

TAB 11

Filing Requirement (FR) Schedules

Puc 1604.06 and Puc 1604.07

pstead Area Water Company

Computation of Revenue Deficiency

For the Test Year Ended December 31, 2019

| | <u>Actual</u> | <u>Proforma</u> |
|-----------------------------------|------------------|-----------------|
| Rate Base (Schedule 3) | \$5,237,474 | \$9,966,564 |
| Rate of Return (Schedule 4) | <u>5.78%</u> | <u>5.56%</u> |
| Operating Income Required | \$302,531 | \$ 554,132 |
| Net Operating Income (Schedule 1) | <u>77,678</u> | <u>554,132</u> |
| Operating Income Deficiency | \$224,853 | \$0 |
| Tax Effect | <u>0</u> | <u>0</u> |
| Revenue Deficiency | <u>\$224,853</u> | <u>\$0</u> |

Statement of Income

| Line No. | Account Title (Number) (a) | Actual 2019 Year End Balance (b) | Proforma Adjustments (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) | \$ 2,325,428 | \$1,523,330 | \$ 3,848,758 | \$ 2,043,478 | \$ 1,788,762 |
| 2 | Operating Expenses: | | | | | |
| 3 | Operation and Maintenance Expense (401): | | | | | |
| 4 | Source of Supply | 35,719 | 513,761 | 549,480 | 36,795 | 22,839 |
| 5 | Pumping Expenses | 390,948 | (32,390) | 358,558 | 399,011 | 284,516 |
| 6 | Water Treatment Expenses | 187,684 | - | 187,684 | 180,419 | 170,729 |
| 7 | Transmission and Distribution Expenses | 167,677 | - | 167,677 | 136,927 | 83,991 |
| 8 | Customer Accounts Expenses | 150,569 | - | 150,569 | 129,994 | 113,121 |
| 9 | Administrative and General Expenses | 813,087 | 166,559 | 979,646 | 699,540 | 504,818 |
| 10 | Total Operation and Maintenance Expenses | 1,745,684 | 647,930 | 2,393,614 | 1,582,686 | 1,180,014 |
| 11 | Depreciation Expense (403) | 557,503 | 328,024 | 885,527 | 525,662 | 500,470 |
| 12 | Amortization of Contribution in Aid of Construction (405) | (221,541) | (192,799) | (414,340) | (221,212) | (216,489) |
| 13 | Amortization of Utility Plant Acquisition Adjustment (406) | 84 | - | 84 | 31 | - |
| 14 | Amortization Expense-Other (407) | 3,597 | - | 3,597 | 3,616 | 2,715 |
| 15 | Taxes Other Than Income (408.1-408.13) | 146,846 | 79,313 | 226,159 | 154,064 | 159,664 |
| 16 | Income Taxes (409.1, 410.1, 411.1, 412.1) | 15,577 | 184,409 | 199,986 | 12,601 | 11,492 |
| 17 | Total Operating Expenses | \$ 2,247,750 | \$ 1,046,876 | \$ 3,294,626 | \$ 2,057,448 | \$ 1,637,866 |
| 18 | Net Operating Income (Loss) | 77,678 | 476,454 | 554,132 | (13,970) | 150,896 |
| 19 | Income From Utility Plant Leased to Others (413) | | | | | |
| 20 | Gains(Losses) From Disposition of Utility Property (414) | | | | | |
| 21 | Net Water Utility Operating Income | \$ 77,678 | \$ 476,454 | \$ 554,132 | \$ (13,970) | \$ 150,896 |
| | OTHER INCOME AND DEDUCTIONS | | | | | |
| 22 | Revenues From Merchandising, Jobbing and Contract Work (415) | | | | | |
| 23 | Costs and Expenses of Merchandising, Jobbing and Contract Work (416) | | | | | |
| 24 | Equity in Earnings of Subsidiary Companies (418) | | | | | |
| 25 | Interest and Dividend Income (419) | 235 | | 235 | 1,076 | 537 |
| 26 | Allow. for funds Used During Construction (420) | | | | | |
| 27 | Nonutility Income (421) | | | | (209) | |
| 28 | Gains (Losses) Form Disposition Nonutility Property (422) | | | | | |
| 29 | Miscellaneous Nonutility Expenses (426) | | | | | |
| 30 | Total Other Income and Deductions | \$ 235 | | \$ 235 | \$ 867 | \$ 537 |
| | TAXES APPLICABLE TO OTHER INCOME | | | | | |
| 31 | Taxes Other Than Income (408.2) | | | | | |
| 32 | Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3) | | | | | |
| 33 | Total Taxes Applicable To Other Income | | | | | |
| | INTEREST EXPENSE | | | | | |
| 34 | Interest Expense (427) | 125,631 | | 125,631 | 121,214 | 129,400 |
| 35 | Amortization of Debt Discount & Expense (428) | 4,249 | | 4,249 | 2,765 | 2,765 |
| 36 | Amortization of Premium on Debt (429) | | | | | |
| 37 | Total Interest Expense | \$ 129,880 | | \$ 129,880 | \$ 123,979 | \$ 132,165 |
| 38 | Income Before Extraordinary Items | (51,967) | 476,454 | 424,487 | (137,082) | 19,268 |
| | EXTRAORDINARY ITEMS | | | | | |
| 39 | Extraordinary Income (433) | | | | | |
| 33 | Extraordinary Deductions (434) | | | | | |
| 34 | Income Taxes, Extraordinary Items (409.3) | | | | | |
| 40 | Net Extraordinary Items | | | | | |
| 41 | NET INCOME (LOSS) | \$ (51,967) | \$ 476,454 | \$ 424,487 | \$ (137,082) | \$ 19,268 |

Hampstead Area Water Company
Statement of Income - Proforma Adjustments

Schedule 1A

Page 1 of 4

Operating Revenues

| | | |
|---|--|---------------------|
| 1 | 2019 Test Year Proforma | \$ 2,500,608 |
| | 2019 Test Year Actual Operating Revenues | 2,325,428 |
| | Proforma Adjustment | <u>\$ 175,180</u> |
| | To adjust test year revenues for the additional revenue due to sale of water to Plaistow (100,000 / 748 x \$3.59 x 365) | |
| 2 | 2019 Test Year Proforma | \$ 3,848,758 |
| | 2019 Test Year Actual Operating Revenues | 2,500,608 |
| | Proforma Adjustment | <u>\$ 1,348,150</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>\$ 1,523,330</u> |
|---|----------------------------|

Operating and Maintenance Expenses

| | | |
|---|---|-------------------|
| 3 | <u>Purchaed Water</u> | |
| | 2019 Test Year Proforma | \$ 372,075 |
| | 2019 Test Year Actual | - |
| | Proforma Adjustment | <u>\$ 372,075</u> |
| | To adjust test year purchased water for the purchase of 250,000 gallons from Manchester (250,000 / 748 x \$3.05 x 365) | |
| 4 | <u>Purchaed Water</u> | |
| | 2019 Test Year Proforma | \$ 148,830 |
| | 2019 Test Year Actual | - |
| | Proforma Adjustment | <u>\$ 148,830</u> |
| | To adjust test year purchased water for the purchase of 250,000 gallons from Manchester (100,000 / 748 x \$3.05 x 365) | |
| 5 | <u>Well Expenses</u> | |
| | 2019 Test Year Proforma | \$ 28,576 |
| | 2019 Test Year Actual | 35,720 |
| | Proforma Adjustment | <u>\$ (7,144)</u> |
| | To adjust test year well expenses for anticipated 20% reduction due to SNHRWIP | |

| | |
|--|--------------------------|
| Total Proforma Adjustments to Source of Supply | <u>\$ 513,761</u> |
|--|--------------------------|

| | | |
|---|--|--------------------|
| 6 | <u>Purchased Power</u> | |
| | 2019 Test Year Proforma | \$ 186,791 |
| | 2019 Test Year Actual | 219,181 |
| | Proforma Adjustment | <u>\$ (32,390)</u> |
| | To adjust test year purchased power expense for anticipated reduction due to SNHRWIP | |

