 2019 Year End Balance	<u>(2,314)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	
7	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ (2,254)
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>(2,314)</u>
	Proforma Adjustment	<u>\$ 60</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ 60</u>
	Please see schedule 3B for more support.	

Amortization of Organizational Costs / Miscellaneous Deferred Debits

8	Proforma 2019 Year End Balance	\$ 2,146
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 2,146</u>
	To adjust test year expenses for the amortization of org. costs over 10 years	
	Proforma 2019 Year End Balance	\$ 3,189
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 3,189</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years	
	Total Amortization Expense	<u>\$ 5,335</u>

Taxes other than Income

State of New Hampshire

9	Actual 2019 Year End Balance adjusted for state utility property taxes	\$ 673
	Actual 2019 Year End Balance	<u>673</u>
	Proforma Adjustment	<u>\$ -</u>

Town of Belmont

10	Actual 2019 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$ 11,730
	Actual 2019 Year End Balance	<u>300</u>
	Proforma Adjustment	<u>\$ 11,430</u>
	Total Proforma Adjustments to Taxes other than Income	<u>\$ 11,430</u>

Income Taxes

Federal Income Taxes

11	Proforma 2019 Year End Balance	\$ 3,406
	Actual 2019 Year End Balance	<u>(5,100)</u>
	Proforma Adjustment	<u>\$ 8,506</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 1b.

State Business Taxes

12	Proforma 2019 Year End Balance	\$ 1,353
	Actual 2019 Year End Balance	<u>(2,000)</u>
	Proforma Adjustment	<u>\$ 3,353</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 1b.

Provision for Deferred Taxes

13	Proforma 2019 Year End Balance	\$ (500)
	Actual 2019 Year End Balance	<u>(500)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for the increase in the provision for deferred taxes due to increases in

	Total Proforma Adjustments to Income Taxes	<u>\$ 11,860</u>
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AWC Tioga Belmont Water

Schedule 1B

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$ 72,615	\$ 199,606
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$ 4,705	\$ 12,815
Tax Multiplier (Schedule 5A)	<u>1,748</u>	<u>4,760</u>
Income Required before Income Taxes	\$ 6,453	\$ 17,574
Less: NH Business Profits Tax @ 7.7%	<u>497</u>	<u>1,353</u>
Income subject to Federal Taxes	\$ 5,956	\$ 16,221
Less: Federal Income Tax @ 21%	<u>1,251</u>	<u>3,406</u>
Income after Income Taxes	<u>\$ 4,705</u>	<u>\$ 12,815</u>

AWC Tioga Belmont Water

Schedule 1C

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Tioga Belmont Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

Rate Base - Water

Line No.	Account Title (a)	December 2018 Balance(2) (b)	March 2019 Balance(2) (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$160,321	\$160,321	\$160,321	\$187,505	\$187,536	\$171,201	\$102,012	\$273,213
2	Less: Accumulated Depreciation	70,632	70,632	70,632	72,634	74,829	71,872	5,012	76,884
3	Net Utility Plant	89,689	89,689	89,689	114,871	112,707	99,329	97,000	196,329
4	Material and Supplies	0	0	0	0	2,351	470	1,901	2,371
5	Miscellaneous Deferred Debits							31,890	31,890
6	Accum Amort of Misc Def DRs							(1,595)	(1,595)
7	Contribution in Aid of Construction	(61,894)	(61,894)	(61,894)	(61,894)	(61,894)	(61,894)	(5,000)	(66,894)
8	Accumulated Amortization of CIAC	27,767	27,767	27,767	27,767	30,081	28,230	1,911	30,141
9	Accumulated Deferred Income Taxes					1,000	200	800	1,000
10	Rate Base	\$55,562	\$55,562	\$55,562	\$80,744	\$84,245	\$66,335	\$126,907	\$193,242
11	Cash Working Capital (1)						6,280	84	6,363
12	Total Rate Base						\$ 72,615	\$ 126,991	\$ 199,606
	(1) Cash Working Capital Average Year End Balance is the same as the December 2019 Balance. (2) December 2018 and March 2019 Balances are assumed to be the same as June 2019 Balance.								

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

Schedule 3A
 Page 1 of 4

Plant in Service

1	December 2019 Balance	\$ 187,536
	5 Quarters Average Year End Balance	<u>171,201</u>
	Proforma Adjustment	<u>\$ 16,335</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 241,038
	December 2019 Balance	<u>187,536</u>
	Proforma Adjustment	<u>\$ 53,502</u>
	To adjust December 2019 Balance for 2020 additions to plant	
3	Proforma Year End Balance with 2019 additions and organization costs	\$ 273,213
	Proforma Year End Balance with 2019 additions to plant	<u>241,038</u>
	Proforma Adjustment	<u>\$ 32,175</u>
	To adjust test year year end balance of plant in service for 2020 capital additions and org. costs For additional support, please see schedule 3B	
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
	Total Proforma Adjustments to Plant in Service	<u>\$102,012</u>

Accumulated Depreciation and Amortization

4	December 2019 Balance	\$ 74,829
	5 Quarters Average Year End Balance	<u>71,872</u>
	Proforma Adjustment	<u>\$ 2,957</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
5	Proforma Year End Balance with add'l depr	\$ 75,040
	December 2019 Balance	<u>74,829</u>
	Proforma Adjustment	<u>\$ 211</u>
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions.	

December 2019 Balance

Page 2 of 4

6	Proforma Year End Balance with add'l depr for 2020 additions	\$ 75,811
	Proforma Year End Balance with add'l depr	<u>75,040</u>
	Proforma Adjustment	<u>\$ 771</u>

To adjust test year year end balance of plant in service for add'l half year for 2020 additions.
December 2019 Balance

7	Proforma Year End Balance with add'l depr and amort of org costs	\$ 76,884
	Proforma Year End Balance with add'l depr	<u>75,811</u>
	Proforma Adjustment	<u>\$ 1,073</u>

To adjust test year year end balance of plant in service for 2020 amortization of organizational costs
For additional support, please see schedule 3B

	Proforma Adjustment	<u>\$ 5,012</u>
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To adjust test year year end balance of plant in service for add'l half year for 2020 additions.

Materials & Supplies

8	December 2019 Balance	\$ 2,371
	5 Quarters Average Year End Balance	<u>470</u>
	Proforma Adjustment	<u>\$ 1,901</u>

To adjust test year 5 quarters average plant in service to eliminate all M&S.

Miscellaneous Deferred Debits

9	Proforma Year End Balance with 2018 and 2019 water outages	\$ 31,890
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 31,890</u>

To adjust test year year end balance of miscellaneous deferred debots for 2019
main break and water purchases

	Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 31,890</u>
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Amortization of Miscellaneous Deferred Debits

10 Proforma Year End Balance with add'l amort exp	\$ (1,595)
December 2019 Balance	<u>-</u>
Proforma Adjustment	<u>\$ (1,595)</u>
To adjust test year year end balance of half year amortization of misc def debits	
Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ (1,595)</u>

Contribution in Aid of Construction

11 Proforma Year End Balance	\$ (61,894)
5 Quarters Average Year End Balance	<u>(61,894)</u>
Proforma Adjustment	<u>\$ -</u>
To adjust 5 quarters average test year to year end balance	
12 Proforma Year End Balance with 2019 additions to plant	\$ (56,894)
December 2019 Balance	<u>(61,894)</u>
Proforma Adjustment	<u>\$ 5,000</u>
To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
Total Proforma Adjustments to Plant in Service	<u>\$ 5,000</u>

Accumulated Amortization of CIAC

13 Proforma Year End Balance	\$ 30,081
5 Quarters Average Year End Balance	<u>28,230</u>
Proforma Adjustment	<u>\$ 1,851</u>
To adjust 5 quarters test year to year end balance	
14 Proforma Year End Balance with add'l amort	\$ 30,141
December 2019 Balance	<u>30,081</u>

Proforma Adjustment \$ 60

To adjust test year year end balance of CIAC for add'l half year for 2020 additions.

Total Proforma Adjustments to Accumulated Amortization of CIAC **\$ 1,911**

Page 4 of 4

Accumulated Deferred Income Taxes

15 December 2019 Balance \$ 1,000

5 Quarters Average Year End Balance 200

Proforma Adjustment **\$ 800**

To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

Cash Working Capital

16 Year End Proforma Balance \$ 6,363

Average Year End Balance 6,280

Proforma Adjustment **\$ 84**

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

AWC Tioga Belmont Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2019

PUC			Depr.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Depr.
311	Pumping Equipment		10.00%		
333	Services	325	2.50%	8	4
334	Purchase & Installation of Meters	8,157	5.00%	408	204
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	30	20.00%	6	3
	TOTAL	\$ 8,512		\$ 422	\$ 211

2020 NH DWGTF Improvements

PUC			Depr.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Depr.
330	Water Tank	38,210	2.50%	955	478
331	Mains - 6 gate valves	11,790	2.00%	236	118
	TOTAL 2020 NH DWGTF Improvements	\$ 50,000		\$ 1,191	\$ 596
347	Computer Equipment - Distribution Plans	3,502	10.00%	350	175
	TOTAL	\$ 53,502		\$ 1,541	\$ 771

To reclass Due Diligence Costs to Organizational Costs

PUC			Amort.	Annual	Accum
Acct. No.	Description	Cost	Rate	Cost	Amort
301	Organizational costs	\$ 32,175	6.67%	\$ 2,146	\$ 1,073

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

2020 NH DWGTF Improvements

PUC			Depr	Annual	Accum
Acct. No.	Description	Cost	Rate	Costs	Depr
330	Water Tank	3,821	2.50%	96	48
331	Mains - 6 gate valves	1,179	2.00%	24	12
	TOTAL	\$ 5,000		\$ 119	\$ 60

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 85,677
Total Increase in Accum Depr & Amort	1,844
Net Total Increase in Plant	<u>\$ 83,833</u>
Total Increase in Plant per Thousands	\$ 83.83
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	<u>\$ 433</u>

Town of Belmont Property Taxes

Total Increase in Plant	\$ 85,677
Total Increase in Accum Depr & Amort	1,844
Net Total Increase in Plant	<u>\$ 83,833</u>
Total Increase in Plant per Thousands	\$ 83.83
Tax Value as % of Net Book Value	78.34%
Town of Belmont Property Tax Rate	23.12
Total Increase in Town of Belmont Property Taxes	<u>\$ 1,518</u>

Total State Utility and Town of Belmont Property Taxes	<u>\$ 1,952</u>
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NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	1,660,290

AWC Tioga Belmont Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
183	PS&I for repairs of Main Break	\$ 20,051	10.00%	\$ 2,005	\$ 1,003
186	Bulk Water Delivery for Water Main Break	11,839	10.00%	1,184	592
	TOTAL	\$ 31,890		\$ 3,189	\$ 1,595

AWC Tioga Belmont Water

Schedule 3D

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$51,609	\$50,930
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$ 6,363</u>	<u>\$ 6,280</u>

AWC Tioga Belmont Water
Rate of Return Information

Schedule 4
Page 1 of 2

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.07

DW 20-112
Abenaki Water Company
Filing Requirement Schedules
Combined Water

**AWC Combined Water (Lakeland, White Rock, Tioga Gilford Village and Tioga Belmont
 Computation of Revenue Deficiency - Water
 For the Test Year Ended December 31, 2019**

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 734,721	\$ 1,153,159
Rate of Return	<u>7.81%</u>	<u>7.95%</u>
Operating Income Required	\$ 57,382	\$ 91,676
Net Operating Income (Schedule 1)	<u>(43,079)</u>	<u>91,676</u>
Operating Income (Deficiency) Surplus	\$ (100,461)	\$ 0
Tax Effect	<u> </u>	<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (100,461)</u>	<u>\$ 0</u>

AWC Combined Water (Lakeland, White Rock, Tioga Gilford Village and Tioga Belmont

Statement of Income - Water

Schedule 1

Line No.	Account Title (Number) (a)	LL Water Actual 2019 Year End Balance (b)	WR Actual 2019 Year End Balance (c)	TGV Actual 12 Months 4/30/20 Balance (d)	TB Actual 12 Months 4/30/20 Balance (e)	Combined Actual Year End Balance (f)	Proforma Adjustment	Combined Proforma Balance
UTILITY OPERATING INCOME								
1	Operating Revenues(400)	\$ 122,737	\$82,211	\$ 28,833	\$ 18,346	\$ 252,127	\$ 222,753	\$ 474,880
2	Operating Expenses:							
3	Operating and Maintenance Expense (401):							
4	Source of Supply	-	-	-	-	-	-	-
5	Pumping Expenses	12,546	27,698	12,719	13,811	66,774		66,774
6	Water Treatment Expense	7,633	2,653	1,454	2,603	14,343		14,343
7	T&D Expenses	2,746	3,693	5,370	6,914	18,723		18,723
8	Customer Expense	3,384	7,068	4,443	3,675	18,570		18,570
9	Administrative & General Expense	27,537	40,922	23,182	23,927	115,568	2,663	118,231
10	Total Operating and Maintenance Expense	53,846	82,034	47,168	50,930	233,978	2,663	236,641
11	Depreciation Expense (403)	22,279	19,061	12,054	7,775	61,169	9,574	70,743
12	Amortization of Contribution in Aid of Construction (405)	(1,419)	(5,139)	(2,710)	(2,314.00)	(11,582)	(1,540)	(13,122)
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,644	1,091			2,735		2,735
14	Amortization Expense-Other (407)						22,937	22,937
15	Taxes Other Than Income (408.1-408.13)	9,510	9,789	1,165	973	21,437	16,900	38,337
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	7,269	(7,200)	(5,000)	(7,600)	(12,531)	37,464	24,933
17	Total Operating Expenses	\$ 93,129	\$ 99,636	\$ 52,677	\$ 49,764	\$ 295,206	\$ 87,998	\$ 383,204
18	Net Operating Income (Loss)	29,608	(17,425)	(23,844)	(31,418)	(43,079)	\$ 134,755	91,676
19	Other Income and Deductions							
20	Interest and Dividend Income (419)	1,161	429			1,590		1,590
21	Allow. for funds Used During Construction (420)							
22	Nonutility Income (421)							
23	Gains (Losses) From Disposition of Nonutility Property (421)							
24	Miscellaneous Nonutility Expenses (426)							
25	Interest Expense (427)	(6,322)	(2,537)	(756)	(718)	(10,333)	(378)	(10,711)
26	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)							
27	Total Other Income and Deductions	\$ (5,161)	\$ (2,108)	\$ (756)	\$ (718)	\$ (8,743)	\$ (378)	\$ (9,121)
28	NET INCOME (LOSS)	\$ 24,447	\$ (19,533)	\$ (24,600)	\$ (32,136)	\$ (51,822)	\$ 134,377	\$ 82,555

AWC Combined Water (Lakeland, White Rock, Tioga Gilford Village and Tioga Belmont)

Rate Base - Water

Schedule 3

Line No.	Account Title (a)	LL Water 5 Qtrs Avg Year End Balance (b)	WR 5 Qtrs Avg Year End Balance (c)	TGV 5 Qtrs Avg Year End Balance (d)	TB 5 Qtrs Avg Year End Balance (e)	Combined December 2019 Balance (f)	Proforma Adjustments (h)	Combined Proforma Year End Balance (i)
1	Plant in Service	\$ 681,800	\$ 571,940	\$ 237,473	\$ 171,201	\$ 1,662,414	\$ 315,977	\$ 1,978,391
2	Less: Accumulated Depreciation	305,957	248,603	89,298	71,872	715,730	34,378	750,108
3	Net Utility Plant	\$ 375,843	\$ 323,337	\$ 148,175	\$ 99,329	\$ 946,684	\$ 281,599	\$ 1,228,283
4	Material and Supplies	7,316			470	7,786	1,901	9,687
5	Miscellaneous Deferred Debits						156,053	156,053
6	Accum Amort of Misc Def DRs						(9,280)	(9,280)
7	Contribution in Aid of Construction	(43,052)	(143,900)	(79,205)	(61,894)	(328,051)	(13,000)	(341,051)
8	Accumulated Amortization of CIAC	12,789	71,946	44,748	28,230	157,713	8,159	165,872
9	Accumulated Deferred Income Taxes	(60,592)	(18,249)	380	200	(78,261)	(7,323)	(85,584)
10	Rate Base	\$ 292,304	\$ 233,134	\$ 114,098	\$ 66,335	\$ 705,871	\$ 418,109	\$ 1,123,980
11	Cash Working Capital (1)	6,639	10,115	5,816	6,280	28,850	329	29,179
12	Total Rate Base	\$ 298,943	\$ 243,249	\$ 119,914	\$ 72,615	\$ 734,721	\$ 418,438	\$ 1,153,159
	(1) Cash Working Capital 5 Quarter Year End Balance is the same as the December 2019 Balance.							

Abenaki Water Company letterhead

PUC 1604.02(a)(5)

Dear LL Sewer Customer,

On October 30, 2020 Abenaki Water Company (“Abenaki” or “Company”) filed for a rate increase for its Lakeland (“LL”) Sewer customers with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, LL Sewer’s annual revenues would increase \$11,066 or 9.98 %. The Company is proposing that the new rate tariff be effective December 1, 2020.

During the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to \$1,175. Its actual operating revenues amounted to \$115,921. Its actual operating expenses amounted to \$114,156, resulting in a net operating income (loss) of \$1,765. The net operating income (loss) of \$1,765 is less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the City of Laconia is increasing its sewer rate to the Company in 2020 and 2021. In addition, the Company is requesting NHPUC approval of a mechanism whereby City of Laconia sewer increases are passed on to LL Sewer customers after PUC review without a significant and costly proceeding.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Abenaki Water Company letterhead

PUC 1604.02(a)(5)

Dear LL Water Customer,

On October 30, 2020 Abenaki Water Company (“Abenaki” or “Company”) filed for a rate increase for its Lakeland (“LL”) Water customers with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, LL Water’s annual revenues would increase \$102 or 0.081 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that LL Water customers’ revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC’s other water systems, the combined revenues / rates of AWC’s other water systems including LL Water would increase \$228,009 or 91.34%.

For LL Water, during the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to \$24,447. Its actual operating revenues amounted to \$122,737. Its actual operating expenses amounted to \$93,129, resulting in a net operating income (loss) of \$29,608. The net operating income (loss) of \$29,608 is more than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. There are a couple of minor issues here. In 2019 and 2020 LL Water invested in plant, which needs to be fully reflected in rate base. Also, in 2017, LL Water purchased water due to a water boiling order.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Abenaki Water Company letterhead

PUC 1604.02(a)(5)

Dear WR Water Customer,

On October 30, 2020 Abenaki Water Company (“Abenaki” or “Company”) filed for a rate increase for its White Rock (“WR”) Water customers with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, WR’s annual revenues would increase \$99,778 or 124.76 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that WR’s customers’ revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC’s other water systems, the combined revenues / rates of AWC’s other water systems including WR would increase \$228,009 or 91.34%.

For WR, during the twelve months ended December 31, 2019 (the test year) the actual net income (loss) amounted to (\$19,532). Its actual operating revenues amounted to \$82,211. Its actual operating expenses amounted to \$99,636, resulting in a net operating income (loss) of (\$17,425). The net operating income (loss) of (\$17,425) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the anticipated 2020 expenditures of approximately \$170,000 including \$125,000 to be funded with NH DWSRF, the significant 2018 and 2019 water outage expenditures of \$87,625 and the 2019/2020 tank inspection of \$26,512.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Abenaki Water Company letterhead

PUC 1604.02(a)(5)

Dear TGV Water Customer,

On October 30, 2020 Abenaki Water Company (“Abenaki” or “Company”) filed for a rate increase for its Tioga Gilford Village (“TGV”) Water customers with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, WR’s annual revenues would increase \$76,775 or 166.27 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that TGV’s customers’ revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC’s other water systems, the combined revenues / rates of AWC’s other water systems including WR would increase \$228,009 or 91.34%.

For TGV, during the twelve months ended April 30, 2020 (the test year) the actual net income (loss) amounted to (\$24,600). Its actual operating revenues amounted to \$28,833. Its actual operating expenses amounted to \$52,677, resulting in a net operating income (loss) of (\$23,844). The net operating income (loss) of (\$23,844) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the 2019 purchase and installation of meters amounting to \$30,907 and the recovery of due diligence costs amounting to \$33,461 incurred in the process of purchasing the water system and gaining PUC approval.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Abenaki Water Company letterhead

PUC 1604.02(a)(5)

Dear TB Water Customer,

On October 30, 2020 Abenaki Water Company (“Abenaki” or “Company”) filed for a rate increase for its Tioga Belmont (“TB”) Water customers with the New Hampshire Public Utilities Commission (“NHPUC”). If approved, as filed, WR’s annual revenues would increase \$78,403 or 427.36 %. The Company is proposing that the new rate tariff be effective December 1, 2020. The Company has also proposed that TB’s customers’ revenue / rates be consolidated with some of its other water systems. If the NHPUC approves the consolidation of revenues / rates with some of the AWC’s other water systems, the combined revenues / rates of AWC’s other water systems including WR would increase \$228,009 or 91.34%.

For TB, during the twelve months ended April 30, 2020 (the test year) the actual net income (loss) amounted to (\$32,136). Its actual operating revenues amounted to \$18,346. Its actual operating expenses amounted to \$49,764, resulting in a net operating income (loss) of (\$31,418). The net operating income (loss) of (\$31,418) is significantly less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues here are the anticipated 2020 expenditures of approximately \$54,000 including \$50,000 to be funded with NH DWGTF, the recovery of due diligence costs of \$32,175 incurred in the process of purchasing the water system and gaining PUC approval and the main break and water purchases amounting to \$31,890.

The rate increase will be subject to review and ultimate approval by the NHPUC. The Company will keep you apprised of the proceeding before the NHPUC and its ultimate conclusion.

Sincerely,

Nick LaChance
Vice president

Abenaki Water Company

1604.01b Requirements

(1) Charitable contributions

None

Abenaki Water Company

1604.01b Requirements

(2) Advertising charges

None

Abenaki Water Company

1604.01b Requirements

(3) Most recent construction budget

See attached

Capital Spending 3-year forecast

Project	Year	Lakeland Water	White Rock	Tioga Gilford	Tioga Belmont	Lakeland Sewer	Yearly Total
Replace Filtration and Media Equipment	2021			20,000			
Storage Tank Installation	2021				40,000		
Installation of Isolation Valves	2021				10,000		
Replace Filtration and Media Equipment	2022				15,000		
Tank Lining	2021		50,000				
Installation of Isolation Valves	2021		45,000				
Installation of Pressure Reducing Valves	2021		30,000				
2021 Total							210000
Upgrade Arsenic Treatment System	2022		30,000				
Replace Generator Transfer Switch	2022					3000	
SCADA Upgrades	2022	10000					
Pumping Equipment Upgrades	2022	20000					
Add System Blowoffs	2022			20000			
2022 Total							83000
Install SCADA	2023		15000				
Install SCADA	2023				10000		
System Mapping	2023	5000		5000	5000		
Update Station Panel & Controls	2023					20000	
2023 Total							60000

Please note, project scheduling or proposed capital expenditures may change due to unanticipated events.

Abenaki Water Company

1604.01b Requirements

- (4) AWC utilizes the NHPUC Uniform System of Accounts.

Abenaki Water Company

1604.01b Requirements

(5) Membership fees, dues, etc.

None

Abenaki Water Company

1604.01b Requirements

(6) Depreciation studies

None

Abenaki Water Company

1604.01b Requirements

(7) Management or financial audits

See enclosed PYF O'Connor Davies
audited financial statements for years
ended December 31, 2019 and 2018



Financial Statements

Years Ended December 31, 2019 and 2018

ABENAKI WATER COMPANY

Years Ended December 31, 2019 and 2018

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Independent Auditors' Report

**Board of Directors and Stockholder
Abenaki Water Company
Plainville, Connecticut**

Report on the Financial Statements

We have audited the accompanying financial statements of Abenaki Water Company (the "Company"), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of operations and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PKF O'CONNOR DAVIES, LLP
Four Corporate Drive, Suite 488, Shelton, CT 06484 | Tel: 203.929.3535 | Fax: 203.929.5470 | www.pkfod.com

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**Board of Directors and Stockholder
Abenaki Water Company
Plainville, Connecticut**

Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Accompanying Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 18 through 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

April 28, 2020
Shelton, Connecticut

ABENAKI WATER COMPANY

BALANCE SHEETS

	December 31,	
	<u>2019</u>	<u>2018</u>
Assets		
Utility plant, at cost	\$ 3,445,221	\$ 2,932,420
Less: accumulated depreciation and amortization	<u>(1,565,196)</u>	<u>(1,285,619)</u>
Net utility plant	<u>1,880,025</u>	<u>1,646,801</u>
Current assets:		
Cash and cash equivalents	24,860	16,359
Accounts receivable	27,311	14,310
Accrued unbilled revenues	63,985	55,748
Materials and supplies inventory	<u>15,395</u>	<u>13,344</u>
Total current assets	<u>131,551</u>	<u>99,761</u>
Deferred charges and other regulatory assets	476,587	340,312
Regulatory asset – income taxes recoverable	3,000	39,800
Investment in cooperative capital plan	<u>8,404</u>	<u>6,559</u>
	<u>487,991</u>	<u>386,671</u>
Total Assets	<u>\$ 2,499,567</u>	<u>\$ 2,133,233</u>

	December 31,	
	<u>2019</u>	<u>2018</u>
Stockholder's Equity and Liabilities		
Stockholder's equity:		
Common stock, no par; 100 shares authorized, issued and outstanding		
Additional paid in capital	\$ 1,066,251	\$ 620,021
Retained earnings	115,931	86,869
Total stockholder's equity	<u>1,182,182</u>	<u>706,890</u>
 Long-term debt, net of current portion	 <u>503,058</u>	 <u>479,943</u>
Current liabilities:		
Note payable, bank	13,900	90,000
Current portion of long-term debt	52,266	45,489
Accounts payable and accrued expenses	47,275	28,251
Due to affiliates	99,920	224,688
Total current liabilities	<u>213,361</u>	<u>388,428</u>
 Deferred income taxes	 60,800	 71,100
Regulatory liability – excess deferred income taxes	38,432	38,090
Regulatory liability – excess income taxes	18,814	9,407
Other deferred credits	81,751	81,751
Contributions in aid of construction	776,759	635,660
Less: accumulated amortization	<u>(375,590)</u>	<u>(278,036)</u>
	<u>600,966</u>	<u>557,972</u>
 Commitments (Notes 5 and 12)		
 Total Stockholder's Equity and Liabilities	 <u><u>\$ 2,499,567</u></u>	 <u><u>\$ 2,133,233</u></u>

ABENAKI WATER COMPANY

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

	Year Ended December 31,	
	2019	2018
Operating revenues	<u>\$ 705,735</u>	<u>\$ 633,883</u>
Operating expenses:		
Operation	446,566	392,613
Maintenance	43,137	41,279
Depreciation	103,187	86,470
Taxes other than income taxes	37,050	31,374
Income tax expense (benefit)	14,000	(1,110)
Total operating expenses	<u>643,940</u>	<u>550,626</u>
Utility operating income	<u>61,795</u>	<u>83,257</u>
Other income and (deductions):		
Impairment of regulatory asset	(13,065)	(36,234)
Patronage refund	5,192	5,459
Other income	100	
Income tax benefit on other deductions	2,300	8,600
Net other deductions	<u>(5,473)</u>	<u>(22,175)</u>
Income before interest expense	<u>56,322</u>	<u>61,082</u>
Interest expense:		
Interest on long-term debt	20,996	22,265
Other interest	2,812	1,094
Amortization of deferred financing costs	3,452	2,292
Total interest expense	<u>27,260</u>	<u>25,651</u>
Net income	29,062	35,431
Retained earnings, beginning	86,869	51,438
Retained earnings, ending	<u>\$ 115,931</u>	<u>\$ 86,869</u>
Per share amounts:		
Net income, basic	<u>\$ 290.62</u>	<u>\$ 354.31</u>
Book value	<u>\$ 11,821.82</u>	<u>\$ 7,068.90</u>

See notes to financial statements.

ABENAKI WATER COMPANY
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2019	2018
Cash flows from operating activities:		
Net income	\$ 29,062	\$ 35,431
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	128,631	118,916
Impairment of regulatory asset	13,065	36,234
Deferred income tax benefit	(5,000)	(10,010)
Investment in cooperative plan	(1,845)	(1,841)
Changes in operating assets and liabilities:		
Accounts receivable and accrued unbilled revenues	(21,238)	10,559
Materials and supplies inventory	(2,051)	1,151
Deferred charges	(220,254)	(153,603)
Accounts payable and accrued expenses	19,024	17,629
Due to affiliates	183,331	(1,402)
Regulatory liability – excess income taxes	9,407	9,407
Net cash provided by operating activities	132,132	62,471
Cash flows from investing activities:		
Additions to utility plant	(89,914)	(133,231)
Net cash used in investing activities	(89,914)	(133,231)
Cash flows from financing activities:		
Borrowings (repayments) on note payable, bank	(76,100)	90,000
Repayments of long-term debt	(49,425)	(43,698)
Capital contributions	91,808	30,500
Net cash provided by (used in) financing activities	(33,717)	76,802
Net change in cash and cash equivalents	8,501	6,042
Cash and cash equivalents, beginning	16,359	10,317
Cash and cash equivalents, ending	\$ 24,860	\$ 16,359

See notes to financial statements.

ABENAKI WATER COMPANY

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

1. Summary of significant accounting policies:

General:

Abenaki Water Company (the "Company"), a wholly owned subsidiary of New England Service Company ("NESC"), is a public utility distributing water to approximately 430 customers in Belmont and Bow and 410 customers in Carroll and Crawford's Purchase (collectively "Rosebrook"), and 40 customers in Gilford, New Hampshire. As a public utility operating in New Hampshire, the Company functions under rules and regulations prescribed by the New Hampshire Public Utilities Commission ("NH PUC").

Regulation:

The Company maintains its accounts in accordance with the NH PUC Uniform System of Accounts for Water Companies. The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America which include the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 980, *Regulated Operations* ("ASC 980"). Under ASC 980, regulated companies defer costs and credits on the balance sheet as regulatory assets and liabilities when it is probable that those costs and credits will be recognized in the rate setting process in a period different from the period in which they would have been reflected in income by an unregulated company. These deferred regulatory assets and liabilities are then reflected in the income statement in the period in which the same amounts are reflected in rates charged for service.

Basis of presentation and use of estimates:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting periods. Accordingly, actual results could differ from these estimates.

Utility plant:

The cost of additions to utility plant and improvements are capitalized. Costs include labor, materials, services and charges for such indirect costs as engineering, supervision, payroll taxes, employee benefits, transportation and certain preliminary survey and investigation charges. The costs of repairs and maintenance are expensed. When depreciable utility plant is retired or disposed of, its recorded cost along with the cost of removal, less salvage value, is charged to accumulated depreciation.

ABENAKI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

1. **Summary of significant accounting policies (continued):**

Utility plant (continued):

In accordance with NH PUC's regulations, depreciation on contributed plant is charged to Contributions in Aid of Construction. Such depreciation amounted to \$25,581 and \$20,658 in 2019 and 2018, respectively.

Utility plant as of December 31, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Intangible plant	\$ 185,747	\$ 133,816
Source of supply plant	978,659	803,532
Pumping plant	493,484	385,617
Water treatment plant	270,331	234,618
Transmission and distribution plant	1,359,861	1,242,110
General plant	<u>157,260</u>	<u>140,595</u>
Total utility plant in service	3,445,342	2,940,288
Construction work in progress	13,363	5,616
Utility plant acquisition adjustment	<u>(13,484)</u>	<u>(13,484)</u>
Total utility plant	<u>\$3,445,221</u>	<u>\$2,932,420</u>

Depreciation:

The Company uses the straight-line method of depreciation over the estimated service lives of depreciable plant ranging from 5 to 50 years as approved by NH PUC. Utility plant funded by advances and contributions is excluded from rate base. The cost of this plant, offset by an equal corresponding amount reported within Contributions in Aid of Construction, is \$776,759 and \$635,660 as of December 31, 2019 and 2018, respectively.

Cash and cash equivalents:

The Company considers all highly liquid investments that have an original maturity of less than three months to be cash equivalents. The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant risk related to cash and cash equivalents.

ABENAKI WATER COMPANY

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

1. Summary of significant accounting policies (continued):

Materials and supplies inventory:

Materials and supplies inventory, which is stated at the lower of cost or net realizable value using the weighted average cost method, is primarily for the construction and maintenance of utility plant.

Fair value:

Estimated fair value is based on the criteria outlined in ASC No. 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 established a "three-tier" valuation hierarchy to prioritize the assumptions used in valuation techniques to measure fair value. The three levels of fair value hierarchy under ASC 820 are detailed below:

- **Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- **Level 2** – Quoted prices in active markets for similar assets and liabilities or quoted prices in less active, dealer or broker markets;
- **Level 3** – Prices or valuations that require inputs that are both significant to the fair value measurements and are unobservable.

Deferred charges and other regulatory assets:

Costs of certain administrative projects relating to regulatory processes and costs of items which benefit more than one accounting period are deferred and amortized to income over their respective lives and/or periods allowed by NH PUC using the straight-line method.

Costs which are "not yet amortizable" may be charged entirely to income if and when the Company believes it is probable that NH PUC will not allow the Company to recover these costs through rates.

Amortization expense charged to operations in 2019 and 2018 was \$35,441 and \$32,555, respectively and is recorded within operation expenses in the statements of operations and retained earnings.

ABENAKI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

1. Summary of significant accounting policies (continued):

Deferred charges and other regulatory assets (continued):

The following costs have been deferred at December 31, 2019 and 2018:

	<u>Original Cost</u>	<u>2019</u>	<u>2018</u>	<u>Amortization Period Ends</u>
2015 rate case costs	\$ 75,389		\$ 7,539	March 1, 2019
2017 rate case costs - Rosebrook	79,657	\$ 68,620	78,770	September 30, 2021
2017 rate case costs - Rosebrook	29,855	29,855		Not yet amortizable
Digitize and mapping	24,959	24,959	5,924	Not yet amortizable
Docket #DW 18-047 Tax Effect	8,490	8,490	-	Not yet amortizable
Due diligence - other	88,086	88,086	45,484	Not yet amortizable
Due diligence - Rosebrook	51,931		51,931	Reclassified to utility plant
Leak detection costs	72,743	72,743	18,749	Not yet amortizable
Other deferred costs	52,346	52,346	31,466	Not yet amortizable
Preliminary survey and investigation	42,795	42,795	25,342	Not yet amortizable
ROE petition	17,568	-	17,568	Reclassified to 2017 rate case costs
Tank inspection	7,740	7,740	-	Not yet amortizable
Water pressure study	80,953	<u>80,953</u>	<u>57,539</u>	Not yet amortizable
Total deferred charges and other regulatory assets		<u>\$ 476,587</u>	<u>\$ 340,312</u>	

Deferred financing costs:

Deferred financing costs are reported on the balance sheet as a direct deduction from the face amount of debt. The deferred financing costs are amortized over the term of the debt on the method that approximates the interest method.

Income taxes:

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act") was signed into law. The Act changed existing United States tax law and included a number of provisions that affected the Company, including reducing the federal corporate tax rate from 34% to 21% effective January 1, 2018, and, specifically for public utility companies, requiring customer advances for construction be included in taxable income and eliminating bonus depreciation. See Note 4.

Deferred income taxes are provided for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which differences are expected to reverse.

