

**NHPUC Docket DW 20-187**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Computation of Revenue Deficiency**

**For the Test Year Ended December 31, 2019**

|                                   | <u>Actual</u>    | <u>Proforma</u> |
|-----------------------------------|------------------|-----------------|
| Rate Base (Schedule 3)            | \$3,333,037      | \$3,333,037     |
| Rate of Return (Schedule 4)       | <u>8.6851%</u>   | <u>8.6851%</u>  |
| Operating Income Required         | \$ 289,478       | \$ 289,478      |
| Net Operating Income (Schedule 1) | <u>267,806</u>   | <u>289,478</u>  |
| Operating Income Deficiency       | \$ 21,672        | \$ 0            |
| Tax Effect                        | <u>-</u>         | <u>-</u>        |
| Revenue Deficiency                | <u>\$ 21,672</u> | <u>\$ 0</u>     |

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Schedule 1

Lakes Region Water Company - LRWC (w/o DS &amp; WW) - Temporary Rates

## Statement of Income

| Line No.                                 | Account Title (Number)<br>(a)  | 2019<br>Year End Balance<br>(b) | Proforma<br>Adjustments<br>(c) | Proforma 2019<br>Year End Balance<br>(d) | 2018<br>Year End Balance<br>(e) | 2017<br>Year End Balance<br>(f) |
|--|--|---------------------------------|--------------------------------|--|---------------------------------|---------------------------------|
| <b>UTILITY OPERATING INCOME</b>          |  |                                 |                                |  |                                 |                                 |
| 1  | Water Sales  | \$ 1,257,091                    | \$ 56,673                      | \$ 1,313,764                             | \$ 1,226,935                    | \$ 1,238,665                    |
| 2  | POASI  | 228,515                         | (17,747)                       | 210,768                                  | 271,408                         | 165,828                         |
| 3  | Total Water Sales  | \$ 1,485,606                    | \$ 38,926                      | \$ 1,524,532                             | \$ 1,498,343                    | \$ 1,404,493                    |
| 4  | Miscellaneous Service Revenues                                       | 22,964                          |                                | 22,964                                   | 24,256                          | 29,084                          |
| 5  | Other Water Revenue  | (9,727)                         | 25,110                         | 15,383                                   | 79,549                          | 46,355                          |
| 6  | Total Operating Revenues(400)  | \$ 1,498,843                    | \$ 64,036                      | \$ 1,562,879                             | \$ 1,602,148                    | \$ 1,479,932                    |
| Operating Expenses:                      |  |                                 |                                |  |                                 |                                 |
| Operating and Maintenance Expense (401): |  |                                 |                                |  |                                 |                                 |
| 7  | Source of Supply   | 4,117                           |                                | 4,117                                    | 4,619                           | 41,959                          |
| 8  | Pumping Expenses   | 109,180                         |                                | 109,180                                  | 117,943                         | 80,318                          |
| 9  | Water Treatment Expense  | 36,700                          |                                | 36,700                                   | 23,132                          | 18,006                          |
| 10                                       | Transmission and Distribution Expenses                               | 212,995                         |                                | 212,995                                  | 165,052                         | 132,520                         |
| 11                                       | Customer Accounts Expenses   | 60,055                          |                                | 60,055                                   | 49,916                          | 75,436                          |
| 12                                       | Administrative and General Expenses                                  | 487,453                         |                                | 487,453                                  | 536,138                         | 512,940                         |
| 13                                       | Total Operating Expenses   | 910,500                         | -                              | 910,500                                  | 896,800                         | 861,179                         |
| 14                                       | Depreciation Expense (403)   | 179,692                         |                                | 179,692                                  | 227,791                         | 185,807                         |
| 15                                       | Amortization of Contribution in Aid of Construction (405)            | (17,391)                        |                                | (17,391)                                 | (17,535)                        | (17,449)                        |
| 16                                       | Amortization of Utility Plant Acquisition Adjustment (406)           | (5,708)                         |                                | (5,708)                                  | (7,215)                         | (6,460)                         |
| 17                                       | Amortization Expense-Other (407)                                     |                                 |                                |  |                                 |                                 |
| 18                                       | Taxes Other Than Income (408.1-408.13)                               | 94,964                          |                                | 94,964                                   | 93,360                          | 81,605                          |
| 19                                       | Income Taxes (409.1, 410.1, 411.1, 412.1)                            | 68,980                          | 42,364                         | 111,344                                  | 149,146                         | 119,107                         |
| 20                                       | <b>Total Operating Expenses</b>                                      | \$ 1,231,037                    | \$ 42,364                      | \$ 1,273,401                             | \$ 1,342,347                    | \$ 1,223,789                    |
| 21                                       | Net Operating Income (Loss)  | 267,806                         | 21,672                         | 289,478                                  | 259,801                         | 256,143                         |