| | | |
|---|----|--------------------|
| 7 <u>Pumping Expense</u> | | |
| 2019 Test Year Proforma | \$ | 171,768 |
| 2019 Test Year Actual | | <u>171,768</u> |
| Proforma Adjustment | \$ | <u>-</u> |
| To adjust test year pumping expenses for anticipated ... reduction due to SNHRWIP | | |
| Total Proforma Adjustments to Pumping Expenses | | <u>\$ (32,390)</u> |
| 8 <u>Treatment Expenses (Filters)</u> | | |
| 2019 Test Year Proforma | \$ | 174,184 |
| 2019 Test Year Actual | | <u>174,184</u> |
| Proforma Adjustment | \$ | <u>-</u> |
| To adjust test year treatment expenses for anticipated ... reduction due to SNHRWIP | | |
| 9 <u>Wages</u> | | |
| 2019 Test Year Proforma | \$ | 524,153 |
| 2019 Test Year Actual | | <u>376,432</u> |
| Proforma Adjustment | \$ | <u>147,721</u> |
| To adjust test year wages for on-going annual wages plus 3% increase | | |
| 10 <u>Payroll Taxes</u> | | |
| 2019 Test Year Proforma | \$ | 40,098 |
| 2019 Test Year Actual | | <u>28,797</u> |
| Proforma Adjustment | \$ | <u>11,301</u> |
| To adjust test year payroll taxes due to on-going wages plus 3% increase | | |
| 11 <u>Benefits - 401k, Health Inc & Life Ins</u> | | |
| 2019 Test Year Proforma | \$ | 57,573 |
| 2019 Test Year Actual | | <u>34,711</u> |
| Proforma Adjustment | \$ | <u>22,862</u> |
| To adjust test year employee benefits due to change in personnel, etc. | | |
| 12 <u>Management Agreement</u> | | |
| 2019 Test Year Proforma | \$ | 177,611 |
| 2019 Test Year Actual | | <u>169,153</u> |
| Proforma Adjustment | \$ | <u>8,458</u> |
| To adjust test year management costs by 5% as per Management / Service / Rental Agreement | | |
| 13 <u>Outside Services - Legal and Accounting Expenses associated with CIAC Tax Review</u> | | |
| 2019 Test Year Proforma | \$ | 12,892 |
| 2019 Test Year Actual | | <u>38,675</u> |
| Proforma Adjustment | \$ | <u>(25,783)</u> |
| To adjust test year expenses for legal and accounting expenditures associated with CIAC Tax Review (\$38,675 / 3 years) | | |

| | | |
|----|---|----------------|
| 14 | <u>Outside Services - Audit Expenses</u> | |
| | 2019 Test Year Proforma | \$2,000 |
| | 2019 Test Year Actual | |
| | Proforma Adjustment | <u>\$2,000</u> |
| | To adjust test year expenses for costs associated with 2017 PUC audit of test year expenses (\$6,000 / 3 years) | |

| | |
|---|-------------------|
| Total Proforma Adjustments to Administrative and General Expenses | <u>\$ 166,559</u> |
|---|-------------------|

| | |
|---|-------------------------|
| Total Proforma Adjustments to Operating and Maintenance Expenses | <u>\$647,930</u> |
|---|-------------------------|

Depreciation Expenses

| | | |
|----|--|------------------|
| 15 | 2019 Test Year Proforma | \$ 577,173 |
| | 2019 Test Year Actual | 557,503 |
| | Proforma Adjustment | <u>\$ 19,670</u> |
| | To adjust test year expenses for the additional half year depreciation on the 2019 addition to plant | |

| | | |
|----|---|------------------|
| 16 | 2019 Test Year Proforma for Atkinson Tank | \$ 618,254 |
| | 2019 Test Year Proforma | 577,173 |
| | Proforma Adjustment | <u>\$ 41,081</u> |
| | To adjust test year expenses for the additional full year depreciation on the Atkinson Tank | |

| | | |
|----|---|-------------------|
| 17 | 2019 Test Year Proforma for SNHRWIP | \$ 875,712 |
| | 2019 Test Year Proforma for Atkinson Tank | 618,254 |
| | Proforma Adjustment | <u>\$ 257,458</u> |
| | To adjust test year expenses for the additional full year depreciation on the SNHRWIP | |

| | | |
|----|---|-----------------|
| 18 | 2019 Test Year Proforma for Other Plant | \$ 885,527 |
| | 2019 Test Year Proforma for SNHRWIP | 875,712 |
| | Proforma Adjustment | <u>\$ 9,815</u> |
| | To adjust test year expenses for the additional full year depreciation on the SNHRWIP | |

| | |
|--|-------------------|
| Total Adjustments to Depreciation Expenses | <u>\$ 328,024</u> |
|--|-------------------|

Amortization of CIAC

| | | |
|----|---|-----------------|
| 19 | 2019 Test Year Proforma | \$ (220,037) |
| | 2019 Test Year Actual | (221,541) |
| | Proforma Adjustment | <u>\$ 1,504</u> |
| | To adjust test year expenses for the additional half year amortization on the 2019 CIAC | |

| | | |
|----|---|--------------------|
| 20 | 2019 Test Year Proforma for Atkinson Tank | \$ (242,015) |
| | 2019 Test Year Proforma | (220,037) |
| | Proforma Adjustment | <u>\$ (21,978)</u> |
| | To adjust test year expenses for the additional half year amortization on the 2019 CIAC | |

| | | |
|----|---|---------------------|
| 21 | 2019 Test Year Proforma for SNHRWIP | \$ (414,340) |
| | 2019 Test Year Proforma for Atkinson Tank | (242,015) |
| | Proforma Adjustment | <u>\$ (172,325)</u> |
| | To adjust test year expenses for the additional half year amortization on the 2019 CIAC | |
| | Total Adjustments to Amortization of CIAC | <u>\$ (192,799)</u> |

Amortization Expense - Other

| | | |
|----|--|-------------|
| 22 | 2019 Test Year Proforma | \$ 3,597 |
| | 2019 Test Year Actual | 3,597 |
| | Proforma Adjustment | <u>\$ -</u> |
| | To adjust test year expenses for amortization of Village Drive and Eastwod Place wells | |

Taxes other than Income

| | | |
|----|---|------------------|
| 23 | 2019 Test Year Proforma | \$ 226,159 |
| | 2019 Test Year Actual | 146,846 |
| | Proforma Adjustment | <u>\$ 79,313</u> |
| | To adjust test year expenses for state and local property taxes | |

Income Taxes

| | | |
|----|--|---------------------------|
| | State Business Taxes | |
| 24 | 2019 Test Year Proforma | \$ 38,037 |
| | 2019 Test Year Actual | 3,032 |
| | Proforma Adjustment | <u>\$ 35,005</u> |
| | To adjust test year expenses for state business taxes | |
| | Federal Income Taxes | |
| 25 | 2019 Test Year Proforma | \$ 95,749 |
| | 2019 Test Year Actual | - |
| | Proforma Adjustment | <u>\$ 95,749</u> |
| | To adjust test year expenses for federal income taxes | |
| | Provision for Deferred Taxes | |
| 26 | 2019 Test Year Proforma | \$ 56,687 |
| | 2019 Test Year Actual | 3,032 |
| | Proforma Adjustment | <u>\$ 53,655</u> |
| | To adjust test year expenses for deferred taxes | |
| | Total Adjustments to Income Taxes | <u>\$ 184,409</u> |
| | Total Proforma Adjustment to Operating Expenses | <u>\$1,046,876</u> |

Hampstead Area Water Company**Schedule 1B****Income Tax Computation**

| | Actual | Proforma |
|--------------------------------------|------------------|------------------|
| Total Rate Base | \$5,237,474 | \$9,966,564 |
| Equity Component of Cost of Capital | <u>4.07%</u> | <u>3.61%</u> |
| Operating Net Income Required | \$213,336 | \$360,198 |
| Tax Multiplier (Schedule 5A) | <u>79,238</u> | <u>133,786</u> |
| Income Required before Income Taxes | \$292,574 | \$493,984 |
| Less: NH Business Profits Tax @ 7.7% | <u>22,528</u> | <u>38,037</u> |
| Income subject to Federal Taxes | \$270,046 | \$455,947 |
| Less: Federal Income Tax @ 21% | <u>56,710</u> | <u>95,749</u> |
| Income after Income Taxes | <u>\$213,336</u> | <u>\$360,198</u> |