ABENAKI WATER COMPANY

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

1. **Summary of significant accounting policies (continued):**

Income taxes (continued):

These differences relate principally to the use of accelerated depreciation for income tax purposes, timing differences in the deductibility of certain expenses and future benefits to be recognized upon the utilization of net operating loss carryforwards.

Additionally, the Company provides a regulatory asset for income tax benefits (primarily federal and state income tax reductions due to the adoption of tangible property regulations issued by the Internal Revenue Service ("IRS") and state income tax reductions due to accelerated depreciation) which have been flowed-through to the ratepayers under NH PUC rate setting policies and which the Company believes it will recover in rates when these income tax benefits reverse. The tangible property regulations, among other things, allow for the immediate deduction for tax purposes, as an ordinary and necessary repair expense, qualifying expenditures that previously would have been capitalized and depreciated over the estimated useful life of the asset. See Note 3.

Contributions in aid of construction:

In certain cases, real estate developers and others advance funds to the Company for the construction of water main extension projects. A portion of these funds are potentially refundable, without interest, usually within a ten year period. As a result of the Act, the Company may collect additional funds from developers and others for any additional income taxes incurred by the Company. There are no potential amounts refundable on completed projects as of December 31, 2019 and 2018.

Contributions in Aid of Construction are amortized over the remaining useful life of the related "contributed" utility plant item to accumulated amortization. Total amortization taken during 2019 and 2018 was \$25,581 and \$20,658, respectively.

2. **Acquisition of net utility plant:**

On April 30, 2019, the Company acquired the rate base assets of Tioga River Water Company, Inc. ("Tioga"), a New Hampshire corporation and a regulated public water utility that provides water service to 22 customers in Belmont and 39 customers in Gilford.

In connection with the acquisition, the Company obtained regulatory approval for the assumption of Tioga's existing long-term debt. See Note 6.

ABENAKI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

2. Acquisition of net utility plant (continued):

The acquisition has been accounted for in accordance with the provisions of the Financial Accounting Standards Board ASC No. 980, *Regulated Operations* and NH PUC guidance. Accordingly, the transfer of rate base assets was recorded at the original cost and related accumulated depreciation in accordance with regulatory segregation of such amounts.

The following table summarizes the consideration paid by AWC and the amounts of assets acquired and liabilities assumed recognized at the acquisition date:

Consideration:

Due from NESC	<u>\$ 78,163</u>
---------------	------------------

Recognized amounts of identified assets acquired and liabilities assumed:

Utility plant - Belmont, at cost	\$179,024
Less: accumulated depreciation and amortization	(69,297)
Contribution in aid of construction, net of accumulated amortization	(34,127)
Utility plant - Gilford, at cost	199,749
Less: accumulated depreciation and amortization	(85,160)
Contribution in aid of construction, net of accumulated amortization	(34,999)
Prepaid deferred financing costs	4,676
Assumption of long-term debt	<u>(81,703)</u>
	<u>\$ 78,163</u>

3. Regulatory matters:

On May 10, 2019, NH PUC issued order No. 26,251, *Investigation to Determine Rate Effects of Corporate Tax Reductions* (“Order 26,251”), which was undertaken by NH PUC to address the impact on rates charged to customers due to the reduction in the federal corporate tax rate from 34% to 21% and in the state business enterprise tax rates from 0.720% to 0.675% and state business profits tax from 8.2% to 7.9%. Specifically, Order 26,251 addressed two areas of income taxes: (1) the income tax expense included in rates charged to customers; and (2) the excess accumulated deferred income tax (“EDIT”) liability.

In accordance with the order, the Company was ordered to create a regulatory liability of \$9,407 annually to account for the decrease in its federal and state income tax expenses and to establish a regulatory liability of \$38,966 to account for its EDIT, effective January 1, 2018. The Company was further ordered to suspend amortization of EDIT for Belmont and Bow systems until those systems’ next general rate proceedings.

ABENAKI WATER COMPANY

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

3. Regulatory matters (continued):

The Company's financial statements as of and for the years ended December 31, 2019 and 2018 have been adjusted to comply with these orders.

As necessary, the Company applies to the NH PUC for changes in the rates charged for service. The rate increase requests are based on the levels of operating expenses and capital costs that are expected to be in effect when the rates become effective. The revenues requested are based on actual sales during the historic test year selected by the Company as the base period, but are adjusted for known and measurable changes such as an increase or decrease in the number of customers or a documented change in customer usage.

On October 1, 2019, AWC entered into temporary-permanent rate recoupment and partial recovery of rate case expenses settlement agreements with the NH PUC. The agreements approved the recoupment of \$39,533 difference between the temporary and permanent rates and the recovery of \$79,657 in uncontested rate case expenses. AWC was authorized to collect a fixed monthly surcharge from its customers for the period of 18-24 months, depending on the type of the customer, to recover the approved charges.

On November 5, 2018, AWC entered into rate settlement agreements with the Office of the Consumer Advocate and the NH PUC. The settlement agreement approved an increase in annual water service revenues for Carroll and Crawford's Purchase water customers of \$64,736 or 23.43% based on the test year and an additional \$15,043 or 5.44% step adjustment based on certain plant additions, which were placed in service subsequent to the test year, effective January 1, 2019. Furthermore, AWC was also authorized to amortize the EDIT for Rosebrook system at the rate of \$538 annually.

4. Investment in cooperative capital plan:

The Company has an investment in CoBank's cooperative capital plan, which earns an annual patronage distribution on the average loan volume outstanding, of which portion (60% in 2019) is paid in cash and the remaining distribution in the form of Class A Common Stock of CoBank, ACB. The patronage distribution is paid to participants subsequent to the year in which it is earned.

The Company earned a patronage refund of 80 basis points on its average loan amount outstanding of \$648,933 and \$575,066 during 2019 and 2018, respectively. Out of the total refund due of \$5,192 and \$4,601, \$1,845 and \$1,840 was allocated to the investment and the remaining amount is included in accounts receivable at 2019 and 2018, respectively.

The investment is valued using the cost method of accounting. Under this method, only dividends received, and not the Company's share of the earnings or losses of the investments, are included in the statements of operations.

ABENAKI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

5. Note payable, bank:

The Company has a \$150,000 secured line of credit with interest at LIBOR plus 1.75%, as defined (3.49% at December 31, 2019). The line of credit expires in June 2020. Total amount outstanding was \$13,900 and \$90,000 at December 31, 2019 and 2018, respectively.

6. Long-term debt:

The Company has a mortgage payable and term loan, bank, that are secured by substantially all of the assets of the Company and are guaranteed by NESC.

The Company's mortgage and term loan, bank, agreements contains certain financial covenants that require, among other things, maintenance of minimum funded debt to capitalization ratio and minimum debt service coverage ratio, as defined. As of December 31, 2019, the Company was in compliance with these financial covenants.

A summary of long-term debt at December 31, 2019 and 2018 follows:

	2019	2018
Mortgage payable, bank, 3.68%, \$3,003 of interest and principal due monthly through February 2024.	\$138,669	\$168,871
Term loan, bank, 3.55%, \$2,350 of interest and principal due monthly through September 2036.	353,886	369,021
Term loan, State Revolving Fund, 2.86%, \$645 of interest and principal due monthly through October 2031.	77,614	-
	570,169	537,892
Less current portion	(52,266)	(45,489)
Net long-term portion due	517,903	492,403
Less unamortized finance costs	(14,845)	(12,460)
	\$503,058	\$479,943

Principal payments of long-term debt follow:

<u>Year ending December 31:</u>	<u>Amount</u>
2020	\$ 52,266
2021	54,674
2022	56,658
2023	58,715
2024	29,800
Thereafter	318,056
Total	<u>\$570,169</u>

ABENAKI WATER COMPANY

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

7. Revenue recognition from contracts with customers:

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (“ASU 2014-09”), which replaced most of the previous guidance related to revenue recognition. ASU 2014-09 requires an entity to recognize revenue as its performance obligations are met, in order to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration the entity is entitled to receive in exchange for those goods and services. ASU 2014-09, as amended, became effective for public companies for fiscal years beginning after December 15, 2017. Accordingly, the Company adopted ASU 2014-09 on January 1, 2018 using the modified retrospective transition approach.

The Company has determined that there was no change in either the measurement or the timing of revenues recognized under ASU 2014-09 as compared to the previous guidance. As a result, the adoption of ASU 2014-09 had no impact on the Company’s results of operations or cash flows.

Substantially all of the Company’s revenues are generated from regulated tariff-based sales of water and collections of wastewater. The Company’s performance obligation is comprised of a stand-ready obligation to deliver water and collect wastewater as well as the actual delivery and collection of water and wastewater to residential and commercial customers. The Company recognizes revenue through the passage of time at a fixed rate with respect to its stand-ready obligation, and at a price per unit of water delivered and wastewater collected based on tariffs established by NH PUC through the rate-making process.

The following table presents the Company’s operating revenues by customer class:

	Year ended December 31,	
	<u>2019</u>	<u>2018</u>
Water operations:		
Residential	\$341,156	\$277,112
Commercial	220,514	210,796
Surcharge	27,829	24,616
Wastewater operations:		
Residential	97,839	93,364
Commercial	13,043	12,097
Surcharge	5,039	15,493
Other	<u>315</u>	<u>405</u>
Total operating revenues	<u>\$705,735</u>	<u>\$633,883</u>

ABENAKI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

7. Revenue recognition from contracts with customers (continued):

All customers are billed monthly on a cycle basis. The Company accrues revenue and a related contract asset for actual or estimated water delivery and wastewater collection services provided but not yet billed to customers based on actual or estimated water usage from the latest meter reading to the end of the year.

The Company continuously monitors the creditworthiness of customers and establishes, when necessary, an allowance for amounts that may become uncollectible in the future based on current economic trends, historical payment and bad debt write-off experience. As permitted by the guidance, the Company has applied a portfolio approach to evaluating the customer's ability to pay, rather than evaluating each customer's ability to pay separately. Past due accounts are written off by management when collection efforts have been exhausted on a case-by-case basis. Accounts receivable at December 31, 2019 and 2018 is comprised solely of amounts due from customers related to regulated tariff-based sales of water and wastewater. The balance of accounts receivable as of December 31, 2017 was \$18,071.

8. Taxes other than income taxes:

Taxes other than income taxes for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Property taxes	\$27,920	\$24,869
State utility tax assessments	<u>9,130</u>	<u>6,505</u>
	<u>\$37,050</u>	<u>\$31,374</u>

9. Income taxes:

Income tax expense (benefit) for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>			<u>2018</u>
	<u>Federal</u>	<u>State</u>	<u>Total</u>	<u>Total</u>
Current	\$15,500	\$6,100	\$21,600	\$ 300
Tax benefit of operating loss carryforwards		(4,900)	(4,900)	
Deferred	(5,000)	-	(5,000)	(10,010)
Total income taxes (benefit)	\$10,500	\$1,200	11,700	(9,710)
Less attributed to other income			<u>2,300</u>	8,600
Net charged to utility operations			<u>\$14,000</u>	<u>(\$1,110)</u>

The Company's deferred tax liability results solely from the accelerated depreciation on utility plant.

ABENAKI WATER COMPANY

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

9. **Income taxes (continued):**

The Company files consolidated federal income and combined unitary state tax returns with NESC and its affiliates, Valley Water Systems, Inc. (VWS), Colonial Water Company (CWC), and Mountain Water Systems (MWS). Income tax expense has been recorded as if the Company filed income tax returns on a “stand-alone” basis.

The conclusions of the Company’s management regarding tax positions may be subject to review and adjustment at a later date based on an ongoing analysis of tax laws, regulations, and interpretations. Generally, federal and state authorities may examine the consolidated tax returns three years from the date of filing. Consequently, income tax returns for years prior to 2016 are no longer subject to examination by taxing authorities.

10. **Earnings per share:**

Earnings per share on common stock are computed by dividing net income, by the weighted average number of shares outstanding, which are 100 for the years ended December 31, 2019 and 2018.

11. **Related party transactions:**

Certain expenses are allocated to and from NESC and its affiliate, VWS. Below is a summary of the balances due from (owed to) related parties as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
NESC	(\$114,630)	(\$224,550)
VWS	<u>14,710</u>	(138)
	<u>(\$ 99,920)</u>	<u>(\$224,688)</u>

The Company also purchases services and materials from NESC, VWS and MWS. Below is a summary of related party transactions for the years ended December 31, 2019 and 2018:

	December 31,	
	<u>2019</u>	<u>2018</u>
Related party purchases:		
NESC	\$397,651	\$312,154
VWS	6,017	578
MWS	<u>86</u>	<u>17</u>
	<u>\$403,754</u>	<u>\$312,749</u>

ABENAKI WATER COMPANY
NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

12. Commitment:

Capital budget:

The Company is engaged in a continuous construction program and expects to spend approximately \$650,000 over the next five years for new utility plant and/or improvements to existing infrastructure. A majority of this program is expected to be financed with internally generated funds.

13. Concentration:

Approximately 30% of total revenue was derived from one customer in 2019 and 2018. The Company had outstanding accounts receivable from this customer of approximately \$3,700 and \$3,900 at December 31, 2019 and 2018, respectively.

14. Supplemental disclosure of cash flow information:

	2019	2018
Interest paid	\$19,385	\$21,319
Income taxes paid	\$ 5,181	\$ -

Supplemental disclosure of non-cash investing and financing activities:

Acquisition of rate base assets of Tioga was financed through advance from NESC of \$78,163. In connection with the acquisition, the Company assumed existing long-term debt of Tioga of \$81,703.

During 2019, NESC converted \$354,422 due from the Company into additional paid in capital.

15. Subsequent events:

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through April 28, 2020, the date which the financial statements were available for issue.

The Company's operations and financial performance may be affected by the recent coronavirus outbreak which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the Company may experience a disruption in operations as well as a decline in Company's business, financial conditions and results of operations on an interim basis.

ABENAKI WATER COMPANY

SCHEDULE OF CHANGES IN UTILITY PLANT

Year Ended December 31, 2019

	Utility Plant, at Cost					Balance 12/31/2019
	Balance 12/31/2018	Acquisition	Additions	Dispositions	Reclass	
Intangible plant						
Organization	\$ 133,816				\$ 51,931	\$ 185,747 ✓
Source of supply plant						
Land and land rights	13,207	\$ 1,005				14,212 ✓
Structures and improvements	333,673	124,461				458,134 ✓
Wells and springs	452,228	41,656				493,884 ✓
Other supply plants	4,424	5,885	\$ 2,120			12,429 ✓
Pumping plant						
Purchase and install generator	13,700		3,025			16,725 ✓
Electric pumping equipment	371,918	100,743	7,748	(3,650)		476,759 ✓
Water treatment plant						
Water treatment equipment	234,618	34,392	1,321			270,331 ✓
Transmission and distribution plant						
Distribution reservoirs	127,759	4,969				132,728 ✓
Mains - sewer	100,000					100,000 ✓
Mains	562,908	28,199				591,107 ✓
Services	86,146	29,523				115,669 ✓
Services and renewals	10,761		8,996			19,757 ✓
Meters	199,720	6,801	23,573			230,094 ✓
Meter installations	75,039		15,690			90,729 ✓
Hydrants	79,776					79,776 ✓
General plant						
Phone system upgrade	51,601	1,139				52,740 ✓
NDS and website	3,169		15,526			18,695 ✓
Remote software						
Other plant and miscellaneous equipmer	74,766					74,766 ✓
Structures - sewer	3,855					3,855 ✓
Sewer pump	7,204					7,204 ✓
Total utility plant in service	<u>2,940,288</u>	<u>378,773</u>	<u>77,999</u>	<u>(3,650)</u>	<u>51,931</u>	<u>3,445,341</u>
Construction work in progress	5,616		89,914	(77,999)	(4,168)	13,363
Utility plant acquisition adjustment	(13,484)					(13,484)
Total utility plant	<u>\$2,932,420</u>	<u>\$378,773</u>	<u>\$167,913</u>	<u>(\$81,649)</u>	<u>\$47,763</u>	<u>\$3,445,220</u>

See notes to financial statements.

ABENAKI WATER COMPANY

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (DEFICIT) BY SYSTEM

	Year Ended December 31,						2018 Total
	2019	Belmont	Bow	Rosebrook	Tioga	Gilford Village	
Operating revenues	\$ 238,658	\$ 82,211	\$ 353,557	\$ 12,638	\$ 18,671	\$ 705,735	\$ 633,883
Operating expenses:							
Operation	155,005	72,403	166,734	27,548	24,876	446,566	392,613
Maintenance	6,498	9,631	14,867	8,316	3,825	43,137	41,279
Depreciation	27,081	15,013	50,970	3,218	6,905	103,187	86,470
Taxes other than income taxes	10,598	9,789	16,117	273	273	37,050	31,374
Income tax expense (benefit)	7,750	(7,300)	26,150	(7,600)	(5,000)	14,000	190
Total operating expenses	206,932	99,536	274,838	31,755	30,879	643,940	551,926
Utility operating income (loss)	31,726	(17,325)	78,719	(19,117)	(12,208)	61,795	81,957
Other income and (deductions):							
Impairment of regulatory asset			(13,065)			(13,065)	(36,234)
Patronage refund	1,293	429	3,470			5,192	5,459
Other income			100			100	
Income tax benefit (expense) on other income (deductions)	(350)	(100)	2,750			2,300	9,900
Net other income (deductions)	943	329	(6,745)			(5,473)	(20,875)
Income (loss) before interest expense	32,669	(16,996)	71,974	(19,117)	(12,208)	56,322	61,082
Interest expense:							
Interest on long-term debt	4,719	1,573	14,147	259	298	20,996	22,265
Other interest	703	422	1,687			2,812	1,094
Amortization of deferred financing costs	1,623	541	128	599	561	3,452	2,292
Total interest expense	7,045	2,536	15,962	858	859	27,260	25,651
Net income (loss)	25,624	(19,532)	56,012	(19,975)	(13,067)	29,062	35,431
Retained earnings (deficit), beginning	122,110	(5,242)	(29,999)	-	-	86,869	51,438
Retained earnings (deficit), ending	\$ 147,734	\$ (24,774)	\$ 26,013	\$ (19,975)	\$ (13,067)	\$ 115,931	\$ 86,869

See notes to financial statements.

ABENAKI WATER COMPANY

SCHEDULES OF OPERATION EXPENSES BY SYSTEM

	Year Ended December 31,						2018
	Belmont	Bow	Rosebrook	Tioga	Gilford Village	Total	Total
Pumping:							
Power purchased for pumping water	\$ 2,352	\$ 10,803	\$ 25,746	\$ 4,575	\$ 5,680	\$ 49,156	\$ 34,781
Power purchased for pumping sewer	6,959					6,959	6,650
Labor – water	6,969	11,336	18,730	4,142	1,912	43,089	45,012
Labor and other – sewer	8,001					8,001	8,554
	<u>24,281</u>	<u>22,139</u>	<u>44,476</u>	<u>8,717</u>	<u>7,592</u>	<u>107,205</u>	<u>94,997</u>
Treatment:							
Sewer	62,751					62,751	56,652
Water	7,312	2,451	16,036	1,994	929	28,722	25,706
	<u>70,063</u>	<u>2,451</u>	<u>16,036</u>	<u>1,994</u>	<u>929</u>	<u>91,473</u>	<u>82,358</u>
Customer accounts:							
Meter reading	1,237	1,216	3,324	318	662	6,757	6,504
Supervision	1,682	2,370	4,911	1,807	1,026	11,796	10,617
	<u>2,919</u>	<u>3,586</u>	<u>8,235</u>	<u>2,125</u>	<u>1,688</u>	<u>18,553</u>	<u>17,121</u>
Administrative and general:							
Administrative and general salaries	30,621	29,063	32,557	12,070	12,278	116,589	96,273
Office supplies and other	6,389	3,931	16,100	1,801	1,429	29,650	27,006
Property insurance	1,476	1,018	3,157	338	352	6,341	5,496
Regulatory commission expense	7,898	3,853	27,413	395	464	40,023	35,764
Outside services employed	11,358	6,362	18,760	108	144	36,732	33,598
	<u>57,742</u>	<u>44,227</u>	<u>97,987</u>	<u>14,712</u>	<u>14,667</u>	<u>229,335</u>	<u>198,137</u>
Total operation expenses	<u>\$ 155,005</u>	<u>\$ 72,403</u>	<u>\$ 166,734</u>	<u>\$ 27,548</u>	<u>\$ 24,876</u>	<u>\$ 446,566</u>	<u>\$ 392,613</u>

See notes to financial statements.

ABENAKI WATER COMPANY

SCHEDULES OF MAINTENANCE EXPENSES BY SYSTEM

	Years Ended December 31,						2018 Total
	2019	Belmont	Bow	Rosebrook	Tioga	Gilford Village	
Pumping:							
Structures and improvements	\$ 1,444	\$ 2,038	\$ 3,498	\$ 810	\$ 276	\$ 8,066	\$ 4,471
Pumping equipment	1,781	3,521	152	838	373	6,665	7,901
	<u>3,225</u>	<u>5,559</u>	<u>3,650</u>	<u>1,648</u>	<u>649</u>	<u>14,731</u>	<u>12,372</u>
Treatment:							
Maintenance treatment equipment	320	202	2,010	220	93	2,845	2,727
	<u>320</u>	<u>202</u>	<u>2,010</u>	<u>220</u>	<u>93</u>	<u>2,845</u>	<u>2,727</u>
Transmission and distribution:							
Transmission and distribution mains	122	953	1,881	6,175	923	10,054	4,097
Other	208	177	1,289		0	1,674	3,287
Services	1,863	2,740	934	207	1,445	7,189	8,772
Meters	760	0	2,266	66	398	3,490	5,445
Hydrants			2,837		317	3,154	4,579
	<u>2,953</u>	<u>3,870</u>	<u>9,207</u>	<u>6,448</u>	<u>3,083</u>	<u>25,561</u>	<u>26,180</u>
Total maintenance expenses	<u>\$ 6,498</u>	<u>\$ 9,631</u>	<u>\$ 14,867</u>	<u>\$ 8,316</u>	<u>\$ 3,825</u>	<u>\$ 43,137</u>	<u>\$ 41,279</u>

See notes to financial statements.

Abenaki Water Company

1604.01b Requirements

(8) List of officers ... directors

See enclosed Schedule A-4 of the
2019 & 2018 PUC Annual Reports

A-4 LIST OF OFFICERS

Line No.	Title of Officer	Name	Residence	Compensation*
1	Chairman	Donald J. E. Vaughan	Southbridge, Ma.	\$ -
2	President	Robert Gallo	Simsbury, Ct.	-
3	Vice President	Nick LaChance	Simsbury, Ct.	-
4	Treasurer	Sheryl Fairchild	Torrington, Ct.	
5	Secretary	Jessica Johnson	New Britain, Ct.	
6	Asst. Secretary	Ryan Caouette	Barkhamstead, Ct.	
7				
8				
9				
10				

LIST OF DIRECTORS

Line No.	Name	Residence	Length of Term	Term Expires	No. of Meetings Attended	Annual Fees
11	Bonalyne Hartley	Sarasota, Fl.	Indefinite	N/A	4	\$ 925
12	Judith Wotton	Lake City, Fl.	Indefinite	N/A	4	675
13	Donald Vaughan	Southbridge, Ma.	Indefinite	N/A	4	-
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	List Directors' Fee per meeting					

* Includes compensation received from all sources except directors fees.

** All meetings held by written consent votes.

Docket No. DW 20-112
 Exhibit 2
 10/04/2019
 R. 1/2

A-4 LIST OF OFFICERS

Line No.	Title of Officer	Name	Residence	Compensation*
1	President	Pauline Doucette	Belmont, N. H.	\$ -
2	Chairman	Donald J. E. Vaughan	Southbridge, Ma.	-
3	Treasurer	Nick LaChance	Simbury, Ct.	-
4	Secretary	Sheryl Fairchild	Torrington, Ct.	-
5				
6				
7				
8				
9				
10				

LIST OF DIRECTORS

Line No.	Name	Residence	Length of Term	Term Expires	No. of Meetings Attended	Annual Fees
11	Bonalyn Hartley	Sarasota, Fl.	Indefinite	N/A	4	\$ 925
12	Judith Wotton	Lake City, Fl.	Indefinite	N/A	4	675
13	Donald Vaughan	Southbridge, Ma.	Indefinite	N/A	4	-
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	List Directors' Fee per meeting					

* Includes compensation received from all sources except directors fees.

** All meetings held by written consent votes.

Docket No. DW 20-112 (2) Attachment
 Exhibit 2
 Pg. 212

Abenaki Water Company

1604.01b Requirements

(9) List of all payments ...

See enclosed Schedule A-7 of the
2019 PUC Annual Reports

A-6 LIST OF TOWNS SERVED

List by operating divisions the towns served directly, indicating those in which franchise is for limited area by an asterisk (*) after name. Give population of the area and the number of customers.

Line No.	Town	Population of Area	Number of Customers	Line No.	Town	Population of Area	Number of Customers
1	Belmont N. H.	7,356	160	16	Sub Totals Forward:	30,120	725
2	Bow, N.H.	7,519	95	17			
3	Carroll, N.H.	763	409	18			
4	Belmont, NH	7,356	22	19			
5	Gilford, NH	7,126	39	20			
6				21			
7	Note: Of the 160 customers in			22			
8	Belmont N. H., 158 of them are			23			
9	also sewer customers.			24			
10				25			
11				26			
12				27			
13				28			
14				29			
15	Sub Totals Forward:	30,120	725	30			

A-7 PAYMENTS TO INDIVIDUALS

List names of all individuals, partnerships, or corporations to whom payments totaling \$10,000 or more for services rendered were made or accrued during the year, and the amount paid or accrued to each. Where payments or accruals to the individual members of a partnership or firm together total \$10,000 or more, list each individual and the amount paid or due each.

Line No.	Name	Address	Amount
1	NESC	Plainville,, Ct.	406,630
2	CoBank	Denver, CO	76,100
3	City of Laconia	Laconia, N. H.	41,160
4	Eversource	Dallas, TX	33,391
5	Stephen P. St. Cyr & Associates	Biddeford, Me.	32,996
6	Dworkin, Hillman, LaMorte, P. C.	Shelton, Ct.	26,550
7	Ti-Sales	Sudbury, MA	25,437
8	Upton & Hatfield, LLP	Concord, N. H.	21,003
9	NH Brown Law	Somersworth, NH	19,663
10	State of NH	Concord, NH	18,641
11	Integrated Controls Systems	La Vergne, TN	15,718
12	Harcros Chemicals	Westbrook, ME	13,178
13	Unitil	Hampton, NH	10,803
14	Town of Belmont	Belmont, NH	10,212
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30	Total		\$ 751,482

Abenaki Water Company

1604.01b Requirements

(10)	Non-utility operations	None
------	------------------------	------

Abenaki Water Company

1604.01b Requirements

(11) Balance Sheets and Income Statements
for the 2019, 2018 & 2017 if
previously filed with the
commission

The Balance Sheets and Income
Statements are filed with the
PUC as part of both the PUC
Annual Reports and the rate
filing.

Abenaki Water Company

1604.01b Requirements

(12) Quarterly Income Statements

See enclosed quarterly income statements for LL, WR, TGV & TB for 2019 and 2018. Please note The LL qtrly I/S are combined water and sewer. Also, please note that the TGV & TB qtrly I/S begin 5/1/19.

1004.016(12)Att
Attached Exhibit
pg. 1 of 3

**ABENAKI WATER COMPANY
 INCOME STATEMENTS - LAKELAND
 FOR THE PERIOD ENDED MARCH 31, 2019
 UNAUDITED**

	MAR MONTH ENDED		YTD-THREE MONTH ENDED	
	2019	2018	2019	2018
REVENUES:				
Residential Sales	8,926	9,266	25,853	26,294
Commercial Sales	1,619	1,464	5,446	4,216
Omni Hotel Properties Sales	-	-	-	-
Misc Service Revenues	-	25	-	25
Other Water Revenues - Surcharge	1,156	1,156	3,468	3,468
Sewer Sales - Residential	8,233	8,199	23,718	23,481
Sewer Sales - Commercial	1,118	1,001	3,213	2,923
Other Sewer Revenues - Surcharge	1,289	1,289	3,866	3,866
Reg Rev Adj-Excess Inc Tax	-	-	-	-
TOTAL OPER REVENUES	22,340	22,401	65,563	64,273
OPERATING EXPENSES:				
Pumping	1,116	483	2,778	2,797
Water Treatment	696	447	1,800	1,589
Trans. & Dist.	-	(4)	-	89
Maintenance of Meters	346	52	440	89
Maintenance of Services	249	-	249	-
Maintenance of Hydrants	-	-	-	-
Customer Accounts	861	792	2,091	1,989
Sewer Collection and Pumping	1,387	1,180	4,137	3,814
Sewer Treatment	5,371	5,101	14,935	14,190
Adm. & General	6,979	7,144	18,032	18,558
Depreciation	2,032	2,182	6,095	6,545
Property and Utility Taxes	760	835	2,281	2,370
Income Taxes	437	-	2,691	-
TOTAL OPER EXPENSES	20,232	18,212	55,529	52,030
UTILITY OPER INCOME	2,108	4,188	10,033	12,243
OTHER INCOME (DEDUCTIONS)				
Merch & Jobbing-Rev	-	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-	-
Merch & Jobbing-Exp	-	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-	-
AFUDC	-	-	-	-
Amortization of Acquisition Expense	(272)	(272)	(817)	(817)
Misc. Non-Utility Expense	-	-	-	-
Interest Income	0	0	0	0
Dividend Income	-	-	-	-
TOTAL OTHER INCOME (DED)	(272)	(272)	(817)	(817)
INTEREST & DEBT EXPENSE				
Interest on Long Term Debt	356	418	1,160	1,361
Interest on Short Term Debt	68	16	229	55
Amortization of Debt Exp	135	135	406	406
Other Interest Expense	-	-	-	-
TOTAL INT & DEBT EXPENSE	559	570	1,795	1,821
NET INCOME	1,277	3,346	7,422	9,605
Less Dividends Paid	-	-	-	-
NET INCREASE TO RET. EARNINGS	1,277	3,346	7,422	9,605

ABENAKI WATER COMPANY
INCOME STATEMENTS - LAKELAND
FOR THE PERIOD ENDED JUNE 30, 2019
UNAUDITED

	JUN MONTH ENDED		YTD-SIX MONTH ENDED	
	2019	2018	2019	2018
REVENUES:				
Residential Sales	8,927	9,067	52,407	52,657
Commercial Sales	1,413	1,943	9,664	9,312
Omni Hotel Properties Sales	-	-	-	-
Misc Service Revenues	-	-	100	125
Other Water Revenues - Surcharge	-	1,161	3,472	6,951
Sewer Sales - Residential	8,247	8,061	48,278	47,037
Sewer Sales - Commercial	1,057	1,019	6,367	5,933
Other Sewer Revenues - Surcharge	-	1,295	3,866	7,751
Reg Rev Adj-Excess Inc Tax	-	-	-	-
TOTAL OPER REVENUES	19,643	22,547	124,154	129,766
OPERATING EXPENSES:				
Pumping	924	815	6,793	5,217
Water Treatment	214	1,070	2,739	2,683
Trans. & Dist.	25	(0)	63	299
Maintenance of Meters	16	-	620	89
Maintenance of Services	734	1	1,115	35
Maintenance of Hydrants	-	-	-	-
Customer Accounts	765	820	3,940	4,272
Sewer Collection and Pumping	986	1,246	7,890	7,802
Sewer Treatment	5,284	4,981	30,654	28,505
Adm. & General	4,295	6,229	30,342	37,743
Depreciation	2,032	2,182	12,191	13,091
Property and Utility Taxes	760	835	5,098	4,875
Income Taxes	729	938	7,140	4,014
TOTAL OPER EXPENSES	16,764	19,116	108,586	108,624
UTILITY OPER INCOME	2,879	3,431	15,568	21,142
OTHER INCOME (DEDUCTIONS)				
Merch & Jobbing-Rev	-	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-	-
Merch & Jobbing-Exp	-	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-	-
AFUDC	-	-	-	-
Amortization of Acquisition Expense	(272)	(272)	(1,634)	(1,634)
Misc. Non-Utility Expense	-	-	-	-
Interest Income	0	0	0	0
Dividend Income	-	-	-	-
TOTAL OTHER INCOME (DED)	(272)	(272)	(1,634)	(1,634)
INTEREST & DEBT EXPENSE				
Interest on Long Term Debt	375	446	2,292	2,700
Interest on Short Term Debt	60	11	416	93
Amortization of Debt Exp	135	135	811	811
Other Interest Expense	-	-	-	-
TOTAL INT & DEBT EXPENSE	571	592	3,520	3,605
NET INCOME	2,036	2,567	10,415	15,903
Less Dividends Paid	-	-	-	-
NET INCREASE TO RET. EARNINGS	2,036	2,567	10,415	15,903

1004.015(12) Att.
Lakeland Combined
Pg. 3 of 3

ABENAKI WATER COMPANY
INCOME STATEMENTS - LAKELAND
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
UNAUDITED

	ONE MONTH ENDED		YTD-NINE MONTHS ENDED	
	2019	2018	2019	2018
REVENUES:				
Residential Sales	9,195	8,177	80,245	78,944
Commercial Sales	1,950	1,668	15,460	15,109
Omni Hotel Properties Sales	-	-	-	-
Misc Service Revenues	-	100	100	225
Other Water Revenues - Surcharge	-	1,161	3,472	10,432
Sewer Sales - Residential	8,444	7,401	73,798	70,538
Sewer Sales - Commercial	1,092	1,056	9,814	9,160
Other Sewer Revenues - Surcharge	-	1,295	5,039	11,633
Reg Rev Adj-Excess Inc Tax	-	-	-	-
TOTAL OPER REVENUES	20,681	20,858	187,927	196,041
OPERATING EXPENSES:				
Pumping	694	937	9,284	7,738
Water Treatment	850	81	4,868	2,956
Trans. & Dist.	-	-	63	299
Maintenance of Meters	(7)	3	720	108
Maintenance of Services	49	54	1,587	286
Maintenance of Hydrants	-	-	-	-
Customer Accounts	381	1,292	5,322	7,057
Sewer Collection and Pumping	1,992	1,467	11,892	11,264
Sewer Treatment	-	4,355	36,484	42,970
Adm. & General	3,309	6,050	41,806	54,540
Depreciation	2,032	2,049	18,286	18,439
Property and Utility Taxes	760	835	7,379	7,380
Income Taxes	-	775	8,453	8,303
TOTAL OPER EXPENSES	10,061	17,897	146,145	161,340
UTILITY OPER INCOME	10,620	2,961	41,782	34,701
OTHER INCOME (DEDUCTIONS)				
Merch & Jobbing-Rev	-	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-	-
Merch & Jobbing-Exp	-	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-	-
AFUDC	-	-	-	-
Amortization of Acquisition Expense	(272)	(272)	(2,451)	(2,452)
Misc. Non-Utility Expense	-	-	-	-
Interest Income	0	0	1	1
Dividend Income	-	206	-	206
TOTAL OTHER INCOME (DED)	(272)	(67)	(2,450)	(2,245)
INTEREST & DEBT EXPENSE				
Interest on Long Term Debt	357	428	3,371	3,988
Interest on Short Term Debt	54	6	586	115
Amortization of Debt Exp	135	135	1,217	1,217
Other Interest Expense	-	5	-	5
TOTAL INT & DEBT EXPENSE	547	574	5,174	5,325
NET INCOME	9,801	2,321	34,158	27,131
Less Dividends Paid	-	-	-	-
NET INCREASE TO RET. EARNINGS	9,801	2,321	34,158	27,131