| 22                                       | Income From Utility Plant Leased to Others (413)                     |                                 |                                |  |                                 |                                 |
| 23                                       | Gains(Losses) From Disposition of Utility Property (414)             |                                 |                                |  | -                               | -                               |
| 24                                       | <b>Net Water Utility Operating Income</b>                            | \$ 267,806                      | \$ 21,672                      | \$ 289,478                               | \$ 259,801                      | \$ 256,143                      |
| <b>OTHER INCOME AND DEDUCTIONS</b>       |  |                                 |                                |  |                                 |                                 |
| 25                                       | Revenues From Merchandising, Jobbing and Contract Work (415)         | 25,110                          | (25,110)                       | -  | 15,125                          | 21,588                          |
| 26                                       | Costs and Expenses of Merchandising, Jobbing and Contract Work (416) |                                 |                                |  |                                 |                                 |
| 27                                       | Equity in Earnings of Subsidiary Companies (418)                     |                                 |                                |  |                                 |                                 |
| 28                                       | Interest and Dividend Income (419)                                   | 7,197                           |                                | 7,197                                    | 10,204                          | 7,812                           |
| 29                                       | Allow. for funds Used During Construction (420)                      |                                 |                                |  |                                 |                                 |
| 30                                       | Nonutility Income (421)  |                                 |                                |  |                                 |                                 |
| 31                                       | Gains (Losses) Form Disposition Nonutility Property (422)            |                                 |                                |  |                                 |                                 |
| 32                                       | Miscellaneous Nonutility Expenses (426)                              | (536)                           |                                | (536)                                    | (2,611)                         | (1,977)                         |
| 33                                       | <b>Total Other Income and Deductions</b>                             | \$ 31,771                       | \$ (25,110)                    | \$ 6,661                                 | \$ 22,718                       | \$ 27,423                       |
| <b>TAXES APPLICABLE TO OTHER INCOME</b>  |  |                                 |                                |  |                                 |                                 |
| 34                                       | Taxes Other Than Income (408.2)                                      |                                 |                                |  |                                 |                                 |
| 35                                       | Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)                     |                                 |                                |  |                                 |                                 |
| 36                                       | <b>Total Taxes Applicable To Other Income</b>                        |                                 |                                |  |                                 |                                 |
| <b>INTEREST EXPENSE</b>                  |  |                                 |                                |  |                                 |                                 |
| 37                                       | Interest Expense (427)   | 42,105                          |                                | 42,105                                   | 59,826                          | 42,200                          |
| 38                                       | Amortization of Debt Discount & Expense (428)                        | 1,822                           |                                | 1,822                                    | 1,382                           | 1,382                           |
| 39                                       | Amortization of Premium on Debt (429)                                |                                 |                                |  |                                 |                                 |
| 40                                       | <b>Total Interest Expense</b>  | \$ 43,927                       |                                | \$ 43,927                                | \$ 61,208                       | \$ 43,582                       |
| 41                                       | <b>Income Before Extraordinary Items</b>                             | 255,650                         | (3,438)                        | 252,212                                  | 221,311                         | 239,984                         |
| <b>EXTRAORDINARY ITEMS</b>               |  |                                 |                                |  |                                 |                                 |
| 42                                       | Extraordinary Income (433)   |                                 |                                |  |                                 |                                 |
| 43                                       | Extraordinary Deductions (434)                                       |                                 |                                |  |                                 |                                 |
| 44                                       | Income Taxes, Extraordinary Items (409.3)                            |                                 |                                |  |                                 |                                 |
| 45                                       | <b>Net Extraordinary Items</b>                                       |                                 |                                |  |                                 |                                 |
| 46                                       | <b>NET INCOME (LOSS)</b>   | \$ 255,650                      | \$ (3,438)                     | \$ 252,212                               | \$ 221,311                      | \$ 239,984                      |