Hampstead Area Water Company**Schedule 1C****Effective Tax Factor**

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

Balance Sheet - Assets and Other Debits

| Line No. | Account Title (Number) (a) | Actual 2019 Year End Balance (b) | Actual 2018 Year End Balance (c) | Actual 2017 Year End Balance (d) |
|---------------------------------------|--|---|---|---|
| UTILITY PLANT | | | | |
| 1 | Utility Plant (101-106) | \$ 19,855,659 | \$ 17,673,198 | \$ 17,298,401 |
| 2 | Less: Accumulated Depr. and Amort. (108-110) | \$ 7,375,714 | \$ 6,976,995 | 6,547,479 |
| 3 | Net Plant | \$ 12,479,945 | \$ 10,696,203 | \$ 10,750,922 |
| 4 | Utility Plant Acquisition Adj. (Net) (114-115) | 1,388 | 1,472 | |
| 5 | Total Net Utility Plant | \$ 12,481,333 | \$ 10,697,675 | \$ 10,750,922 |
| OTHER PROPERTY AND INVESTMENTS | | | | |
| 6 | Nonutility Property (121) | | | |
| 7 | Less: Accumulated Depr. and Amort. (122) | | | |
| 8 | Net Nonutility Property | | | |
| 9 | Investment in Associated Companies (123) | | | |
| 11 | Utility Investments (124) | | | |
| 12 | Other Investments | | | |
| 13 | Special Funds(126-128) | | | |
| 14 | Total Other Property & Investments | \$ - | \$ - | \$ - |
| CURRENT AND ACCRUED ASSETS | | | | |
| 16 | Cash (131) | 40,520 | 269,128 | 709,320 |
| 17 | Special Deposits (132) | | | |
| 18 | Other Special Deposits (133) | | | |
| 19 | Working Funds (134) | | | |
| 20 | Temporary Cash Investments (135) | | | |
| 21 | Accounts and Notes Receivable-Net (141-144) | 307,114 | 223,980 | 237,690 |
| 22 | Accounts Receivable from Assoc. Co. (145) | | | |
| 23 | Notes Receivable from Assoc. Co. (146) | | | |
| 24 | Materials and Supplies (151-153) | 37,237 | 82,646 | 33,240 |
| 25 | Stores Expense (161) | | | |
| 26 | Prepayments-Other (162) | 33,768 | 23,262 | 21,518 |
| 27 | Prepaid Taxes (163) | 37,610 | 38,641 | 47,877 |
| 28 | Interest and Dividends Receivable (171) | | | |
| 29 | Rents Receivable (172) | | | |
| 30 | Accrued Utility Revenues (173) | 129,220 | 137,399 | 117,847 |
| 31 | Misc. Current and Accrued Assets (174) | | | |
| 32 | Total Current and Accrued Assets | \$ 585,469 | \$ 775,056 | \$ 1,167,492 |
| DEFERRED DEBITS | | | | |
| 32 | Unamortized Debt Discount & Expense (181) | 55,964 | 35,179 | 36,353 |
| 33 | Extraordinary Property Losses (182) | | | |
| 34 | Prelim. Survey & Investigation Charges (183) | | | |
| 35 | Clearing Accounts (184) | | | |
| 36 | Temporary Facilities (185) | | | |
| 37 | Miscellaneous Deferred Debits (186) | 1,163,245 | 451,495 | 153,320 |
| 38 | Research & Development Expenditures (187) | | | |
| 39 | Accumulated Deferred Income Taxes (190) | 10,711 | 12,004 | 13,297 |
| 40 | Total Deferred Debits | \$ 1,229,920 | \$ 498,678 | \$ 202,970 |
| TOTAL ASSETS AND OTHER DEBITS | | \$ 14,296,722 | \$ 11,971,409 | \$ 12,121,384 |

Balance Sheet - Equity Capital and Liabilities

| Line No. | Account Title (Number) (a) | Actual 2019 Year End Balance (b) | Actual 2018 Year End Balance (c) | Actual 2017 Year End Balance (d) |
|---|---|---|---|---|
| EQUITY CAPITAL | | | | |
| 1 | Common Stock Issued (201) | \$ 16,767 | \$ 16,767 | \$ 16,767 |
| 2 | Preferred Stock Issued (204) | | | |
| 3 | Capital Stock Subscribed (202,205) | | | |
| 4 | Stock Liability for Conversion (203, 206) | | | |
| 5 | Premium on Capital Stock (207) | | | |
| 6 | Installments Received On Capital Stock (208) | | | |
| 7 | Other Paid-In Capital (209,211) | 4,054,354 | 3,554,354 | 3,154,354 |
| 8 | Discount on Capital Stock (212) | | | |
| 9 | Capital Stock Expense(213) | | | |
| 10 | Retained Earnings (214-215) | (949,024) | (897,056) | (759,974) |
| 11 | Reacquired Capital Stock (216) | | | |
| 12 | Total Equity Capital | \$ 3,122,097 | \$ 2,674,065 | \$ 2,411,147 |
| LONG TERM DEBT | | | | |
| 13 | Bonds (221) | | | |
| 14 | Reacquired Bonds (222) | | | |
| 15 | Advances from Associated Companies (223) | | | |
| 16 | Other Long-Term Debt (224) | 4,504,424 | 3,658,170 | 3,893,007 |
| 17 | Total Long-Term Debt | \$ 4,504,424 | \$ 3,658,170 | \$ 3,893,007 |
| CURRENT AND ACCRUED LIABILITIES | | | | |
| 18 | Accounts Payable (231) | 143,888 | 30,042 | 17,494 |
| 19 | Notes Payable (232) | | | |
| 20 | Accounts Payable to Associated Co. (233) | 156,209 | 44,093 | 48,471 |
| 21 | Notes Payable to Associated Co. (234) | | | |
| 22 | Customer Deposits (235) | 6,569 | 7,636 | 8,437 |
| 23 | Accrued Taxes (236) | 2,261 | 5,486 | 3,005 |
| 24 | Accrued Interest (237) | | | |
| 25 | Accrued Dividends (238) | | | |
| 26 | Matured Long-Term Debt (239) | | | |
| 27 | Matured Interest (240) | | | |
| 28 | Misc. Current and Accrued Liabilities (241) | 28,634 | 28,226 | 27,236 |
| 29 | Total Current and Accrued Liabilities | \$ 337,561 | \$ 115,483 | \$ 104,643 |
| DEFERRED CREDITS | | | | |
| 30 | Unamortized Premium on Debt (251) | | | |
| 31 | Advances for Construction (252) | | | |
| 32 | Other Deferred Credits (253) | 898,404 | | |
| 33 | Accumulated Deferred Investment Tax Credits (255) | | | |
| 34 | Accumulated Deferred Income Taxes: | | | |
| 35 | Accelerated Amortization (281) | | | |
| 36 | Liberalized Depreciation (282) | 67,854 | 56,578 | 48,621 |
| 37 | Other (283) | | | |
| 38 | Total Deferred Credits | \$ 966,258 | \$ 56,578 | \$ 48,621 |
| OPERATING RESERVES | | | | |
| 39 | Property Insurance Reserve (261) | | | |
| 40 | Injuries and Damages Reserve (262) | | | |
| 41 | Pensions and Benefits Reserves (263) | (64) | 16,451 | 7,733 |
| 42 | Miscellaneous Operating Reserves (265) | | | |
| 43 | Total Operating Reserves | \$ (64) | \$ 16,451 | \$ 7,733 |
| CONTRIBUTIONS IN AID OF CONSTRUCTION | | | | |
| 44 | Contributions In Aid of Construction (271) | 9,239,980 | 9,109,850 | 9,142,476 |
| 45 | Accumulated Amortization of C.I.A.C. (272) | 3,873,534 | 3,659,188 | 3,486,243 |
| 46 | Total Net C.I.A.C. | \$ 5,366,446 | \$ 5,450,662 | \$ 5,656,233 |
| 46 | TOTAL EQUITY CAPITAL AND LIABILITIES | \$ 14,296,722 | \$ 11,971,409 | \$ 12,121,384 |