ABENAKI WATER COMPANY
INCOME STATEMENTS - WHITE ROCK
FOR THE PERIOD ENDED MARCH 31, 2019
UNAUDITED

	MAR MONTH ENDED		YTD-THREE MONTH ENDED	
	2019	2018	2019	2018
REVENUES:				
Residential Sales	6,767	6,892	19,434	19,171
Commercial Sales	-	-	-	-
Omni Hotel Properties Sales	-	-	-	-
Misc Service Revenues	-	-	-	-
Other Water Revenues - Surcharge	899	889	2,697	2,639
Sewer Sales - Residential	-	-	-	-
Sewer Sales - Commercial	-	-	-	-
Other Sewer Revenues - Surcharge	-	-	-	-
Reg Rev Adj-Excess Inc Tax	-	-	-	-
TOTAL OPER REVENUES	7,666	7,781	22,131	21,810
OPERATING EXPENSES:				
Pumping	2,198	804	9,842	6,811
Water Treatment	120	36	434	128
Trans. & Dist.	59	(37)	59	405
Maintenance of Meters	-	-	-	-
Maintenance of Services	114	67	683	135
Maintenance of Hydrants	-	-	-	-
Customer Accounts	861	403	2,112	1,389
Sewer Collection and Pumping	-	-	-	-
Sewer Treatment	-	-	-	-
Adm. & General	4,410	3,570	10,279	8,917
Depreciation	1,172	1,322	3,515	3,965
Property and Utility Taxes	873	925	2,618	2,770
Income Taxes	(814)	-	(2,730)	-
TOTAL OPER EXPENSES	8,992	7,089	26,813	24,519
UTILITY OPER INCOME	(1,326)	692	(4,682)	(2,709)
OTHER INCOME (DEDUCTIONS)				
Merch & Jobbing-Rev	-	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-	-
Merch & Jobbing-Exp	-	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-	-
AFUDC	-	-	-	-
Amortization of Acquisition Expense	(91)	(91)	(272)	(272)
Misc. Non-Utility Expense	-	-	-	-
Interest Income	0	0	0	0
Dividend Income	-	-	-	-
TOTAL OTHER INCOME (DED)	(91)	(91)	(272)	(272)
INTEREST & DEBT EXPENSE				
Interest on Long Term Debt	119	139	387	454
Interest on Short Term Debt	41	10	137	33
Amortization of Debt Exp	45	45	135	135
Other Interest Expense	-	-	-	-
TOTAL INT & DEBT EXPENSE	204	194	659	622
NET INCOME	(1,621)	407	(5,614)	(3,603)
Less Dividends Paid	-	-	-	-
NET INCREASE TO RET. EARNINGS	(1,621)	407	(5,614)	(3,603)

ABENAKI WATER COMPANY
INCOME STATEMENTS - WHITE ROCK
FOR THE PERIOD ENDED JUNE 30, 2019
UNAUDITED

	JUN MONTH ENDED		YTD-SIX MONTH ENDED	
	2019	2018	2019	2018
REVENUES:				
Residential Sales	6,921	8,002	39,698	41,320
Commercial Sales	-	-	-	-
Omni Hotel Properties Sales	-	-	-	-
Misc Service Revenues	-	15	20	75
Other Water Revenues - Surcharge	-	899	2,697	5,335
Sewer Sales - Residential	-	-	-	-
Sewer Sales - Commercial	-	-	-	-
Other Sewer Revenues - Surcharge	-	-	-	-
Reg Rev Adj-Excess Inc Tax	-	-	-	-
TOTAL OPER REVENUES	6,921	8,915	42,414	46,730
OPERATING EXPENSES:				
Pumping	1,189	1,298	15,536	8,164
Water Treatment	92	188	683	365
Trans. & Dist.	35	(2,634)	258	815
Maintenance of Meters	-	3	-	153
Maintenance of Services	163	(1)	1,122	165
Maintenance of Hydrants	-	-	-	-
Customer Accounts	716	639	4,055	3,402
Sewer Collection and Pumping	-	-	-	-
Sewer Treatment	-	-	-	-
Adm. & General	3,584	3,153	21,274	19,047
Depreciation	1,172	1,322	7,030	7,930
Property and Utility Taxes	873	925	5,597	5,545
Income Taxes	(472)	1,017	(4,984)	(2,594)
TOTAL OPER EXPENSES	7,353	5,909	50,571	42,992
UTILITY OPER INCOME	(432)	3,006	(8,157)	3,737
OTHER INCOME (DEDUCTIONS)				
Merch & Jobbing-Rev	-	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-	-
Merch & Jobbing-Exp	-	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-	-
AFUDC	-	-	-	-
Amortization of Acquisition Expense	(91)	(91)	(545)	(545)
Misc. Non-Utility Expense	-	-	-	-
Interest Income	0	0	0	0
Dividend Income	-	-	-	-
TOTAL OTHER INCOME (DED)	(91)	(91)	(545)	(545)
INTEREST & DEBT EXPENSE				
Interest on Long Term Debt	125	149	764	900
Interest on Short Term Debt	36	7	250	56
Amortization of Debt Exp	45	45	270	270
Other Interest Expense	-	-	-	-
TOTAL INT & DEBT EXPENSE	206	200	1,284	1,226
NET INCOME	(729)	2,715	(9,986)	1,966
Less Dividends Paid	-	-	-	-
NET INCREASE TO RET. EARNINGS	(729)	2,715	(9,986)	1,966

**ABENAKI WATER COMPANY
 INCOME STATEMENTS - WHITE ROCK
 FOR THE PERIOD ENDED SEPTEMBER 30, 2019
 UNAUDITED**

	ONE MONTH ENDED		YTD-NINE MONTHS ENDED	
	2019	2018	2019	2018
REVENUES:				
Residential Sales	7,185	6,149	62,385	63,166
Commercial Sales	-	-	-	-
Omni Hotel Properties Sales	-	-	-	-
Misc Service Revenues	-	-	20	75
Other Water Revenues - Surcharge	-	899	2,697	8,031
Sewer Sales - Residential	-	-	-	-
Sewer Sales - Commercial	-	-	-	-
Other Sewer Revenues - Surcharge	-	-	-	-
Reg Rev Adj-Excess Inc Tax	-	-	-	-
TOTAL OPER REVENUES	7,185	7,047	65,101	71,272
OPERATING EXPENSES:				
Pumping	1,493	2,067	19,973	13,935
Water Treatment	91	359	1,005	924
Trans. & Dist.	229	53	645	928
Maintenance of Meters	-	3	-	174
Maintenance of Services	22	144	1,216	374
Maintenance of Hydrants	-	-	-	-
Customer Accounts	311	811	5,411	5,421
Sewer Collection and Pumping	-	-	-	-
Sewer Treatment	-	-	-	-
Adm. & General	2,715	3,190	30,109	28,075
Depreciation	1,172	1,235	10,546	11,113
Property and Utility Taxes	873	925	8,215	8,320
Income Taxes	-	(733)	(5,022)	(2,987)
TOTAL OPER EXPENSES	6,906	8,055	72,097	66,276
UTILITY OPER INCOME	279	(1,008)	(6,995)	4,996
OTHER INCOME (DEDUCTIONS)				
Merch & Jobbing-Rev	-	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-	-
Merch & Jobbing-Exp	-	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-	-
AFUDC	-	-	-	-
Amortization of Acquisition Expense	(91)	(91)	(819)	(817)
Misc. Non-Utility Expense	-	-	-	-
Interest Income	0	-	0	-
Dividend Income	-	69	-	69
TOTAL OTHER INCOME (DED)	(91)	(22)	(818)	(749)
INTEREST & DEBT EXPENSE				
Interest on Long Term Debt	119	143	1,124	1,329
Interest on Short Term Debt	33	3	352	69
Amortization of Debt Exp	45	45	406	406
Other Interest Expense	-	3	-	3
TOTAL INT & DEBT EXPENSE	197	194	1,881	1,807
NET INCOME	(8)	(1,224)	(9,695)	2,441
Less Dividends Paid	-	-	-	-
NET INCREASE TO RET. EARNINGS	(8)	(1,224)	(9,695)	2,441

1004.014 (12) Att
TGV pg. 142

ABENAKI WATER COMPANY
INCOME STATEMENTS - TIOGA GILFORD VILLAGE
FOR THE PERIOD ENDED JUNE 30, 2019
UNAUDITED

	JUN MONTH ENDED	YTD-SIX MONTH ENDED	
	2019	2019	2018
REVENUES:			
Residential Sales	4,285	4,285	-
Commercial Sales	435	435	-
Omni Hotel Properties Sales	-	-	-
Misc Service Revenues	-	-	-
Other Water Revenues - Surcharge	-	-	-
Sewer Sales - Residential	-	-	-
Sewer Sales - Commercial	-	-	-
Other Sewer Revenues - Surcharge	-	-	-
Reg Rev Adj-Excess Inc Tax	-	-	-
TOTAL OPER REVENUES	4,720	4,720	-
OPERATING EXPENSES:			
Pumping	266	1,530	-
Water Treatment	28	159	-
Trans. & Dist.	17	73	-
Maintenance of Meters	46	96	-
Maintenance of Services	8	486	-
Maintenance of Hydrants	29	29	-
Customer Accounts	64	64	-
Sewer Collection and Pumping	-	-	-
Sewer Treatment	-	-	-
Adm. & General	1,161	2,049	-
Depreciation	2,014	2,014	-
Property and Utility Taxes	-	-	-
Income Taxes	1,140	1,140	-
TOTAL OPER EXPENSES	4,771	7,640	-
UTILITY OPER INCOME	(51)	(2,920)	-
OTHER INCOME (DEDUCTIONS)			
Merch & Jobbing-Rev	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-
Merch & Jobbing-Exp	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-
AFUDC	-	-	-
Amortization of Acquisition Expense	-	-	-
Misc. Non-Utility Expense	-	-	-
Interest Income	-	-	-
Dividend Income	-	-	-
TOTAL OTHER INCOME (DED)	-	-	-
INTEREST & DEBT EXPENSE			
Interest on Long Term Debt	126	155	-
Interest on Short Term Debt	-	-	-
Amortization of Debt Exp	-	-	-
Other Interest Expense	-	-	-
TOTAL INT & DEBT EXPENSE	126	155	-
NET INCOME	(177)	(3,075)	-
Less Dividends Paid	-	-	-
NET INCREASE TO RET. EARNINGS	(177)	(3,075)	-

ABENAKI WATER COMPANY
INCOME STATEMENTS - TIOGA GILFORD VIL
FOR THE PERIOD ENDED SEPTEMBER 30, 20
UNAUDITED

	ONE MONTH ENDED	
	<u>2019</u>	<u>2018</u>
REVENUES:		
Residential Sales	4,231	-
Commercial Sales	332	-
Omni Hotel Properties Sales	-	-
Misc Service Revenues	-	-
Other Water Revenues - Surcharge	-	-
Sewer Sales - Residential	-	-
Sewer Sales - Commercial	-	-
Other Sewer Revenues - Surcharge	-	-
Reg Rev Adj-Excess Inc Tax	-	-
TOTAL OPER REVENUES	<u>4,563</u>	-
OPERATING EXPENSES:		
Pumping	870	-
Water Treatment	(11)	-
Trans. & Dist.	169	-
Maintenance of Meters	174	-
Maintenance of Services	16	-
Maintenance of Hydrants	-	-
Customer Accounts	176	-
Sewer Collection and Pumping	-	-
Sewer Treatment	-	-
Adm. & General	1,780	-
Depreciation	1,007	-
Property and Utility Taxes	-	-
Income Taxes	-	-
TOTAL OPER EXPENSES	<u>4,182</u>	-
UTILITY OPER INCOME	<u>381</u>	-
OTHER INCOME (DEDUCTIONS)		
Merch & Jobbing-Rev	-	-
Merch & Jobbing-Rev from VWS	-	-
Merch & Jobbing-Rev from Parent	-	-
Merch & Jobbing-Exp	-	-
Merch & Jobbing-Exp from VWS	-	-
Merch & Jobbing-Exp from Parent	-	-
AFUDC	-	-
Amortization of Acquisition Expense	-	-
Misc. Non-Utility Expense	-	-
Interest Income	-	-
Dividend Income	-	-
TOTAL OTHER INCOME (DED)	<u>-</u>	-
INTEREST & DEBT EXPENSE		
Interest on Long Term Debt	29	-
Interest on Short Term Debt	-	-
Amortization of Debt Exp	-	-
Other Interest Expense	-	-
TOTAL INT & DEBT EXPENSE	<u>29</u>	-
NET INCOME	<u>353</u>	-
Less Dividends Paid	-	-
NET INCREASE TO RET. EARNINGS	<u>353</u>	-

1004.015 (v2) AH
TB Pg 12

ABENAKI WATER COMPANY
INCOME STATEMENTS - TIOGA BELMONT
FOR THE PERIOD ENDED JUNE 30, 2019
UNAUDITED

	JUN MONTH ENDED	YTD-SIX MONTH ENDED	
	2019	2019	2018
REVENUES:			
Residential Sales	-	-	-
Commercial Sales	-	-	-
Omni Hotel Properties Sales	-	-	-
Misc Service Revenues	-	-	-
Other Water Revenues - Surcharge	-	-	-
Sewer Sales - Residential	-	-	-
Sewer Sales - Commercial	-	-	-
Other Sewer Revenues - Surcharge	-	-	-
Reg Rev Adj-Excess Inc Tax	-	-	-
TOTAL OPER REVENUES	-	-	-
OPERATING EXPENSES:			
Pumping	1,135	1,946	-
Water Treatment	576	890	-
Trans. & Dist.	61	61	-
Maintenance of Meters	5	46	-
Maintenance of Services	43	102	-
Maintenance of Hydrants	-	-	-
Customer Accounts	87	128	-
Sewer Collection and Pumping	-	-	-
Sewer Treatment	-	-	-
Adm. & General	1,023	1,722	-
Depreciation	1,335	1,335	-
Property and Utility Taxes	-	-	-
Income Taxes	(651)	(651)	-
TOTAL OPER EXPENSES	3,615	5,580	-
UTILITY OPER INCOME	(3,615)	(5,580)	-
OTHER INCOME (DEDUCTIONS)			
Merch & Jobbing-Rev	-	-	-
Merch & Jobbing-Rev from VWS	-	-	-
Merch & Jobbing-Rev from Parent	-	-	-
Merch & Jobbing-Exp	-	-	-
Merch & Jobbing-Exp from VWS	-	-	-
Merch & Jobbing-Exp from Parent	-	-	-
AFUDC	-	-	-
Amortization of Acquisition Expense	-	-	-
Misc. Non-Utility Expense	-	-	-
Interest Income	-	-	-
Dividend Income	-	-	-
TOTAL OTHER INCOME (DED)	-	-	-
INTEREST & DEBT EXPENSE			
Interest on Long Term Debt	87	117	-
Interest on Short Term Debt	-	-	-
Amortization of Debt Exp	-	-	-
Other Interest Expense	-	-	-
TOTAL INT & DEBT EXPENSE	87	117	-
NET INCOME	(3,702)	(5,697)	-
Less Dividends Paid	-	-	-
NET INCREASE TO RET. EARNINGS	(3,702)	(5,697)	-

1604.04 (10) Att
Tab Pg 2 ↑

**ABENAKI WATER COMPANY
INCOME STATEMENTS - TIOGA BELMONT
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
UNAUDITED**

	ONE MONTH ENDED	
	2019	2018
REVENUES:		
Residential Sales	1,500	-
Commercial Sales	-	-
Omni Hotel Properties Sales	-	-
Misc Service Revenues	-	-
Other Water Revenues - Surcharge	-	-
Sewer Sales - Residential	-	-
Sewer Sales - Commercial	-	-
Other Sewer Revenues - Surcharge	-	-
Reg Rev Adj-Excess Inc Tax	-	-
TOTAL OPER REVENUES	1,500	-
OPERATING EXPENSES:		
Pumping	861	-
Water Treatment	266	-
Trans. & Dist.	(9)	-
Maintenance of Meters	-	-
Maintenance of Services	-	-
Maintenance of Hydrants	-	-
Customer Accounts	454	-
Sewer Collection and Pumping	-	-
Sewer Treatment	-	-
Adm. & General	2,065	-
Depreciation	667	-
Property and Utility Taxes	-	-
Income Taxes	-	-
TOTAL OPER EXPENSES	4,304	-
UTILITY OPER INCOME	(2,804)	-
OTHER INCOME (DEDUCTIONS)		
Merch & Jobbing-Rev	-	-
Merch & Jobbing-Rev from VWS	-	-
Merch & Jobbing-Rev from Parent	-	-
Merch & Jobbing-Exp	-	-
Merch & Jobbing-Exp from VWS	-	-
Merch & Jobbing-Exp from Parent	-	-
AFUDC	-	-
Amortization of Acquisition Expense	-	-
Misc. Non-Utility Expense	-	-
Interest Income	-	-
Dividend Income	-	-
TOTAL OTHER INCOME (DED)	-	-
INTEREST & DEBT EXPENSE		
Interest on Long Term Debt	29	-
Interest on Short Term Debt	-	-
Amortization of Debt Exp	-	-
Other Interest Expense	-	-
TOTAL INT & DEBT EXPENSE	29	-
NET INCOME	(2,833)	-
Less Dividends Paid	-	-
NET INCREASE TO RET. EARNINGS	(2,833)	-

Abenaki Water Company

1604.01b Requirements

(13) Quarterly Sales Volumes

See enclosed monthly usage and \$ amount for LL, WR, TGV & TB for 2019 and 2018. Please note that the GV & TB monthly usage and \$ amount begin 5/1/19.

2019 Consumption (in gallons)

	JAN	JAN	FEB	FEB	MAR	MAR	APR	APR	MAY	MAY	JUN	JUN	JUL	JUL
	USAGE		\$AMOUNT											
SINGLE FAMILY RES - BOW														
Water Usage - 5000	285,766	\$ 5,099.74	248,373	\$ 4,432.44	291,346	\$ 5,199.32	263,722	\$ 4,706.35	307,937	\$ 5,495.39	299,215	\$ 5,339.75	361,538	\$ 6,451.96
Water Base - 5001		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,551.00
Total	285,766	\$ 6,667.24	248,373	\$ 5,999.94	291,346	\$ 6,766.82	263,722	\$ 6,273.85	307,937	\$ 7,062.89	299,215	\$ 6,907.25	361,538	\$ 8,002.96
SINGLE FAMILY RES - BELMONT														
Water Usage - 4030	264,942	\$ 2,550.56	247,745	\$ 2,385.01	286,731	\$ 2,760.32	255,749	\$ 2,462.06	293,530	\$ 2,825.78	284,315	\$ 2,737.06	360,102	\$ 3,466.66
Water Base - 4020		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,192.46		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00
Sewer Usage - 4050	262,907	\$ 1,875.95	245,740	\$ 1,753.46	284,292	\$ 2,028.55	253,916	\$ 1,811.80	291,660	\$ 2,081.12	282,879	\$ 2,018.46	358,569	\$ 2,558.54
Sewer Base - 4040		\$ 4,218.00		\$ 4,397.08		\$ 4,397.08		\$ 4,389.15		\$ 4,397.08		\$ 4,397.08		\$ 4,397.08
Total	264,942	\$ 12,844.51	247,745	\$ 12,735.55	286,731	\$ 13,385.95	255,749	\$ 12,855.47	293,530	\$ 13,503.98	284,315	\$ 13,352.60	360,102	\$ 14,622.28
MULTI FAMILY RESIDENTIAL														
Water Usage - 4033	96,425	\$ 928.27	96,290	\$ 926.97	114,033	\$ 1,097.78	108,430	\$ 1,043.84	118,378	\$ 1,139.61	114,250	\$ 1,099.87	114,676	\$ 1,103.97
Water Base - 4021		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00
Sewer Usage - 4053	96,425	\$ 688.03	96,290	\$ 748.18	114,033	\$ 886.04	108,430	\$ 842.51	118,378	\$ 919.81	114,250	\$ 887.72	114,676	\$ 891.04
Sewer Base - 4041		\$ 912.00		\$ 950.72		\$ 950.72		\$ 950.72		\$ 950.72		\$ 950.72		\$ 950.72
Total	96,425	\$ 3,424.30	96,290	\$ 3,521.87	114,033	\$ 3,830.54	108,430	\$ 3,733.07	118,378	\$ 3,906.14	114,250	\$ 3,834.31	114,676	\$ 3,841.73
COMMERCIAL A (Fairpoint)														
Water Usage - 4031	5,879	\$ 122.31	4,555	\$ 94.77	4,944	\$ 102.86	3,381	\$ 70.34	3,583	\$ 74.54	3,875	\$ 80.61	4,391	\$ 91.34
Water Base - 4023		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00
Sewer Usage - 4051	5,879	\$ 90.32	4,555	\$ 76.21	4,944	\$ 82.71	3,381	\$ 56.56	3,583	\$ 59.94	3,875	\$ 64.82	4,391	\$ 73.45
Sewer Base - 4043		\$ 378.31		\$ 411.96		\$ 411.96		\$ 411.96		\$ 411.96		\$ 411.96		\$ 411.96
Total	5,879	\$ 1,026.94	4,555	\$ 1,018.93	4,944	\$ 1,033.53	3,381	\$ 974.86	3,583	\$ 982.44	3,875	\$ 993.39	4,391	\$ 1,012.76
COMMERCIAL B														
Water Usage - 4032	76,947	\$ 740.76	86,342	\$ 831.20	51,687	\$ 497.58	32,104	\$ 309.06	32,688	\$ 314.68	32,538	\$ 313.24	64,321	\$ 619.21
Water Base - 4022		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68
Sewer Usage - 4052	33,323	\$ 157.86	36,697	\$ 189.30	40,811	\$ 210.53	31,700	\$ 163.53	32,688	\$ 168.62	32,538	\$ 167.85	42,621	\$ 219.86
Sewer Base - 4042		\$ 378.78		\$ 412.47		\$ 412.47		\$ 412.47		\$ 412.47		\$ 412.47		\$ 412.47
Total	76,947	\$ 1,860.08	86,342	\$ 2,015.65	51,687	\$ 1,703.26	32,104	\$ 1,467.74	32,688	\$ 1,478.45	32,538	\$ 1,476.24	64,321	\$ 1,834.22
GRAND TOTAL WATER	729,958	\$ 17,123.81	683,305	\$ 16,352.57	748,741	\$ 17,340.04	663,386	\$ 16,266.29	756,116	\$ 17,532.18	734,192	\$ 17,252.70	905,028	\$ 19,398.82
GRAND TOTAL SEWER	398,534	\$ 8,699.26	383,283	\$ 8,939.38	444,080	\$ 9,380.06	397,427	\$ 9,038.70	446,309	\$ 9,401.72	433,541	\$ 9,311.08	520,256	\$ 9,915.13
TOTAL BOTH	\$ 25,823.07	TOTAL BOTH	\$ 25,291.95	TOTAL BOTH	\$ 26,720.10	TOTAL BOT	\$ 25,304.99	TOTAL BOT	\$ 26,933.90	TOTAL BOTH	\$ 26,563.78	TOTAL BOTH	\$ 29,313.94	
Per GL	\$ 25,766.61	Per GL	\$ 25,234.23	Per GL	\$ 26,653.04	Per GL	\$ 25,204.92	Per GL	\$ 26,909.21	Per GL	\$ 26,419.26	Per GL	\$ 29,313.89	
Difference	\$ 56.46	Difference	\$ 57.72	Difference	\$ 67.06	Difference	\$ 100.07	Difference	\$ 24.69	Difference	\$ 144.52	Difference	\$ 0.05	
BCH522.1-		BCH522.1-		BCH522.1-		BCH522.1-		BCH522.1-						
Winterized	\$ (56.50)	Winterized	\$ (57.71)	Winterized	\$ (57.71)	Winterized	\$ (57.71)	PS 3066	\$ (24.77)	PS 1018	\$ (13.31)			
				PS 3063	\$ (9.32)	PS BCH525	\$ (42.36)			PS GRG028.02	\$ (90.87)			
										PS BCD407.01	\$ (40.32)			
Difference	\$ (0.04)	Difference	\$ 0.01	Difference	\$ 0.03	Difference	\$ (0.00)	Difference	\$ (0.08)	Difference	\$ 0.02	Difference	\$ 0.05	

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 Exhibit 2019 P. 1 of 2

2019 Consumption (in gallons)

	AUG	AUG	SEP	SEP	OCT	OCT	NOV	NOV	DEC	DEC	TOTAL	TOTAL
SINGLE FAMILY RES - BOW												
Water Usage - 5000	324,886	\$ 5,797.87	314,736	\$ 5,616.73	334,393	\$ 5,967.54	236,428	\$ 4,219.26	272,422	\$ 4,861.60	3,540,763	\$ 63,187.94
Water Base - 5001		\$ 1,551.00		\$ 1,551.00		\$ 1,551.00		\$ 1,551.00		\$ 1,567.50	-	\$ 18,727.50
Total	324,886	\$ 7,348.87	314,736	\$ 7,167.73	334,393	\$ 7,518.54	236,428	\$ 5,770.26	272,422	\$ 6,429.10	3,540,763	\$ 81,915.44
SINGLE FAMILY RES - BELMONT												
Water Usage - 4030	306,523	\$ 2,950.86	317,765	\$ 3,059.09	283,163	\$ 2,725.97	284,367	\$ 2,737.57	244,042	\$ 2,349.37	3,428,974	\$ 33,010.29
Water Base - 4020		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,214.87		\$ 4,200.00	-	\$ 50,407.33
Sewer Usage - 4050	304,773	\$ 2,174.68	315,940	\$ 2,254.37	281,405	\$ 2,007.95	282,766	\$ 2,017.66	242,300	\$ 1,728.91	3,407,147	\$ 24,311.45
Sewer Base - 4040		\$ 4,397.08		\$ 4,397.08		\$ 4,397.08		\$ 4,397.08		\$ 4,397.08	-	\$ 52,577.95
Total	306,523	\$ 13,722.62	317,765	\$ 13,910.54	283,163	\$ 13,331.00	284,367	\$ 13,367.18	244,042	\$ 12,675.36	6,836,122	\$ 160,307.03
MULTI FAMILY RESIDENTIAL												
Water Usage - 4033	101,347	\$ 975.65	105,820	\$ 1,018.71	96,716	\$ 931.08	107,682	\$ 1,036.64	94,674	\$ 911.42	1,268,720	\$ 12,213.81
Water Base - 4021		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00	-	\$ 10,752.00
Sewer Usage - 4053	101,347	\$ 787.47	105,820	\$ 822.22	96,716	\$ 751.49	107,682	\$ 836.70	94,674	\$ 735.62	1,268,720	\$ 9,796.83
Sewer Base - 4041		\$ 950.72		\$ 950.72		\$ 950.72		\$ 950.72		\$ 950.72	-	\$ 11,369.92
Total	101,347	\$ 3,609.84	105,820	\$ 3,687.65	96,716	\$ 3,529.29	107,682	\$ 3,720.06	94,674	\$ 3,493.76	2,537,440	\$ 44,132.56
COMMERCIAL A (Fairpoint)												
Water Usage - 4031	12,245	\$ 254.74	4,466	\$ 92.90	5,782	\$ 120.29	4,787	\$ 99.59	5,356	\$ 111.42	63,243	\$ 1,315.70
Water Base - 4023		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00	-	\$ 5,232.00
Sewer Usage - 4051	12,245	\$ 204.85	4,466	\$ 74.71	5,782	\$ 96.73	4,787	\$ 80.09	5,356	\$ 89.60	63,243	\$ 1,049.98
Sewer Base - 4043		\$ 411.96		\$ 411.96		\$ 411.96		\$ 411.96		\$ 411.96	-	\$ 4,909.87
Total	12,245	\$ 1,307.54	4,466	\$ 1,015.57	5,782	\$ 1,064.98	4,787	\$ 1,027.64	5,356	\$ 1,048.97	126,487	\$ 12,507.55
COMMERCIAL B												
Water Usage - 4032	87,606	\$ 843.37	87,082	\$ 838.33	35,665	\$ 343.34	35,014	\$ 337.07	24,138	\$ 232.37	646,130	\$ 6,220.21
Water Base - 4022		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68	-	\$ 6,992.16
Sewer Usage - 4052	40,257	\$ 207.67	37,400	\$ 192.93	35,665	\$ 183.98	35,014	\$ 180.62	24,138	\$ 124.52	422,852	\$ 2,167.26
Sewer Base - 4042		\$ 412.47		\$ 412.47		\$ 412.47		\$ 412.47		\$ 412.47	-	\$ 4,915.95
Total	87,606	\$ 2,046.19	87,082	\$ 2,026.41	35,665	\$ 1,522.47	35,014	\$ 1,512.85	24,138	\$ 1,352.04	1,068,982	\$ 20,295.58
GRAND TOTAL WATER	832,606	\$ 18,488.17	829,869	\$ 18,291.44	755,719	\$ 17,753.89	668,278	\$ 16,110.68	640,632	\$ 16,148.35		
GRAND TOTAL SEWER	458,621	\$ 9,546.90	463,625	\$ 9,516.46	419,568	\$ 9,212.37	430,250	\$ 9,287.29	366,468	\$ 8,850.88		
TOTAL BOTH	\$ 28,035.06		\$ 27,807.90		\$ 26,966.27		\$ 25,397.97		\$ 24,999.23			
Per GL	\$ 28,035.14		\$ 27,807.94		\$ 26,742.60		\$ 25,340.28		\$ 24,941.52			
Difference	\$ (0.08)		\$ (0.04)		\$ 223.67		\$ 57.69		\$ 57.71			
					BCH522.1- Winterized		BCH522.1- Winterized		BCH522.1- Winterized			
					PS BCD532		\$ (34.68)					
					PS BCD501		\$ (57.02)					
					PS OPH483		\$ (57.83)					
					PS 1035.02		\$ (16.50)					
Difference	\$ (0.08)		\$ (0.04)		\$ (0.07)		Difference		-0.02		Difference	0.00

1004 010(12) Attach 5
 Docket No. DW 201112
 Exhibit 2
 8.2.12

2018 Consumption (in gallons)

	JAN	JAN	FEB	FEB	MAR	MAR	APR	APR	MAY	MAY	JUN	JUN	JUL	JUL
	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT
SINGLE FAMILY RES - BOW														
Water Usage - 5000	270,305	\$ 4,823.82	248,882	\$ 4,441.51	299,297	\$ 5,341.22	259,810	\$ 4,636.54	357,230	\$ 6,375.07	360,543	\$ 6,434.21	385,587	\$ 6,881.12
Water Base - 5001		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50
Total	270,305	\$ 6,391.32	248,882	\$ 6,009.01	299,297	\$ 6,908.72	259,810	\$ 6,204.04	357,230	\$ 7,942.57	360,543	\$ 8,001.71	385,587	\$ 8,448.62
SINGLE FAMILY RES - BELMONT														
Water Usage - 4030	287,344	\$ 2,766.23	263,296	\$ 2,534.72	343,078	\$ 3,302.76	259,997	\$ 2,502.96	304,660	\$ 2,932.93	326,652	\$ 3,144.63	324,168	\$ 3,120.73
Water Base - 4020		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00
Sewer Usage - 4050	285,063	\$ 2,034.05	261,471	\$ 1,865.71	341,110	\$ 2,433.97	257,716	\$ 1,838.91	302,708	\$ 2,159.95	324,841	\$ 2,317.88	322,478	\$ 2,301.02
Sewer Base - 4040		\$ 4,218.00		\$ 4,218.00		\$ 4,218.00		\$ 4,218.00		\$ 4,218.00		\$ 4,218.00		\$ 4,218.00
Total	287,344	\$ 13,218.27	263,296	\$ 12,818.42	343,078	\$ 14,154.73	259,997	\$ 12,759.87	304,660	\$ 13,510.88	326,652	\$ 13,880.52	324,168	\$ 13,839.74
MULTI FAMILY RESIDENTIAL														
Water Usage - 4033	86,491	\$ 832.64	78,779	\$ 758.40	93,044	\$ 895.72	81,539	\$ 784.97	91,645	\$ 882.25	85,893	\$ 826.88	95,026	\$ 914.80
Water Base - 4021		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00
Sewer Usage - 4053	86,491	\$ 617.15	78,779	\$ 562.12	93,044	\$ 663.91	81,539	\$ 581.82	91,645	\$ 653.93	85,893	\$ 612.88	95,026	\$ 678.05
Sewer Base - 4041		\$ 912.00		\$ 912.00		\$ 912.00		\$ 912.00		\$ 912.00		\$ 912.00		\$ 912.00
Total	86,491	\$ 3,257.79	78,779	\$ 3,128.52	93,044	\$ 3,367.63	81,539	\$ 3,174.79	91,645	\$ 3,344.18	85,893	\$ 3,247.76	95,026	\$ 3,400.85
COMMERCIAL A (Fairpoint)														
Water Usage - 4031	6,448	\$ 134.14	4,615	\$ 96.01	4,802	\$ 99.90	4,563	\$ 94.92	3,890	\$ 80.92	4,548	\$ 94.61	6,485	\$ 134.92
Water Base - 4023		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00
Sewer Usage - 4051	6,448	\$ 99.06	4,615	\$ 70.90	4,802	\$ 73.77	4,563	\$ 70.10	3,890	\$ 59.76	4,548	\$ 69.87	6,485	\$ 99.63
Sewer Base - 4043		\$ 378.31		\$ 378.31		\$ 378.31		\$ 378.31		\$ 378.31		\$ 378.31		\$ 378.31
Total	6,448	\$ 1,047.50	4,615	\$ 981.22	4,802	\$ 987.99	4,563	\$ 979.33	3,890	\$ 954.98	4,548	\$ 978.79	6,485	\$ 1,048.86
COMMERCIAL B														
Water Usage - 4032	25,843	\$ 248.79	24,445	\$ 235.33	35,904	\$ 345.64	31,409	\$ 302.37	66,243	\$ 637.71	86,200	\$ 829.83	112,477	\$ 1,082.80
Water Base - 4022		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68
Sewer Usage - 4052	25,843	\$ 122.42	24,445	\$ 115.80	35,904	\$ 170.08	31,409	\$ 148.79	41,664	\$ 197.37	40,639	\$ 192.51	61,927	\$ 293.36
Sewer Base - 4042		\$ 378.78		\$ 378.78		\$ 378.78		\$ 378.78		\$ 378.78		\$ 378.78		\$ 378.78
Total	25,843	\$ 1,332.68	24,445	\$ 1,312.58	35,904	\$ 1,477.19	31,409	\$ 1,412.61	66,243	\$ 1,796.54	86,200	\$ 1,983.80	112,477	\$ 2,337.62
GRAND TOTAL WATER	676,431	\$ 16,487.79	620,017	\$ 15,748.15	776,125	\$ 17,667.43	637,318	\$ 16,003.94	823,668	\$ 18,591.06	863,835	\$ 19,012.34	923,743	\$ 19,816.54
GRAND TOTAL SEWER	403,845	\$ 8,759.77	369,310	\$ 8,501.62	474,860	\$ 9,228.82	375,227	\$ 8,526.71	439,906	\$ 8,958.09	455,921	\$ 9,080.24	485,916	\$ 9,259.15
TOTAL BOTH		\$ 25,247.56		\$ 24,249.77		\$ 26,896.25		\$ 24,530.64		\$ 27,549.15		\$ 28,092.58		\$ 29,075.69
Per GL		\$ 25,086.40	Per GL	\$ 24,176.74	Per GL	\$ 26,823.27	Per GL	\$ 24,490.09	Per GL	\$ 27,549.04	Per GL	\$ 28,092.54	Per GL	\$ 29,075.67
Difference		\$ 161.16	Difference	\$ 73.03	Difference	\$ 72.98	Difference	\$ 40.55	Difference	\$ 0.11	Difference	\$ 0.04	Difference	\$ 0.02
BCH522.1-1012-			1012-		1012-		Final Bill							
Winterized	\$ (56.50)		Winterized	\$ (16.50)	Winterized	\$ (16.50)	BCD413	\$ (40.61)						
1012-overcharge	\$ (16.50)		Winterized	\$ (56.50)	Winterized	\$ (56.50)								
1012-Winterized	\$ (16.50)													
1056.03-New Customer end of month	\$ (15.40)													
1056.02-Final Read	\$ 27.95													
1035.01-Vacant	\$ (16.50)													
1035-.01-Water Break - Unbillable of 507 CF	\$ (67.68)													
Difference	\$ 0.03		Difference	\$ 0.03	Difference	\$ (0.02)	Difference	\$ (0.06)	Difference	\$ 0.11	Difference	\$ 0.04	Difference	\$ 0.02