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Schedule 1A

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates  
Statement of Income - Proforma Adjustments**

**Operating Revenues**

**Water Sales**

|   |   |                         |
|---|---|-------------------------|
| 1 | 2019 Test Year Proforma Water Sales - Special Contract  | \$ 210,768              |
|   | 2019 Test Year Actual Water Sales - Special Contract  | <u>228,515</u>          |
|   | Proforma Adjustment   | <u>\$ (17,747)</u>      |
|   | To adjust test year revenues for the 2019 proforma decrease of \$17,747 (\$210,768 - \$228,515) for POASI Special Contract.                     |                         |
| 2 | 2019 Test Year Proforma   | \$ 1,542,279            |
|   | 2019 Test Year Actual Water Sales   | <u>1,485,606</u>        |
|   | Proforma Adjustment   | <u>\$ 56,673</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. |                         |
|   | <b>Total Proforma Adjustment to Water Sales</b>   | <b><u>\$ 38,926</u></b> |

**Other Water Revenues**

|   |   |                         |
|---|---|-------------------------|
| 3 | 2019 Test Year Proforma Rate Case Expense Surcharge   | \$ -                    |
|   | 2019 Test Year Actual Rate Case Expense Surcharge   | <u>-</u>                |
|   | Proforma Adjustment   | <u>\$ -</u>             |
|   | To adjust test year revenues for the elimination of rate case expense surcharge<br>A like adjustment is made to regulatory commission expenses (see expense adj #7) |                         |
| 4 | 2019 Test Year Proforma DW 18-056 Tax Savings Refund  | \$ -                    |
|   | 2019 Test Year Actual DW 18-056 Tax Savings Refund  | <u>-</u>                |
|   | Proforma Adjustment   | <u>\$ -</u>             |
|   | To adjust test year revenues for the elimination of the DW 18-056 tax savings refund  |                         |
| 5 | 2019 Test Year Proforma - Revenue from Contract Work  | \$ 25,110               |
|   | 2019 Test Year Actual - Revenue from Contract Work  | <u>-</u>                |
|   | Proforma Adjustment   | <u>\$ 25,110</u>        |
|   | To add revenue from Contract Work to other Water Revenue  |                         |
|   | <b>Total Proforma Adjustment to Other Water Revenues</b>  | <b><u>\$ 25,110</u></b> |

|  |  |                         |
|--|--|-------------------------|
|  | <b>Total Proforma Adjustment to Operating Revenues</b> | <b><u>\$ 64,036</u></b> |
|--|--|-------------------------|

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**Schedule 1B**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates  
Statement of Income - Proforma Adjustments**

|   |  |                         |
|---|--|-------------------------|
| 1 | <u>Federal Income Taxes</u>  |                         |
|   | 2019 Test Year Proforma (See Sch 1C)   | \$ 65,021               |
|   | 2019 Test Year Actual  | 39,715                  |
|   | Proforma Adjustment  | <u>\$ 25,306</u>        |
|   | To adjust test year expenses for the increase in taxable income and the related federal taxes                |                         |
|   | <u>State Business Taxes</u>  |                         |
| 2 | 2019 Test Year Proforma (See Sch 1C)   | \$ 25,830               |
|   | 2019 Test Year Actual  | <u>\$ 8,771</u>         |
|   | Proforma Adjustment  | <u>\$ 17,059</u>        |
|   | To adjust test year expenses for the increase in state gross business profits and the related business taxes |                         |
|   | <b>Total Proforma Adjustments to Income Taxes</b>  | <b><u>\$ 42,364</u></b> |
|   | <b>Total Proforma Adjustment to Operating Expenses</b>   | <b><u>\$ 42,364</u></b> |