Hampstead Area Water Company

Schedule 3

Rate Base

| Line No. | Account Title (a) | December 2018 Balance (b) | January 2019 Balance (c) | February 2019 Balance (d) | March 2019 Balance (c) | April 2019 Balance (e) | May 2019 Balance (f) | June 2019 Balance (g) | July 2019 Balance (h) | August 2019 Balance (i) | September 2019 Balance (j) | October 2019 Balance (k) | November 2019 Balance (l) | December 2019 Balance (m) | Actual 13 Month Avg Bal (n) | 2019 Proforma Adjustments (o) | 2019 Proforma Balance (p) |
|----------|---|------------------------------|-----------------------------|------------------------------|---------------------------|---------------------------|-------------------------|--------------------------|--------------------------|----------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|--------------------------------|----------------------------------|------------------------------|
| 1 | Plant in Service | \$17,409,617 | \$17,416,668 | \$17,417,968 | \$17,421,362 | \$17,427,161 | \$17,444,336 | \$17,447,337 | \$17,497,247 | \$17,523,671 | \$17,789,129 | \$17,790,704 | \$17,792,253 | \$17,807,797 | \$17,552,712 | \$8,451,806 | \$26,004,518 |
| 2 | Less: Accumulated Depreciation | (6,976,995) | (7,020,896) | (7,065,746) | (7,108,290) | (7,105,789) | (7,189,514) | (7,223,565) | (7,260,575) | (7,293,199) | (7,231,133) | (7,276,258) | (7,321,308) | (7,375,714) | (7,188,383) | (361,178) | (7,549,561) |
| 3 | Net Utility Plant | 10,432,622 | 10,395,772 | 10,352,222 | 10,313,072 | 10,321,372 | 10,254,822 | 10,223,772 | 10,236,672 | 10,230,472 | 10,557,996 | 10,514,446 | 10,470,945 | \$10,432,083 | \$10,364,328 | \$8,090,629 | \$18,454,957 |
| 4 | Material and Supplies | 82,237 | 95,736 | 99,211 | 98,951 | 117,902 | 115,438 | 91,442 | 87,467 | 66,191 | 41,028 | 45,331 | 43,305 | 37,237 | 78,575 | (41,338) | 37,237 |
| 5 | Miscellaneous Deferred Debits | 75,603 | 75,378 | 75,150 | 74,925 | 74,697 | 74,472 | 74,244 | 74,019 | 73,791 | 73,213 | 72,809 | 72,408 | 72,005 | 74,055 | 88,834 | 162,889 |
| 6 | Accumulated Deferred Income Taxes - Assets | 12,004 | 11,896 | 11,789 | 11,681 | 11,573 | 11,465 | 11,358 | 11,250 | 11,142 | 11,034 | 10,927 | 10,819 | 10,711 | 11,358 | 1,395,041 | 1,406,399 |
| 7 | Accumulated Deferred Income Taxes - Liabilities | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (56,578) | (67,854) | (57,445) | (10,409) | (67,854) |
| 8 | Contribution in Aid of Construction | (9,109,850) | (9,109,651) | (9,109,651) | (9,229,976) | (9,229,800) | (9,228,920) | (9,228,653) | (9,228,596) | (9,224,910) | (9,223,980) | (9,222,980) | (9,415,095) | (9,239,980) | (9,215,542) | (5,078,843) | (14,294,385) |
| 9 | Accumulated Amortization of CIAC | 3,659,188 | 3,677,489 | 3,695,989 | 3,714,489 | 3,732,813 | 3,750,433 | 3,768,666 | 3,787,109 | 3,801,923 | 3,818,199 | 3,835,699 | 3,854,199 | 3,873,534 | 3,766,902 | 205,286 | 3,972,189 |
| 10 | Rate Base | 5,095,226 | 5,090,042 | 5,068,132 | 4,926,564 | 4,971,979 | 4,921,132 | 4,884,251 | 4,911,343 | 4,902,031 | 5,220,912 | 5,199,654 | 4,980,003 | 5,117,736 | 5,022,231 | 4,649,200 | 9,671,431 |
| 11 | Cash Working Capital * | | | | | | | | | | | | | | 215,243 | 79,890 | 295,133 |
| 12 | Total Rate Base | \$5,095,226 | \$5,090,042 | \$5,068,132 | \$4,926,564 | \$4,971,979 | \$4,921,132 | \$4,884,251 | \$4,911,343 | \$4,902,031 | \$5,220,912 | \$5,199,654 | \$4,980,003 | \$5,117,736 | \$5,237,474 | \$4,729,090 | \$9,966,564 |
| 13 | *The actual 13 month average balance for cash working capital is the December 2019 balance. | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | | |

Hampstead Area Water Company

Schedule 3A

Miscellaneous Deferred Debits

| Line No. | Account Title (a) | December 2018 Balance (b) | January 2019 Balance (c) | February 2019 Balance (d) | March 2019 Balance (e) | April 2019 Balance (f) | May 2019 Balance (g) | June 2019 Balance (h) | July 2019 Balance (i) | August 2019 Balance (j) | September 2019 Balance (k) | October 2019 Balance (l) | November 2019 Balance (m) | December 2019 Balance (n) | Actual 13 Month Avg Bal (o) | 2019 Proforma Adjustments (p) | 2019 Proforma Balance (q) |
|----------|-------------------------------------|---------------------------|--------------------------|---------------------------|------------------------|------------------------|----------------------|-----------------------|-----------------------|-------------------------|----------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|---------------------------|
| 1 | Dearborn Well | \$ 11,604 | \$ 11,513 | \$ 11,421 | \$ 11,330 | \$ 11,238 | \$ 11,147 | \$ 11,055 | \$ 10,964 | \$ 10,872 | \$ 10,781 | \$ 10,689 | \$ 10,598 | \$ 10,507 | \$ 11,055 | \$ (548) | \$ 10,507 |
| 2 | Bryant Wood Well | 4,506 | 4,471 | 4,435 | 4,400 | 4,364 | 4,329 | 4,293 | 4,258 | 4,222 | 4,187 | 4,151 | 4,116 | 4,080 | 4,293 | (213) | 4,080 |
| 3 | Rainbow Ridge Extension | \$ 11,751 | \$ 11,681 | \$ 11,611 | \$ 11,541 | \$ 11,471 | \$ 11,401 | \$ 11,331 | \$ 11,261 | \$ 11,191 | \$ 11,121 | \$ 11,051 | \$ 10,981 | \$ 10,911 | \$ 11,331 | (420) | \$ 10,911 |
| 4 | Little River Purchase | 5,394 | 5,365 | 5,335 | 5,306 | 5,276 | 5,247 | 5,217 | 5,188 | 5,158 | 5,129 | 5,099 | 5,070 | 5,040 | 5,217 | (177) | 5,040 |
| 5 | Village Drive Well replacement | 20,230 | 20,230 | 20,230 | 20,230 | 20,230 | 20,230 | 20,230 | 20,230 | 20,230 | 20,061 | 19,977 | 19,893 | 19,809 | 20,139 | (330) | 19,809 |
| 6 | Eastwood Well replacement | 22,118 | 22,118 | 22,118 | 22,118 | 22,118 | 22,118 | 22,118 | 22,118 | 22,118 | 21,934 | 21,842 | 21,750 | 21,658 | 22,019 | (361) | 21,658 |
| 7 | Total Miscellaneous Deferred Debits | \$ 75,603 | \$ 75,378 | \$ 75,150 | \$ 74,925 | \$ 74,697 | \$ 74,472 | \$ 74,244 | \$ 74,019 | \$ 73,791 | \$ 73,213 | \$ 72,809 | \$ 72,408 | \$ 72,005 | \$ 74,055 | \$ (2,050) | \$ 72,005 |
| 8 | Woodland Pond | | | | | | | | | | | | | | | 11,614 | \$ 11,614 |
| 9 | Jesse Page | | | | | | | | | | | | | | | 79,270 | \$ 79,270 |
| | | | | | | | | | | | | | | | | 88,834 | \$ 162,889 |

000084

Hampstead Area Water Company**Schedule 3B****Page 1 of 3****Rate Base Adjustments****Plant in Service**

| | | |
|----|--|---------------------|
| 26 | 12/31/19 Plant in Service | \$ 17,807,797 |
| | 12/31/19 13 Month Average Plant in Service | 17,552,712 |
| | 12/31/19 Plant in Service Proforma Adjustment | <u>\$ 255,085</u> |
| | To adjust plant in service to year end plant in service | |
| 27 | 12/31/19 Plant in Service adjusted for Atkinson Tank | \$ 19,648,043 |
| | 12/31/19 Plant in Service | 17,807,797 |
| | 12/31/19 Plant in Service Proforma Adjustment | <u>\$ 1,840,246</u> |
| | To adjust year end plant in service for Atkinson Tank | |
| 28 | 12/31/19 Plant in Service adjusted for SNHRWIP | \$ 25,713,636 |
| | 12/31/19 Plant in Service adjusted for Atkinson Tank | 19,648,043 |
| | 12/31/19 Plant in Service Proforma Adjustment | <u>\$ 6,065,593</u> |
| | To adjust year end plant in service for SNHRWIP | |
| 29 | 12/31/19 Plant in Service adjusted for net retired pump station | \$ 25,622,752 |
| | 12/31/19 Plant in Service adjusted for SNHRWIP | 25,713,636 |
| | 12/31/19 Plant in Service Proforma Adjustment | <u>\$ (90,884)</u> |
| | To adjust year end plant in service for NBV of retired plant at Woodland Pond & Jesse Page | |
| 30 | 12/31/19 Plant in Service adjusted for Other Plant | \$ 26,004,518 |
| | 12/31/19 Plant in Service adjusted for SNHRWIP | 25,713,636 |
| | 12/31/19 Plant in Service Proforma Adjustment | <u>\$ 290,882</u> |
| | To adjust year end plant in service for SNHRWIP | |
| | Total adjustment to Plant in Service | <u>\$ 8,451,806</u> |