Docket No. DW 20142
 Exhibit 2
 1004-015(13) K. H. ...
 11/2

2018 Consumption (in gallons)

	AUG	AUG	SEP	SEP	OCT	OCT	NOV	NOV	DEC	DEC	TOTAL	TOTAL	
	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE	\$AMOUNT	USAGE YTD	\$AMOUNT YTD	
SINGLE FAMILY RES - BOW													
Water Usage - 5000	318,371	\$ 5,681.61	258,015	\$ 4,604.50	283,140	\$ 5,052.88	286,828	\$ 5,118.69	298,205	\$ 5,321.73	3,626,214	\$ 64,712.90	
Water Base - 5001		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 1,567.50		\$ 18,810.00	
Total	318,371	\$ 7,249.11	258,015	\$ 6,172.00	283,140	\$ 6,620.38	286,828	\$ 6,686.19	298,205	\$ 6,889.23	3,626,214	\$ 83,522.90	
SINGLE FAMILY RES - BELMONT													
Water Usage - 4030	315,828	\$ 3,040.44	249,174	\$ 2,398.76	271,988	\$ 2,618.39	255,075	\$ 2,455.58	281,435	\$ 2,709.34	3,482,695	\$ 33,527.46	
Water Base - 4020		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,200.00		\$ 4,172.00		\$ 50,372.00	
Sewer Usage - 4050	313,921	\$ 2,239.96	244,753	\$ 1,746.42	270,035	\$ 1,926.82	253,191	\$ 1,806.62	279,543	\$ 1,994.66	3,456,830	\$ 24,665.96	
Sewer Base - 4040		\$ 4,218.00		\$ 4,218.00		\$ 4,218.00		\$ 4,218.00		\$ 4,189.50		\$ 50,587.50	
Total	315,828	\$ 13,698.39	249,174	\$ 12,563.18	271,988	\$ 12,963.21	255,075	\$ 12,680.20	281,435	\$ 13,065.49	3,482,695	\$ 159,152.92	
MULTI FAMILY RESIDENTIAL													
Water Usage - 4033	88,892	\$ 855.75	70,604	\$ 679.69	81,293	\$ 782.59	83,783	\$ 806.57	89,259	\$ 859.28	1,026,249	\$ 9,879.56	
Water Base - 4021		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 896.00		\$ 10,752.00	
Sewer Usage - 4053	88,892	\$ 634.28	70,604	\$ 503.79	81,293	\$ 580.06	83,783	\$ 597.83	89,259	\$ 636.90	1,026,249	\$ 7,322.72	
Sewer Base - 4041		\$ 912.00		\$ 912.00		\$ 912.00		\$ 912.00		\$ 912.00		\$ 10,944.00	
Total	88,892	\$ 3,298.04	70,604	\$ 2,991.48	81,293	\$ 3,170.65	83,783	\$ 3,212.40	89,259	\$ 3,304.18	1,026,249	\$ 38,898.29	
COMMERCIAL A (Fairpoint)													
Water Usage - 4031	3,493	\$ 72.67	9,343	\$ 194.36	5,588	\$ 116.24	3,516	\$ 73.14	3,441	\$ 71.58	60,730	\$ 1,263.41	
Water Base - 4023		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 436.00		\$ 5,232.00	
Sewer Usage - 4051	3,493	\$ 53.66	9,343	\$ 143.53	5,588	\$ 85.84	3,516	\$ 54.01	3,441	\$ 52.86	60,730	\$ 932.99	
Sewer Base - 4043		\$ 378.31		\$ 378.31		\$ 378.31		\$ 378.31		\$ 378.31		\$ 4,539.72	
Total	3,493	\$ 940.65	9,343	\$ 1,152.20	5,588	\$ 1,016.39	3,516	\$ 941.46	3,441	\$ 938.75	60,730	\$ 11,968.12	
COMMERCIAL B													
Water Usage - 4032	83,148	\$ 800.45	47,281	\$ 455.17	35,208	\$ 338.95	28,888	\$ 278.10	38,926	\$ 374.73	615,971	\$ 5,929.87	
Water Base - 4022		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 582.68		\$ 6,992.16	
Sewer Usage - 4052	44,499	\$ 210.80	32,755	\$ 155.17	35,208	\$ 166.79	28,888	\$ 136.85	35,657	\$ 168.91	438,837	\$ 2,078.84	
Sewer Base - 4042		\$ 378.78		\$ 378.78		\$ 378.78		\$ 378.78		\$ 378.78		\$ 4,545.36	
Total	83,148	\$ 1,972.71	47,281	\$ 1,571.79	35,208	\$ 1,467.19	28,888	\$ 1,376.40	38,926	\$ 1,505.11	615,971	\$ 19,546.23	
GRAND TOTAL WATER	809,732	\$ 18,133.10	634,416	\$ 16,014.67	677,217	\$ 16,591.24	658,090	\$ 16,414.26	711,266	\$ 16,990.84	8,811,859	\$ 207,471.36	
GRAND TOTAL SEWER	450,805	\$ 9,025.79	357,454	\$ 8,435.99	392,124	\$ 8,646.60	369,377	\$ 8,482.40	407,899	\$ 8,711.92	4,982,645	\$ 105,617.09	
		\$ 27,158.90		\$ 24,450.65		\$ 25,237.83		\$ 24,896.66		\$ 25,702.76		\$ 313,088.45	
Per GL	\$ 27,132.50	Per GL	\$ 24,450.64	Per GL	\$ 25,182.09		\$ 24,809.21		25,679.41				
Difference	\$ 26.40	Difference	\$ 0.01	Difference	\$ 55.74		\$ 87.45		\$ 23.35				
Final Read													
BCD409.01	\$ (37.70)				Final Read	1016	\$ (38.77)	Final Read	1013	\$ (19.26)	Final Read	OPH602	\$ (23.35)
					Final Read	3099	\$ (16.80)	Final Read	BCM516	\$ (68.18)			
Final read													
OPH621	\$ 11.28												
Difference	\$ (0.02)	Difference	\$ 0.01	Difference	\$ 0.17	Difference	0.01	Difference	0.00				

Docket No: DW 2019 (27) Belmont
 Exhibit 2019 Pg. 245

Abenaki Water Company

1604.01b Requirements

(14) Projected need for external capital

In 2020/2021 AWC plans to borrow \$45,000 to purchase and install a replacement water tank and gate valves at TB. The \$45,000 was recently approved in DW 20-044. Also, in 2020/2021 AWC plans to borrow \$125,000 to reline tank, install isolation valves and pressure reducing valves at WR. The \$125,000 is pending PUC approval in DW 20-088.

Abenaki Water Company

1604.01b Requirements

(15) Support

Most, if not all, support is provided
within rate filing.

PUC 1900

DW 20-112

Abenaki Water Company

Rate Case Expenses

PUC 1905.01 Estimated Rate Case Expense

- (a)1. See attached reports for each system regarding expenditures incurred to date.
2. NESC is providing management oversight and review. St. Cyr & Associates are providing both temporary and permanent rate case schedules as well as the written testimony and other rate case requirements.
3. Total estimated costs of each service are as follows:

NESC	\$45,000
St. Cyr & Associates	<u>50,000</u>
Total (1)	<u>\$95,000</u>

Note: The total estimated costs do not include any legal costs. It is AWC desire to work with the PUC Staff, OCA and other parties in the prosecution of the rate case in such a way as to not incur any legal costs. If that is not practical or possible, then AWC will have to engage the services of legal council.

G/L YTD Activity Report

ABENAKI WATER CO
Period 1 to 8

Account	Period	Date	Description	Entry	Posted	Code	Reference	Debit	Credit	Balance
186200601			2020 Rate Case Water- LMC							
			BEGINNING BALANCE							0.00
3	06/09/2020		ACCRUE PAYABLE DUE TO NESC	1030	Yes	MA	MA	120.20		120.20
	06/09/2020		ACCRUE PAYABLE DUE TO NESC	1031	Yes	MA	MA	29.54		149.74
	06/11/2020		ACCRUE CREDIT MEMO #1Q20200M248		Yes	MA	MA		0.85	148.89
March (Period 03) TOTALS								149.74	0.85	148.89
5	05/06/2020		NEW ENGLAND SERVICE COMPANY	45	Yes	I	INVOICING	120.20		269.09
	05/06/2020		NEW ENGLAND SERVICE COMPANY	46	Yes	I	INVOICING	29.54		298.63
	05/11/2020		NEW ENGLAND SERVICE COMPANY	192	Yes	I	INVOICING	120.20		418.83
	05/11/2020		NEW ENGLAND SERVICE COMPANY	193	Yes	I	INVOICING	29.54		448.37
	05/26/2020		NEW ENGLAND SERVICE COMPANY	561	Yes	I	INVOICING		120.20	328.17
	05/26/2020		NEW ENGLAND SERVICE COMPANY	562	Yes	I	INVOICING		29.54	298.63
	07/08/2020		REV NESC INV #MAR20NH	958	Yes	MA	MA		120.20	178.43
	07/08/2020		REV NESC INV #MAR20NH	959	Yes	MA	MA		29.54	148.89
	07/08/2020		ACCR INV #MAY2020	1314	Yes	MA	MA	226.35		375.24
May (Period 05) TOTALS								525.83	299.48	375.24
6	06/19/2020		STEPHEN ST. CYR & ASSOCIATES	379	Yes	I	INVOICING	108.50		483.74
	06/23/2020		NEW ENGLAND SERVICE COMPANY	449	Yes	I	INVOICING	226.35		710.09
	07/06/2020		NEW ENGLAND SERVICE COMPANY	602	Yes	I	INVOICING		0.85	709.24
	08/11/2020		REV ACCRUED NESC INVOICE	1031	Yes	MA	MA	0.85		710.09
	08/11/2020		REV ACCR NESC INVOICE	1171	Yes	MA	MA		226.35	483.74
	08/11/2020		ACCR NESC INV#JUN2020-1	1250	Yes	MA	MA	82.97		566.71
	08/19/2020		ACCR NESC CM#2QOH20-2	1474	Yes	MA	MA		38.45	528.26
June (Period 06) TOTALS								418.67	265.65	528.26
7	07/09/2020		STEPHEN ST. CYR & ASSOCIATES	89	Yes	I	INVOICING	253.75		782.01
	08/03/2020		NEW ENGLAND SERVICE COMPANY	569	Yes	I	INVOICING	82.97		864.98
	09/17/2020		REV ACCR NESC INVOICE	867	Yes	MA	MA		82.97	782.01
	09/17/2020		ACCR NESC INV#JULY2020-1	1008	Yes	MA	MA	244.69		1026.70
	09/17/2020		ACCR NESC INV#JULY2020	1020	Yes	MA	MA	10.52		1037.22
July (Period 07) TOTALS								591.93	82.97	1037.22
8	09/01/2020		NEW ENGLAND SERVICE COMPANY	659	Yes	I	INVOICING	10.52		1047.74
	09/01/2020		NEW ENGLAND SERVICE COMPANY	660	Yes	I	INVOICING	244.69		1292.43
	09/01/2020		NEW ENGLAND SERVICE COMPANY	773	Yes	I	INVOICING		38.45	1253.98
	09/18/2020		REV ACCR NESC CM#2QOH20-2	1246	Yes	MA	MA	38.45		1292.43
	09/18/2020		REV ACCR NESC INV#JULY2020-1	1574	Yes	MA	MA		244.69	1047.74
	09/18/2020		REV ACCR NESC INV#JULY2020	1586	Yes	MA	MA		10.52	1037.22
	09/21/2020		ACCRUE NESC INV#AUG20-1 TO P	1688	Yes	MA	MA	445.45		1482.67
August (Period 08) TOTALS								739.11	293.66	1482.67
ACCOUNT 186200601 TOTALS								2425.28	942.61	1482.67
TOTAL DEBITS & CREDITS								2,425.28	942.61	1,482.67

G/L YTD Activity Report

ABENAKI WATER CO Period 1 to 8

Account	Period	Date	Description	Entry	Posted	Code Reference	Debit	Credit	Balance
186200701			(2020 Rate Case Sewer - LMC)						
			BEGINNING BALANCE						0.00
5	07/08/2020		ACCR INV #MAY2020	1315	Yes	MA MA	146.81		146.81
			May (Period 05) TOTALS				146.81		146.81
6	06/19/2020		STEPHEN ST. CYR & ASSOCIATES	381	Yes	I INVOICING	108.50		255.31
	06/23/2020		NEW ENGLAND SERVICE COMPANY	452	Yes	I INVOICING	146.81		402.12
	08/11/2020		REV ACCR NESC INVOICE	1172	Yes	MA MA		146.81	255.31
	08/11/2020		ACCR NESC INV#JUN2020-1	1251	Yes	MA MA	82.97		338.28
	08/19/2020		ACCR NESC CM#2QOH20-2	1475	Yes	MA MA		28.67	309.61
			June (Period 06) TOTALS				338.28	175.48	309.61
7	07/09/2020		STEPHEN ST. CYR & ASSOCIATES	91	Yes	I INVOICING	253.75		563.36
	08/03/2020		NEW ENGLAND SERVICE COMPANY	571	Yes	I INVOICING	82.97		646.33
	09/17/2020		REV ACCR NESC INVOICE	868	Yes	MA MA		82.97	563.36
	09/17/2020		ACCR NESC INV#JULY2020-1	1009	Yes	MA MA	215.83		779.19
	09/17/2020		ACCR NESC INV#JULY2020	1021	Yes	MA MA	10.52		789.71
			July (Period 07) TOTALS				563.07	82.97	789.71
8	09/01/2020		NEW ENGLAND SERVICE COMPANY	663	Yes	I INVOICING	10.52		800.23
	09/01/2020		NEW ENGLAND SERVICE COMPANY	664	Yes	I INVOICING	215.83		1016.06
	09/01/2020		NEW ENGLAND SERVICE COMPANY	776	Yes	I INVOICING		28.67	987.39
	09/18/2020		REV ACCR NESC CM#2QOH20-2	1247	Yes	MA MA	28.67		1016.06
	09/18/2020		REV ACCR NESC INV#JULY2020-1	1575	Yes	MA MA		215.83	800.23
	09/18/2020		REV ACCR NESC INV#JULY2020	1587	Yes	MA MA		10.52	789.71
	09/21/2020		ACCRUE NESC INV#AUG20-1 TO P	1689	Yes	MA MA	445.45		1235.16
			August (Period 08) TOTALS				700.47	255.02	1235.16
			ACCOUNT 186200701 TOTALS				1748.63	513.47	1235.16
			TOTAL DEBITS & CREDITS				1,748.63	513.47	1,235.16

G/L YTD Activity Report

ABENAKI WATER CO Period 1 to 8

Account	Period	Date	Description	Entry	Posted	Code	Reference	Debit	Credit	Balance
186200902			2020 Rate Case - WR							
			BEGINNING BALANCE							0.00
5	07/08/2020		ACCR INV #MAY2020	1316	Yes	MA	MA	226.35		226.35
			May (Period 05) TOTALS					226.35		226.35
6	06/19/2020		STEPHEN ST. CYR & ASSOCIATES	382	Yes	I	INVOICING	108.50		334.85
	06/23/2020		NEW ENGLAND SERVICE COMPANY	453	Yes	I	INVOICING	226.35		561.20
	08/11/2020		REV ACCR NESC INVOICE	1173	Yes	MA	MA		226.35	334.85
	08/11/2020		ACCR NESC INV#JUN2020-1	1253	Yes	MA	MA	82.97		417.82
	08/19/2020		ACCR NESC CM#2QOH20-2	1498	Yes	MA	MA		38.45	379.37
			June (Period 06) TOTALS					417.82	264.80	379.37
7	07/09/2020		STEPHEN ST. CYR & ASSOCIATES	92	Yes	I	INVOICING	253.75		633.12
	08/03/2020		NEW ENGLAND SERVICE COMPANY	572	Yes	I	INVOICING	82.97		716.09
	09/17/2020		REV ACCR NESC INVOICE	870	Yes	MA	MA		82.97	633.12
	09/17/2020		ACCR NESC INV#JULY2020-1	1016	Yes	MA	MA	244.69		877.81
	09/17/2020		ACCR NESC INV#JULY2020	1025	Yes	MA	MA	10.52		888.33
			July (Period 07) TOTALS					591.93	82.97	888.33
8	09/01/2020		NEW ENGLAND SERVICE COMPANY	665	Yes	I	INVOICING	244.69		1133.02
	09/01/2020		NEW ENGLAND SERVICE COMPANY	666	Yes	I	INVOICING	166.20		1299.22
	09/01/2020		NEW ENGLAND SERVICE COMPANY	777	Yes	I	INVOICING		38.45	1260.77
	09/18/2020		REV ACCR NESC CM#2QOH20-2	1269	Yes	MA	MA	38.45		1299.22
	09/18/2020		REV ACCR NESC INV#JULY2020-1	1582	Yes	MA	MA		244.69	1054.53
	09/18/2020		REV ACCR NESC INV#JULY2020	1591	Yes	MA	MA		10.52	1044.01
	09/21/2020		ACCRUE NESC INV#AUG20-1 TO P	1696	Yes	MA	MA	445.45		1489.46
			August (Period 08) TOTALS					894.79	293.66	1489.46
			ACCOUNT 186200902 TOTALS					2130.89	641.43	1489.46
			TOTAL DEBITS & CREDITS					2,130.89	641.43	1,489.46

09/21/2020
Time: 14:49

G/L YTD Activity Report

ABENAKI WATER CO Period 1 to 8

Account	Period	Date	Description	Entry	Posted	Code	Reference	Debit	Credit	Balance
186200605			2020 Rate Case - TGV							
			BEGINNING BALANCE							0.00
5	07/08/2020		ACCR INV #MAY2020TGV1	1296	Yes	MA	MA	226.35		226.35
	07/08/2020		ACCR INV #MAY2020TGV	1300	Yes	MA	MA	49.81		276.16
			May (Period 05) TOTALS					276.16		276.16
6	06/19/2020		STEPHEN ST. CYR & ASSOCIATES	380	Yes	I	INVOICING	108.50		384.66
	06/23/2020		NEW ENGLAND SERVICE COMPANY450		Yes	I	INVOICING	226.35		611.01
	06/23/2020		NEW ENGLAND SERVICE COMPANY451		Yes	I	INVOICING	49.81		660.82
	08/11/2020		REV ACCR NESC INVOICE	1152	Yes	MA	MA		226.35	434.47
	08/11/2020		REV ACCR NESC INVOICE	1156	Yes	MA	MA		49.81	384.66
	08/11/2020		ACCR NESC INV#JUN2020TGV1	1260	Yes	MA	MA	82.97		467.63
	08/19/2020		ACCR NESC CM#2QOH20	1460	Yes	MA	MA		2.88	464.75
	08/19/2020		ACCR NESC CM#2QOH20-2	1493	Yes	MA	MA		38.45	426.30
			June (Period 06) TOTALS					467.63	317.49	426.30
7	07/09/2020		STEPHEN ST. CYR & ASSOCIATES	90	Yes	I	INVOICING	253.75		680.05
	08/03/2020		NEW ENGLAND SERVICE COMPANY570		Yes	I	INVOICING	82.97		763.02
	09/17/2020		REV ACCR NESC INVOICE	876	Yes	MA	MA		82.97	680.05
	09/17/2020		ACCR NESC INV#JUL2020TGV1	971	Yes	MA	MA	215.83		895.88
	09/17/2020		ACCR NESC INV#JUL2020TGV	975	Yes	MA	MA	64.42		960.30
			July (Period 07) TOTALS					616.97	82.97	960.30
8	09/01/2020		NEW ENGLAND SERVICE COMPANY661		Yes	I	INVOICING	64.42		1024.72
	09/01/2020		NEW ENGLAND SERVICE COMPANY662		Yes	I	INVOICING	215.83		1240.55
	09/01/2020		NEW ENGLAND SERVICE COMPANY774		Yes	I	INVOICING		38.45	1202.10
	09/01/2020		NEW ENGLAND SERVICE COMPANY775		Yes	I	INVOICING		2.88	1199.22
	09/18/2020		REV ACCR NESC CM#2QOH20	1232	Yes	MA	MA	2.88		1202.10
	09/18/2020		REV ACCR NESC CM#2QOH20-2	1264	Yes	MA	MA	38.45		1240.55
	09/18/2020		REV ACCR NESC INV#JUL2020TGV1537		Yes	MA	MA		215.83	1024.72
	09/18/2020		REV ACCR NESC INV#JUL2020TGV1541		Yes	MA	MA		64.42	960.30
	09/21/2020		ACCRUE NESC INV#AUG20TGV1 P81723		Yes	MA	MA	445.45		1405.75
			August (Period 08) TOTALS					767.03	321.58	1405.75
			ACCOUNT 186200605 TOTALS					2127.79	722.04	1405.75
			TOTAL DEBITS & CREDITS					2,127.79	722.04	1,405.75

G/L YTD Activity Report

ABENAKI WATER CO
Period 1 to 8

Account	Period	Date	Description	Entry	Posted	Code	Reference	Debit	Credit	Balance
186200906			2020 Rate Case - TB							
			BEGINNING BALANCE							0.00
5	07/08/2020		ACCR INV #MAY2020TB	1305	Yes	MA	MA	225.09		225.09
			May (Period 05) TOTALS					225.09		225.09
6	06/19/2020		STEPHEN ST. CYR & ASSOCIATES	383	Yes	I	INVOICING	108.49		333.58
	06/23/2020		NEW ENGLAND SERVICE COMPANY	454	Yes	I	INVOICING	225.09		558.67
	08/11/2020		REV ACCR NESC INVOICE	1161	Yes	MA	MA		225.09	333.58
	08/11/2020		ACCR NESC INV#JUN2020TB1	1245	Yes	MA	MA	64.10		397.68
	08/19/2020		ACCR NESC CM#2QOH20-2	1486	Yes	MA	MA		34.78	362.90
			June (Period 06) TOTALS					397.68	259.87	362.90
7	07/09/2020		STEPHEN ST. CYR & ASSOCIATES	93	Yes	I	INVOICING	253.75		616.65
	08/03/2020		NEW ENGLAND SERVICE COMPANY	573	Yes	I	INVOICING	64.10		680.75
	09/17/2020		REV ACCR NESC INVOICE	861	Yes	MA	MA		64.10	616.65
	09/17/2020		ACCR NESC INV#JUL2020TB1	983	Yes	MA	MA	215.83		832.48
	09/17/2020		ACCR NESC INV#JUL2020TB	987	Yes	MA	MA	66.67		899.15
			July (Period 07) TOTALS					600.35	64.10	899.15
8	09/01/2020		NEW ENGLAND SERVICE COMPANY	667	Yes	I	INVOICING	66.67		965.82
	09/01/2020		NEW ENGLAND SERVICE COMPANY	668	Yes	I	INVOICING	215.83		1181.65
	09/01/2020		NEW ENGLAND SERVICE COMPANY	778	Yes	I	INVOICING		34.78	1146.87
	09/18/2020		REV ACCR NESC CM#2QOH20-2	1258	Yes	MA	MA	34.78		1181.65
	09/18/2020		REV ACCR NESC INV#JUL2020TB1	1549	Yes	MA	MA		215.83	965.82
	09/18/2020		REV ACCR NESC INV#JUL2020TB	1553	Yes	MA	MA		66.67	899.15
	09/21/2020		ACCRUE NESC INV#AUG20TB TO P1717		Yes	MA	MA	445.45		1344.60
			August (Period 08) TOTALS					762.73	317.28	1344.60
			ACCOUNT 186200906 TOTALS					1985.85	641.25	1344.60
			TOTAL DEBITS & CREDITS					1,985.85	641.25	1,344.60

PUC 1604.04

DW 20-112

Abenaki Water Company

Attestation



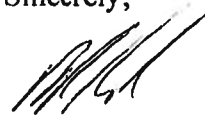
September 11, 2020

Debra A. Howland
Executive Director & Secretary
NH Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, N. H. 03301-2429

Dear Ms. Howland:

I affirm, based on my personal knowledge, information and belief, that the cost and revenue statements and the supporting data submitted, which purport to reflect the books and records of the company, do in fact set forth the results shown by such books and records and that all differences between the books and the test year data and any changes in the manner of recording an item on the utility's books during the test year, have been expressly noted.

Sincerely,



Nicholas LaChance
Vice President

Stephen P. St. Cyr & Associates
17 Sky Oaks Drive
Biddeford, Me. 04005
207-423-0215
stephenpstcyr@yahoo.com

PUC 1604.02(a)(1)

October 30, 2020

Debra A. Howland
Executive Director & Secretary
Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, N. H. 03301-2429

Dear Ms. Howland:

On behalf of Abenaki Water Co. (“AWC” or “Company”) and its Lakeland (“LL”) water and sewer system, White Rock (“WR”) water system, Tioga Gilford Village (“TGV”) water system and Tioga Belmont (“TB”) water system, enclosed are the original and six copies of AWC’s **temporary rate filing** in DW 20-112. Additionally, a copy has been sent to Mr. Kreis, the Consumer Advocate.

The **temporary rate filing** includes the following:

- (1) Report of Proposed Rate Changes along with the supporting rate calculation for each of the systems
- (2) Proposed tariff pages for each of the systems
- (3) Direct testimony of Stephen P. St. Cyr
- (4) Exhibits (including adjustments) for each of the systems
- (5) An attestation regarding the rate filing being an accurate reflection of Company’s books

AWC believes that it has met the tariff filing requirements for **temporary rates**. AWC anticipates being able to discuss and resolve any issues that may arise during the proceedings. If the Commissioners and/or its Staff have any questions, please contact me at 207-423-0215.

Sincerely,

Stephen P. St. Cyr

AWC Lakeland Sewer

PUC 1604.02(a)(2)

Report of Proposed Rate Changes - Sewer

Utility: AWC Laleland Sewer Date Filed: 10/30/2020
 Tariff No.: Effective Date: 12/1/2020

<u>Rate of Class of Service</u>	<u>Effect of Change</u>	<u>Number of Customers</u>	<u>Authorized Actual Revenue</u>	<u>Proposed Revenue</u>	<u>Proposed Change Amount</u>
Commercial A, FairPoint Communications	568	1	5,960	6,528	568
Commercial B	(369)	2	7,083	6,714	(369)
Residential, Multi-Family	872	1	21,167	22,039	872
Residential, Single Family	\$ 9,502	154	\$ 76,672	86,174	\$ 9,502
Total Sewer	\$ 10,573	158	\$ 110,882	\$ 121,455	\$ 10,573
Surcharge Revenues	(5,039)	-	5,039	-	(5,039)
Total	\$ 5,534	158	\$ 115,921	\$ 121,455	\$ 5,534
Average Single Family			\$ 497.87	\$ 559.57	\$ 61.70
Percent Increase					12.39%

**AWC Lakeland Sewer
CALCULATION OF CUSTOMER RATES**

Summary of Proposed Revenue Requirement

Actual Test Year Sewer Revenues	\$ 115,921
Less: Surcharge Revenues	5,039
Adjusted Actual Test year Sewer Revenues	<u>\$ 110,882</u>
Proposed Increase in Revenue Requirement from Permanent Rates	10,573
Total Proposed Revenue Requirement	<u>\$ 121,455</u>
Total Proposed Increase in the Revenue Requirement	<u>9.54%</u>

Percent of Test Year Revenues per Customer Class:	Number of Customers	Adjusted Test Year Revenues	
Commercial Class A (CA)	1	\$ 5,960	5.38%
Commercial Class B (CB)	2	7,083	6.39%
Residential Multi-Family (RM)	1	21,167	19.09%
Residential Single Family (RS)	154	76,672	69.15%
Total - Pro-forma Test Year	<u>158</u>	<u>\$ 110,882</u>	<u>100.00%</u>

	Calculation of Rates	Annual Revenue per Rate	Annual Revenue per Rate Class
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Commercial Class A:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 411.96		
1 + Percent Increase	x 1.0954		
Proposed Commercial Class A Quarterly Base Charge (Rounded)	<u>\$ 451.24</u>		
Number of Customers	x 1		
Annual Billing Periods	x 12	\$4,539.84	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,455		
Commercial Class A Percentage of Pro-forma Test Year Revenues	x 5.38%		
Commercial Class A Proposed Revenues	<u>\$ 6,528.31</u>		
Less: Commercial Class A Proposed Revenues from Base Charge	4,539.84		
Commercial Class A Proposed Revenues from Consumption Charge	<u>\$ 1,988.47</u>		
Commercial Class A Test Year Consumption (CCF)	+ 84.55		
Proposed Commercial Class A Consumption Charge	<u>\$ 23.52</u>		
Commercial Class A Annual Consumption (CCF)	x 84.55	<u>\$1,988.47</u>	\$6,528.31

Commercial Class B:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 137.49		
1 + Percent Increase	x 1.0954		
Proposed Commercial Class B Quarterly Base Charge (Rounded)	<u>\$ 150.60</u>		
Number of Customers	x 1		
Annual Billing Periods	x 12	\$1,807.20	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,455		
Commercial Class B Percentage of Pro-forma Test Year Revenues	x 6.39%		
Commercial Class B Proposed Revenues	<u>\$ 6,714.00</u>		
Less: Commercial Class B Proposed Revenues from Base Charge	1,807.20		
Commercial Class B Proposed Revenues from Consumption Charge	<u>\$ 4,906.80</u>		
Commercial Class B Test Year Consumption (CCF)	+ 565.31		
Proposed Commercial Class B Consumption Charge	<u>\$ 8,679.8</u>		
Commercial Class B Annual Consumption (CCF)	x 565.31	<u>\$4,906.80</u>	\$6,714.00

Residential Multi-Family:

Calculation of Base Charge:

Monthly Base Charge for Residential Single-Family - Present Tariff (32-units)	\$950.72		
1 + Percent Increase	x 1.0954		
Proposed Residential Multi-Family Quarterly Base Charge (Rounded)	<u>\$1,041.37</u>		
Number of Customers	x 1		
Annual Billing Periods	x 12	\$12,496.49	

Proposed Residential Multi-Family Monthly Base Charge per unit (Rounded)

\$32.54

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,455.00		
Less: Combined Proposed Commercial Class A & B Revenue	(13,242.31)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	<u>(72,880.00)</u>		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	<u>\$ 35,332.69</u>		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,280.34		
Proposed Residential Multi- & Single- Family Consumption Charge	<u>\$ 5.63</u>		
Residential Multi-Family Annual Consumption (CCF)	x 1,696.15	<u>\$9,542.40</u>	\$22,038.90

Residential Single-Family:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 29.71		
1 + Percent Increase	x 1.0998		
Proposed Residential Single-Family Monthly Base Charge (Rounded)	<u>\$ 32.68</u>		
Number of Customers	x 154		
Annual Billing Periods	x 12	\$60,383.51	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 121,455		
Less: Combined Proposed Commercial Class A & B Revenue	(13,242.31)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	<u>(72,880.00)</u>		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	<u>\$ 35,332.69</u>		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,280.34		
Proposed Residential Multi- & Single- Family Consumption Charge	<u>\$ 5.63</u>		
Residential Single-Family Annual Consumption (CCF)	x 4,584.19	<u>\$ 25,790.29</u>	<u>\$86,173.79</u>

Total Proposed Revenue Requirement -Sewer Division

\$121,455.00

AWC Lakeland Water

PUC 1604.02(a)(2)

Report of Proposed Rate Changes - Water

Utility **AWC Lakeland Water** Date Filed: **10/30/2020**

Tariff No.: Effective Date **12/1/2020**

Rate of Class of Service	Effect of Change	Number of Customers	Authorized Present Revenue	Proposed Revenue	Proposed Change Amount
Commercial A, Consolidated Communications	\$ (78)	1	\$ 6,548	\$ 6,470	\$ (78)
Commercial B	(157)	4	13,212	13,055	(157)
Residential, Multi-Family	(765)	1	22,966	22,201	(765)
Residential, Single Family	(485)	154	\$ 83,179	82,694	(485)
Total Water	\$ (485)	160	\$ 125,905	\$ 124,413	\$ (1,485)
Reg Rev Adj - Excess Inc Taxes	-	0	(6,765)	(6,765)	-
Misc Service Revenues			125	125	-
Surcharge			3,472		(3,472)
Total	\$ (485)	160	\$ 122,737	\$ 117,773	\$ (4,957)
Average Single Family			<u>\$ 540.12</u>	<u>\$ 536.97</u>	<u>\$ (3.15)</u>
Percent Increase					<u>-1.179%</u>

AWC Lakeland Water
Calculation of Water Rates

Summary of Proposed Revenue Requirement:

	Present	Proposed
Adjusted Test Year Water Sales for Belmont Water	\$ 125,905	\$ 124,413
Other Operating Revenues	(3,168)	(6,640)
Total Annualized Operating Revenues - Belmont Water	\$ 122,737	\$ 117,773
Less: Other Operating Revenues	\$ 3,168	\$ 6,640
Proposed Increase (Decrease) in Revenue Requirement from Permanent Rates		
Proposed Step Increase in Revenue Requirement		
Total Proposed Revenue Requirement	\$ 125,905	\$ 124,413
Total Proposed Increase in the Revenue Requirement		-1.185%

Percent of Pro-forma Test Year Revenues per Customer Class:

	Number of Customers	Pro-forma Test Year Revenues	Percentage of Revenues	Number of Customers	Pro-forma Test Year Revenues	Percentage of Revenues
Commercial Class A (MCA)	1	\$ 6,548	5.20%	1	6,470	5.20%
Commercial Class B (MCB)	4	13,212	10.49%	4	13,055	10.49%
Residential Multi-Family (MRM)	1	22,966	18.24%	1	22,694	18.24%
Residential Single Family (MRS)	154	83,179	66.06%	154	82,193	66.06%
	160	\$ 125,905	100.00%	160	\$ 124,413	100.00%

	Calculation of Rates	Annual Revenue per Rate	Annual Revenue per Rate Class	Calculation of Rates	Annual Revenue per Rate	Annual Revenue per Rate Class
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Commercial Class A:

Calculation of Base Charge:

Monthly Base Charge - Present Tariff	\$ 436.00			\$ 436.00		
1 + Percent Increase	x 1.0000			x 0.98815		
Proposed Commercial Class A Quarterly Base Charge (Rounded)	\$ 436.00			\$ 431.00		
Number of Customers	x 1			x 1		
Annual Billing Months	x 12	\$ 5,232.00		x 12	\$ 5,172.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 124,413		
Commercial Class A Percentage of Pro-forma Test Year Revenues	5.20%			5.20%		
Commercial Class A Proposed Revenues	\$ 6,548			\$ 6,470		
Less: Commercial Class A Proposed Revenues from Base Charge	(5,232)			(5,172)		
Commercial Class A Proposed Revenues from Consumption Charge	\$ 1,316			\$ 1,298		
Commercial Class A Test Year Consumption (CCF)	+ 84.55			+ 84.55		
Proposed Commercial Class A Consumption Charge	\$ 15,564.8			\$ 15,357.7		
Commercial Class A Annual Consumption (CCF)	x 84.55	\$ 1,316.00	\$ 6,548.00	x 84.55	\$ 1,298.40	\$ 6,470.40