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**Schedule 1C**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Income Tax Computation**

|  | <u>Actual</u>     | <u>Proforma</u>   |
|--|-------------------|-------------------|
| Total Rate Base                                  | \$ 3,333,037      | \$ 3,333,037      |
| Equity Component of Cost of Capital (Schedule 4) | <u>7.3387%</u>    | <u>7.3387%</u>    |
| Operating Net Income Required                    | \$ 244,602        | \$ 244,602        |
| Tax Effect (.3714)                               | <u>90,850</u>     | <u>90,850</u>     |
| Income Required before Income Taxes              | \$ 335,452        | \$ 335,452        |
| Less: NH Business Profits Tax @ 7.7%             | <u>25,830</u>     | <u>25,830</u>     |
| Income subject to Federal Taxes                  | \$ 309,622        | \$ 309,622        |
| Less: Federal Income Tax @ 21%                   | <u>65,021</u>     | <u>65,021</u>     |
| Income after Income Taxes                        | <u>\$ 244,602</u> | <u>\$ 244,602</u> |

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**Schedule 1D**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**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 Profits 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<br>the Revenue Requirement | <u>72.92%</u> |
| Tax Multiplier  | <u>37.14%</u> |

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**Schedule 2  
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**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Balance Sheet - Assets and Other Debits**

See Total Company Balance Sheet

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**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Balance Sheet - Equity Capital and Liabilities**