Accumulated Depreciation

| | | |
|----|--|---------------------|
| 31 | 12/31/19 Accumulated Depreciation | \$ (7,375,714) |
| | 12/31/19 13 Month Average Accumulated Depreciation | (7,188,383) |
| | 12/31/19 Accumulated Depreciation Proforma Adjustment | <u>\$ (187,331)</u> |
| | To adjust AD to year end AD | |
| 32 | 12/31/19 Accumulated Depreciation w/add'l half year depr | \$ (7,395,384) |
| | 12/31/19 Accumulated Depreciation | (7,375,714) |
| | 12/31/19 Accumulated Depreciation Proforma Adjustment | <u>\$ (19,670)</u> |
| | To adjust AD for add'l half year depreciation | |
| 33 | 12/31/19 Accumulated Depreciation for Atkinson Tank | \$ (7,415,925) |
| | 12/31/19 Accumulated Depreciation | (7,395,384) |
| | 12/31/19 Accumulated Depreciation Proforma Adjustment | <u>\$ (20,541)</u> |
| | To adjust AD for add'l half year depreciation | |

Schedule 3B
Page 1 of 3

| | | |
|----|---|---------------------|
| 34 | 12/31/19 Accumulated Depreciation for SNHRWIP | \$ (7,544,654) |
| | 12/31/19 Accumulated Depreciation for Atkinson Tank | (7,415,925) |
| | 12/31/19 Accumulated Depreciation Proforma Adjustment | <u>\$ (128,729)</u> |
| | To adjust AD for add'l half year depreciation | |
| 35 | 12/31/19 Accumulated Depreciation for Other plant | \$ (7,549,561) |
| | 12/31/19 Accumulated Depreciation for Atkinson Tank | (7,544,654) |
| | 12/31/19 Accumulated Depreciation Proforma Adjustment | <u>\$ (4,907)</u> |
| | To adjust AD for add'l half year depreciation | |
| | 12/31/19 Total Accumulated Depreciation | <u>\$ (361,178)</u> |
| | Material & Supplies | |
| 36 | 12/31/19 Material & Supplies | \$ 37,237 |
| | 12/31/19 13 Month Average Material & Supplies | 78,575 |
| | 12/31/19 Material & Supplies Proforma Adjustment | <u>\$ (41,338)</u> |
| | To adjust M&S to year end balance | |
| | Miscellaneous Deferred Debits | |
| 37 | 12/31/19 Misc Def Dr | \$ 72,005 |
| | 12/31/19 13 Month Average Misc Def Dr | 74,055 |
| | 12/31/19 Misc Def Dr Proforma Adjustment | <u>\$ (2,050)</u> |
| | To adjust Misc Def Dr to year end balance | |
| 38 | 12/31/19 Misc Def Dr adjusted for retired pump stations | \$ 162,889 |
| | 12/31/19 13 Misc Def Dr | 72,005 |
| | 12/31/19 Misc Def Dr Proforma Adjustment | <u>\$ 90,884</u> |
| | To transfer NBV of retired plant to misc def dr for recovery / amortization | |
| | 12/31/19 Miscellaneous Deferred Debits | <u>\$ 88,834</u> |
| | Accumulated Deferred Income Taxes - Assets | |
| 39 | 12/31/19 ADIT - Assets | \$ 10,711 |
| | 12/31/19 13 Month ADIT - Assets | 11,358 |
| | 12/31/19 ADIT Assets Adjustment | <u>\$ (647)</u> |
| | To adjust ADIT - Assets to year end balance | |
| | Accumulated Deferred Income Taxes - Assets | |
| 40 | 12/31/19 ADIT - Assets | \$ 1,405,752 |
| | 12/31/19 13 Month ADIT - Assets | 10,711 |
| | 12/31/19 ADIT Assets Adjustment | <u>\$ 1,395,041</u> |
| | To adjust ADIT - Assets to year end balance | |
| | Accumulated Deferred Income Taxes - Liabilities | |
| 41 | 12/31/19 ADIT - Liabilities | \$ (67,854) |
| | 12/31/19 13 Month ADIT - Liabilities | (57,445) |
| | 12/31/19 ADIT Liabilities Adjustment | <u>\$ (10,409)</u> |
| | To adjust ADIT - Liabilities to year end balance | |

Schedule 3B
Page 1 of 3

Contribution in Aid of Construction ("CIAC")

| | | |
|----|---|------------------------------|
| 42 | 12/31/19 CIAC | \$ (9,239,980) |
| | 12/31/19 13 Month Average CIAC | <u>(9,215,542)</u> |
| | 12/31/19 CIAC Proforma Adjustment | <u>\$ (24,438)</u> |
| | To adjust CIAC to year end CIAC | |
| 43 | 12/31/19 CIAC adjusted for CIAC Atkinson Tank | \$(10,223,648) |
| | 12/31/19 CIAC | <u>(9,239,980)</u> |
| | 12/31/19 CIAC Proforma Adjustment | <u>\$ (983,668)</u> |
| | To adjust year end CIAC for Atkinson Tank | |
| 44 | 12/31/19 CIAC adjusted for CIAC SNHRWIP | \$(14,294,385) |
| | 12/31/19 CIAC adjusted for CIAC Atkinson Tank | <u>(10,223,648)</u> |
| | 12/31/19 CIAC Proforma Adjustment | <u>\$ (4,070,737)</u> |
| | To adjust year end CIAC for Atkinson Tank | |
| | Total adjustment to CIAC | <u>\$ (5,078,843)</u> |

Accumulated Amortization of CIAC

| | | |
|----|---|--------------------------|
| 45 | 12/31/19 Accumulated Amortization CIAC | \$ 3,873,534 |
| | 12/31/19 13 Month Average A/A of CIAC | <u>3,766,902</u> |
| | 12/31/19 A/A of CIAC Proforma Adjustment | <u>\$ 106,632</u> |
| | To adjust AA of CIAC to year end AA of CIAC | |
| 46 | 12/31/19 Accumulated Amortization w/add'l half year depr | \$ 3,875,038 |
| | 12/31/19 Accumulated Amortization CIAC | <u>3,873,534</u> |
| | 12/31/19 Accumulated Amortization Proforma Adjustment | <u>\$ 1,504</u> |
| | To adjust AA of CIAC for add'l half year amortization of CIAC | |
| 47 | 12/31/19 Accumulated Amortization of CIAC for Atkinson Tank | \$ 3,886,026 |
| | 12/31/19 Accumulated Amortization w/add'l half year depr | <u>3,875,038</u> |
| | 12/31/19 Accumulated Amortization Proforma Adjustment | <u>\$ 10,988</u> |
| | To adjust AA of CIAC for Atkinson Tank | |
| 48 | 12/31/19 Accumulated Amortization of CIAC for SNHRWIP | \$ 3,972,189 |
| | 12/31/19 Accumulated Amortization of CIAC for Atkinson Tank | <u>3,886,026</u> |
| | 12/31/19 Accumulated Amortization Proforma Adjustment | <u>\$ 86,163</u> |
| | To adjust AA of CIAC for Atkinson Tank | |
| | 12/31/19 Total Accumulated Amortization of CIAC | <u>\$ 205,286</u> |

Hampstead Area Water Company

Schedule 3D

Atkinson Tank

Plant / Depreciation Expense / Accumulated Depreciation

| | | Costs | CIAC Tax allocated to Plant | Adjusted Costs | Depr Rate | Annual Depr Expense | Accum Depr |
|-----|---|--------------|-----------------------------------|-------------------|--------------|---------------------------|---------------|
| 303 | Easement Deed | \$ 53,351 | \$ 9,030 | \$ 62,381 | 2.00% | \$ 1,248 | \$ 624 |
| 304 | Structures - Pump Station and Site Work | 157,844 | 26,715 | 184,559 | 2.50% | 4,614 | 2,307 |
| 330 | Distribution Storage Tank | 1,303,745 | 220,659 | 1,524,404 | 2.22% | 33,842 | 16,921 |
| 331 | T&D Mains | 52,615 | 8,905 | 61,520 | 2.00% | 1,230 | 615 |
| 335 | Hydrants | 6,314 | 1,069 | 7,383 | 2.00% | 148 | 74 |
| | Total | \$ 1,573,869 | \$ 266,377 | \$ 1,840,246 | | \$ 41,081 | \$ 20,541 |

CIAC / Amortization Expense / Accumulated Amortization

| | | CIAC | Amort Rate | Annual Amort of CIAC | Accum Amort of CIAC |
|-----|---|------------|---------------|----------------------------|---------------------------|
| 303 | Easement Deed | \$ 33,344 | 2.00% | \$ 667 | \$ 333 |
| 304 | Structures - Pump Station and Site Work | 98,653 | 2.50% | 2,466 | 1,233 |
| 330 | Distribution Storage Tank | 814,841 | 2.22% | 18,108 | 9,054 |
| 331 | T&D Mains | 32,884 | 2.00% | 658 | 329 |
| 335 | Hydrants | 3,946 | 2.00% | 79 | 39 |
| | Total | \$ 983,668 | | \$ 21,978 | \$ 10,988 |

Note: 62.5% per Grant Agreement.