Commercial Class B:

Calculation of Base Charge:

Quarterly Base Charge - Present Tariff	\$ 145.66			\$ 145.66		
1 + Percent Increase	x 1.0000			x 0.98815		
Proposed Commercial Class B Quarterly Base Charge (Rounded)	\$ 145.66			\$ 144.00		
Number of Customers	x 4			x 4		
Annual Billing Quarters	x 12	\$ 6,991.68		x 12	\$ 6,912.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 124,413		
Commercial Class B Percentage of Pro-forma Test Year Revenues	10.49%			10.49%		
Commercial Class B Proposed Revenues	\$ 13,212			\$ 13,055		
Less: Commercial Class B Proposed Revenues from Base Charge	(6,992)			(6,912)		
Commercial Class B Proposed Revenues from Consumption Charge	\$ 6,220			\$ 6,143		
Commercial Class B Test Year Consumption (CCF)	+ 863.81			+ 863.81		
Proposed Commercial Class B Consumption Charge	\$ 7,201.0			\$ 7,112.0		
Commercial Class B Annual Consumption (CCF)	x 864	\$ 6,220.32	\$ 13,212.00	x 863.81	\$ 6,143.44	\$ 13,055.44

Residential Multi-Family:

Calculation of Base Charge:

Quarterly Base Charge for Residential Single-Family - Present Tariff	\$ 28.00			\$ 28.00		
1 + Percent Increase	x 1.0000			x 0.98815		
Proposed Quarterly Base Charge per Unit (Rounded)	\$ 28.00			\$ 28.00		
Number of Units	x 32			x 32		
Proposed Residential Multi-Family Quarterly Base Charge (Rounded)	\$ 896.00			\$ 896.00		
Number of Customers	x 1			x 1		
Annual Billing Monthly	x 12	\$ 10,752.00		x 12	\$ 10,752.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 124,413		
Less: Combined Proposed Commercial Class A & B Revenue	(19,760)			(19,526)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	(62,496)			(62,496)		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	\$ 43,649			\$ 42,391		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,284.34			+ 6,284.34		
Proposed Residential Multi- & Single- Family Consumption Charge	\$ 8,950.1			\$ 8,749.8		
Residential Multi-Family Annual Consumption (CCF)	x 1,696.15	\$ 11,788.41	\$ 22,540.41	x 1,696.15	\$ 11,448.71	\$ 22,200.71

Residential Single-Family:

Calculation of Base Charge:

Quarterly Base Charge - Present Tariff	\$ 28.00			\$ 28.00		
1 + Percent Increase	x 1.0000			x 0.98815		
Proposed Residential Single-Family Quarterly Base Charge (Rounded)	\$ 28.00			\$ 28.00		
Number of Customers	x 154			x 154		
Annual Billing Quarters	x 12	\$ 51,744.00		x 12	\$ 51,744.00	

Calculation of Consumption Charge:

Total Proposed Revenue Requirement	\$ 125,905			\$ 124,413		
Less: Combined Proposed Commercial Class A & B Revenue	(19,760)			(19,526)		
Less: Combined Proposed Residential Multi- & Single- Family Revenues from Base Charge	(62,496)			(62,496)		
Combined Proposed Residential Multi- & Single- Family Revenues from Consumption Charge	\$ 43,649			\$ 42,391		
Combined Residential Multi- & Single- Family Annual Consumption (CCF)	+ 6,284.34			+ 6,284.34		
Proposed Residential Multi- & Single- Family Consumption Charge	\$ 8,945.7			\$ 8,745.5		
Residential Single-Family Annual Consumption (CCF)	x 4,588.19	\$ 31,868.09	\$ 83,612.09	x 4,588.19	\$ 30,949.74	\$ 82,893.74

Total Proposed Revenue Requirement - Water Division

\$ 125,912.50	\$ 124,420.29
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AWC White Rock Water

PUC 1604.02(a)(2)

Report of Proposed Revenue Changes

Utility: Abenaki Bow Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

<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	\$ 74,430	95	\$ 82,136	\$ 156,566	\$ 74,430
Reg Rev Adj - Excess Inc Tax	-		(2,642)	(2,642)	-
Misc. Service Revenues	-	-	20	20	-
Surcharge	(2,697)		2,697		(2,697)
Total Other Revenue	\$ (2,697)		\$ 75	\$ (2,622)	\$ (2,697)
Total	\$ 71,733	95	\$ 82,211	\$ 153,944	\$ 71,733
Average per Customer			\$ 864.59	\$ 1,648.06	\$ 783.47
Percent Increase					90.62%

AWC White Rock Water

Calculation of Rates

Calculation of Rates

Test Year Water Sales (Report of Proposed Revenue Changes; Column F)	\$ 82,136
Proposed Increase in Revenue Requirement from Permanent Rates (Column H)	74,430
Proposed Step Increase in Revenue Requirement	
Total Proposed Revenue Requirement	<u>\$ 156,566</u>

Current Fixed Charge per Quarter (per Tariff)	\$ 16.50	per Customer per Quarter	\$ 16.50
Increase in Fixed Charge per Quarter	<u>15.01</u>		x <u>1.9098</u>
Proposed Fixed Charge per Quarter	\$ <u>31.51</u>	per Customer per Quarter	<u>\$ 31.51</u>
Billing Periods per Year		x	<u>12</u>
Proposed Fixed Charge per Year	\$ 378.15		
Number of Customers		x	<u>95</u>
Total Annual Revenue Derived from Fixed Charge	<u>\$35,923.95</u>		
Total Annual Revenue Derived from Consumption Charge	\$ 156,566	-	\$35,923.95 =
			\$120,642.05
CF Consumption for the test year		+	<u>4,733.64</u> 100 CF
Proposed Consumption Charge (per CF)	<u>\$ 25.4861</u>		per 100 CF

AWC Tioga Gilford Village Water

PUC 1604.02(a)(2)

Report of Proposed Rate Changes

Utility: Abenaki Gilford Village Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

<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	\$ 40,830	39	\$ 28,833	\$ 69,663	\$ 40,830
Misc. Service Revenues	-	-			-
Total	<u>\$ 40,830</u>	<u>39</u>	<u>\$ 28,833</u>	<u>\$ 69,663</u>	<u>\$ 40,830</u>
Average per Customer			<u>\$ 739.31</u>	<u>\$ 1,786.23</u>	<u>\$ 1,046.92</u>
Percent Increase					<u>141.61%</u>

AWC Tioga Gilford Village Water

Calculation of Rates

Adjusted Test Year Water Sales (Sch 1; Column D)		\$ 28,833		
Proposed Increase in Revenue Requirement from Permanent Rates (Sch 1; Column E)		40,830		
Proposed Step Increase in Revenue Requirement				
Total Proposed Revenue Requirement		<u>\$ 69,663</u>		
Current Fixed Charge per Quarter (per Tariff)		\$ 35.97	per Unit per Quarter	\$ 35.97
Increase in Fixed Charge per Quarter		<u>50.94</u>		x <u>2.4161</u>
Proposed Fixed Charge per Quarter		\$ 86.91	per Customer per Quarter	<u>\$ 86.91</u>
Billing Periods per Year	x	<u>4</u>		
Proposed Fixed Charge per Year		\$ 347.63		
Number of Customers	x	<u>106</u>		
Total Annual Revenue Derived from Fixed Charge		<u>\$ 36,849</u>		
Total Annual Revenue Derived from Consumption Charge	\$ 69,663 - \$ 36,849 =	\$ 32,814		
CF Consumption for the test year		+ <u>315,115</u>	CF	
Proposed Consumption Charge (per CF)		<u>\$ 0.10</u>	per CF	

AWC Tioga Belmont Water

PUC 1604.02(a)(2)

Report of Proposed Rate Changes

Utility: Abenaki Belmont Date Filed: 10/30/2020

Tariff No.: Effective Date: 12/1/2020

<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	\$ 62,110	22	\$ 18,346	\$ 80,456	\$ 62,110
Misc. Service Revenues	-	-			-
Total	\$ 62,110	22	\$ 18,346	\$ 80,456	\$ 62,110
Average per Customer	<u>\$ 2,823.18</u>		<u>\$ 833.91</u>	<u>\$ 3,657.09</u>	<u>\$ 2,823.18</u>
Percent Increase					<u>338.55%</u>

AWC Tioga Belmont Water

Calculation of Rates

Adjusted Test Year Water Sales (Sch 1; Column D)		\$	18,346		
Proposed Increase in Revenue Requirement from Permanent Rates (Sch 1; Column E)			62,110		
Proposed Step Increase in Revenue Requirement (Att A; Sch 4)					
Total Proposed Revenue Requirement		\$	<u>80,456</u>		
Current Fixed Charge per Quarter (per Tariff)		\$	60.00	per Customer per Quarter	\$ 60.00
Increase in Fixed Charge per Quarter			143.13		x 3.3855
Proposed Fixed Charge per Quarter		\$	<u>203.13</u>	per Customer per Quarter	<u>\$ 203.13</u>
Billing Periods per Year	x		4		
Proposed Fixed Charge per Year		\$	<u>812.52</u>		
Number of Customers	x		22		
Total Annual Revenue Derived from Fixed Charge		\$	<u>17,875.44</u>		
Total Annual Revenue Derived from Consumption Charge	\$ 80,456 - \$ 17,875.44 =	\$	62,580.56		
CF Consumption for the test year		÷	<u>109,671</u>	CF	
Proposed Consumption Charge (per CF)		\$	<u>0.5706</u>	per CF	

NHPUC NO. 1 — Sewer

5th Revised Page 7

ABENAKI WATER CO., INC.

Superseding 5th Revised Page 7

Belmont, N. H.

GENERAL SERVICE - METERED
For
BELMONT SEWER TARIFF SYSTEM

CHARACTER OF SERVICE:

Receiving, transporting and disposal of sewage from the Customers' premises, subject to terms and conditions of this Tariff rendered in the monthly bill and are due and payable twenty-five days after mailing.

RATES:

The rate of metered service shall include a customer charge per month per class as follows:

<u>Customer Class</u>	<u>Base Charge</u>	<u>Consumption Charge (per 100 cf)</u>
Commercial A 1	\$451.24	\$23.52
Commercial B 2	\$150.60	\$8.68
Multi-Family/unit 3	\$32.54	\$5.63
Single Family 4	\$32.54	\$5.63

MINIMUM CHARGE:

The minimum charge will be the Base charge.

TERMS OF PAYMENT

Bills under these rates are net, will be rendered monthly and are due and payable twenty-five days after mailing. Interest charged at a rate of 1.5% per month (18% annually) after 30 days.

AVAILABILITY:

1. Applicable to all sewer service for Consolidated Communications.
2. Applicable to all Commercial sewer service customers other than Consolidated Communications.
3. Applicable to all sewer service for Maple Hill Acres.
4. Applicable to all residential sewer service other than 1, 2, and 3 above.

ISSUED: ...

ISSUED BY: Robert Gallo

EFFECTIVE: December 1, 2020

TITLE: President

Authorized by NHPUC Order No. ... in DW 20-112 dated ...

NHPUC NO. 1 – Water

3rd Revised Page 16

ABENAKI WATER CO., INC.

Superseding 2nd Revised Page 16

Belmont, N. H.

GENERAL SERVICE - METERED
For
BELMONT WATER TARIFF SYSTEM

CHARACTER OF SERVICE:

Water is obtained from wells and will be transmitted by pumps to the individual service pipe at a pressure of approximately 30-150 pounds per square inch for Single Family residential customers and approximately 70 pounds per square inch for all other customer classes.

RATES:

The rate of metered service shall include a customer charge per month per class as follows:

<u>Customer Class</u>	<u>Base Charge</u>	<u>Consumption Charge (per 100 cf)</u>
Commercial A 1	\$431.00	\$15.36
Commercial B 2	\$144.00	\$7.11
Multi-Family/unit 3	\$28.00	\$6.75
Single Family 4	\$28.00	\$6.75

MINIMUM CHARGE:

The minimum charge will be the base charge.

TERMS OF PAYMENT

Bills under these rates are net, will be rendered monthly and are due and payable twenty-five days after mailing. Interest charged at a rate of 1.5% per month (18% annually) after 30 days.

AVAILABILITY:

1. Applicable to all water service for Fairpoint Communications.
2. Applicable to all Commercial water service customers other than Fairpoint Communications.
3. Applicable to all water service for Maple Hill Acres.
4. Applicable to all residential water service other than 1,2, and 3 above.

ISSUED: ...

ISSUED BY: Robert Gallo

EFFECTIVE: December 1, 2020

TITLE: President

Authorized by NHPUC Order No. ... in DW 20-112 dated ...

NHPUC NO. 1 -Water

4th Revised Page 13

ABENAKI WATER CO., INC.

Superseding 3rd Revised Page 13

BOW, NH

**GENERAL SERVICE - METERED
For
BOW WATER TARIFF SYSTEM**

AVAILABILITY:

This schedule is applicable to all water service in the franchise area.

CHARACTER OF SERVICE:

Water is obtained from wells and will be transmitted by pumps to the individual service pipe at a pressure of 20 to 125 pounds per square inch.

RATES:

The rate of metered service shall include a customer charge per month per unit as follows:

<u>Customer Class</u>	<u>Base Charge</u>	<u>Consumption Charge (per 100 cf)</u>
Single Family	\$31.51	\$24.49

MINIMUM CHARGE:

The minimum charge will be the base charge.

TERMS OF PAYMENT

Bills under these rates are net, will be rendered monthly and are due and payable twenty-five days after mailing. Interest charged at a rate of 1.5% per month (18% annually) after 30 days.

Issued:
Effective:
Authorized by NHPUC Order No. in DW dated.

Issued by: Robert Gallo
Title: President

2nd Re-Exhibit 2 of 5
Original Page 1
Superseding Original Page 5

NHPUC NO. 1 – WATER
Abenaki Water Company, Inc.
Tioga – Gilford Village

GENERAL SERVICE- METERED

Rate Schedule - "GM"

AVAILABILITY:

This schedule is available to all metered water service in the franchise area.

CHARACTER OF SERVICE:

Water will be furnished and maintained at the normal operating pressure of not less than 20 psi nor more than 125 psi at the service connection.

RATES-MONTHLY

Fixed Monthly Charge:	\$86.91 per unit
Consumption Charge:	\$ 0.10 per gallon

TERMS OR PAYMENT:

Bills under this rate schedule are net, will be rendered monthly. The bills are due and payable upon presentation. If payment is not made within 30 days from the postmarked date, disconnect action may be taken in accordance with regulations of PUC 1203.11. If a check is returned to the Company, the charge shall be thirty five dollars (\$35.00).

Issued:

Issued by: _____

Effective:

Title: President

Authorized by NHPUC Order No. in DW dated.

GENERAL SERVICE- METERED

Rate Schedule - "GM"

AVAILABILITY:

This schedule is available to all metered water service in the franchise area.

CHARACTER OF SERVICE:

Water will be furnished and maintained at the normal operating pressure of not less than 20 psi nor more than 125 psi at the service connection.

RATES-MONTHLY

Fixed Monthly Charge:	\$203.13 per unit
Consumption Charge:	\$ 0.57 per gallon

TERMS OR PAYMENT:

Bills under this rate schedule are net, will be rendered monthly. The bills are due and payable upon presentation. If payment is not made within 30 days from the postmarked date, disconnect action may be taken in accordance with regulations of PUC 1203.11.

If a check is returned to the Company, the charge shall be thirty five dollars (\$35.00).

Issued: Issued by: _____

Effective: Title: President

Authorized by NHPUC Order No. in DW dated.

PUC 1604.02(a)(3)

DW 20-112

Abenaki Water Company

Temporary Rates

Written Direct Testimony of

Stephen P. St. Cyr

1 **Stephen P. St. Cyr & Associates**

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6
7 Direct Testimony of Stephen P. St. Cyr for **Temporary Rates** in DW 20-112

8
9 Q. Please state your name and address.

10
11 A. Stephen P. St. Cyr of Stephen P. St. Cyr & Associates, 17 Sky Oaks Drive,
12 Biddeford, Me. 04005.

13
14 Q. Please state your present employment position and summarize your professional
15 and educational background.

16
17 A. I am presently employed by St. Cyr & Associates, which provides accounting,
18 tax, management and regulatory services. St. Cyr & Associates was established
19 in 1993. The Company devotes a significant portion of the practice to serving
20 utilities. The Company has a number of regulated water utilities among its
21 clientele. I have prepared and presented a number of rate case filings before the
22 New Hampshire Public Utilities Commission. Prior to establishing St. Cyr &
23 Associates, I worked in the utility industry for 16 years, holding various
24 managerial accounting and regulatory positions. I have a Business
25 Administration degree with a concentration in accounting from Northeastern
26 University in Boston, Ma. I obtained my CPA certificate in Maryland, however,
27 I'm not currently licensed in NH due to different licensing requirements. I have a
28 master level Certificate in Taxation from New Hampshire College (now Southern
29 New Hampshire University).

30
31 Q. Is St. Cyr & Associates presently providing services to Abenaki Water Company
32 (“AWC” or “Company”)?

33
34 A. Yes. St. Cyr & Associates prepared the various **temporary rate case** exhibits
35 and supporting schedules as well as the written testimony and other rate case
36 filing requirements **for temporary rates**. Also, St. Cyr & Associates prepare
37 both recent financing applications (DW 20-044 and DW 20-088). In addition, St.
38 Cyr & Associates prepares Abenaki's PUC Annual Reports.

39
40 Q. Are you familiar with the pending **temporary** rate application of the various
41 AWC water and sewer systems and with the various exhibits submitted as
42 Schedules 1 through 4 inclusive, with related pages and attachments for each of
43 the water systems and the sewer system?

44
45 A. Yes, I am. The **temporary rate case** exhibits were prepared by me, utilizing the
46 financial records of the Company.

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6
7 Q. What is the test year that AWC is using in this **temporary rate** filing?

8
9 A. AWC is utilizing the twelve months ended December 31, 2019 for the Lakeland
10 (“LL”) Water and White Rock (“WR”) and the 12 months ended 4/30/20 for
11 Tioga Gilford Village (“TGV”) and Tioga Belmont (“TB”). AWC is using the 12
12 months ended 4/30/20 for TGV and TB because there were only 8 months of
13 actual data in the 2019 test year. AWC is also is utilizing the twelve months
14 ended December 31, 2019 for the Lakeland (“LL”) Sewer.

15
16 Q. Before you explain the schedules, please provide a brief overview of AWC.

17
18 A. AWC, a wholly owned subsidiary of New England Service Company (“NESC”),
19 is a public utility distributing water to approximately 725 customers in Carroll,
20 Belmont, Bow and Gilford, NH. It also provides sewer to 158 customers in
21 Belmont, NH. As a public utility operating in New Hampshire, the Company
22 functions under the rules and regulations prescribed by the New Hampshire
23 Public Utilities Commission (“NHPUC”).

24
25 Q. Is the rate application applicable to all of AWC’s systems?

26
27 A. No, the rate application excludes the Rosebrook water system.

28
29 Q. Are there specific things prompting the **temporary rate filing**?

30
31 A. Yes. First of all, the WR, TGV and TB all experience net losses during the test
32 year. As such, part of the rate application is simply to allow those systems to
33 recover its costs and earn its PUC approved rates of return. Second, each of the
34 water systems incurred normal replacement of plant and/or new plant during the
35 test year. Both TGV and TB made significant investments in the purchased and
36 installed meters. Third, LL Water, WR & TB systems has incurred costs i.e.,
37 water boiling, tax rate effect change, water outages, tank inspection, etc. that have
38 been deferred. Those systems are now seeking recovery of such costs over
39 various periods of time. Finally, Lakeland and White Rock’s last rate increase was
40 approved in DW 15-199, based on a proformed 2014 test year. TGV and TB’s
41 last rate increase was approved in DW 10-217, based on a proformed test year for
42 the 12 months ended 10/31/09. With the proposed increase in **temporary** rates
43 and revenues, AWC should be able to eliminate the net loss, recover its
44 investments, earn its PUC approved rate of return on its investment and continue
45 to provide service to its customers at fair and reasonable rates.

46

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6
7 Q. Is there anything else prior to summarizing the schedules?

8
9 A. No.

10
11 Q. What is the purpose of your testimony?

12
13 A. The purpose of my testimony is to support AWC's efforts to increase rates on a
14 **temporary basis.**

15
16 Q. Please provide an overview of the temporary rate filing.

17
18 A. **The temporary rate filing is the same as the permanent rate filing, except for**
19 **the elimination of certain pro forma adjustments that are more**
20 **appropriately reviewed as part of the permanent rate filing. AWC adjusted**
21 **the revenue downward for each of the systems. It eliminated most of expense**
22 **adjustments for each of the systems. It also eliminated most of rate base**
23 **adjustments for each of the systems. In addition, AWC eliminated the pro**
24 **forma capital structure and rate of return. With the elimination of the**
25 **various adjustments, AWC believes that the temporary increase in rates /**
26 **revenues for each of the systems is fair, reasonable and manageable. It allows**
27 **each of the systems to earn its PUC approved rate of return on its prudently**
28 **incurred investments and to pay for its necessary operating expenses. The**
29 **proposed temporary increase will enable each of the systems to continue**
30 **providing good water with good pressure and reliability at a good price.**

31
32 Q. Would you please summarize the schedules?

33
34 A. Yes. The schedules consist of AWC 2019, 2018 and 2017 balance sheets and
35 income statements, the 2019 statement of income by system, the 2019, 2018 and
36 2017 capital structures, the 2019 actual and the rate of return information
37 (collectively referred to as the Total Company Schedules). The Total Company
38 Schedules are followed by a set of **temporary** rate schedules for the LL Sewer
39 entity and the LL Water, WR, TGV and TB water systems.

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6
7 **Q. Please describe the Total Company Schedules.**

8
9 **A.** The Total Company Schedules consist of the 2019, 2018 and 2017 balance sheets
10 and income statements, the 2019 statement of income by system, the 2019, 2018
11 and 2017 capital structures, the 2019 actual long term debt and the rate of return
12 information

13
14 Overall, Schedule 1a and 1b shows the Company's balance sheet has increased
15 \$487,621 since 2017, including an increase in utility plant of \$599,472. The
16 Company's cash position has been strained, resulting in a significant A/P to
17 Associated Co., which was subsequently converted to additional paid in capital.
18 Company has also experienced increases in preliminary survey and investigation
19 charges of \$102,041 and miscellaneous deferred debits of \$157,681. In addition,
20 the Company has an increase in additional paid in capital of \$474,730 including
21 the previously mentioned conversion of A/P to Associated Co. Its long-term debt
22 decreased in 2018 and increased in 2019.

23
24 Overall, in 2019, Schedule 2a shows the Company's net income amounted to
25 \$29,063. The Company's operating revenues decreased in 2018 and increased in
26 2019, due to an increase in rates in its Rosebrook water system and 8 months of
27 revenue from newly acquired TGV and TB water systems. The Company's
28 operating expenses decreased in 2018 and increased in 2019. The increase in
29 2019 is in part due to O&M expenses associated with newly acquired TGV and
30 TB water system.

31
32 A closer look at the Company's 2019 net income as shown on Schedule 2b
33 reveals that Rosebrook and Lakeland contributed to the overall net income and
34 WR, TGV and TB did not. WR, TGV & TB experienced net losses amounting to
35 \$19,532, \$13,067 and \$19,975, respectively.

36
37 As such, part of the proposed increase in **temporary** rates / revenues is to simply
38 allow those systems to cover their expenses and earn their presently PUC
39 approved rate of return.

40
41 Schedule 3 shows the 2019, 2018 & 2017 capital structures. As indicated earlier,
42 the Company has an increase in additional paid in capital of \$474,730 including
43 the previously mentioned conversion of A/P to Associated Co. Its long-term debt
44 decreased in 2018 and increased in 2019.

45

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6
7 Schedule 4 shows the Company's long term debt and interest expense for both
8 actual and pro forma 2019. The actual cost of debt is 4.08%. The pro forma cost
9 of debt is 4.08%, the same as the actual costs of debt for **temporary rate**
10 **purposes.**

11
12 Schedule 5 shows the rate of return information including overall rate of return of
13 7.81% for both actual and pro forma, respectively. It also shows the capital
14 structures and capital structures percentage for 2019, 2018 and 2017. The
15 Company is utilizing the PUC approved rate of return in DW 15-199.

16
17 Q. Is there anything else that you would like to address related to the Total Company
18 Schedules?

19
20 A. No.

21
22 Q. Please begin by describing the **LL Sewer Schedules for temporary rates.**

23
24 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year
25 ended December 31, 2019," summarizes the supporting schedules. The actual
26 revenue (deficiency) surplus for LL Sewer for the test year amounts to (\$2,121).
27 It is based upon an actual test year with a 5 quarter average rate base of \$49,752
28 as summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual
29 test year. The rate of return of 7.81%, when multiplied by the rate base of
30 \$49,752, results in an operating income requirement of \$3,886. As shown on
31 Schedule 1, the actual net operating income (loss) for LL Sewer for the test year
32 was \$1,765. The operating income required, less the net operating income (loss),
33 results in an operating income (deficiency) surplus before taxes of (\$2,121). LL
34 Sewer did not calculate the tax effect of the revenue deficiency, resulting in a
35 revenue (deficiency) surplus for LL Sewer of (\$2,121).

36
37 The pro forma revenue deficiency for LL Sewer for the test year amounts to zero.
38 It is based upon a pro formed test year rate base of \$52,698, as summarized in
39 Schedule 3. AWC is utilizing the actual rate of return of 7.81% for the pro
40 formed test year. The pro formed rate of return of 7.81% when multiplied by the
41 rate base of \$52,698, results in an operating net income requirement of \$4,116.

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7

As shown on Schedule 1, the pro formed net operating income for LL Sewer for the test year is \$4,115. The operating income required, less the net operating income, results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in a revenue deficiency for LL Sewer of zero.

11

12

Schedule 1 reflects LL Sewer's Statement of Income. Column b shows the actual 2019 year end balances. Column c shows pro forma adjustments for known and measurable changes to test year revenues and expenses. Column d shows the pro forma 2019 year end balances. The 2018 and 2017 Statements of Income are not available since 2019 was the first year in which AWC separated the water and sewer. During the 2019 test year, LL Sewer net income (loss) was \$1,765.

18

19

Schedule 1A shows the pro forma adjustments to revenue and expenses. The Company made 2 pro forma adjustments to operating revenues totaling \$5,534 and a few pro forma adjustments to operating expenses totaling \$3,184. The specific pro forma adjustments are identified on the Statement of Income – Pro forma Adjustments (Schedule 1A). A brief explanation is as follows:

24

Pro forma Adjustment to Operating Revenues

26

Operating Revenues – \$5,534

28

The Company decreased test year operating revenue by (\$5,309) to eliminate the surcharge revenue.

31

The Company increased test year operating revenue by \$10,573 for the proposed amount of revenues necessary to cover its expenses and allow it to earn its proposed rate of return.

34

Pro forma Adjustments to Operating Expense

36

Operating Expenses:

38

Purchased Water Treatment - \$0

40

Miscellaneous Pumping Expenses - \$2,206

42

In 2019 LL Sewer removed and unbound sewer pump 1. Initially, it charged such expense to miscellaneous deferred debit. Upon further review, it was determined that the expense was maintenance in nature and should have been charged to expense. As such, the pro forma adjustment transferred the expense from miscellaneous deferred debits to miscellaneous pumping expenses.

43

44

45

46

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7 Lease Agreements - \$0

8
9 PUC Audit - \$0

10
11 Amortization Expenses – Other - \$594

12
13 2019 Tax Rate Effect Change

14
15 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR
16 18-001 and DW 18-047 related to the PUC investigation to determine the rate
17 effect of federal and state corporate tax reductions. The investigation involved
18 AWC preparing a compliance plan along with attachments, the PUC Staff
19 recommendation and the PUC order approving Staff's recommendation. AWC
20 later allocated such costs to its 3 systems at the time including Lakeland. In 2019
21 Lakeland further allocated such costs between water and sewer. LL Sewer costs
22 amounts to \$1,536. LL Sewer is proposing to recover the costs over 5 years, at an
23 annual cost of \$307.
24

25 2019 Sewer Step Rate Increase

26
27 In DW 15-199 the PUC approved a step increase for an anticipated
28 increase in sewer rates that the City of Laconia charges LL Sewer. LL Sewer
29 pursued the step increase in 2019 and incurred various \$1,536 costs to do so. LL
30 Sewer is proposing to recover the costs over 5 years, at an annual cost of \$287.
31

32
33 Income Taxes - \$384

34
35 The Company has provided the calculation of the federal income taxes and the
36 state business taxes (Schedule 1B). The Company has also provided the effective
37 tax factor (Schedule 1C).
38

39 The total pro forma adjustments to Operating Expenses amount to \$3,184.
40
41
42
43
44
45

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6
7 The net of the pro forma adjustments to operating revenue of \$5,534 and
8 the pro forma adjustments to operating expenses of \$3,184 results in a net pro
9 forma adjustment of \$2,350. When the net operating income associated with the
10 pro forma adjustments is added to net operating income from the test year, the pro
11 forma test year net operating income totals \$4,115. The pro forma test year net
12 operating income of \$4,115 allows LL Sewer to cover its expenses and
13 earn its actual 7.81% return on its investments.

14
15 Q. Does that complete your description of the pro forma adjustments to revenues and
16 expenses?

17
18 A. Yes.

19
20 Q. Please describe Schedule 2, the Balance Sheet.

21
22 A. See Total Company Balance Sheet.

23
24 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
25 schedule.

26
27 A. Schedule 3 reflects LL Sewer Rate Base the 5 quarter average. Column b – f
28 shows the actual balance at the end of each quarter. Column g shows the average
29 of the 5 quarter balances. Column h shows the pro forma adjustments. Column i
30 shows the pro forma 5 quarter average balances.

31
32 Schedule 3A shows the Rate Base – LL Sewer Pro forma Adjustments.
33 Adjustments #3 & #4 are the adjustments related to the Dockets IR 18-001 and
34 DW 18-047 regarding the PUC investigation to determine the rate effect of
35 federal and state corporate tax reductions and step increase costs totaling \$2,971.
36 LL Sewer is proposing to recover both costs over 5 years, at an annual cost of
37 \$594. The half year amortization of such costs is \$297.

38
39 Adjustment #6 pertains to cash working capital and shows the additional cash
40 working capital due to the proposed increase in O&M expenses. The cash
41 working capital balances are further supported by Schedules 3C.

42
43 The Total Pro Forma December 31, 2019 Rate Base balance amounts to \$52,698.

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6
7 Q. Would you please explain Schedule 4, Rate of Return Information?

8
9 A. See Total Company Capital Structure and Rate of Return Information. Please
10 note that the Capital Structure and Rate of Return Information is for AWC (Total
11 Company) and not just LL Sewer.

12
13 Q. Please explain the Report of Proposed Rate Changes.

14
15 A. If LL Sewer's rate filing is approved as submitted, its total sewer Operating
16 Revenues will amount to \$121,455, an increase of \$5,534.

17
18 Q. Is LL Sewer proposing any changes to the methodology used in calculating the
19 rates?

20
21 A. No. LL Sewer is calculating the new rates in a manner consistent with its present
22 rates.

23
24 Q. When is LL Sewer proposing that the new rates be effective?

25
26 A. The proposed effective date is 30 days from LL Sewer's rate filing.

27
28 Q. Would you please summarize what the LL Sewer is requesting in its **temporary**
29 **rate filing**?

30
31 A. LL Sewer respectfully requests that the Commissioners approve an increase in
32 annual revenues of \$5,534 for **temporary** rates.

33
34 Q. Is there anything further that you would like to discuss?

35
36 A. No, there is nothing further to my testimony as it pertains to LL Sewer.

37
38 Q. Please begin by describing the **LL Water Schedules for temporary rates**.

39
40 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year
41 ended December 31, 2019," summarizes the supporting schedules. The actual
42 revenue (deficiency) surplus for LL Water for the test year amounts to \$6,261. It
43 is based upon an actual test year with a 5 quarter average rate base of \$298,944 as
44 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual
45 test year. The rate of return of 7.81%, when multiplied by the rate base of
46 \$298,944, results in an operating income requirement of \$23,347.

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8 As shown on Schedule 1, the actual net operating income (loss) for LL Water for
9 the test year was \$29,608. The operating income required, less the net operating
10 income (loss), results in an operating income (deficiency) surplus before taxes of
11 \$6,261. LL Water did not calculate the tax effect of the revenue deficiency,
12 resulting in a revenue (deficiency) surplus for LL Water of \$6,261.
13

14 The pro forma revenue deficiency for LL Water for the test year amounts to zero.
15 It is based upon a pro formed test year rate base of \$306,898, as summarized in
16 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed
17 test year. The pro formed rate of return of 7.81% when multiplied by the rate
18 base of \$306,898, results in an operating net income requirement of \$23,969.
19

20 As shown on Schedule 1, the pro formed net operating income for LL Water for
21 the test year is \$23,969. The operating income required, less the net operating
22 income, results in a deficiency of zero. The tax effect of the deficiency is zero,
23 resulting in a revenue deficiency for LL Water of zero.
24

25 Schedule 1 reflects LL Water's Statement of Income. Column b shows the actual
26 2019 year end balances. Column c shows pro forma adjustments for known and
27 measurable changes to test year revenues and expenses. Column d shows the pro
28 forma 2019 year end balances. The 2018 and 2017 Statements of Income are not
29 available since 2019 was the first year in which AWC separated the water and
30 sewer. During the 2019 test year, LL Water net income (loss) was \$24,447.
31

32 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
33 Company made 1 pro forma adjustment to operating revenues totaling (\$4,964)
34 and a few pro forma adjustments to operating expenses totaling \$675. The
35 specific pro forma adjustments are identified on the Statement of Income – Pro
36 forma Adjustments (Schedule 1A). A brief explanation is as follows:
37

38 Pro forma Adjustment to Operating Revenues

39
40 Operating Revenues – (\$4,964)
41

42 The Company has decreased test year revenues for the proposed amount
43 of revenues necessary to cover its expenses and allow it to earn its proposed rate
44 of return.
45
46

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8 Pro forma Adjustments to Operating Expense
9

10 Operating Expenses:
11

12 Lease Agreements - \$0
13

14 PUC Audit - \$0
15

16 Depreciation Expense - \$0
17

18 Amortization Expense - \$990
19

20 In 2017 LL Water incurred \$6,996 related to a water boiling order. LL
21 Water deferred such costs. It is now proposing to seek recovery over a ten year
22 period. The annual costs amounts to \$700. Also, see Schedule 3C.
23

24 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR
25 18-001 and DW 18-047 related to the PUC investigation to determine the rate
26 effect of federal and state corporate tax reductions. The investigation involved
27 AWC preparing a compliance plan along with attachments, the PUC Staff
28 recommendation and the PUC order approving Staff's recommendation. AWC
29 later allocated such costs to its 3 systems at the time including Lakeland. In 2019
30 Lakeland further allocated such costs between water and sewer. LL Water costs
31 amounts to \$1,453. LL Water is proposing to recover the costs over 5 years, at an
32 annual cost of \$290. Also, see Schedule 3C.
33

34 Taxes other than Income - \$0
35

36 Income Taxes – (\$315)
37

38 The Company has provided the calculation of the federal income taxes and
39 the state business taxes (Schedule 1B). The Company has also provided the
40 effective tax factor (Schedule 1C).
41

42 The total pro forma adjustments to Operating Expenses amount to \$617.
43
44
45
46

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7

The net of the pro forma adjustments to operating revenue of (\$4,964) and the pro forma adjustments to operating expenses of \$675 results in a net pro forma adjustment of (\$5,639). When the net operating income associated with the pro forma adjustments is added to net operating income from the test year, the pro forma test year net operating income totals \$23,969. The pro forma test year net operating income of \$23,969 allows LL Water to cover its expenses and earn its actual 7.81% return on its investments.