See Total Company Balance Sheet

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Schedule 3

Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates

Rate Base

| 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        | Utility Plant                           | 6,110,003                 | 6,107,973                | 6,123,844                 | 6,125,527              | 6,136,492              | 6,158,028            | 6,163,000             | 6,166,171             | 6,164,865               | 6,165,851                  | 6,167,789                | 6,178,383                 | 6,155,835                 | 6,147,982                   |                               | 6,147,982                 |
| 2        | Less: Accumulated Depreciation          | (2,004,056)               | (1,975,980)              | (1,969,901)               | (2,017,032)            | (2,015,377)            | (2,011,626)          | (2,042,639)           | (2,038,496)           | (2,036,442)             | (2,084,339)                | (2,084,142)              | (2,051,623)               | (2,079,280)               | (2,031,610)                 |                               | (2,031,610)               |
| 3        | Net Utility Plant                       | 4,105,947                 | 4,131,993                | 4,153,943                 | 4,108,495              | 4,121,115              | 4,146,402            | 4,120,361             | 4,127,675             | 4,128,423               | 4,081,512                  | 4,083,647                | 4,126,760                 | 4,076,555                 | 4,116,371                   | -                             | 4,116,371                 |
| 4        | Plant Acquisition Adjustment            | (254,025)                 | (254,025)                | (254,025)                 | (254,025)              | (254,025)              | (254,025)            | (254,025)             | (254,025)             | (254,025)               | (254,025)                  | (254,025)                | (254,025)                 | (254,025)                 | (254,025)                   |                               | (254,025)                 |
| 5        | Less: Accum Amort of Util Plant Acq Adj | 194,888                   | 195,364                  | 195,839                   | 196,315                | 196,791                | 197,266              | 197,742               | 198,218               | 198,693                 | 199,169                    | 199,645                  | 200,120                   | 200,596                   | 197,742                     |                               | 197,742                   |
| 6        | Total Net Utility Plant                 | 4,046,810                 | 4,073,332                | 4,095,757                 | 4,050,785              | 4,063,881              | 4,089,643            | 4,064,078             | 4,071,868             | 4,073,091               | 4,026,656                  | 4,029,267                | 4,072,855                 | 4,023,126                 | 4,060,088                   | -                             | 4,060,088                 |
| 7        | Material and Supplies                   | 18,041                    | 18,514                   | 16,935                    | 17,120                 | 16,689                 | 18,273               | 17,573                | 21,614                | 21,054                  | 23,912                     | 23,492                   | 25,172                    | 24,752                    | 20,242                      |                               | 20,242                    |
| 8        | Miscellaneous Deferred Debits           |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 9        | Contribution in Aid of Construction     | (891,678)                 | (891,678)                | (891,678)                 | (891,678)              | (891,678)              | (891,678)            | (891,678)             | (891,678)             | (891,678)               | (891,678)                  | (891,678)                | (891,678)                 | (891,678)                 | (891,678)                   |                               | (891,678)                 |
| 10       | Accumulated Amortization of CIAC        | 318,181                   | 319,630                  | 321,079                   | 322,529                | 323,978                | 325,427              | 326,876               | 328,326               | 329,775                 | 331,224                    | 332,673                  | 334,123                   | 335,572                   | 326,876                     |                               | 326,876                   |
| 11       | ADIT - Lib Depr                         | (330,000)                 | (330,000)                | (330,000)                 | (330,000)              | (330,000)              | (330,000)            | (330,000)             | (330,000)             | (330,000)               | (330,000)                  | (330,000)                | (330,000)                 | (360,000)                 | (332,308)                   |                               | (332,308)                 |
| 12       | ADIT - EDIT Reserve                     |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           | (133,517)                 | (10,271)                    |                               | (10,271)                  |
| 13       | ADIT - Tax Savings                      |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           | (85,414)                  | (6,570)                     |                               | (6,570)                   |
| 14       | Subtotal Rate Base                      | 3,161,354                 | 3,189,798                | 3,212,093                 | 3,168,756              | 3,182,870              | 3,211,665            | 3,186,849             | 3,200,130             | 3,202,242               | 3,160,114                  | 3,163,754                | 3,210,472                 | 2,912,841                 | 3,166,380                   | -                             | 3,166,380                 |
| 15       | Cash Working Capital *                  |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | 166,657                     |                               | 166,657                   |
| 16       | Total Rate Base                         | 3,161,354                 | 3,189,798                | 3,212,093                 | 3,168,756              | 3,182,870              | 3,211,665            | 3,186,849             | 3,200,130             | 3,202,242               | 3,160,114                  | 3,163,754                | 3,210,472                 | 2,912,841                 | 3,333,037                   | -                             | 3,333,037                 |

\* The "Actual 13 Month Avg Bal" for Cash Working Capital is the 12/31/19 balance.

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**Schedule 3A**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Rate Base Adjustments**

There are no proforma adjustments for temporary rate purposes.

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**Schedule 3B**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Working Capital**

|                                     | 2019<br>Proforma<br><u>Amount</u> | 2019<br>Actual<br><u>Amount</u> | 2018<br>Actual<br><u>Amount</u> | 2017<br>Actual<br><u>Amount</u> |
|-------------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Operating and Maintenance Expenses  | <u>\$ 910,500</u>                 | <u>\$ 910,500</u>               | <u>\$ 896,800</u>               | <u>\$ 861,179</u>               |
| Customers paying in arrears         |                                   |                                 |                                 |                                 |
| Year 2017= (75/365) X (1,647/1,747) |                                   |                                 |                                 | 19.37%                          |
| Year 2018= (75/365) X (1,706/1,806) |                                   |                                 | 19.41%                          |                                 |
| Year 2019= (75/365) X (1,714/1,813) | 19.43%                            | 19.43%                          |                                 |                                 |
| Minus Customers paying in advance   |                                   |                                 |                                 |                                 |
| Year 2017= (75/365) X (100/1,747)   |                                   |                                 |                                 | -1.18%                          |
| Year 2018= (75/365) X (100/1,806)   |                                   |                                 | -1.14%                          |                                 |
| Year 2019= (75/365) X (99/1,813)    | <u>-1.12%</u>                     | <u>-1.12%</u>                   |                                 |                                 |
| Total                               | <u>18.30%</u>                     | <u>18.30%</u>                   | <u>18.27%</u>                   | <u>18.20%</u>                   |
| Working Capital                     | <u>\$ 166,657</u>                 | <u>\$ 166,657</u>               | <u>\$ 163,867</u>               | <u>\$ 156,696</u>               |