Calculation of CIAC Tax

| A | B | C | E | H |
|-----|---|------------|---------------|-----------------|
| | | CIAC | Comb Tax Rate | CIAC Tax F-G |
| | | | 0.2708 | |
| 303 | Easement Deed | \$ 33,344 | 0.2708 | \$ 9,030 |
| 304 | Structures - Pump Station and Site Work | 98,653 | 0.2708 | 26,715 |
| 330 | Distribution Storage Tank | 814,841 | 0.2708 | 220,659 |
| 331 | T&D Mains | 32,884 | 0.2708 | 8,905 |
| 335 | Hydrants | 3,946 | 0.2708 | 1,069 |
| | Total | \$ 983,668 | | \$ 266,377 |

State Utility Property Taxes and Town of Atkinson Property Taxes

State Utility Property Taxes

| | |
|--|--------------|
| Total Increase in Plant | \$ 1,840,246 |
| Total Increase in Accum Depr & Amort | 20,541 |
| Net Total Increase in Plant | \$ 1,819,706 |
| Total Increase in Plant per Thousands | \$ 1,819.71 |
| Tax Value as % of Net Book Value | 43.52% |
| State Utility Property Tax Rate | 6.60 |
| Total Increase in State Utility Property Taxes | \$ 5,227 |

Town of Atkinson Property Taxes

| | |
|---|--------------|
| Total Increase in Plant | \$ 1,840,246 |
| Total Increase in Accum Depr & Amort | 20,541 |
| Net Total Increase in Plant | \$ 1,819,706 |
| Total Increase in Plant per Thousands | \$ 1,819.71 |
| Tax Value as % of Net Book Value | 43.52% |
| Town of Atkinson Property Tax Rate | 16.06 |
| Total Increase in Town of Atkinson Property Taxes | \$ 12,718 |

Total State Utility and Town of Atkinson Property Taxes

\$ 17,945

NHDRA Assessed value as of 4/1/19

\$12,479,945

Net Plant at 12/31/19

12,479,945

Percent of assessed value to net plant

100.00%

SNHRWIP

Plant / Accumulated Depreciation / Depreciation Expense

| PUC Acct. No. | Description | Costs | CIAC Tax allocated to Plant | Adjusted Costs | Depr. Rate | Depreciation Expense | Accum Depr. |
|--|---------------------|--------------|-----------------------------------|-------------------|---------------|-------------------------|----------------|
| <u>Chloramines Conversion Facility</u> | | | | | | | |
| 304 | Structures | \$ 473,333 | \$ 128,179 | \$ 601,512 | 2.50% | \$ 15,038 | \$ 7,519 |
| 311 | Pumping Equipment | 246,667 | 66,797 | 313,464 | 10.00% | 31,346 | 15,673 |
| 320 | Treatment Equipment | 396,667 | 107,417 | 504,084 | 3.60% | 18,147 | 9,074 |
| 331 | T&D Mains | 123,333 | 33,399 | 156,732 | 2.00% | 3,135 | 1,567 |
| | Total | \$ 1,240,000 | \$ 335,792 | \$ 1,575,792 | | \$ 67,666 | \$ 33,833 |
| <u>Main St. Pressure Reducing Station</u> | | | | | | | |
| 304 | Structures | \$ 310,000 | 83,948 | \$ 393,948 | 2.50% | \$ 9,849 | \$ 4,924 |
| 311 | Pumping Equipment | 250,000 | 67,700 | 317,700 | 10.00% | 31,770 | 15,885 |
| 331 | T&D Mains | 15,000 | 4,062 | 19,062 | 2.00% | 381 | 191 |
| 339 | Miscellaneous | 133,875 | 36,253 | 170,128 | 5.00% | 8,506 | 4,253 |
| | Total | \$ 708,875 | \$ 191,963 | \$ 900,838 | | \$ 50,506 | \$ 25,253 |
| <u>Shannon Road Water Main</u> | | | | | | | |
| 331 | T&D Mains | \$ 542,526 | 146,916 | \$ 689,442 | 2.00% | \$ 13,789 | \$ 6,894 |
| 335 | Hydrants | 20,000 | 5,416 | 25,416 | 2.00% | 508 | 254 |
| | Total | \$ 562,526 | \$ 152,332 | \$ 714,858 | | \$ 14,297 | \$ 7,149 |
| <u>Westside Drive Booster Station & Treatment Facility</u> | | | | | | | |
| 303 | Easement Dees | \$ 20,000 | 5,416 | \$ 25,416 | 5.00% | \$ 1,271 | \$ 635 |
| 304 | Structures | 475,000 | 128,630 | 603,630 | 2.50% | 15,091 | 7,545 |
| 311 | Pumping Equipment | 390,000 | 105,612 | 495,612 | 10.00% | 49,561 | 24,781 |
| 320 | Treatment Equipment | 250,000 | 67,700 | 317,700 | 3.60% | 11,437 | 5,719 |
| 331 | T&D Mains | 15,000 | 4,062 | 19,062 | 2.00% | 381 | 191 |
| 339 | Miscellaneous* | 193,875 | 52,501 | 246,376 | 5.00% | 12,319 | 6,159 |
| | Total | \$ 1,343,875 | \$ 363,921 | \$ 1,707,796 | | \$ 90,060 | \$ 45,030 |
| <u>East Road Water Main</u> | | | | | | | |
| 331 | T&D Mains | \$ 215,461 | 58,347 | \$ 273,808 | 2.00% | \$ 5,476 | \$ 2,738 |
| | Total | \$ 215,461 | \$ 58,347 | \$ 273,808 | | \$ 5,476 | \$ 2,738 |
| <u>Manchester Water Works - MSDC fees</u> | | | | | | | |
| 307 | Wells | \$ 892,500 | | \$ 892,500 | 3.30% | \$ 29,453 | \$ 14,726 |
| | | \$ 892,500 | \$ - | \$ 892,500 | | \$ 29,453 | \$ 14,726 |
| | Total | \$ 4,963,237 | \$ 1,102,356 | \$ 6,065,593 | | \$ 257,458 | \$ 128,729 |

SNHRWIP Financing

CIAC / Accumulated Amortization of CIAC / Amortization of CIAC

| PUC Acct. No. | Description | Costs | Amort. Rate | Amort. of CIAC | Accum Amort. |
|--|---|--------------|----------------|-------------------|-----------------|
| <u>Chloramines Conversion Facility</u> | | | | | |
| 304 | Structures | \$ 473,333 | 2.50% | \$ 11,833 | \$ 5,917 |
| 311 | Pumping Equipment | 246,667 | 10.00% | 24,667 | 12,333 |
| 320 | Treatment Equipment | 396,667 | 3.60% | 14,280 | 7,140 |
| 331 | T&D Mains | 123,333 | 2.00% | 2,467 | 1,233 |
| | Total | \$ 1,240,000 | | \$ 53,247 | \$ 26,623 |
| <u>Main St. Pressure Reducing Station</u> | | | | | |
| 304 | Structures | \$ 310,000 | 2.50% | \$ 7,750 | \$ 3,875 |
| 311 | Pumping Equipment | 250,000 | 10.00% | 25,000 | 12,500 |
| 331 | T&D Mains | 15,000 | 2.00% | 300 | 150 |
| 339 | Miscellaneous | 133,875 | | | |
| | Total | \$ 708,875 | | \$ 33,050 | \$ 16,525 |
| <u>Shannon Road Water Main</u> | | | | | |
| 331 | T&D Mains | \$ 542,526 | 2.00% | \$ 10,851 | \$ 5,425 |
| 335 | Hydrants | 20,000 | | | |
| | Total | \$ 562,526 | | \$ 10,851 | \$ 5,425 |
| <u>Westside Drive Booster Station & Treatment Facility</u> | | | | | |
| 303 | Easement Dees | \$ 20,000 | 5.00% | \$ 1,000 | \$ 500 |
| 304 | Structures | 475,000 | 2.50% | 11,875 | 5,938 |
| 311 | Pumping Equipment | 390,000 | 10.00% | 39,000 | 19,500 |
| 320 | Treatment Equipment | 250,000 | 3.60% | 9,000 | 4,500 |
| 331 | T&D Mains | 15,000 | 2.00% | 300 | 150 |
| 339 | Miscellaneous | 193,875 | 5.00% | 9,694 | 4,847 |
| | Total | \$ 1,343,875 | | \$ 70,869 | \$ 35,434 |
| <u>East Road Water Main</u> | | | | | |
| 331 | T&D Mains | \$ 215,461 | 2.00% | \$ 4,309 | \$ 2,155 |
| | Total | \$ 215,461 | | \$ 4,309 | \$ 2,155 |
| | Total | \$ 4,070,737 | | \$ 172,325 | \$ 86,163 |
| Calculation of CIAC Tax | | | | | |
| A | B | C | D | E | |
| | | CIAC | Comb Tax Rate | CIAC Tax | |
| | | | 0.2708 | F-G | |
| 303 | Easement Deed | \$ 20,000 | 0.2708 | \$ 5,416 | |
| 304 | Structures - Pump Station and Site Work | 1,258,333 | 0.2708 | 340,757 | |
| 311 | Pumping Equipment | 886,667 | 0.2708 | 240,109 | |
| 320 | Treatment Equipment | 646,667 | 0.2708 | 175,117 | |
| 331 | T&D Mains | 911,320 | 0.2708 | 246,785 | |
| 335 | Hydrants | 20,000 | 0.2708 | 5,416 | |
| 339 | Miscellaneous | 327,750 | 0.2708 | 88,755 | |
| | Total | \$ 4,070,737 | | \$ 1,102,356 | |