10

11

12

13

14

15 Q. Does that complete your description of the pro forma adjustments to revenues and
16 expenses?

17

18 A. Yes.

19

20 Q. Please describe Schedule 2, the Balance Sheet.

21

22 A. See Total Company Balance Sheet.

23

24 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
25 schedule.

26

27 A. Schedule 3 reflects LL Water Rate Base for the 5 quarter average. Column b – f
28 shows the actual balance at the end of each quarter. Column g shows the average
29 of the 5 quarter balances. Column h shows the pro forma adjustments. Column i
30 shows the pro forma year-end balance.

31

Schedule 3A shows the Rate Base – LL Water Pro forma Adjustments.
Adjustments #6 & #7 are the adjustments related to the 2017 water boiling
amounting to \$6,996 and the Dockets IR 18-001 and DW 18-047 regarding the
PUC investigation to determine the rate effect of federal and state corporate tax
reductions amounting to \$1,453. The total addition to rate base is \$8,449. Also,
see Schedule 3C. LL Water is proposing that the 2017 water boiling costs and the
PUC investigation costs be recovered over 10 years and 5 years, respectively.
The total ½ year amortization amounts to \$495. Also, see Schedule 3C

40

The Total Pro Forma December 31, 2019 Rate Base balance amounts to
\$306,898.

42

43

44

45

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6
7 Q. Would you please explain Schedule 4, Rate of Return Information?

8
9 A. See Total Company Capital Structure and Rate of Return Information. Please
10 note that the Capital Structure and Rate of Return Information is for AWC (Total
11 Company) and not just LL Water.

12
13 Q. Please explain the Report of Proposed Rate Changes.

14
15 A. If LL Water's rate filing is approved as submitted, its total water Operating
16 Revenues will amount to \$117,773, a decrease of (\$4,957).

17
18 R. Is LL Water proposing any changes to the methodology used in calculating the
19 rates?

20
21 A. No. LL Water is calculating the new rates in a manner consistent with its present
22 rates.

23
24 R. When is LL Water proposing that the new rates be effective?

25
26 A. The proposed effective date is 30 days from LL Water's rate filing.

27
28 Q. Would you please summarize what the LL Water is requesting in its **temporary**
29 **rate filing**?

30
31 A. LL Water respectfully requests that the Commissioners approve a decrease in
32 overall annual revenues of (\$4,957) including a decrease of (\$1,485) in total water
33 revenues for **temporary** rates.

34
35 Q. Is there anything further that you would like to discuss?

36
37 A. No, there is nothing further to my testimony as it pertains to LL Water.
38
39
40
41
42
43
44
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46

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7 **Q. Please begin by describing the WR Water Schedules for temporary rates.**

8
9 **A.** The schedule entitled “Computation of Revenue Deficiency for the Test Year
10 ended December 31, 2019,” summarizes the supporting schedules. The actual
11 revenue (deficiency) surplus for WR for the test year amounts to (\$36,243). It is
12 based upon an actual test year with a 5 quarter average rate base of \$243,250 as
13 summarized in Schedule 3. AWC’s actual rate of return is 7.81% for the actual
14 test year. The rate of return of 7.81%, when multiplied by the rate base of
15 \$243,250, results in an operating income requirement of \$18,998. As shown on
16 Schedule 1, the actual net operating income (loss) for WR for the test year was
17 (\$17,425). The operating income required, less the net operating income (loss),
18 results in an operating income (deficiency) surplus before taxes of (\$36,423). WR
19 did not calculate the tax effect of the revenue deficiency, resulting in a revenue
20 (deficiency) surplus for WR of (\$36,423).
21

22 The pro forma revenue deficiency for WR for the test year amounts to zero. It is
23 based upon a pro formed test year rate base of \$344,574, as summarized in
24 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed
25 test year. The pro formed rate of return of 7.81% when multiplied by the rate
26 base of \$344,574, results in an operating net income requirement of \$26,911.
27

28 As shown on Schedule 1, the pro formed net operating income for WR for the test
29 year is \$26,911. The operating income required, less the net operating income,
30 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in
31 a revenue deficiency for WR of zero.
32

33 Schedule 1 reflects WR’s Statements of Income. Column b shows the actual 2019
34 year end balances. Column c shows pro forma adjustments for known and
35 measurable changes to test year revenues and expenses. Column d shows the pro
36 forma 2019 year end balances. The 2018 and 2017 Statements of Income are
37 shown in columns e and f, respectively. During the 2019 test year, WR net
38 income (loss) was (\$19,532).
39

40 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
41 Company made 1 pro forma adjustment to operating revenues totaling \$71,733
42 and a few pro forma adjustments to operating expenses totaling \$27,397. The
43 specific pro forma adjustments are identified on the Statement of Income – Pro
44 forma Adjustments (Schedule 1A). A brief explanation is as follows:
45
46

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6
7 Pro forma Adjustment to Operating Revenues

8
9 Operating Revenues – \$71,733

10
11 The Company has increased test year revenues for the proposed amount of
12 revenues necessary to cover its expenses and allow it to earn its proposed rate of
13 return.

14
15 Pro forma Adjustments to Operating Expense

16
17 Operating Expenses:

18
19 Lease Agreements - \$0

20
21 PUC Audit - \$0

22
23 Depreciation Expense - \$0

24
25 Amortization of CIAC – (\$1,600)

26
27 In 2019/2020, WR had its tanks inspected, costing a total \$26,512. WR
28 received a grant of \$8,000 from WR deferred the costs and the related grant.
29 WR is now seeking recovery of the amount and the related grant over 5 year. The
30 annual amortization of CIAC over 5 years amounts to \$1,600. Also, see Schedule
31 3C.

32
33 Amortization Expense associated with Miscellaneous Deferred Debits - \$14,380

34
35 In 2018 & 2019 WR incurred significant expenditures amounting to
36 \$87,625 related to water outages. WR deferred such costs. It is now proposing to
37 seek recovery over a ten year period. The annual costs amounts to \$8,763. Also,
38 see Schedule 3C.

39 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR
40 18-001 and DW 18-047 related to the PUC investigation to determine the rate
41 effect of federal and state corporate tax reductions. The investigation involved
42 AWC preparing a compliance plan along with attachments, the PUC Staff
43 recommendation and the PUC order approving Staff's recommendation. AWC
44 later allocated such costs to its 3 systems at the time including WR. WR costs
45 amounts to \$1,577. WR is proposing to recover the costs over 5 years, at an
46 annual cost of \$315. Also, see Schedule 3C.

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7 In 2019/2020, WR had its tanks inspected, costing a total \$26,512. WR received
8 a grant of \$8,000 from WR deferred the costs and the related grant. WR is
9 now seeking recovery of the amount and the related grant over 5 year. The annual
10 costs over 5 years amount to \$5,302. Also, see Schedule 3C.

11

12 Taxes other than Income – \$0

13

14 In 2020 WR anticipates adding \$169,097 to plant in service. The addition
15 of \$169,097 to plant in service increases the property tax valuation for both state
16 and local property taxes. The calculation of the increase amounts to \$861 and
17 \$3,420 for state and local property taxes, respectively. Also, see Schedule 3B.

18

19 Income Taxes – \$14,616

20

21 The Company has provided the calculation of the federal income taxes and
22 the state business taxes (Schedule 1B). The Company has also provided the
23 effective tax factor (Schedule 1C).

24

25 The total pro forma adjustments to Operating Expenses amount to
26 \$27,397.

27

28 The net of the pro forma adjustments to operating revenue of \$71,733 and
29 the pro forma adjustments to operating expenses of \$27,397 results in a net pro
30 forma adjustment of \$44,336. When the net operating income associated with the
31 pro forma adjustments is added to net operating income from the test year, the pro
32 forma test year net operating income totals \$26,911. The pro forma test year net
33 operating income of \$26,911 allows WR to cover its expenses and earn its actual
34 7.81% return on its investments.

35

36 Q. Does that complete your description of the pro forma adjustments to revenues and
37 expenses?

38

39 A. Yes.

40

41 Q. Please describe Schedule 2, the Balance Sheet.

42

43 A. See Total Company Balance Sheet.

44

45

46

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6
7 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
8 schedule.

9
10 A. Schedule 3 reflects WR Rate Base for the 5 quarter average. Column b – f shows
11 the actual balance at the end of each quarter. Column g shows the average of the
12 5 quarter balances. Column h shows the pro forma adjustments. Column i shows
13 the pro forma year-end balance.

14
15 Schedule 3A shows the Rate Base – WR Pro forma Adjustments. Adjustments #6
16 & #7 are the adjustments related to the 2018 & 2019 water outages amounting to
17 \$87,625, the Dockets IR 18-001 and DW 18-047 regarding the PUC investigation
18 to determine the rate effect of federal and state corporate tax reductions
19 amounting to \$1,577 and the 2019/2020 tank inspections amounting to \$26,512.
20 The total addition to rate base is \$115,714. Also, see Schedule 3C. WR is
21 proposing that the 2018 & 2019 water outages over 10 years and the PUC
22 investigation and tank inspection 5 years. The total ½ year amortization amounts
23 to \$7,190. Also, see Schedule 3C.

24
25 Adjustment #s 9 and 11 are related to the \$8,000 grant for the tank inspections
26 reflected as CIAC and the ½ year amortization of CIAC amounting to \$800.
27 Also, see Schedule 3C.

28
29 The Total Pro Forma December 31, 2019 Rate Base balance amounts to
30 \$344,574.

31
32 Q. Would you please explain Schedule 4, Rate of Return Information?

33
34 A. See Total Company Capital Structure and Rate of Return Information. Please
35 note that the Capital Structure and Rate of Return Information is for AWC (Total
36 Company) and not just WR.

37
38 Q. Please explain the Report of Proposed Rate Changes.

39
40 A. If WR's rate filing is approved as submitted, its total water Operating Revenues
41 will amount to \$153,944 including \$156,566 from residential customers, an
42 increase of \$74,430.

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6
7 Q. Is WR proposing any changes to the methodology used in calculating the rates?

8
9 A. No. WR is calculating the new rates in a manner consistent with its present rates.

10
11 Q. When is WR proposing that the new rates be effective?

12
13 A. The proposed effective date is 30 days from WR's rate filing.

14
15 Q. Would you please summarize what the WR is requesting in its **temporary rate**
16 **filing?**

17
18 A. WR respectfully requests that the Commissioners approve an increase in annual
19 revenues of \$71,733 including \$74,430 from residential customers for **temporary**
20 **rates.**

21
22 Q. Is there anything further that you would like to discuss?

23
24 A. No, there is nothing further to my testimony as it pertains to WR.

25
26 Q. Please begin by describing the **TGV Water Schedules for temporary rates..**

27
28 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year
29 ended December 31, 2019," summarizes the supporting schedules. The actual
30 revenue (deficiency) surplus for TGV for the test year amounts to (\$33,209). It is
31 based upon an actual test year with a 5 quarter average rate base of \$119,913 as
32 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual
33 test year. The rate of return of 7.81%, when multiplied by the rate base of
34 \$119,913, results in an operating income requirement of \$9,365. As shown on
35 Schedule 1, the actual net operating income (loss) for TGV for the test year was
36 (\$23,844). The operating income required, less the net operating income (loss),
37 results in an operating income (deficiency) surplus before taxes of (\$33,209).
38 TGV did not calculate the tax effect of the revenue deficiency, resulting in a
39 revenue (deficiency) surplus for TGV of (\$33,209).
40

41 The pro forma revenue deficiency for TGV for the test year amounts to zero. It is
42 based upon a pro formed test year rate base of \$119,913, as summarized in
43 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed
44 test year. The pro formed rate of return of 7.81% when multiplied by the rate
45 base of \$119,913, results in an operating net income requirement of \$9,365.
46

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7 As shown on Schedule 1, the pro formed net operating income for TGV for the
8 test year is \$9,366. The operating income required, less the net operating income,
9 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in
10 a revenue deficiency for TGV of zero.
11

12 Schedule 1 reflects TGV's Statements of Income for the 12 months ended
13 4/30/20. As previously stated, TGV is using the 12 months ended 4/30/20
14 because there were only 8 months of actual data in the 2019 test year. Column b
15 shows the actual 12 months ended 4/30/20. Column c shows pro forma
16 adjustments for known and measurable changes to test year revenues and
17 expenses. Column d shows the pro forma 12 months ended 4/30/20. The 12
18 months ended 4/30/19 and 4/30/18 was prior to AWC's ownership. During the 12
19 months ended 4/30/20, TGV net income (loss) was (\$24,600).
20

21 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
22 Company made 1 pro forma adjustment to operating revenues totaling \$40,830
23 and a few pro forma adjustments to operating expenses totaling \$7,620. The
24 specific pro forma adjustments are identified on the Statement of Income – Pro
25 forma Adjustments (Schedule 1A). A brief explanation is as follows:
26

27 Pro forma Adjustment to Operating Revenues

28
29 Operating Revenues – \$40,830
30

31 The Company has increased test year revenues for the proposed amount of
32 revenues necessary to cover its expenses and allow it to earn its proposed rate of
33 return.
34

35 Pro forma Adjustments to Operating Expense

36
37 Operating Expenses:
38

39 Lease Agreements - \$0
40

41 PUC Audit - \$0
42

43 Depreciation Expense - \$0
44
45
46

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7

Amortization of Organizational Costs - \$0

8

9

Taxes other than Income – \$661

10

11

Total annual property taxes for the Town of Gilford are \$1,153. The amount of property taxes reflected in the test year was \$492, resulting in a pro forma adjustment of \$661.

12

13

14

15

Income Taxes – \$6,959

16

17

The Company has provided the calculation of the federal income taxes and the state business taxes (Schedule 1B). The Company has also provided the effective tax factor (Schedule 1C).

18

19

20

21

The total pro forma adjustments to Operating Expenses amount to \$7,620.

22

23

24

The net of the pro forma adjustments to operating revenue of \$40,830 and the pro forma adjustments to operating expenses of \$7,620 results in a net pro forma adjustment of \$33,210. When the net operating income associated with the pro forma adjustments is added to net operating income from the test year, the pro forma test year net operating income totals \$9,366. The pro forma test year net operating income of \$9,366 allows TGV to cover its expenses and earn its actual 7.81% return on its investments.

25

26

27

28

29

30

31

Q. Does that complete your description of the pro forma adjustments to revenues and expenses?

32

33

34

A. Yes.

35

36

Q. Please describe Schedule 2, the Balance Sheet.

37

38

A. See Total Company Balance Sheet.

39

40

Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting schedule.

41

42

43

A. Schedule 3 reflects TGV Rate Base for both the 5 quarter average and the pro forma year-end balance. Column b – f shows the actual balance at the end of each quarter. Column g shows the average of the 5 quarter balances. Column h shows the pro forma adjustments. Column i shows the pro forma year-end balance.

44

45

46

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7 Please note that the December 2018 and March 2019 balances are before AWC
8 purchase of TGV. As such, the December 2018 and the March 2019 balances are
9 assumed to be the same as June 2019.

10

11 There are no pro forma adjustments to rate base.

12

13 The Total Pro Forma December 31, 2019 Rate Base balance amounts to
14 \$119,913.

15

16 Q. Would you please explain Schedule 4, Rate of Return Information?

17

18 A. See Total Company Capital Structure and Rate of Return Information. Please
19 note that the Capital Structure and Rate of Return Information is for AWC (Total
20 Company) and not just TGV.

21

22 Q. Please explain the Report of Proposed Rate Changes.

23

24 A. If TGV's rate filing is approved as submitted, its total water Operating Revenues
25 will amount to \$69,663, an increase of \$40,830.

26

27 Q. Is TGV proposing any changes to the methodology used in calculating the rates?

28

29 A. No. TGV is calculating the new rates in a manner consistent with its present
30 rates.

31

32 Q. When is TGV proposing that the new rates be effective?

33

34 A. The proposed effective date is 30 days from TGV's rate filing.

35

36 Q. Would you please summarize what the TGV is requesting in its **temporary rate**
37 **filing**?

38

39 A. TGV respectfully requests that the Commissioners approve an increase in annual
40 revenues of \$40,830 for **temporary rates**.

41

42 Q. Is there anything further that you would like to discuss?

43

44 A. No, there is nothing further to my testimony as it pertains to TGV.

45

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7 **Q. Please begin by describing the TB Water Schedules for temporary rates.**

8
9 **A.** The schedule entitled “Computation of Revenue Deficiency for the Test Year
10 ended December 31, 2019,” summarizes the supporting schedules. The actual
11 revenue (deficiency) surplus for TB for the test year amounts to (\$37,089). It is
12 based upon an actual test year with a 5 quarter average rate base of \$72,615 as
13 summarized in Schedule 3. AWC’s actual rate of return is 7.81% for the actual
14 test year. The rate of return of 7.81%, when multiplied by the rate base of
15 \$72,615, results in an operating income requirement of \$5,671. As shown on
16 Schedule 1, the actual net operating income (loss) for TB for the test year was
17 (\$31,418). The operating income required, less the net operating income (loss),
18 results in an operating income (deficiency) surplus before taxes of (\$37,089). TB
19 did not calculate the tax effect of the revenue deficiency, resulting in a revenue
20 (deficiency) surplus for TB of (\$37,089).
21

22 The pro forma revenue deficiency for TB for the test year amounts to zero. It is
23 based upon a pro formed test year rate base of \$102,910, as summarized in
24 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed
25 test year. The pro formed rate of return of 7.81% when multiplied by the rate
26 base of \$102,910, results in an operating net income requirement of \$8,037.
27

28 As shown on Schedule 1, the pro formed net operating income for TB for the test
29 year is \$8,037. The operating income required, less the net operating income,
30 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in
31 a revenue deficiency for TB of zero.
32

33 Schedule 1 reflects TB’s Statements of Income for the 12 months ended 4/30/20.
34 As previously stated, TB is using the 12 months ended 4/30/20 because there were
35 only 8 months of actual data in the 2019 test year. Column b shows the actual 12
36 months ended 4/30/20. Column c shows pro forma adjustments for known and
37 measurable changes to test year revenues and expenses. Column d shows the pro
38 forma 12 months ended 4/30/20. The 12 months ended 4/30/19 and 4/30/18 was
39 prior to AWC’s ownership. During the 12 months ended 4/30/20, TGV net
40 income (loss) was (\$32,136).
41

42 Schedule 1A shows the pro forma adjustments to revenue and expenses. The
43 Company made 1 pro forma adjustment to operating revenues totaling \$62,110
44 and a few pro forma adjustments to operating expenses totaling \$22,655. The
45 specific pro forma adjustments are identified on the Statement of Income – Pro
46 forma Adjustments (Schedule 1A). A brief explanation is as follows:

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7

Pro forma Adjustment to Operating Revenues

8

9

Operating Revenues – \$62,110

10

11

The Company has increased test year revenues for the proposed amount of revenues necessary to cover its expenses and allow it to earn its proposed rate of return.

12

13

14

15

Pro forma Adjustments to Operating Expense

16

17

Operating Expenses:

18

19

Lease Agreements - \$0

20

21

PUC Audit - \$0

22

23

Depreciation Expense - \$0

24

25

Amortization of CIAC - \$0

26

27

Amortization Expenses – Other - \$3,189

28

29

In 2019 TB incurred significant expenditures associated with a main break and the purchase of water to provide to customers during the outage. The expenditures amounted to \$31,890. TB deferred such costs. It is now proposing to seek recovery over a ten year period. The annual costs amounts to \$3,189. Also, see Schedule 3C.

30

31

32

33

34

35

Taxes other than Income – \$9,912

36

37

Total annual property taxes for the Town of Belmont are \$10,212. The amount of property taxes reflected in the test year was \$300, resulting in a pro forma adjustment of \$9,612.

38

39

40

41

Income Taxes – \$9,554

42

43

The Company has provided the calculation of the federal income taxes and the state business taxes (Schedule 1B). The Company has also provided the effective tax factor (Schedule 1C).

44

45

46

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7 The total pro forma adjustments to Operating Expenses amount to
8 \$22,556.
9

10 The net of the pro forma adjustments to operating revenue of \$62,110 and
11 the pro forma adjustments to operating expenses of \$22,955 results in a net pro
12 forma adjustment of \$39,455. When the net operating income associated with the
13 pro forma adjustments is added to net operating income from the test year, the pro
14 forma test year net operating income totals \$8,037. The pro forma test year net
15 operating income of \$8,037 allows TB to cover its expenses and earn its actual
16 7.81% return on its investments.
17

18 Q. Does that complete your description of the pro forma adjustments to revenues and
19 expenses?
20

21 A. Yes.
22

23 Q. Please describe Schedule 2, the Balance Sheet.
24

25 A. See Total Company Balance Sheet.
26

27 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting
28 schedule.
29

30 A. Schedule 3 reflects TB Rate Base for both the 5 quarter average. Column b – f
31 shows the actual balance at the end of each quarter. Column g shows the average
32 of the 5 quarter balances. Column h shows the pro forma adjustments. Column i
33 shows the pro forma year-end balance. Please note that the December 2018 and
34 March 2019 balances are before AWC purchase of TB. As such, the December
35 2018 and the March 2019 balances are assumed to be the same as June 2019.
36

37 Schedule 3A shows the Rate Base – TB Pro forma Adjustments. Adjustments #9
38 & #10 are the 2019 main break and purchase of water amounting to \$31,890 and
39 the related ½ year amortization of such amount over 10 years amounting to
40 \$1,595. Also, see Schedule 3C.
41

42 The Total Pro Forma December 31, 2019 Rate Base balance amounts to
43 \$102,910.
44
45
46

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6
7 Q. Would you please explain Schedule 4, Rate of Return Information?

8
9 A. See Total Company Capital Structure and Rate of Return Information. Please
10 note that the Capital Structure and Rate of Return Information is for AWC (Total
11 Company) and not just TB.

12
13 Q. Please explain the Report of Proposed Rate Changes.

14
15 A. If TB's rate filing is approved as submitted, its total water Operating Revenues
16 will amount to \$80,456, an increase of \$62,110.

17
18 Q. Is TB proposing any changes to the methodology used in calculating the rates?

19
20 A. No. TB is calculating the new rates in a manner consistent with its present rates.

21
22 Q. When is TB proposing that the new rates be effective?

23
24 A. The proposed effective date is 30 days from TB's rate filing.

25
26 Q. Would you please summarize what the TB is requesting in its **temporary rate**
27 **filing**?

28
29 A. TB respectfully requests that the Commissioners approve an increase in annual
30 revenues of \$62,110 for **temporary rates**.

31
32 Q. Is there anything further that you would like to discuss?

33
34 A. No, there is nothing further to my testimony as it pertains to TB.

35
36 Q. Please begin by describing the **AWC Combined Water Schedules**.

37
38 A. There are no AWC combined water schedules. While AWC is proposing to
39 consolidate water rates for the LL Water, WR, TGV & TB systems for permanent
40 rate, it is not proposing to do so as part of temporary rates.

41

42

43

44

45

46

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6

7 Q. Is there anything else that you would like to address?

8

9 A. Yes. AWC has engaged the services of Stephen P. St. Cyr & Associates to
10 prepare the rate filing and pursue the rate increase throughout the rate case
11 proceeding. St. Cyr & Associates and AWC have agreed on a per hour fee of
12 \$140.00 for each hour of work performed. AWC and I believe that the fees are
13 fair and reasonable. At this point, AWC does not anticipate utilizing outside legal
14 counsel.

15

16 Q. Does this conclude your testimony?

17

18 A. Yes.

19

20

21

22 SPSt. Cyr

23 09/21/20

24

25

PUC 1604.07

DW 20-112

Abenaki Water Company

Temporary Rates

Filing Requirement Schedules

Total Company

F-1 BALANCE SHEET
Assets and Other Debits

Line No.	Account Title (Number) (a)	Ref Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	UTILITY PLANT				
1	Utility Plant (101-106)	F-6	\$ 3,458,705	\$ 2,945,909	\$ 2,859,233
2	Less: Accumulated Depr. and Amort. (108-110)	F-6	1,565,196	1,285,619	1,225,049
3	Net Plant		\$ 1,893,509	\$ 1,660,290	\$ 1,634,184
4	Utility Plant Acquisition Adj. (Net) (114-115)	F-7	(13,484)	(13,485)	22,750
5	Total Net Utility Plant		\$ 1,880,025	\$ 1,646,805	\$ 1,656,934
	OTHER PROPERTY AND INVESTMENTS				
6	Nonutility Property (121)	F-14			
7	Less: Accumulated Depr. and Amort. (122)	F-15			
8	Net Nonutility Property				
9	Investment in Associated Companies (123)	F-16			
11	Utility Investments (124)	F-16	8,404	6,558	4,718
12	Other Investments	F-16			
13	Special Funds(126-128)	F-17			
14	Total Other Property & Investments		\$ 8,404	\$ 6,558	\$ 4,718
	CURRENT AND ACCRUED ASSETS				
16	Cash (131)		\$ 24,860	\$ 16,358	\$ 10,318
17	Special Deposits (132)	F-18			
18	Other Special Deposits (133)	F-18			
19	Working Funds (134)				
20	Temporary Cash Investments (135)	F-16			
21	Accounts and Notes Receivable-Net (141-144)	F-19	27,311	14,312	18,070
22	Accounts Receivable from Assoc. Co. (145)	F-21			
23	Notes Receivable from Assoc. Co. (146)	F-21			
24	Materials and Supplies (151-153)	F-22	14,032	10,606	12,116
25	Stores Expense (161)				
26	Prepayments-Other (162)	F-23	1,363	2,738	2,379
27	Prepaid Taxes (163)	F-38			
28	Interest and Dividends Receivable (171)	F-24			
29	Rents Receivable (172)	F-24			
30	Accrued Utility Revenues (173)	F-24	63,985	55,748	62,546
31	Misc. Current and Accrued Assets (174)	F-24	-		-
32	Total Current and Accrued Assets		\$ 131,551	\$ 99,762	\$ 105,429
	DEFERRED DEBITS				
32	Unamortized Debt Discount & Expense (181) - Note 1	F-25			
33	Extraordinary Property Losses (182)	F-26			
34	Prelim. Survey & Investigation Charges (183)	F-27	186,492	103,023	84,451
35	Clearing Accounts (184)				
36	Temporary Facilities (185)				
37	Miscellaneous Deferred Debits (186)	F-28	290,095	237,290	132,414
38	Research & Development Expenditures (187)	F-29			
39	Accumulated Deferred Income Taxes (190)	F-30	3,000	39,800	28,000
40	Total Deferred Debits		\$ 479,587	\$ 380,113	\$ 244,865
	TOTAL ASSETS AND OTHER DEBITS		\$ 2,499,567	\$ 2,133,238	\$ 2,011,946

F-1 BALANCE SHEET
Equity Capital and Liabilities

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	EQUITY CAPITAL				
1	Common Stock Issued (201)	F-31			
2	Preferred Stock Issued (204)	F-31			
3	Capital Stock Subscribed (202,205)	F-32			
4	Stock Liability for Conversion (203, 206)	F-32			
5	Premium on Capital Stock (207)	F-31			
6	Installments Received On Capital Stock (208)	F-32			
7	Other Paid-In Capital (209,211)	F-33	1,066,251	620,021	589,521
8	Discount on Capital Stock (212)	F-34			
9	Capital Stock Expense(213)	F-34			
10	Retained Earnings (214-215)	F-3	115,931	86,877	51,443
11	Reacquired Capital Stock (216)	F-31			
12	Total Equity Capital		\$ 1,182,182	\$ 706,898	\$ 640,964
	LONG TERM DEBT				
13	Bonds (221)	F-35			
14	Reacquired Bonds (222)	F-35			
15	Advances from Associated Companies (223)	F-35			
16	Other Long-Term Debt (224)	F-35	555,324	525,432	566,839
17	Total Long-Term Debt - Note 1		\$ 555,324	\$ 525,432	\$ 566,839
	CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)		\$ 60,089	\$ 25,699	\$ 8,412
19	Notes Payable (232)	F-36	13,900	90,000	26,612
20	Accounts Payable to Associated Co. (233)	F-37	99,920	224,688	199,478
21	Notes Payable to Associated Co. (234)	F-37			
22	Customer Deposits (235)				
23	Accrued Taxes (236)	F-38	(18,196)	(1,231)	400
24	Accrued Interest (237)		5,382	3,798	1,807
25	Accrued Dividends (238)				
26	Matured Long-Term Debt (239)	F-39			
27	Matured Interest (240)	F-39			
28	Misc. Current and Accrued Liabilities (241)	F-39	-		-
29	Total Current and Accrued Liabilities		\$ 161,095	\$ 342,954	\$ 236,709
	DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)	F-25			
31	Advances for Construction (252)	F-40			
32	Other Deferred Credits (253)	F-41			
33	Accumulated Deferred Investment Tax Credits (255)	F-42			
34	Accumulated Deferred Income Taxes:				
35	Accelerated Amortization (281)	F-45			
36	Liberalized Depreciation (282) - Note 2	F-45	199,797	200,329	189,151
37	Other (283)	F-45			
38	Total Deferred Credits		\$ 199,797	\$ 200,329	\$ 189,151
	OPERATING RESERVES				
39	Property Insurance Reserve (261)	F-44			
40	Injuries and Damages Reserve (262)	F-44			
41	Pensions and Benefits Reserves (263)	F-44			
42	Miscellaneous Operating Reserves (265)	F-44			
43	Total Operating Reserves				
	CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	F-46	\$ 776,759	\$ 635,660	\$ 635,660
45	Accumulated Amortization of C.I.A.C. (272)	F-46	375,590	278,035	257,377
46	Total Net C.I.A.C.		\$ 401,169	\$ 357,625	\$ 378,283
46	TOTAL EQUITY CAPITAL AND LIABILITIES		\$ 2,499,567	\$ 2,133,238	\$ 2,011,946

F-2 STATEMENT OF INCOME

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	UTILITY OPERATING INCOME				
1	Operating Revenues(400)	F-47	\$ 705,735	\$ 633,885	\$ 640,896
2	Operating Expenses:				
3	Operating and Maintenance Expense (401)	F-48	\$ 489,703	\$ 433,892	\$ 497,153
4	Depreciation Expense (403)	F-12	120,700	102,770	96,171
5	Amortization of Contribution in Aid of Construction (405)	F-46.4	(25,581)	(20,658)	(20,821)
6	Amortization of Utility Plant Acquisition Adjustment (406)	F-49	8,068	4,358	4,358
7	Amortization Expense-Other (407)	F-49			
8	Taxes Other Than Income (408.1-408.13)	F-50	37,050	31,374	30,720
9	Income Taxes (409.1, 410.1, 411.1, 412.1)		11,700	(9,712)	28,770
10	Total Operating Expenses		\$ 641,640	\$ 542,024	\$ 636,351
11	Net Operating Income (Loss)		\$ 64,095	\$ 91,861	\$ 4,545
12	Income From Utility Plant Leased to Others (413)	F-51			
13	Gains(Losses) From Disposition of Utility Property (414)	F-52			
14	Net Water Utility Operating Income		\$ 64,095	\$ 91,861	\$ 4,545
	OTHER INCOME AND DEDUCTIONS				
15	Revenues From Merchandising, Jobbing and Contract Work (415)	F-53	\$ 100		
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	F-53			
17	Equity in Earnings of Subsidiary Companies (418)				
18	Interest and Dividend Income (419)	F-54	5,193	5,459	6033
19	Allow. for funds Used During Construction (420)				
20	Nonutility Income (421)	F-54			
21	Gains (Losses) Form Disposition Nonutility Property (422)				
22	Miscellaneous Nonutility Expenses (426)	F-54	(13,065)	(36,234)	
23	Total Other Income and Deductions		\$ (7,772)	\$ (30,775)	\$ 6,033
	TAXES APPLICABLE TO OTHER INCOME				
24	Taxes Other Than Income (408.2)	F-50			
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)				
26	Total Taxes Applicable To Other Income				
	INTEREST EXPENSE				
27	Interest Expense (427)	F-35	\$ 23,808	\$ 23,360	\$ 22,076
28	Amortization of Debt Discount & Expense (428)	F-25	3,452	2,292	2,291
29	Amortization of Premium on Debt (429)	F-25			
30	Total Interest Expense		\$ 27,260	\$ 25,652	\$ 24,367
31	Income Before Extraordinary Items		\$ 29,063	\$ 35,434	\$ (13,789)
	EXTRAORDINARY ITEMS				
32	Extraordinary Income (433)	F-55			
33	Extraordinary Deductions (434)	F-55			
34	Income Taxes, Extraordinary Items (409.3)	F-50			
35	Net Extraordinary Items				
	NET INCOME (LOSS)		\$ 29,063	\$ 35,434	\$ (13,789)

F-2 STATEMENT OF INCOME by SYSTEM

Year Ended December 31, 2019

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	LMC (c)	WR (d)	Rosebrook (e)	Tioga GillfordVillage (f)	Tioga Belmont (g)	Total (h)
	UTILITY OPERATING INCOME							
1	Operating Revenues(400)	F-47	\$ 238,658	\$ 82,211	\$ 353,557	\$ 18,671	\$ 12,638	\$ 705,735
2	Operating Expenses:							
3	Operating and Maintenance Expense (401)	F-48	\$ 161,503	\$ 82,034	\$ 181,601	\$ 28,701	\$ 35,864	\$ 489,703
4	Depreciation Expense (403)	F-12	25,232	19,061	61,260	9,615	5,532	120,700
5	Amortization of Contribution in Aid of Construction (405)	F-46.4	(1,419)	(5,139)	(13,999)	(2,710)	(2,314)	(25,581)
6	Amortization of Utility Plant Acquisition Adjustment (406)	F-49	3,268	1,091	3,709			8,068
7	Amortization Expense-Other (407)	F-49						
8	Taxes Other Than Income (408.1-408.13)	F-50	10,598	9,789	16,117	273	273	37,050
9	Income Taxes (409.1, 410.1, 411.1, 412.1)		8,100	(7,200)	23,400	(5,000)	(7,600)	11,700
10	Total Operating Expenses		\$ 207,282	\$ 99,636	\$ 272,088	\$ 30,879	\$ 31,755	\$ 641,640
11	Net Operating Income (Loss)		\$ 31,376	\$ (17,425)	\$ 81,469	\$ (12,208)	\$ (19,117)	\$ 64,095
12	Income From Utility Plant Leased to Others (413)	F-51						
13	Gains(Losses) From Disposition of Utility Property (414)	F-52						
14	Net Water Utility Operating Income		\$ 31,376	\$ (17,425)	\$ 81,469	\$ (12,208)	\$ (19,117)	\$ 64,095
	OTHER INCOME AND DEDUCTIONS							
15	Revenues From Merchandising, Jobbing and Contract Work (415)	F-53			\$ 100			\$ 100
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	F-53						
17	Equity in Earnings of Subsidiary Companies (418)							
18	Interest and Dividend Income (419)	F-54	1,294	429	3,470			5,193
19	Allow. for funds Used During Construction (420)							
20	Nonutility Income (421)	F-54						
21	Gains (Losses) Form Disposition Nonutility Property (422)							
22	Miscellaneous Nonutility Expenses (426)	F-54			(13,065)			(13,065)
23	Total Other Income and Deductions		\$ 1,294	\$ 429	\$ (9,495)	\$-	\$-	\$ (7,772)
	TAXES APPLICABLE TO OTHER INCOME							
24	Taxes Other Than Income (408.2)	F-50						
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)							
26	Total Taxes Applicable To Other Income							
	INTEREST EXPENSE							
27	Interest Expense (427)	F-35	\$ 5,422	\$ 1,995	\$ 15,834	\$ 298	\$ 259	\$ 23,808
28	Amortization of Debt Discount & Expense (428)	F-25	1,623	541	128	561	599	3,452
29	Amortization of Premium on Debt (429)	F-25						
30	Total Interest Expense		\$ 7,045	\$ 2,536	\$ 15,962	\$ 859	\$ 858	\$ 27,260
31	Income Before Extraordinary Items		\$ 25,625	\$ (19,532)	\$ 56,012	\$ (13,067)	\$ (19,975)	\$ 29,063
	EXTRAORDINARY ITEMS							
32	Extraordinary Income (433)	F-55						
33	Extraordinary Deductions (434)	F-55						
34	Income Taxes, Extraordinary Items (409.3)	F-50						
35	Net Extraordinary Items							
	NET INCOME (LOSS)		\$ 25,625	\$ (19,532)	\$ 56,012	\$ (13,067)	\$ (19,975)	\$ 29,063