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**Schedule 4**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Rate of Return Information**

See Total Company Rate of Return Information - Actual Rate of Return of 8.69%.

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**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Report of Proposed Rate Changes**

Utility Lakes Region Water Co. Date Filed: 1/15/2021  
Tariff No.: 8 Pages 15-17 Effective Date: 2/15/2021

| <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> | <u>Proposed Change Percentage</u> |
|---|-------------------------|----------------------------|-----------------------------------|-------------------------|-------------------------------|-----------------------------------|
| Unmetered Customers   | \$ 18,925               | 639                        | \$ 437,087                        | \$ 456,012              | \$ 18,925                     | 4.33%                             |
| WVG Pool  | 78                      | 1                          | 1,717                             | 1,795                   | 78                            | 4.53%                             |
| Metered Customers excluding Suissevale                              | <u>37,671</u>           | <u>1,172</u>               | <u>818,287</u>                    | <u>855,958</u>          | <u>37,671</u>                 | 4.60%                             |
| Total Unmetered and Metered Customers excluding Suissevale Contract | \$ 56,673               | 1,812                      | \$ 1,257,091                      | \$ 1,313,764            | \$ 56,673                     | 4.51%                             |
| Suissevale Contract   | <u>(17,747)</u>         | <u>1</u>                   | <u>228,515</u>                    | <u>210,768</u>          | <u>(17,747)</u>               | -7.77%                            |
| Total Sales of Water  | <u>\$ 38,926</u>        | <u>1,813</u>               | <u>\$ 1,485,606</u>               | <u>\$ 1,524,532</u>     | <u>\$ 38,926</u>              | 2.62%                             |
| Miscellaneous Services Revenues                                     |                         |                            | \$ 22,964                         | \$ 22,964               |                               | 0.00%                             |
| Other Water Revenue   | <u>25,110</u>           |                            | <u>(9,727)</u>                    | 15,383                  | 25,110                        | -258.15%                          |
| Total Other Operating Revenues                                      | <u>\$ 25,110</u>        |                            | <u>\$ 13,237</u>                  | <u>\$ 38,347</u>        | <u>\$ 25,110</u>              | 189.70%                           |
| Total Water Operating Revenues                                      | <u>\$ 64,036</u>        | <u>1,813</u>               | <u>\$ 1,498,843</u>               | <u>\$ 1,562,879</u>     | <u>\$ 64,036</u>              | 4.27%                             |

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**NHPUC Docket DW 20-187**

**Lakes Region Water Company - LRWC (w/o DS & WW) - Temporary Rates**

**Calculationn of Rates**

|                           |                |
|---------------------------|----------------|
| Total Water Sales         | \$ 1,524,532   |
| Less :Suissevale Contract | <u>210,768</u> |

Total revenue to be raised from Pool, Unmetered and Metered Customers excluding Suissevale Contract \$1,313,764

| <u>WVG Pool</u>     |                     |                      |                     |                      | Current        | Proposed       |              |
|---------------------|---------------------|----------------------|---------------------|----------------------|----------------|----------------|--------------|
| Current Annual Rate | Percentage Increase | Proposed Annual Rate | Number of Customers | Revenue to be Raised | Quarterly Rate | Quarterly Rate |              |
| \$ 1,717.28         | 4.51%               | \$ 1,794.70          | 1                   | \$ 1,794.70          | \$ 429.32      | \$ 448.67      | <u>1,795</u> |