Hampstead Area Water Company

Schedule 3E

Page 3 of 3

SNHRWIP

Property Taxes

| | Chloramines Conversion Facility | Main St. Pressure Reducing Station | Shannon Rd. Main | Westside Booster Treatment Facility | East Rd. Main | MWW MSDC fees | Total Projected Costs |
|--|---------------------------------------|---|---------------------|--|------------------|------------------|-----------------------------|
| Total Project Costs | \$ 1,575,792 | \$ 900,838 | \$ 714,858 | \$ 1,707,796 | \$ 273,808 | \$ 892,500 | \$ 6,065,593 |
| Accumulated Depreciation | 33,833 | 25,253 | 7,149 | 45,030 | 2,738 | 14,726 | 128,729 |
| Net Plant | \$ 1,541,959 | \$ 875,585 | \$ 707,709 | \$ 1,662,766 | \$ 271,070 | \$ 877,774 | \$ 5,936,864 |
| Thousand Dollars of Assessed Value | \$ 1,542 | \$ 876 | \$ 708 | \$ 1,663 | \$ 271 | \$ 878 | \$ 5,937 |
| Tax Value as % of Net Book Value | 43.52% | 43.52% | 43.52% | 43.52% | 43.52% | 43.52% | 43.52% |
| Combined State and Local Property Tax Rate | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 |
| State and Local Property Taxes | \$ 15,206 | \$ 8,635 | \$ 6,979 | \$ 16,398 | \$ 2,673 | \$ 8,656 | \$ 58,547 |

Combined State and Local Property Tax Rate:

| | | | | | | | |
|-------|----------|----------|----------|----------|----------|----------|----------|
| State | \$ 6.60 | \$ 6.60 | \$ 6.60 | \$ 6.60 | \$ 6.60 | \$ 6.60 | \$ 6.60 |
| Local | 16.06 | 16.06 | 16.06 | 16.06 | 16.06 | 16.06 | 16.06 |
| Total | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 | \$ 22.66 |

Hampstead Area Water Company

Schedule 3F

Other Plant

Plant / Depreciation Expense / Accumulated Depreciation

| | | | | Annual | Accum |
|----------------|-------------------------------------|-------------------|---------|-----------------|-----------------|
| Angle Pond | | | | Depr | Depr |
| | Costs | Depr | Expense | | |
| | | Rate | | | |
| 304 | Pump House and Site Work | \$ 20,575 | 2.50% | \$ 514 | \$ 257 |
| 307 | Wells | 135,245 | 3.33% | 4,504 | 2,252 |
| 309 | Supply Mains | 43,278 | 2.00% | 866 | 433 |
| 311 | Pumping Equipment | 10,820 | 10.00% | 1,082 | 541 |
| 320 | Treatment Equipment (filters, etc.) | 54,098 | 3.60% | 1,948 | 974 |
| | Total | <u>\$ 264,016</u> | | <u>\$ 8,913</u> | <u>\$ 4,457</u> |
| Dearborn Ridge | | | | | |
| 307 | Wells | 24,366 | 3.33% | \$ 811 | \$ 406 |
| 320 | Treatment Equipment (filters, etc.) | 2,500 | 3.60% | 90 | 45 |
| | Total | <u>\$ 26,866</u> | | <u>\$ 901</u> | <u>\$ 451</u> |
| | Total | <u>\$ 290,882</u> | | <u>\$ 9,815</u> | <u>\$ 4,907</u> |

State Utility Property Taxes and Town of Atkinson Property Taxes

State Utility Property Taxes

| | |
|--|------------------|
| Total Increase in Plant | \$ 290,882 |
| Total Increase in Accum Depr & Amort | <u>4,907</u> |
| Net Total Increase in Plant | <u>\$285,975</u> |
| Total Increase in Plant per Thousands | \$285.97 |
| Tax Value as % of Net Book Value | <u>43.52%</u> |
| State Utility Property Tax Rate | <u>6.60</u> |
| Total Increase in State Utility Property Taxes | <u>\$ 821</u> |

Town of Atkinson Property Taxes

| | |
|---|------------------|
| Total Increase in Plant | \$ 290,882 |
| Total Increase in Accum Depr & Amort | <u>4,907</u> |
| Net Total Increase in Plant | <u>\$285,975</u> |
| Total Increase in Plant per Thousands | \$285.97 |
| Tax Value as % of Net Book Value | <u>43.52%</u> |
| Town of Atkinson Property Tax Rate | <u>16.06</u> |
| Total Increase in Town of Atkinson Property Taxes | <u>\$ 1,999</u> |

Total State Utility and Town of Atkinson Property Taxes \$ 2,820

| | |
|--|---------------------|
| NHDRA Assessed value as of 4/1/19 | <u>\$12,479,945</u> |
| Net Plant at 12/31/19 | 12,479,945 |
| Percent of assessed value to net plant | 100.00% |

Hampstead Area Water Company**Schedule 3G****Working Capital**

| | 2019 Proforma <u>Amount</u> | 2019 Actual <u>Amount</u> | 2018 Actual <u>Amount</u> | 2017 Actual <u>Amount</u> |
|--------------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Operating and Maintenance Expenses | \$2,393,614 | \$1,745,684 | \$1,582,686 | \$1,180,014 |
| Cash Working Capital Factor (45/365) | <u>0.1233</u> | <u>0.1233</u> | <u>0.1233</u> | <u>0.1233</u> |
| Working Capital | <u>\$295,133</u> | <u>\$215,243</u> | <u>\$195,145</u> | <u>\$145,496</u> |

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 | 40.94% | 9.95% | 4.07% | | 34.62% | 10.44% | 3.61% |
| Long Term Debt | 59.06% | 2.88% | 1.70% | | 65.38% | 2.98% | 1.95% |
| Total Capital | 100.00% | | 5.78% | | 100.00% | | 5.56% |

| Capital Structure | | 2019 Actual Amounts | 2019 Actual Ratios | | 2019 Proforma Amounts | 2019 Proforma Ratios |
|-----------------------|--|---------------------|--------------------|--|-----------------------|----------------------|
| Common Stock | | \$ 16,767 | 0.22% | | \$ 16,767 | 0.17% |
| Other Paid in Capital | | 4,054,354 | 53.16% | | 4,354,354 | 44.05% |
| Retained Earnings | | (949,024) | -12.44% | | (949,024) | -9.60% |
| Total Equity | | \$ 3,122,097 | 40.94% | | \$ 3,422,097 | 34.62% |
| Long Term Debt | | \$4,504,424 | 59.06% | | \$6,463,358 | 65.38% |
| Total Capital | | \$ 7,626,521 | 100.00% | | \$ 9,885,455 | 100.00% |

| Capital Structure for 2019 - 2017 | | 2019 Amounts | | 2018 Amounts | | 2017 Amounts |
|-----------------------------------|--|--------------|--|--------------|--|--------------|
| Common Stock | | \$ 16,767 | | \$ 16,767 | | \$ 16,767 |
| Other Paid in Capital | | 4,054,354 | | 3,554,354 | | 3,154,354 |
| Retained Earnings | | (949,024) | | (897,056) | | (759,974) |
| Total Equity | | \$ 3,122,097 | | \$2,674,065 | | \$ 2,411,147 |
| Long Term Debt | | \$4,504,424 | | \$3,658,170 | | \$ 3,893,007 |
| Total Capital | | \$ 7,626,521 | | \$6,332,235 | | \$ 6,304,154 |

ROE

Schedule 4
Page 2 of 2

| Capital Structure Ratios for 2019 - 2017 | | 2019 Ratios | | 2018 Ratios | | 2017 Ratios |
|--|--|----------------|--|----------------|--|----------------|
| Common Stock | | 0.22% | | 0.26% | | 0.27% |
| Other Paid in Capital | | 53.16% | | 56.13% | | 50.04% |
| Retained Earnings | | -12.44% | | -14.17% | | -12.06% |
| Total Equity | | 40.94% | | 42.23% | | 38.25% |
| Long Term Debt | | 59.06% | | 57.77% | | 61.75% |
| 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.