Abenaki Water Company

Schedule 3

F-1 BALANCE SHEET

Capital Structure

Line No.	Account Title (Number) (a)	Ref. Sch. (b)	2019 Actual (c)	2018 Actual (d)	2017 Actual (e)
	EQUITY CAPITAL				
1	Common Stock Issued (201)	F-31			
2	Preferred Stock Issued (204)	F-31			
3	Capital Stock Subscribed (202,205)	F-32			
4	Stock Liability for Conversion (203, 206)	F-32			
5	Premium on Capital Stock (207)	F-31			
6	Installments Received On Capital Stock (208)	F-32			
7	Other Paid-In Capital (209,211)	F-33	1,066,251	620,021	589,521
8	Discount on Capital Stock (212)	F-34			
9	Capital Stock Expense(213)	F-34			
10	Retained Earnings (214-215)	F-3	115,931	86,877	51,443
11	Reacquired Capital Stock (216)	F-31			
12	Total Equity Capital		\$ 1,182,182	\$ 706,898	\$ 640,964
	LONG TERM DEBT				
13	Bonds (221)	F-35			
14	Reacquired Bonds (222)	F-35			
15	Advances from Associated Companies (223)	F-35			
16	Other Long-Term Debt (224)	F-35	555,324	525,432	566,839
17	Total Long-Term Debt - Note 1		\$ 555,324	\$ 525,432	\$ 566,839
	TOTAL CAPITALIZATION		\$ 1,737,506	\$ 1,232,330	\$ 1,207,803

F-35 LONG TERM DEBT (Accounts 221, 222, 223, and 224)

Year Ended December 31, 2019

Line No.	Class and Series of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Actual Loan Balances (d)	INTEREST FOR YEAR			Total Interest Expense (h)
					Interest Rate (e)	Interest Expense (f)	Amort. of Fin Costs (g)	
1	Bonds (Account 221)							
2								
3								
4								
5								
6								
7								
8	TOTALS							
9	Advances from Associated Companies (Account 223)							
10								
11								
12	TOTALS							
13	Other Long Term Debt* (Account 224)							
14	LMC CoBank \$300,000 Loan	Feb-14	Feb-24	\$ 104,002	3.68%	\$ 4,719	\$ 1,623	\$ 6,342
15	WR CoBank \$300,000 Loan	Feb-14	Feb-24	34,667	3.68%	1,573	541	2,114
16	RBW CoBank \$400,000 Loan	Oct-16	Oct-26	353,886	3.55%	14,147	128	14,275
17	TGV SRF Loan			34,367	2.86%	298	-	298
18	TB SRF Loan			43,247	2.86%	259	-	259
19	NH DWGTF							
20	NH DWSRF							
21	Total Long Term Debt / Interest			570,169				23,288
22	Long Term Debt Cost Rate							4.08%
23	Unamortized Debt Expense			(14,845)				
24								
25	Total Long Term Debt			555,324				

Abenaki Water Company

Schedule 5
Page 1 of 2

Rate of Return Information

Overall Rate of Return	Component Ratio	Actual Component Cost Rate	Wght Avg Cost Rate	Component Ratio	Proforma Component Cost Rate	Wght Avg Cost Rate
Equity Capital	67.46%	9.60%	6.48%	67.46%	9.60%	6.48%
Long Term Debt	32.54%	4.08%	1.33%	32.54%	4.08%	1.33%
Total Capital	100.00%		7.81%	100.00%		7.81%

Capital Structure	2019 Actual Amounts	2019 Actual Ratios	2019 Proforma Amounts	2019 Proforma Ratios
Common Stock	\$ -	0.00%	\$ -	0.00%
Other Paid in Capital	1,066,251	60.85%	1,066,251	60.85%
Retained Earnings	115,931	6.62%	115,931	6.62%
Total Equity	\$ 1,182,182	67.46%	\$ 1,182,182	67.46%
Long Term Debt	570,169	32.54%	570,169	32.54%
Total Capital	\$ 1,752,351	100.00%	\$ 1,752,351	100.00%

Capital Structure for 2019 - 2017	2019 Amounts	2018 Amounts	2017 Amounts
Common Stock	\$ -	\$ -	\$ -
Other Paid in Capital	1,066,251	620,021	589,521
Retained Earnings	115,931	86,877	51,443
Total Equity	\$1,182,182	\$ 706,898	\$ 640,964
Long Term Debt	570,169	537,892	581,591
Total Capital	\$1,752,351	\$ 1,244,790	\$ 1,222,555

Abenaki Water Company

Schedule 5
 Page 2 of 2

Rate of Return Information

Capital Structure Ratios for 2019 - 2017	<u>2019</u> <u>Ratios</u>	<u>2018</u> <u>Ratios</u>	<u>2017</u> <u>Ratios</u>
Common Stock	0.00%	0.00%	0.00%
Other Paid in Capital	60.85%	49.81%	48.22%
Retained Earnings	6.62%	6.98%	4.21%
Total Equity	67.46%	56.79%	52.43%
Long Term Debt	32.54%	43.21%	47.57%
Total Capital	100.00%	100.00%	100.00%

Cost of Common Equity Capital

The Company is utilizing the PUC approved cost of common equity of 9.60% in DW 15-199.

PUC 1604.07

DW 20-112

Abenaki Water Company

Temporary Rates

Filing Requirement Schedules

Lakeland Sewer

AWC Lakeland Sewer

Computation of Revenue Deficiency - Sewer

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 49,752	\$ 52,698
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.81%</u>
Operating Income Required	\$ 3,886	\$ 4,116
Net Operating Income (Schedule 1)	<u>1,765</u>	<u>4,115</u>
Operating Income (Deficiency) Surplus	\$ (2,121)	\$ 0
Tax Effect	<u> </u>	<u>-</u>
Revenue Deficiency (Surplus)	<u>\$ (2,121)</u>	<u>\$ 0</u>

Statement of Income - Sewer

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustments (c)	Proforma 2019 Year End Balances (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 115,921	\$ 5,534	\$ 121,455		
2	Operating Expenses:					
3	Operating and Maintenance Expense:					
4	Purchased Sewer Treatment (710)	62,751	-	62,751		
5	Purchased Power (715)	6,959	-	6,959		
6	Miscellaneous Pumping Expenses (775)	8,001	2,206	10,207		
	Customer Accounts Expense	3,341	-	3,341		
7	General and Administrative Expenses	26,607	-	26,607		
8	Total Operating and Maintenance Expenses	107,659	2,206	109,865		
9	Depreciation Expense (403)	2,953	-	2,953		
10	Amortization of Contribution in Aid of Construction (405)					
11	Amortization of Utility Plant Acquisition Adjustment (406)	1,624		1,624		
12	Amortization Expense-Other (407)		594	594		
13	Taxes Other Than Income (408.1-408.13)	1,088	-	1,088		
14	Income Taxes (409.1, 410.1, 411.1, 412.1)	832	384	1,216		
15	Total Operating Expenses	\$ 114,156	\$ 3,184	\$ 117,340	\$ -	\$ -
16	Net Operating Income (Loss)	\$ 1,765	\$ 2,350	4,115	-	-
17	Other Income and Deductions					
18	Interest and Dividend Income (419)	133		133		
19	Allow. for funds Used During Construction (420)					
20	Nonutility Income (421)					
21	Gains (Losses) From Disposition of Nonutility Property (421)					
22	Miscellaneous Nonutility Expenses (426)					
23	Interest Expense (427)	(723)		(723)		
24	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
25	Total Other Income and Deductions	\$ (590)	\$ -	\$ (590)		\$ -
26	NET INCOME (LOSS)	\$ 1,175	\$ 2,350	\$ 3,525	\$ -	\$ -

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

Schedule 1A
Page 1 of 4

Operating Revenues

1	Proforma 2019 Year End Balance	\$ 110,882
	Actual 2019 Year End Balance	<u>115,921</u>
	Proforma Adjustment	<u>\$ (5,039)</u>
	To adjust test year revenues for the elimination of surcharge revenue	
2	Proforma 2019 Year End Balance	\$ 121,455
	Actual 2019 Year End Balance	<u>110,882</u>
	Proforma Adjustment	<u>\$ 10,573</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	<u>\$ 5,534</u>

Operation and Maintenance Expenses

3	<u>Purchased Sewer Treatment</u>	
	Proforma 2019 Year End Balance	\$ 62,751
	Actual 2019 Year End Balance	<u>62,751</u>
	Proforma Adjustment	<u>\$ -</u>
4	To adjust test year expenses for 2020 increases in City of Laconia sewer rates from \$0.0520 to \$0.0538 and per unit charge from \$12.41 to \$12.86.	
	Proforma 2019 Year End Balance	\$ 62,751
	Actual 2019 Year End Balance	<u>62,751</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year expenses for anticipated 2021 increase in City of Laconia sewer rates from \$0.0538 to \$0.0557 and per unit charge from \$12.86 to \$13.33.	
	Total Purchased Sewer Treatment	<u>\$ -</u>
5	<u>Purchase Power</u>	
	Proforma 2019 Year End Balance	\$ 6,959
	Actual 2019 Year End Balance	<u>6,959</u>

Proforma Adjustment	\$ -
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To adjust test year expenses for ...

Page 2 of 4

6 Miscellaneous Pumping Expenses

Proforma 2019 Year End Balance	\$ 10,207
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Actual 2019 Year End Balance	<u>8,001</u>
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Proforma Adjustment	<u>\$ 2,206</u>
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To adjust test year expenses for removal and unbinding of pump #1.
Initially, it was charged to misc def drs, but later determined to be normal maintenance.

7 Customer Accounts Expenses

Proforma 2019 Year End Balance	\$ 3,341
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Actual 2019 Year End Balance	<u>3,341</u>
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Proforma Adjustment	<u>\$ -</u>
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To adjust test year expenses for ...

8 General and Administrative Expenses

Proforma 2019 Year End Balance	\$ 26,607
--------------------------------	-----------

Actual 2019 Year End Balance	<u>26,607</u>
------------------------------	---------------

Proforma Adjustment	<u>\$ -</u>
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To adjust test year expenses for increase in office lease expense (\$1,631.73 - \$1,572.55)

9 PUC Audit

Proforma 2019 Year End Balance	\$ -
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Actual 2019 Year End Balance	<u>-</u>
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Proforma Adjustment	<u>\$ -</u>
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To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ 2,206</u>
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Depreciation Expenses

10 Proforma 2019 Year End Balance	\$ 2,953
Actual 2019 Year End Balance	<u>2,953</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year depreciation expenses for ...	

Amortization of Acquisition Adjustment

Proforma 2019 Year End Balance	\$ 1,624
Actual 2019 Year End Balance	<u>1,624</u>
Proforma Adjustment	<u>-</u>
To adjust test year amortization expenses for ...	

Amortization Expenses

11 Proforma 2019 Year End Balance	\$, 594
Actual 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ 594</u>
To adjust test year expenses for the amortization of misc def drs over 5 years	

Taxes other than Income

Town of Belmont

12 Proforma 2019 Year End Balance	\$ 842
Actual 2019 Year End Balance	<u>842</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year expenses for ...	

State of New Hampshire

13	Proforma 2019 Year End Balance	\$	246
	Actual 2019 Year End Balance		<u>246</u>
	Proforma Adjustment	\$	<u>-</u>
	To adjust test year expenses for ...		
	Total Proforma Adjustments to Taxes other than Income	\$	<u>-</u>
	See 3B for calculation of additional state and local property taxes.		

Income Taxes

Federal Income Taxes

14	Proforma 2019 Year End Balance	\$	899
	Actual 2019 Year End Balance		<u>770</u>
	Proforma Adjustment	\$	<u>129</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

15	Proforma 2019 Year End Balance	\$	357
	Actual 2019 Year End Balance		<u>103</u>
	Proforma Adjustment	\$	<u>254</u>
	To adjust test year expenses for the increase in state business taxes due to the increase		

Provision for Deferred Taxes

16	Proforma 2019 Year End Balance	\$	(41)
	Actual 2019 Year End Balance		(41)
	Proforma Adjustment	\$	<u>-</u>
	Total Proforma Adjustments to Income Taxes	\$	<u>384</u>

AWC Lakeland Sewer

Schedule 1b

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$49,752	\$52,698
Equity Component of Cost of Capital	6.48%	6.42%
Operating Net Income Required	\$3,224	\$3,383
Tax Multiplier (Schedule 5A)	1,197	1,257
Income Required before Income Taxes	\$4,421	\$4,640
Less: NH Business Profits Tax @ 7.7%	<u>340</u>	<u>357</u>
Income subject to Federal Taxes	\$4,081	\$4,283
Less: Federal Income Tax @ 21%	<u>857</u>	<u>899</u>
Income after Income Taxes	<u>\$3,224</u>	<u>\$3,383</u>

AWC Lakeland Sewer

Schedule 1c

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Lakeland Sewer

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

AWC Lakeland Sewer

Schedule 3

Rate Base - Sewer

Line No.	Account Title (a)	December 2018 Balance (b)	March 2019 Balance (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtr. Avg. Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$ 112,016	\$ 112,016	\$ 112,016	\$ 112,016	\$ 112,016	\$ 112,016	\$ -	\$ 112,016
2	Less: Accumulated Depreciation	67,171	67,909	68,648	69,386	70,124	68,648	-	68,648
3	Net Utility Plant	\$ 44,845	\$ 44,107	\$ 43,368	\$ 42,630	\$ 41,892	\$ 43,368	\$ -	\$ 43,368
4	Material and Supplies								
5	Miscellaneous Deferred Debits							2,971	2,971
6	Amortization of Misc Def DRs							(297)	(297)
7	Accumulated Deferred Income Taxes - Assets								
8	Contribution in Aid of Construction								
9	Accumulated Amortization of CIAC								
10	Accumulated Deferred Income Taxes - Liabilities	(6,757)	(6,757)	(6,757)	(6,757)	(7,427)	(6,891)	-	(6,891)
11	Total Rate Base	\$ 38,088	\$ 37,350	\$ 36,611	\$ 35,873	\$ 34,465	\$ 36,477	\$ 2,674	\$ 39,151
12	Cash Working Capital (1)						13,274	272	13,546
13	Total Rate Base						\$ 49,752	\$ 2,946	\$ 52,698
	(1) Cash Working Capital 5 Quarter Average Year End Balance is the same as December 2019 Balance.								

**AWC Lakeland Sewer
 Rate Base - Sewer Proforma Adjustments**

**Schedule 3A
 Page 1 of 2**

Plant in Service

1	Proforma Year End Balance	\$ 112,016
	5 Quarter Average Year End Balance	<u>112,016</u>
	Proforma Adjustment	\$ <u>-</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Accumulated Depreciation and Amortization

2	Proforma Year End Balance	\$ 68,648
	5 Quarter Average Year End Balance	<u>68,648</u>
	Proforma Adjustment	\$ <u>-</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Miscellaneous Deferred Debits

3	Proforma Year End Balance with 2019 tax rate change and step increase costs	\$ 2,971
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	\$ <u>2,971</u>
	To adjust test year year end balance of miscellaneous deferred debits for 2019 tax rate effect change and sewer step increase costs	
	Total Proforma Adjustments to Miscellaneous Deferred Debits	\$ <u>2,971</u>

Amortization of Miscellaneous Deferred Debits

4	Proforma Year End Balance with add'l half year amort on 2020 additions	\$ (297)
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	\$ <u>(297)</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	\$ <u>(297)</u>

Accumulated Deferred Income Taxes - Liabilities

5	Proforma Year End Balance	\$ (6,891)
	5 Quarter Average Year End Balance	<u>(6,891)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarter average test year plant in service to year end balance	

Cash Working Capital

6	Proforma Year End Balance	\$ 13,546
	Year End Balance	<u>13,274</u>
	Proforma Adjustment	<u>\$ 272</u>
	To adjust test year cash working capital balance	
	For additional support, please see schedule 3D	

AWC Lakeland Sewer

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2019

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
371	Pumping Equipment	\$ -	10.00%	\$ -	\$ -
	Total 2014 Additions	\$ -		\$ -	\$ -

Plant to be put in service in 2020

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
	TOTAL	\$ -		\$ -	\$ -
	TOTAL				\$ -

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ -
Total Increase in Accum Depr & Amort	-
Net Total Increase in Plant	\$ -
Total Increase in Plant per Thousands	-
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	\$ -

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ -
Total Increase in Plant per Thousands	-
Town of Belmont Property Tax Rate	\$ 23.12
Total Increase in Town of Belmont Property Taxes	\$ -

AWC LL Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	<u>Cost</u>	<u>Amort. Rate</u>	<u>Annual Cost</u>	<u>Accum Amort.</u>
186	2019 Tax Rate Effect Change (158 / 318 x \$2,888)	\$ 1,435	20.00%	\$ 287	\$ 144
186	2019 Sewer Step Rate Increase	<u>1,536</u>	20.00%	<u>307</u>	<u>154</u>
	TOTAL	<u>\$ 2,971</u>		<u>\$ 594</u>	<u>\$ 297</u>

AWC Lakeland Sewer

Schedule 3D

Working Capital - Sewer

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$109,865	\$107,659
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$13,546</u>	<u>\$13,274</u>

AWC Lakeland Sewer

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.07

DW 20-112

Abenaki Water Company

Temporary Rates

Filing Requirement Schedules

Lakeland Water

AWC Lakeland Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 298,944	\$ 306,898
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.81%</u>
Operating Income Required	\$ 23,347	\$ 23,969
Net Operating Income (Schedule 1)	<u>29,608</u>	<u>23,969</u>
Operating Income (Deficiency) Surplus	\$ 6,261	\$ (0)
Tax Effect	<u> </u>	<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ 6,261</u>	<u>\$ (0)</u>

AWC Lakeland Water

Statement of Income - Water

Schedule 1

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustment (c)	Proforma 2019 Year End Balance (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 122,737	(\$4,964)	\$ 117,773		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply	-		-		
5	Pumping Expenses	12,546		12,546		
6	Water Treatment Expense	7,633		7,633		
7	T&D Expenses	2,746		2,746		
8	Customer Expense	3,384		3,384		
9	Administrative & General Expense	27,537	-	27,537		
10	Total Operating and Maintenance Expense	53,846	-	53,846	-	-
11	Depreciation Expense (403)	22,279	-	22,279		
12	Amortization of Contribution in Aid of Construction (405)	(1,419)		(1,419)		
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,644		1,644		
14	Amortization Expense-Other (407)		990	990		
15	Taxes Other Than Income (408.1-408.13)	9,510	-	9,510		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	7,269	(315)	6,954		
17	Total Operating Expenses	\$ 93,129	\$ 675	\$ 93,804	\$ -	\$ -
18	Net Operating Income (Loss)	29,608	(5,639)	23,969	-	-
19	Other Income and Deductions					
20	Interest and Dividend Income (419)	1,161		1,161		
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(6,322)		(6,322)		
26	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
27	Total Other Income and Deductions	\$ (5,161)	\$ -	\$ (5,161)	\$ -	\$ -
28	NET INCOME (LOSS)	\$ 24,447	\$ (5,639)	\$ 18,808	\$ -	\$ -

Note: Lakeland's 2018 and 2017 Statement of Income includes both water and sewer.

AWC Lakeland Water

Schedule 1A

Statement of Income - Water Proforma Adjustments

Page 1 of 3

Operating Revenues

1	Proforma 2019 Year End Balance	\$ 117,773
	Actual 2019 Year End Balance	<u>122,737</u>
	Proforma Adjustment	<u>\$ (4,964)</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	<u>\$ (4,964)</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$27,537
2019 Year End Balance	<u>27,537</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for increase in office lease expense (\$1,652.38 - \$1,592.45)

3 PUC Audit

Proforma 2019 Year End Balance	\$ -
2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ -</u>
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Depreciation Expenses

4	Proforma 2019 Test Year Expense adjusted for add'l half year depr on 2019 additions	\$ 22,279
	2019 Test Year Expense	<u>22,279</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year depreciation expenses for an add'l half year depreciation on 2019 adds

5	Proforma 2019 Test Year Expense adjusted for full year depr on 2020 additions	\$ 22,279
	Proforma 2019 Test Year Expense adjusted for add'l half year depr on 2019 additions	<u>22,279</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for full year depreciation on 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ -</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (1,419)
	Actual 2019 Year End Balance	<u>(1,419)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	

Amortization Expenses

7	Proforma 2019 Year End Balance	\$ 990
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 990</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years	

Taxes other than Income

State of New Hampshire

8	Actual 2019 Year End Balance adjusted for state utility property taxes	\$ 2,152
	Actual 2019 Year End Balance	<u>2,152</u>
	Proforma Adjustment	<u>\$ -</u>

Town of Belmont

9	Actual 2019 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$ 7,358
	Actual 2019 Year End Balance	<u>7,358</u>
	Proforma Adjustment	<u>\$ -</u>

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

\$ -

Income Taxes

Federal Income Taxes

10 Proforma 2019 Year End Balance	\$ 5,237
Actual 2019 Year End Balance	<u>6,735</u>
Proforma Adjustment	<u>\$ (1,498)</u>

State Business Taxes

11 Proforma 2019 Year End Balance	\$ 2,081
Actual 2019 Year End Balance	<u>898</u>
Proforma Adjustment	<u>\$1,183</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.

Provision for Deferred Taxes

12 Proforma 2019 Year End Balance	\$ (400)
Actual 2019 Year End Balance	<u>(400)</u>
Proforma Adjustment	<u>\$ -</u>
Total Proforma Adjustments to Income Taxes	<u>\$ (315)</u>

AWC Lakeland Water

Income Tax Computation

Schedule 1b

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$298,944	\$306,898
Equity Component of Cost of Capital	6.48%	6.42%
Operating Net Income Required	\$19,372	\$19,703
Tax Multiplier (Schedule 5A)	7.195	7.318
Income Required before Income Taxes	\$26,567	\$27,021
Less: NH Business Profits Tax @ 7.7%	2,046	2,081
Income subject to Federal Taxes	\$24,521	\$24,940
Less: Federal Income Tax @ 21%	5,149	5,237
Income after Income Taxes	<u>\$19,372</u>	<u>\$19,703</u>

AWC Lakeland Water

Effective Tax Factor

Schedule 1c

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Lakeland Water

Balance Sheet

Schedule 2

See Abenaki Water Company Balance Sheet.

AWC Lakeland Water

Rate Base - Water

Schedule 3

Line No.	Account Title (a)	December 2018 Balance (b)	March 2019 Balance (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$ 680,138	\$ 680,138	\$ 683,935	\$ 682,073	\$ 682,717	\$ 681,800	\$ -	\$ 681,800
2	Less: Accumulated Depreciation	294,194	300,723	307,251	313,780	313,837	305,957	0	305,957
3	Net Utility Plant	385,944	379,415	376,684	368,293	368,880	375,843	0	375,843
4	Material and Supplies	7,316	7,316	7,316	7,316	7,316	7,316	0	7,316
5	Miscellaneous Deferred Debits						0	8,449	8,449
6	Accum Amort of Misc Def DRs						0	(495)	(495)
7	Contribution in Aid of Construction	(43,052)	(43,052)	(43,052)	(43,052)	(43,052)	(43,052)	0	(43,052)
8	Accumulated Amortization of CIAC	12,080	12,434	12,789	13,144	13,499	12,789	0	12,789
9	Accumulated Deferred Income Taxes	(59,494)	(59,494)	(59,494)	(59,494)	(64,984)	(60,592)	0	(60,592)
10	Rate Base	<u>\$302,794</u>	<u>\$296,619</u>	<u>\$294,243</u>	<u>\$286,207</u>	<u>\$281,659</u>	\$292,304	\$7,954	\$300,258
11	Cash Working Capital (1)						6,639	-	6,639
12	Total Rate Base						\$ 298,944	\$ 7,954	\$ 306,898
	(1) Cash Working Capital 5 Quarter Year End Balance is the same as the December 2019 Balance.								

AWC Lakeland Water

Rate Base - Water Proforma Adjustments

Schedule 3A

Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 681,800
	5 Quarters Average Year End Balance	<u>681,800</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2020 additions to plant	\$ 681,800
	December 2019 Balance	<u>681,800</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for 2020 capital additions For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	<u>\$ -</u>

Accumulated Depreciation and Amortization

3	December 2019 Balance	\$ 305,957
	5 Quarters Average Year End Balance	<u>305,957</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
4	Proforma Year End Balance with add'l half year depr on 2019 additions	\$ 305,957
	December 2019 Balance	<u>305,957</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions	
5	Proforma Year End Balance with add'l full year depr on 2020	\$ 305,957
	Proforma Year End Balance with add'l half year depr on 2019 additions	<u>305,957</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for add'l full year for 2020 additions	

Total Proforma Adjustments to Accumulated Depreciation and Amortization Please see schedule 3B for more support.	<u>\$ -</u>
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Miscellaneous Deferred Debits

6 Proforma Year End Balance with 2017 boiling and 2019 tax rate effect change	\$ 8,449
December 2019 Balance	<u>-</u>
Proforma Adjustment	<u>\$ 8,449</u>
To adjust test year year end balance of miscellaneous deferred debots for 2017 water boiling and 2019 tax rate effect change	
Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 8,449</u>

Amortization of Miscellaneous Deferred Debits

7 Proforma Year End Balance with add'l half year amort on 2020 additions	\$ (495)
December 2019 Balance	<u>-</u>
Proforma Adjustment	<u>\$ (495)</u>
To adjust test year year end balance of half year amortization of misc def debits	
Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ (495)</u>

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>\$ -</u>
To adjust 5 quarters average test year to year end balance.	

Accumulated Amortization of CIAC

Proforma Year End Balance	\$ 12,789
9 5 Quarters Average Year End Balance	<u>12,789</u>
Proforma Adjustment	<u>\$ -</u>
To adjust 5 quarters test year average accumulated amortization of CIAC to fully reflect 2019 accum depr	

Accumulated Deferred Income Taxes

10	Proforma Year End Balance	\$ (60,592)
	5 Quarters Average Year End Balance	<u>(60,592)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarter average test year to year end balance	

Cash Working Capital

11	Year End Proforma Balance	\$ 6,639
	December 2019 Year End Balance	<u>6,639</u>
	Proforma Adjustment	<u>\$ -</u>

Total Proforma Adjustments to Cash Working Capital
See Schedule 3D for calculation of cash working capital.

AWC Lakeland Water

Plant / Accumulated Depreciation / Depreciation Expense

Schedule 3B

Plant put in service in 2019

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
311	Pumping Equipment	\$ 4,729	10.00%	\$ 473	\$ 236
333	Services		2.50%	-	-
334	Purchase & Installation of Meters		5.00%	-	-
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	433	20.00%	87	43
TOTAL		\$ 5,162		\$ 560	\$ 280

Plant to be put in service in 2020

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
304	Structures & Improvements		2.50%	\$ -	\$ -
333	Services	2,199	2.50%	55	27
347	Digitize & Prepare Distribution Plan	3,449	20.00%	690	345
TOTAL		\$ 5,648		\$ 745	\$ 372
TOTAL					\$ 652

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 5,648
Total Increase in Accum Depr & Amort	372
Net Total Increase in Plant	\$ 5,276
Total Increase in Plant per Thousands	5
State Utility Property Tax Rate	\$ 6.60
Total Increase in State Utility Property Taxes	\$ 35

Town of Belmont Property Taxes

Net Total Increase in Plant	\$ 5,276
Total Increase in Plant per Thousands	5
Town of Belmont Property Tax Rate	\$ 23.12
Total Increase in Town of Belmont Property Taxes	\$ 122

AWC LL Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Amort. Rate	Annual Cost	Accum Amort.
186	2017 Water Boiling	\$6,996	10.00%	\$700	\$350
186	2019 Tax Rate Effect Change (160 / 318 x \$2,888)	1,453	20.00%	291	145
TOTAL		\$8,449		\$990	\$495

AWC Lakeland Water

Working Capital - Water

Schedule 3D

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$53,846	\$53,846
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$6,639</u>	<u>\$6,639</u>

AWC Lakeland Water

Schedule 4

Rate of Return Information

PUC 1604.07

DW 20-112

Abenaki Water Company

Temporary Rates

Filing Requirement Schedules

White Rock Water

AWC White Rock Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 243,250	\$ 344,574
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.81%</u>
Operating Income Required	\$ 18,998	\$ 26,911
Actual Net Operating Income (Schedule 1)	<u>(17,425)</u>	<u>26,911</u>
Operating Income (Deficiency) Surplus	\$ (36,423)	\$ (0)
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (36,423)</u>	<u>\$ (0)</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 2019 Year End Balance (b)	Proforma Adjustments (c)	Adjusted 2019 Year End Balance (d)	Actual 2018 Year End Balance (e)	Actual 2017 Year End Balance (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 82,211	\$ 71,733	\$ 153,944	\$ 91,528	\$ 98,965
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply			-		
5	Pumping Expenses	27,698		27,698	19,393	22,077
6	Water Treatment Expense	2,653		2,653	2,199	3,731
7	T&D Expenses	3,693		3,693	2,501	1,460
8	Customer Expense	7,068		7,068	7,874	4,962
9	Administrative & General Expense	40,922	-	40,922	36,850	36,778
10	Total Operating and Maintenance Expense	82,034	-	82,034	68,817	69,008
11	Depreciation Expense (403)	19,061	-	19,061	18,690	15,848
12	Amortization of Contribution in Aid of Construction (405)	(5,139)	(1,600)	(6,739)	(5,139)	(5,139)
13	Amortization of Utility Plant Acquisition Adjustment (406)	1,091	-	1,091	1,089	1,089
14	Amortization Expense-Other (407)		14,380	14,380		
15	Taxes Other Than Income (408.1-408.13)	9,789	-	9,789	9,819	10,553
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,200)	14,616	7,416	199	6,904
17	Total Operating Expenses	\$ 99,636	\$ 27,397	\$ 127,033	\$ 93,475	\$ 98,263
18	Net Operating Income (Loss)	(17,425)	44,336	26,911	(1,947)	702
19	Other Income and Deductions					
20	Interest and Dividend Income (419)	429		429	451	530
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(1,995)		(1,995)	(2,046)	(1,994)
26		(541)		(541)	(541)	(541)
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (2,107)	\$ -	\$ (2,107)	\$ (2,136)	\$ (2,005)
29	NET INCOME (LOSS)	\$ (19,532)	\$ 44,336	\$ 24,804	\$ (4,083)	\$ (1,303)

**AWC White Rock Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A
Page 1 of 4

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 153,944
Actual 2019 Year End Balance	<u>82,211</u>
Proforma Adjustment	<u>\$ 71,733</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	<u>\$ 71,733</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$40,922
2019 Year End Balance	<u>40,922</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for increase in office lease expense (\$1,962.20 - \$1,881.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ -
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ -</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 19,061
Actual 2019 Year End Balance	<u>19,061</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 19,061
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>19,061</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for 2019 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ -</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (5,139)
	Actual 2019 Year End Balance	<u>(5,139)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for ...	
7	Proforma 2019 Year End Balance plus add'l amort of CIAC on \$8,000 grant	\$ (6,739)
	Proforma 2019 Year End Balance	<u>(5,139)</u>
	Proforma Adjustment	<u>\$ (1,600)</u>
	To adjust test year amortization of CIAC for correct amortization	
	To adjust test year amortization of CIAC for 2020 additions	<u>\$ (1,600)</u>

Amortization of Organizational Costs

8	Proforma 2019 Year End Balance	\$ 1,091
	Actual 2019 Year End Balance	<u>1,091</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year expenses for the amortization of org. costs over 12 years	

Amortization of Miscellaneous Deferred Debits

9	Proforma 2019 Year End Balance	\$ 14,380
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 14,380</u>

To adjust test year expenses for the amortization of misc. def debits over 5/10 years

Taxes other than Income

State of New Hampshire

10	Actual 2019 Year End Balance adjusted for state utility property taxes	\$ 1,619
	Actual 2019 Year End Balance	<u>1,619</u>
	Proforma Adjustment	<u>\$ -</u>

Town of Bow

11	Actual 2019 Year End Balance adjusted for Town of Bow Prop. Taxes	\$ 8,170
	Actual 2019 Year End Balance	<u>8,170</u>
	Proforma Adjustment	<u>\$ -</u>
	Total Proforma Adjustments to Taxes other than Income	<u>\$ -</u>

Income Taxes

Federal Income Taxes

12	Proforma 2019 Year End Balance	\$ 5,880
	Actual 2019 Year End Balance	<u>(4,100)</u>
	Proforma Adjustment	<u>\$ 9,980</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.

Provision for Deferred Taxes

13	Proforma 2019 Year End Balance	\$ (800)
	Actual 2019 Year End Balance	<u>(800)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for the increase in the provision for deferred taxes

State Business Taxes

14	Proforma 2019 Year End Balance	\$ 2,336
	Actual 2019 Year End Balance	<u>(2,300)</u>
	Proforma Adjustment	<u>\$ 4,636</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>\$ 14,616</u>
	Total Operating Expense Adjustments	<u>\$ 27,397</u>

AWC White Rock Water

Schedule 1b

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$243,250	\$344,574
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$15,763	\$22,122
Tax Multiplier (Schedule 5A)	<u>5.855</u>	<u>8.216</u>
Income Required before Income Taxes	\$21,617	\$30,338
Less: NH Business Profits Tax @ 7.7%	<u>1,665</u>	<u>2,336</u>
Income subject to Federal Taxes	\$19,953	\$28,002
Less: Federal Income Tax @ 21%	<u>4,190</u>	<u>5,880</u>
Income after Income Taxes	<u>\$15,763</u>	<u>\$22,122</u>

AWC White Rock Water

Schedule 1c

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC White Rock Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

AWC White Rock Water

Schedule 3

Rate Base - Water

Line No.	Account Title (a)	December 2018 Balance (b)	March 2019 Balance (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)	
1	Plant in Service	\$555,358	\$570,481	\$573,306	\$579,235	\$581,320	\$571,940	\$0	\$571,940	
2	Less: Accumulated Depreciation	238,485	243,557	248,630	253,704	258,637	248,603	0	248,603	
3	Net Utility Plant	316,873	326,924	324,676	325,531	322,683	323,337	0	323,337	
4	Material and Supplies									
5	Miscellaneous Deferred Debits							115,714	115,714	
6	Amortization of Deferred Debits							(7,190)	(7,190)	
7	Contribution in Aid of Construction - Net	(143,900)	(143,900)	(143,900)	(143,900)	(143,900)	(143,900)	(8,000)	(151,900)	
8	Accumulated Amortization of CIAC	69,377	70,662	71,946	73,231	74,516	71,946	800	72,746	
9	Accumulated Deferred Income Taxes	(16,936)	(16,936)	(16,936)	(16,936)	(23,500)	(18,249)	0	(18,249)	
10	Rate Base	\$225,414	\$236,750	\$235,786	\$237,926	\$229,799	\$233,135	\$101,324	\$334,459	
11	Cash Working Capital (1)						10,115	0	10,115	
12	Total Rate Base						\$ 243,250	\$ 101,324	\$ 344,574	
	(1) Cash Working Capital Average Year End Balance is the same as the December 2019 Balance.									