Total revenue to be raised from Unmetered and Metered Customers excluding Suissevale Contract \$ 1,311,969

| <u>Unmetered Customers</u> |                     |                      |                     |                      | Current        | Proposed       |                   |
|----------------------------|---------------------|----------------------|---------------------|----------------------|----------------|----------------|-------------------|
| Current Annual Rate        | Percentage Increase | Proposed Annual Rate | Number of Customers | Revenue to be Raised | Quarterly Rate | Quarterly Rate |                   |
| \$ 739.56                  | 4.51%               | \$ 772.90            | 590                 | \$ 456,011.76        | \$ 184.89      | \$ 193.23      | <u>\$ 456,012</u> |

Total revenue to be raised from Metered Customers excluding Suissevale Contract \$ 855,958

| <u>Metered Customers</u>  |                     |                            |                     |                                    | Current              | Proposed             |                   |
|---------------------------|---------------------|----------------------------|---------------------|------------------------------------|----------------------|----------------------|-------------------|
| Current Annual Fixed Rate | Percentage Increase | Proposed Annual Fixed Rate | Number of Customers | Revenue to be Raised by Fixed Rate | Quarterly Fixed Rate | Quarterly Fixed Rate |                   |
| \$ 581.70                 | 4.51%               | \$ 607.92                  | 1,111               | \$ 675,404.17                      | \$ 145.43            | \$ 151.98            | <u>\$ 675,404</u> |

Total to be raised from Volume Rate \$ 180,553

|                         |            |   |            |                       |                     |                      |            |
|-------------------------|------------|---|------------|-----------------------|---------------------|----------------------|------------|
|                         |            |   | Divided by | Annual CCF Volume (1) | Current Volume Rate | Proposed Volume Rate |            |
| Volume Rate Calculation | \$ 180,553 | / |            | 30,596                | \$5.66              | \$5.90               | \$ 180,553 |

(1) Annual CCF Volume is calculated as follows: (34,236,000 - 11,351,000) / 7.48 / 100 = 30,595.

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**NHPUC Docket DW 20-187**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Computation of Revenue Deficiency**

**For the Test Year Ended December 31, 2019**

|                                   | <u>Actual</u>    | <u>Proforma</u> |
|-----------------------------------|------------------|-----------------|
| Rate Base (Schedule 3)            | \$ 333,548       | \$ 333,548      |
| Rate of Return (Schedule 4)       | <u>8.6851%</u>   | <u>8.6851%</u>  |
| Operating Income Required         | \$ 28,969        | \$ 28,969       |
| Net Operating Income (Schedule 1) | <u>(17,056)</u>  | <u>28,969</u>   |
| Operating Income Deficiency       | \$ 46,025        | \$ (0)          |
| Tax Effect                        | <u>-</u>         | <u>-</u>        |
| Revenue Deficiency                | <u>\$ 46,025</u> | <u>\$0</u>      |