HAMPSTEAD AREA WATER COMPANY
LONG-TERM DEBT
12/31/2019

Schedule 5A

| Date of Note | Borrower | GL Acct. # | Lender | Original Note Amount | Note Term | Interest Rate | Current Interest Rate | Outstanding Balance 12/31/19 | Outstanding Balance 12/31/18 | Interest Expense 2019 | Total Cost Rate |
|--|----------|------------|-------------------------|----------------------|-----------|---------------|-----------------------|------------------------------|------------------------------|-----------------------|-----------------|
| 3/13/19 | HAWC | 232.02 | Pentucket Bank | 1,000,000 | Demand | Prime | 4.75% | 450,000 | 0 | 11,525 | 2.56% |
| TBD | HAWC | 232.05 | NH DES | up to 1,020,000 | 30 yrs | 3.38% | 3.38% | 681,000 | 0 | 0 | 0.00% |
| 9/6/05 | HAWC | 232.06 | NH DES | 1,315,291 | 20 yrs | 3.35% | 3.35% | 643,586 | 711,777 | 22,672 | 0.00% |
| 3/31/06 | HAWC | 232.08 | Aquarius Properties LLC | 24,000 | 20 yrs | P+2.25% | 5.50% | 12,034 | 13,281 | 986 | 8.19% |
| 6/24/09 | HAWC | 232.11 | NH DES | 1,058,347 | 20 yrs | 2.86% | 2.86% | 681,790 | 731,572 | 20,302 | 2.98% |
| 11/18/16 | HAWC | 232.12 | Ford Motor Credit | 38,174 | 5 yrs | 4.89% | 4.89% | 15,786 | 22,848 | 900 | 0.00% |
| 6/26/12 | HAWC | 232.13 | Shribco Realty Two, LLC | 12,000 | | 0.00% | 0.00% | 3,000 | 3,000 | 0 | 0.00% |
| 10/8/18 | HAWC | 232.14 | Ford Motor Credit | 41,500 | 5 yrs | 4.90% | 4.90% | 32,895 | 40,516 | 1,857 | 5.65% |
| 8/2/13 | HAWC | 232.16 | NH DES | 255,000 | 20 yrs | 3.10% | 3.10% | 203,430 | 214,066 | 6,494 | 3.19% |
| 10/28/14 | HAWC | 232.18 | Hillcrest Estates LLC | 34,000 | | 0.000% | 0.000% | 0 | 17,000 | 0 | 0.00% |
| 9/15/16 | HAWC | 232.19 | Pentucket Bank | 2,167,000 | 15 yrs | 3.25% | 3.25% | 1,780,905 | 1,904,110 | 60,895 | 3.42% |
| Total Non-related | | | | <u>5,945,312</u> | | | | <u>4,504,424</u> | <u>3,658,170</u> | <u>125,631</u> | <u>2.79%</u> |
| Amortize financing costs - 3rd parties | | | | | | | | | | <u>4,249</u> | |
| Total 3rd Parties | | | | | | | | | | <u>129,880</u> | <u>2.88%</u> |
| Company Totals | | | | <u>5,945,312</u> | | | | <u>4,504,424</u> | <u>3,658,170</u> | <u>129,880</u> | |

HAMPSTEAD AREA WATER COMPANY
LONG-TERM DEBT
12/31/2019

Schedule 5B

| Date of Note | Borrower | GL Acct. # | Lender | Original Note Amount | Note Term | Interest Rate | Current Interest Rate | Actual Outstanding Balance 12/31/19 | Adjustments | Pro Forma Outstanding Balance 12/31/19 | Actual Interest Expense 12/31/19 | Adjustments | Pro Forma Interest Expense 12/31/19 | Total Cost Rate |
|--|----------|------------|------------------------------|----------------------|-----------|---------------|-----------------------|-------------------------------------|-------------|--|----------------------------------|-------------|-------------------------------------|-----------------|
| 3/13/19 | HAWC | 232 02 | Pentucket Bank | 1,000,000 | Demand | Prime | 4.75% | 450,000 | | 450,000 | 11,525 | | 11,525 | 2.56% |
| TBD | HAWC | 232 05 | NH DES | up to 1,020,000 | 30 yrs | 3.38% | 3.38% | 681,000 | | 681,000 | - | | - | 0.00% |
| 9/6/05 | HAWC | 232 06 | NH DES | 1,315,291 | 20 yrs | 3.35% | 3.35% | 643,586 | | 643,586 | 22,672 | | 22,672 | 3.52% |
| 3/31/08 | HAWC | 232 08 | Aquarius Properties LLC | 24,000 | 20 yrs | P+2.25% | 5.50% | 12,034 | | 12,034 | 986 | | 986 | 8.19% |
| 6/24/09 | HAWC | 232 11 | NH DES | 1,058,347 | 20 yrs | 2.88% | 2.88% | 681,790 | | 681,790 | 20,302 | | 20,302 | 2.98% |
| 11/18/16 | HAWC | 232 12 | Ford Motor Credit | 38,174 | 5 yrs | 4.89% | 4.89% | 15,786 | | 15,786 | 900 | | 900 | 5.70% |
| 6/26/12 | HAWC | 232 13 | Shrieco Realty Two, LLC | 12,000 | | 0.00% | 0.00% | 3,000 | | 3,000 | - | | - | 0.00% |
| 10/8/18 | HAWC | 232 14 | Ford Motor Credit | 41,500 | 5 yrs | 4.90% | 4.90% | 32,895 | | 32,895 | 1,857 | | 1,857 | 5.65% |
| 8/2/13 | HAWC | 232 16 | NH DES | 255,000 | 20 yrs | 3.10% | 3.10% | 203,430 | | 203,430 | 6,494 | | 6,494 | 3.19% |
| 10/28/14 | HAWC | 232 18 | Hillcrest Estates LLC | 34,000 | | 0.000% | 0.000% | - | | - | - | | - | - |
| 9/15/16 | HAWC | 232 19 | Pentucket Bank | 2,167,000 | 15 yrs | 3.25% | 3.25% | 1,780,905 | | 1,780,905 | 60,895 | | 60,895 | 3.42% |
| | | | PPP Loan | | | | | | | | | | | |
| | | | PPP Loan Forgiveness | | | | | | | | | | | |
| | | | NH DGWTF | 856,578 | 30 yrs | 3.38% | 3.38% | | 856,578 | 856,578 | 28,952 | 28,952 | 28,952 | 3.38% |
| | | | NH State Loan for SNHRWIP | 1,102,356 | 25 yrs | 2.96% | 2.96% | | 1,102,356 | 1,102,356 | 32,222 | 32,222 | 32,222 | 2.92% |
| | | | State/Bank Loan for MSDC fee | 392,500 | 20 yrs | 5.00% | 5.00% | | 392,500 | 392,500 | 15,359 | 15,359 | 15,359 | 3.91% |
| Total Non-related | | | | 6,900,814 | | | | 4,504,424 | 1,958,934 | 6,463,358 | 125,631 | 61,174 | 186,805 | 2.89% |
| Amortize financing costs - 3rd parties | | | | | | | | | | | 4,249 | 1,301 | 5,550 | |
| Total 3rd Parties | | | | | | | | | | | 129,880 | 62,475 | 192,356 | 2.98% |
| Company Totals | | | | 6,900,814 | | | | 4,504,424 | 1,958,934 | 6,463,358 | 129,880 | 62,475 | 192,356 | 2.98% |