**AWC White Rock Water
Rate Base - Water Proforma Adjustments**

Schedule 3A
Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 571,940
	5 Quarters Average Year End Balance	<u>571,940</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 571,940
	December 2019 Balance	<u>571,940</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
	Total Proforma Adjustments to Plant in Service	<u>\$ -</u>

Accumulated Depreciation and Amortization

3	December 2019 Balance	\$ 248,603
	5 Quarters Average Year End Balance	<u>248,603</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
4	Proforma Year End Balance with add'l depr	\$ 248,603
	December 2019 Balance	<u>248,603</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions.	
5	Proforma Year End Balance with add'l depr on 2020 additions	\$ 248,603
	December 2019 Balance	<u>248,603</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for add'l half year for 2020 additions.	
	Total Proforma Adjustments to Accumulated Depreciation	<u>\$ -</u>

Miscellaneous Deferred Debits

6	Proforma Year End Balance with 2018 and 2019 water outages	\$ 115,714
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 115,714</u>
	To adjust test year year end balance of miscellaneous deferred debots for 2028 and 2019 water outages	
	Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 115,714</u>

Amortization of Miscellaneous Deferred Debits

7	Proforma Year End Balance with add'l depr on 2020 additions	\$ 7,190
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 7,190</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ 7,190</u>

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>\$ -</u>
	To adjust 5 quarters average test year to year end balance	
9	Proforma Year End Balance plus ... grant	\$ (151,900)
	Proforma Year End Balance	<u>(143,900)</u>
	Proforma Adjustment	<u>\$ (8,000)</u>
	To adjust proforma year end balance for 2020 ... grant	
	Total Proforma Adjustments to CIAC	<u>\$ (8,000)</u>

Accumulated Amortization of CIAC

10	Proforma Year End Balance	\$ 71,946
	5 Quarters Average Year End Balance	<u>71,946</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarter average test year to year end balance	
11	Proforma Year End Balance plus amortization of grant	\$ 72,746
	Proforma Year End Balance	<u>71,946</u>
	Proforma Adjustment	<u>\$ 800</u>
	To adjust proforma year end balance for 2020 ... grant	
	Total Proforma Adjustments to Accumulated Amortization of CIAC	<u>\$ 800</u>

Accumulated Deferred Income Taxes

12	Proforma Year End Balance	\$ (18,249)
	5 Quarters Average Year End Balance	<u>(18,249)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarter average test year to year end balance	

Cash Working Capital

13	Year End Proforma Balance	\$ 10,115
	Average Year End Balance	<u>10,115</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year cash working capital balance	
	For additional support, please see schedule 3D.	

AWC White Rock Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant Placed in Service in 2019

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
311	Pumping Equipment		10.00%		
320	Treatment Equipment	1,321	3.60%	48	24
333	Services	6,087	2.50%	152	76
334	Purchase & Installation of Meters	254	5.00%	13	6
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	14,445	10.00%	1,445	729
	TOTAL	\$ 22,107		\$ 1,657	\$ 835

2020 NH DWSRF Improvements

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
304	Water Treatment Structures	\$ -	2.50%	\$ -	\$ -
307	Wells	-	3.33%	-	-
309	Supply Mains	-	2.00%	-	-
311	Instrumentation and Equipment	-	10.00%	-	-
330	Water Tank Lining	50,000	2.50%	1,250	625
331	Distribution Valves - 4 valves	45,000	2.00%	900	450
331	Distribution Valves - 2 PRVs	30,000	2.00%	600	300
	TOTAL	\$ 125,000		\$ 2,750	\$ 1,375
	Other Plant Placed in Service in 2020				
311	Pumping Equipment - Well pump #1, motor & piping	\$ 8,251	10.00%	\$ 825	\$ 413
330	Distribution Reservoirs and Standpipes	14,210	2.00%	284	142
333	Services	11,503	2.50%	288	144
334	Purchase & Installation of Meters	1,680	5.00%	84	42
347	Computer Equipment - Distribution Plans	8,453	10.00%	845	423
	TOTAL	\$ 169,097		\$ 5,076	\$ 2,538

State Utility Property Taxes and Town of Bow Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 169,097
Total Increase in Accum Depr & Amort	2,538
Net Total Increase in Plant	<u>\$ 166,559</u>
Total Increase in Plant per Thousands	\$ 166.56
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	<u>\$ 861</u>

Town of Bow Property Taxes

Total Increase in Plant	\$ 169,097
Total Increase in Accum Depr & Amort	2,538
Net Total Increase in Plant	<u>\$ 166,559</u>
Total Increase in Plant per Thousands	\$ 166.56
Tax Value as % of Net Book Value	78.34%
Tow of Bow Property Tax Rate	26.21
Total State Utility and Town of Bow Property Taxes	<u>\$ 3,420</u>

NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	<u>1,660,290</u>
Percent of assessed value to net plant	<u>78.34%</u>

AWC White Rock Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC			Depr.	Annual	Accum
<u>Acct. No.</u>	<u>Description</u>	<u>Cost</u>	<u>Rate</u>	<u>Cost</u>	<u>Depr.</u>
186	2018 Water Outage - 1/18	\$ 18,749	10.00%	\$ 1,875	\$ 937
186	2019 Water Outage - 1/19	13,164	10.00%	1,316	658
186	2019 Water Outage - 8/19	55,712	10.00%	5,571	2,786
	Total Water Outages	87,625		8,763	4,381
186	2019 Tax Rate Effect Change	1,577	20.00%	315	158
186	2019 / 2020 Tank Inspection	26,512	20.00%	5,302	2,651
				-	-
	TOTAL	\$ 115,714		\$ 14,380	\$ 7,190

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

PUC			Depr.	Annual	Accum
<u>Acct. No.</u>	<u>Description</u>	<u>Cost</u>	<u>Rate</u>	<u>Cost</u>	<u>Depr.</u>
186	2019 / 2020 Tank Inspection	\$ 8,000	20.00%	\$ 1,600	\$ 800
	TOTAL	\$ 8,000		\$ 1,600	\$ 800

AWC White Rock Water

Schedule 3D

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$82,034	\$82,034
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$10,115</u>	<u>\$10,115</u>

AWC White Rock Water

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.07

DW 20-112

Abenaki Water Company

Temporary Rates

Filing Requirement Schedules

Tioga Gilford Village Water

AWC Tioga Gilford Village Water
Computation of Revenue Deficiency - Water
For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 119,913	\$ 119,913
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.81%</u>
Operating Income Required	\$ 9,365	\$ 9,365
Actual Net Operating Income (Schedule 1)	<u>(23,844)</u>	<u>9,366</u>
Operating Income (Deficiency) Surplus	\$ (33,209)	\$ 0
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (33,209)</u>	<u>\$ 0</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 12 mos Ended 4/30/20 (b)	Proforma Adjustments (c)	Adjusted 12 mos Ended 4/30/20 (d)	Actual 12 mos Ended 4/30/19 (e)	Actual 12 mos Ended 4/30/18 (f)
UTILITY OPERATING INCOME						
1	Operating Revenues(400)	\$ 28,833	\$ 40,830	\$ 69,663		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401):					
4	Source of Supply					
5	Pumping Expenses	12,719		12,719		
6	Water Treatment Expense	1,454		1,454		
7	T&D Expenses	5,370		5,370		
8	Customer Expense	4,443		4,443		
9	Administrative & General Expense	23,182	-	23,182		
10	Total Operating and Maintenance Expense	47,168	-	47,168		
11	Depreciation Expense (403)	12,054	-	12,054		
12	Amortization of Contribution in Aid of Construction (405)	(2,710)		(2,710)		
13	Amortization of Utility Plant Acquisition Adjustment (406)					
14	Amortization Expense-Other (407)		-	-		
15	Taxes Other Than Income (408.1-408.13)	1,165	661	1,826		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(5,000)	6,959	1,959		
17	Total Operating Expenses	\$ 52,677	\$ 7,620	\$ 60,297		
18	Net Operating Income (Loss)	(23,844)	33,210	9,366		
19	Other Income and Deductions					
20	Interest and Dividend Income (419)					
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(756)	(378)	(1,134)		
26	Amortization of Debt Expense (428)		-	-		
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (756)	\$ (378)	\$ (1,134)		
29	NET INCOME (LOSS)	\$ (24,600)	\$ 32,832	\$ 8,232		

Note: 12 months ended 4/30/19 and 4/30/18 were prior to AWC's ownership of TGV.

**AWC Tioga Gilford Village Water
Statement of Income - Water Proforma Adjustments**

Schedule 1A
Page 1 of 3

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 69,663
Actual 2019 Year End Balance	<u>28,833</u>
Proforma Adjustment	<u>\$ 40,830</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	<u>\$ 40,830</u>
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Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$ 23,182
2019 Year End Balance	<u>23,182</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for increase in office lease expense (\$805.54 - \$463.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ -
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years) for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses	<u>\$ -</u>
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Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 12,054
Actual 2019 Year End Balance	<u>12,054</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 12,054
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>12,054</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$0</u>
	Please see schedule 3B for more support.	

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (2,710)
	Actual 2019 Year End Balance	<u>(2,710)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	
7	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ (2,710)
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>(2,710)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses	<u>\$ -</u>
	Please see schedule 3B for more support.	

Amortization of Organizational Costs

8	Proforma 2019 Year End Balance	\$ -
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year expenses for the amortization of org. costs over 10 years	

Taxes other than Income

State of New Hampshire

9	Actual 2019 Year End Balance adjusted for state utility property taxes	\$673
	Actual 2019 Year End Balance	<u>673</u>

Proforma Adjustment \$ -

Town of Gilford

10 Actual 2019 Year End Balance adjusted for Town of Gilford Prop. Taxes \$ 1,153

Actual 2019 Year End Balance 492

Proforma Adjustment \$ 661

Total Proforma Adjustments to Taxes other than Income \$ 661

Income Taxes

Federal Income Taxes

11 Proforma 2019 Year End Balance \$ 2,046

Actual 2019 Year End Balance (2,900)

Proforma Adjustment \$ 4,946

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see Schedule 1b.

Provision for Deferred Taxes

12 Proforma 2019 Year End Balance \$ (900)

Actual 2019 Year End Balance (900)

Proforma Adjustment \$ -

To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 1b.

State Business Taxes

13 Proforma 2019 Year End Balance \$ 813

Actual 2019 Year End Balance (1,200)

Proforma Adjustment \$ 2,013

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 \$ 6,959

AWC Tioga Gilford Village Water

Schedule 1b

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$119,913	\$119,913
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$7,770	\$7,698
Tax Multiplier (Schedule 5A)	<u>2,886</u>	<u>2,859</u>
Income Required before Income Taxes	\$10,656	\$10,558
Less: NH Business Profits Tax @ 7.7%	<u>821</u>	<u>813</u>
Income subject to Federal Taxes	\$9,836	\$9,745
Less: Federal Income Tax @ 21%	<u>2,066</u>	<u>2,046</u>
Income after Income Taxes	<u>\$7,770</u>	<u>\$7,698</u>

AWC Tioga Gilford Village Water

Schedule 1c

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Tioga Gilford Village Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

AWC Tioga Gilford Village Water

Schedule 3

Rate Base - Water

Line No.	Account Title (a)	December 2018 Balance(2) (b)	March 2019 Balance(2) (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$243,155	\$243,155	\$243,155	\$226,436	\$231,464	\$237,473	\$0	\$237,473
2	Less: Accumulated Depreciation	87,174	87,174	87,174	90,194	94,776	89,298	0	89,298
3	Net Utility Plant	155,981	155,981	155,981	136,242	136,688	148,175	0	148,175
4	Material and Supplies	0	0	0	0	0	0	0	0
5	Contribution in Aid of Construction - Net	(79,205)	(79,205)	(79,205)	(79,205)	(79,205)	(79,205)	0	(79,205)
6	Accumulated Amortization of CIAC	44,206	44,206	44,206	44,206	46,916	44,748	-	44,748
7	Accumulated Deferred Income Taxes					1,900	380	0	380
8	Rate Base	\$120,982	\$120,982	\$120,982	\$101,243	\$106,299	\$114,098	\$0	\$114,098
9	Cash Working Capital (1)						5,816	0	5,816
10	Total Rate Base						\$ 119,913	\$ -	\$ 119,913
	(1) Cash Working Capital Average Year End Balance is the same as the December 2019 Balance. (2) December 2018 and March 2019 Balances are assumed to be the same as June 2019 Balance.								

**AWC Tioga Gilford Village Water
 Rate Base - Water Proforma Adjustments**

Schedule 3A
 Page 1 of 3

Plant in Service

1	December 2019 Balance	\$ 237,473
	5 Quarters Average Year End Balance	<u>237,473</u>
	Proforma Adjustment	\$ _____ -
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 237,473
	December 2019 Balance	<u>237,473</u>
	Proforma Adjustment	\$ _____ -
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
3	Proforma Year End Balance with 2019 additions and organization costs	\$ 237,473
	Proforma Year End Balance with 2019 additions to plant	<u>237,473</u>
	Proforma Adjustment	\$ _____ -
	To adjust test year year end balance of plant in service for 2019 capital additions and org. costs For additional support, please see schedule 3B	
	Total Proforma Adjustments to Plant in Service	\$ _____ -

Accumulated Depreciation and Amortization

4	December 2019 Balance	\$ 89,298
	5 Quarters Average Year End Balance	<u>89,298</u>
	Proforma Adjustment	\$ _____ -
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
5	Proforma year End Balance with add'l depr	\$ 89,298
	December 2019 Balance	<u>89,298</u>
	Proforma Adjustment	\$ _____ -
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions.	

6	Proforma Year End Balance with add'l depr for 2020 additions to plant	\$ 89,298
	Proforma Year End Balance with add'l depr	<u>89,298</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year year end balance of plant in service for 2019 amortization of organizational costs
For additional support, please see schedule 3B

7	Proforma Year End Balance with add'l depr and amort of org costs	\$ 89,298
	Proforma Year End Balance with add'l depr	<u>89,298</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year year end balance of plant in service for 2019 amortization of organizational costs
For additional support, please see schedule 3B

	Proforma Year End Balance with add'l depr on 2020 additions	<u>\$ -</u>
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Contribution in Aid of Construction

8	Proforma Year End Balance	\$ (79,205)
	5 Quarters Average Year End Balance	<u>(79,205)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust 5 quarters average test year to year end balance

9	Proforma Year End Balance with 2019 additions to plant	\$ (79,205)
	December 2019 Balance	<u>(79,205)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.

	Total Proforma Adjustments to Plant in Service	<u>\$ -</u>
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Accumulated Amortization of CIAC

10	Proforma Year End Balance	\$ 44,748
	5 Quarters Average year End Balance	<u>44,748</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust 5 quarters average test year to year end balance

Page 3 of 3

11	Proforma Year End Balance with add'l amort	\$ 44,748
	December 2019 Balance	<u>44,748</u>
	Proforma Adjustment	\$ _____ -
	To adjust test year year end balance of CIAC for add'l half year for 2020 additions.	
	Total Proforma Adjustments to Accumulated Amortization of CIAC	\$ _____ -

Accumulated Deferred Income Taxes

12	December 2019 Balance	\$ 380
	5 Quarters Average Year End Balance	<u>380</u>
	Proforma Adjustment	\$ _____ -

To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

Cash Working Capital

13	Year End Proforma Balance	\$ 5,816
	Average Year End Balance	<u>5,816</u>
	Proforma Adjustment	\$ _____ -

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

AWC Tioga Gilford Village Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2019

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
311	Pumping Equipment		10.00%		
333	Services	808	2.50%	20	10
334	Purchase & Installation of Meters	30,907	5.00%	1,545	773
346	Communication Equipment		14.29%	-	-
347	Remote Access Software		20.00%		
TOTAL		\$ 31,715		\$ 1,566	\$ 783

Plant to be put in service in 2020

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
330	Water Tank		2.50%	-	-
331	Mains		2.00%	-	-
333	Services	569	2.50%	14	7
334	Purchase & Installation of Meters	84	5.00%	4	2
347	Computer Equipment - Distribution Plans	818	10.00%	82	41
TOTAL		\$ 1,471		\$ 100	\$ 50

To reclass Due Diligence Costs to Organizational Costs

PUC		Cost	Amort. Rate	Annual Cost	Accum Amort
Acct. No.	Description				
301	Organizational costs	\$ 33,461	6.67%	\$ 2,232	\$ 1,116

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
330	Water Tank		2.50%	-	-
331	Mains - 6 gate valves		2.00%	-	-
TOTAL		\$ -		\$ -	\$ -

State Utility Property Taxes and Town of Gilford Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 34,932
Total Increase in Accum Depr & Amort	1,166
Net Total Increase in Plant	\$ 33,766
Total Increase in Plant per Thousands	\$ 33.77
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	\$ 175

Town of Gilford Property Taxes

Total Increase in Plant	\$ 34,932
Total Increase in Accum Depr & Amort	1,166
Net Total Increase in Plant	\$ 33,766
Total Increase in Plant per Thousands	\$ 33.77
Tax Value as % of Net Book Value	78.34%
Town of Gilford Property Tax Rate	13.98
Total Increase in Town of Gilford Property Taxes	\$ 370

Total State Utility and Town of Gilford Property Taxes \$ 544

NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	1,660,290
Percent of assessed value to net plant	78.34%

AWC Tioga Gilford Village Water

Schedule 3C

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$47,168	\$47,168
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$5,816</u>	<u>\$5,816</u>

AWC Tioga Gilford Village Water

Schedule 4

Rate of Return Information

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.07

DW 20-112

Abenaki Water Company

Temporary Rates

Filing Requirement Schedules

Tioga Belmont Water

AWC Tioga Belmont Water

Computation of Revenue Deficiency - Water

For the Test Year Ended December 31, 2019

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 72,615	\$ 102,910
Rate of Return (Schedule 4)	<u>7.81%</u>	<u>7.81%</u>
Operating Income Required	\$ 5,671	\$ 8,037
Annualized Net Operating Income (Schedule 1)	<u>(31,418)</u>	<u>8,037</u>
Operating Income (Deficiency) Surplus	\$ (37,089)	\$ (0)
Tax Effect		<u>0</u>
Revenue Surplus (Deficiency)	<u>\$ (37,089)</u>	<u>\$ (0)</u>

Statement of Income - Water

Line No.	Account Title (Number) (a)	Actual 12 mos Ended 4/30/20 (b)	Proforma Adjustments (c)	Adjusted 12 mos Ended 4/30/20 (d)	Actual 12 mos Ended 4/30/19 (e)	Actual 12 mos Ended 4/30/18 (f)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 18,346	\$ 62,110	\$ 80,456		
2	Operating Expenses:					
3	Operating and Maintenance Expense (401)					
4	Source of Supply			-		
5	Pumping Expenses	13,811		13,811		
6	Water Treatment Expense	2,603		2,603		
7	T&D Expenses	6,914		6,914		
8	Customer Expense	3,675		3,675		
9	Administrative & General Expense	23,927	-	23,927		
10	Total Operating and Maintenance Expense	50,930	-	50,930		
11	Depreciation Expense (403)	7,775	-	7,775		
12	Amortization of Contribution in Aid of Construction (405)	(2,314)	-	(2,314)		
13	Amortization of Utility Plant Acquisition Adjustment (406)					
14	Amortization Expense-Other (407)		3,189	3,189		
15	Taxes Other Than Income (408.1-408.13)	973	9,912	10,885		
16	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,600)	9,554	1,954		
17	Total Operating Expenses	\$ 49,764	\$ 22,655	\$ 72,419		
18	Net Operating Income (Loss)	(31,418)	39,455	8,037		
19	Other Income and Deductions					
20	Interest and Dividend Income (419)					
21	Allow. for funds Used During Construction (420)					
22	Nonutility Income (421)					
23	Gains (Losses) From Disposition of Nonutility Property (421)					
24	Miscellaneous Nonutility Expenses (426)					
25	Interest Expense (427)	(718)		(718)		
26	Amortization of Debt Expense (428)			-		
27	Taxes Applicable to Other Than Income (409.2, 410.2, etc.)					
28	Total Other Income and Deductions	\$ (718)	\$ -	\$ (718)		
29	NET INCOME (LOSS)	\$ (32,136)	\$ 39,455	\$ 7,319		

Note: 12 months ended 4/30/19 and 4/30/18 were prior to AWC's ownership of TB.

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

Schedule 1A
Page 1 of 3

1 Operating Revenues

Proforma 2019 Year End Balance	\$ 80,456
Actual 2019 Year End Balance	<u>18,346</u>
Proforma Adjustment	<u>\$ 62,110</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 \$ 62,110

Operation and Maintenance Expenses

2 Administrative and General Expenses

Proforma 2019 Year End Balance	\$23,927
2019 Year End Balance	<u>23,927</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for increase in office lease expense (\$454.40 - \$275.00)

3 PUC Audit

Proforma 2019 Year End Balance	\$ -
Annualized 2019 Year End Balance	<u>-</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for \$500 (\$7,500 / 5 systems / 3 years for PUC audit of test year

Total Proforma Adjustment to Operation and Maintenance Expenses \$ -

Depreciation Expenses

4 Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additions	\$ 7,775
Actual 2019 Year End Balance	<u>7,775</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year depreciation expenses for an additional half year depreciation on 2019 additions

5	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ 7,775
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>7,775</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses Please see schedule 3B for more support.	<u>\$ -</u>

Amortization of Contribution in Aid of Construction

6	Proforma 2019 Year End Balance	\$ (2,314)
	Actual 2019 Year End Balance	<u>(2,314)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year amortization of CIAC for correct amortization	
7	Adjusted 2019 Year End Balance adjusted for add'l full year depr on 2020 additions	\$ (2,314)
	Actual 2019 Year End Balance adjusted for add'l half year depr on 2019 additons	<u>(2,314)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year depreciation expenses for 2020 additions	
	Total Proforma Adjustment to Depreciation Expenses Please see schedule 3B for more support.	<u>\$ -</u>

Amortization of Organizational Costs / Miscellaneous Deferred Debits

8	Proforma 2019 Year End Balance	\$ -
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year expenses for the amortization of org. costs over 10 years	
	Proforma 2019 Year End Balance	\$ 3,189
	Actual 2019 Year End Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 3,189</u>
	To adjust test year expenses for the amortization of misc def drs over 5 years	
	Total Amortization Expense	<u>\$ 3,189</u>

Taxes other than Income

State of New Hampshire

9	Actual 2019 Year End Balance adjusted for state utility property taxes	\$ 673
	Actual 2019 Year End Balance	<u>673</u>
	Proforma Adjustment	<u>\$ -</u>

Town of Belmont

10	Actual 2019 Year End Balance adjusted for Town of Belmont Prop. Taxes	\$ 10,212
	Actual 2019 Year End Balance	<u>300</u>
	Proforma Adjustment	<u>\$ 9,912</u>
	Total Proforma Adjustments to Taxes other than Income	<u>\$ 9,912</u>

Income Taxes

Federal Income Taxes

11	Proforma 2019 Year End Balance	\$ 1,756
	Actual 2019 Year End Balance	<u>(5,100)</u>
	Proforma Adjustment	<u>\$ 6,856</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 1b.

State Business Taxes

12	Proforma 2019 Year End Balance	\$ 698
	Actual 2019 Year End Balance	<u>(2,000)</u>
	Proforma Adjustment	<u>\$ 2,698</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 1b.

Provision for Deferred Taxes

13	Proforma 2019 Year End Balance	\$ (500)
	Actual 2019 Year End Balance	<u>(500)</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year expenses for the increase in the provision for deferred taxes due to increases in

	Total Proforma Adjustments to Income Taxes	<u>\$ 9,554</u>
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AWC Tioga Belmont Water

Schedule 1B

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$ 72,615	\$ 102,910
Equity Component of Cost of Capital	<u>6.48%</u>	<u>6.42%</u>
Operating Net Income Required	\$ 4,705	\$ 6,607
Tax Multiplier (Schedule 5A)	<u>1,748</u>	<u>2,454</u>
Income Required before Income Taxes	\$ 6,453	\$ 9,061
Less: NH Business Profits Tax @ 7.7%	<u>497</u>	<u>698</u>
Income subject to Federal Taxes	\$ 5,956	\$ 8,363
Less: Federal Income Tax @ 21%	<u>1,251</u>	<u>1,756</u>
Income after Income Taxes	<u>\$ 4,705</u>	<u>\$ 6,607</u>

AWC Tioga Belmont Water

Schedule 1C

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	7.70%
Federal Taxable Income	92.30%
Federal Income Tax Rate	21.00%
Effective Federal Income Tax Rate	19.38%
Add: NH Business Profit Tax	7.70%
Effective Tax Rate	27.08%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	27.08%
Percent Used as a Divisor in Determining the Revenue Requirement	72.92%
Tax Multiplier	37.14%

AWC Tioga Belmont Water

Schedule 2

Balance Sheet

See Abenaki Water Company Balance Sheet.

Rate Base - Water

Line No.	Account Title (a)	December 2018 Balance(2) (b)	March 2019 Balance(2) (c)	June 2019 Balance (d)	September 2019 Balance (e)	December 2019 Balance (f)	5 Qtrs Avg Year End Balance (g)	Proforma Adjustments (h)	Proforma Year End Balance (i)
1	Plant in Service	\$160,321	\$160,321	\$160,321	\$187,505	\$187,536	\$171,201	\$0	\$171,201
2	Less: Accumulated Depreciation	70,632	70,632	70,632	72,634	74,829	71,872	0	71,872
3	Net Utility Plant	89,689	89,689	89,689	114,871	112,707	99,329	0	99,329
4	Material and Supplies	0	0	0	0	2,351	470	0	470
5	Miscellaneous Deferred Debits							31,890	31,890
6	Accum Amort of Misc Def DRs							(1,595)	(1,595)
7	Contribution in Aid of Construction	(61,894)	(61,894)	(61,894)	(61,894)	(61,894)	(61,894)	0	(61,894)
8	Accumulated Amortization of CIAC	27,767	27,767	27,767	27,767	30,081	28,230	-	28,230
9	Accumulated Deferred Income Taxes					1,000	200	0	200
10	Rate Base	\$55,562	\$55,562	\$55,562	\$80,744	\$84,245	\$66,335	\$30,296	\$96,631
11	Cash Working Capital (1)						6,280	0	6,280
12	Total Rate Base						\$ 72,615	\$ 30,296	\$ 102,910
	(1) Cash Working Capital Average Year End Balance is the same as the December 2019 Balance. (2) December 2018 and March 2019 Balances are assumed to be the same as June 2019 Balance.								

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

Schedule 3A
Page 1 of 4

Plant in Service

1	December 2019 Balance	\$ 171,201
	5 Quarters Average Year End Balance	<u>171,201</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant	
2	Proforma Year End Balance with 2019 additions to plant	\$ 171,201
	December 2019 Balance	<u>171,201</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust December 2019 Balance for 2020 additions to plant	
3	Proforma Year End Balance with 2019 additions and organization costs	\$ 171,201
	Proforma Year End Balance with 2019 additions to plant	<u>171,201</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for 2020 capital additions and org. costs For additional support, please see schedule 3B	
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
	Total Proforma Adjustments to Plant in Service	<u>\$0</u>

Accumulated Depreciation and Amortization

4	December 2019 Balance	\$ 71,872
	5 Quarters Average Year End Balance	<u>71,872</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarters test year average accumulated depreciation to fully reflect 2019 accum depr	
5	Proforma Year End Balance with add'l depr	\$ 71,872
	December 2019 Balance	<u>71,872</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for add'l half year for 2019 additions.	

December 2019 Balance

Page 2 of 4

6	Proforma Year End Balance with add'l depr for 2020 additions	\$ 71,872
	Proforma Year End Balance with add'l depr	<u>71,872</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year year end balance of plant in service for add'l half year for 2020 additions.
December 2019 Balance

7	Proforma Year End Balance with add'l depr and amort of org costs	\$ 71,872
	Proforma Year End Balance with add'l depr	<u>71,872</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year year end balance of plant in service for 2020 amortization of organizational costs
For additional support, please see schedule 3B

	Proforma Adjustment	<u>\$ -</u>
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To adjust test year year end balance of plant in service for add'l half year for 2020 additions.

Materials & Supplies

8	December 2019 Balance	\$ 470
	5 Quarters Average Year End Balance	<u>470</u>
	Proforma Adjustment	<u>\$ -</u>

To adjust test year 5 quarters average plant in service to eliminate all M&S.

Miscellaneous Deferred Debits

9	Proforma Year End Balance with 2018 and 2019 water outages	\$ 31,890
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ 31,890</u>

To adjust test year year end balance of miscellaneous deferred debots for 2019
main break and water purchases

	Total Proforma Adjustments to Miscellaneous Deferred Debits	<u>\$ 31,890</u>
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Amortization of Miscellaneous Deferred Debits

10	Proforma Year End Balance with add'l amort exp	\$ (1,595)
	December 2019 Balance	<u>-</u>
	Proforma Adjustment	<u>\$ (1,595)</u>
	To adjust test year year end balance of half year amortization of misc def debits	
	Total Proforma Adjustments to Accumulated Amortization of Misc Def Debits	<u>\$ (1,595)</u>

Contribution in Aid of Construction

11	Proforma Year End Balance	\$ (61,894)
	5 Quarters Average Year End Balance	<u>(61,894)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarters average test year to year end balance	
12	Proforma Year End Balance with 2019 additions to plant	\$ (61,894)
	December 2019 Balance	<u>(61,894)</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust test year year end balance of plant in service for 2020 capital additions. See Schedule 3B.	
	Total Proforma Adjustments to Plant in Service	<u>\$ -</u>

Accumulated Amortization of CIAC

13	Proforma Year End Balance	\$ 28,230
	5 Quarters Average Year End Balance	<u>28,230</u>
	Proforma Adjustment	<u>\$ -</u>
	To adjust 5 quarters test year to year end balance	
14	Proforma Year End Balance with add'l amort	\$ 28,230
	December 2019 Balance	<u>28,230</u>

Proforma Adjustment \$ -

To adjust test year year end balance of CIAC for add'l half year for 2020 additions.

Total Proforma Adjustments to Accumulated Amortization of CIAC \$ -

Page 4 of 4

Accumulated Deferred Income Taxes

15 December 2019 Balance \$ 200

5 Quarters Average Year End Balance 200

Proforma Adjustment \$ -

To adjust test year 5 quarters average plant in service to fully reflect 2019 additions to plant

Cash Working Capital

16 Year End Proforma Balance \$ 6,280

Average Year End Balance 6,280

Proforma Adjustment \$ -

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

AWC Tioga Belmont Water

Schedule 3B

Plant / Accumulated Depreciation / Depreciation Expense

Plant put in service in 2019

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
311	Pumping Equipment		10.00%		
333	Services	325	2.50%	8	4
334	Purchase & Installation of Meters	8,157	5.00%	408	204
346	Communication Equipment		14.29%	-	-
347	Remote Access Software	30	20.00%	6	3
TOTAL		\$ 8,512		\$ 422	\$ 211

2020 NH DWGTF Improvements

PUC		Cost	Depr. Rate	Annual Cost	Accum Depr.
Acct. No.	Description				
330	Water Tank	38,210	2.50%	955	478
331	Mains - 6 gate valves	11,790	2.00%	236	118
TOTAL 2020 NH DWGTF Improvements		\$ 50,000		\$ 1,191	\$ 596
347	Computer Equipment - Distribution Plans	3,502	10.00%	350	175
TOTAL		\$ 53,502		\$ 1,541	\$ 771

To reclass Due Diligence Costs to Organizational Costs

PUC		Cost	Amort. Rate	Annual Cost	Accum Amort
Acct. No.	Description				
301	Organizational costs	\$ 32,175	6.67%	\$ 2,146	\$ 1,073

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

2020 NH DWGTF Improvements

PUC		Cost	Depr Rate	Annual Costs	Accum Depr
Acct. No.	Description				
330	Water Tank	3,821	2.50%	96	48
331	Mains - 6 gate valves	1,179	2.00%	24	12
TOTAL		\$ 5,000		\$ 119	\$ 60

State Utility Property Taxes and Town of Belmont Property Taxes

State Utility Property Taxes

Total Increase in Plant	\$ 85,677
Total Increase in Accum Depr & Amort	1,844
Net Total Increase in Plant	<u>\$ 83,833</u>
Total Increase in Plant per Thousands	\$ 83.83
Tax Value as % of Net Book Value	78.34%
State Utility Property Tax Rate	6.60
Total Increase in State Utility Property Taxes	<u>\$ 433</u>

Town of Belmont Property Taxes

Total Increase in Plant	\$ 85,677
Total Increase in Accum Depr & Amort	1,844
Net Total Increase in Plant	<u>\$ 83,833</u>
Total Increase in Plant per Thousands	\$ 83.83
Tax Value as % of Net Book Value	78.34%
Town of Belmont Property Tax Rate	23.12
Total Increase in Town of Belmont Property Taxes	<u>\$ 1,518</u>

Total State Utility and Town of Belmont Property Taxes	<u>\$ 1,952</u>
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NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	1,660,290

AWC Tioga Belmont Water

Schedule 3C

Miscellaneous Deferred Debits / Accumulated Amortization / Amortization Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
183	PS&I for repairs of Main Break	\$ 20,051	10.00%	\$ 2,005	\$ 1,003
186	Bulk Water Delivery for Water Main Break	11,839	10.00%	1,184	592
	TOTAL	\$ 31,890		\$ 3,189	\$ 1,595

AWC Tioga Belmont Water

Schedule 3D

Working Capital - Water

	2019 Proforma <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$50,930	\$50,930
45/365	<u>12.33%</u>	<u>12.33%</u>
Working Capital	<u>\$ 6,280</u>	<u>\$ 6,280</u>

AWC Tioga Belmont Water
Rate of Return Information

Schedule 4
Page 1 of 2

See Abenaki Water Company Capital Structure and Rate of Return Information.

PUC 1604.04

DW 20-112
Abenaki Water Company
Temporary Rates
Attestation



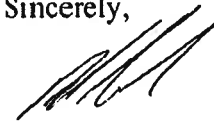
September 21, 2020

Debra A. Howland
Executive Director & Secretary
NH Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, N. H. 03301-2429

Dear Ms. Howland:

I affirm, based on my personal knowledge, information and belief, that the cost and revenue statements and the supporting data submitted, which purport to reflect the books and records of the company, do in fact set forth the results shown by such books and records and that all differences between the books and the test year data and any changes in the manner of recording an item on the utility's books during the test year, have been expressly noted.

Sincerely,



Nick LaChance
Vice President