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Schedule 1

Lakes Region Water Company - Dockham Shores - Temporary Rates

Statement of Income

| Line No.                                 | Account Title (Number)<br>(a)   | 2019<br>Year End Balance<br>(b) | Proforma<br>Adjustments<br>(c) | Proforma 2019<br>Year End Balance<br>(d) | 2018<br>Year End Balance<br>(e) | 2017<br>Year End Balance<br>(f) |
|--|---|---------------------------------|--------------------------------|--|---------------------------------|---------------------------------|
| <b>UTILITY OPERATING INCOME</b>          |   |                                 |                                |  |                                 |                                 |
| 1  | Water Sales   | \$ 38,631                       | \$ 52,581                      | \$ 91,212                                | \$ 36,420                       |                                 |
| 2  | Miscellaneous Service Revenues  | 177                             |                                | 177                                      | 420                             |                                 |
| 3  | Other Water Revenue   |                                 | 802                            | 802                                      |                                 |                                 |
| 4  | Total Operating Revenues(400)   | \$ 38,808                       | \$ 53,383                      | \$ 92,191                                | \$ 36,840                       |                                 |
| Operating Expenses:                      |   |                                 |                                |  |                                 |                                 |
| Operating and Maintenance Expense (401): |   |                                 |                                |  |                                 |                                 |
| 5  | Source of Supply  | 121                             |                                | 121                                      | 4                               |                                 |
| 6  | Pumping Expenses  | 8,047                           |                                | 8,047                                    | 6,589                           |                                 |
| 7  | Water Treatment Expense   | 6,149                           |                                | 6,149                                    | 1,195                           |                                 |
| 8  | Transmission and Distribution Expenses                                  | 5,273                           |                                | 5,273                                    | 6,084                           |                                 |
| 9  | Customer Accounts Expenses  | 1,286                           |                                | 1,286                                    | 1,930                           |                                 |
| 10                                       | Administrative and General Expenses                                     | 14,202                          |                                | 14,202                                   | 14,636                          |                                 |
| 11                                       | Total Operating Expenses  | 35,078                          | -                              | 35,078                                   | 30,438                          |                                 |
| 12                                       | Depreciation Expense (403)  | 16,875                          |                                | 16,875                                   | 14,416                          |                                 |
| 13                                       | Amortization of Contribution in Aid of<br>Construction (405)            | (116)                           |                                | (116)                                    | (116)                           |                                 |
| 14                                       | Amortization of Utility Plant Acquisition<br>Adjustment (406)           | (1,504)                         |                                | (1,504)                                  | (1,504)                         |                                 |
| 15                                       | Amortization Expense-Other (407)  |                                 |                                |  |                                 |                                 |
| 16                                       | Taxes Other Than Income (408.1-408.13)                                  | 2,897                           |                                | 2,897                                    | 3,851                           |                                 |
| 17                                       | Income Taxes (409.1, 410.1, 411.1, 412.1)                               | 2,634                           | 7,358                          | 9,992                                    | 4,474                           |                                 |
| 18                                       | <b>Total Operating Expenses</b>   | \$ 55,864                       | \$ 7,358                       | \$ 63,222                                | \$ 51,559                       |                                 |
| 19                                       | Net Operating Income (Loss)   | (17,056)                        | 46,025                         | 28,969                                   | (14,719)                        |                                 |
| 20                                       | Income From Utility Plant Leased to<br>Others (413)                     |                                 |                                |  |                                 |                                 |
| 21                                       | Gains(Losses) From Disposition of<br>Utility Property (414)             |                                 |                                |  |                                 |                                 |
| 22                                       | <b>Net Water Utility Operating Income</b>                               | \$ (17,056)                     | \$ 46,025                      | \$ 28,969                                | \$ (14,719)                     |                                 |
| <b>OTHER INCOME AND DEDUCTIONS</b>       |   |                                 |                                |  |                                 |                                 |
| 23                                       | Revenues From Merchandising, Jobbing and<br>Contract Work (415)         | 802                             | (802)                          | -  | 449                             |                                 |
| 24                                       | Costs and Expenses of Merchandising,<br>Jobbing and Contract Work (416) |                                 |                                |  |                                 |                                 |
| 25                                       | Equity in Earnings of Subsidiary<br>Companies (418)                     |                                 |                                |  |                                 |                                 |
| 26                                       | Interest and Dividend Income (419)                                      | 230                             |                                | 230                                      | 306                             |                                 |
| 27                                       | Allow. for funds Used During<br>Construction (420)                      |                                 |                                |  |                                 |                                 |
| 28                                       | Nonutility Income (421)   |                                 |                                |  |                                 |                                 |
| 29                                       | Gains (Losses) Form Disposition<br>Nonutility Property (422)            |                                 |                                |  |                                 |                                 |
| 30                                       | Miscellaneous Nonutility Expenses (426)                                 | (17)                            |                                | (17)                                     | (78)                            |                                 |
| 31                                       | <b>Total Other Income and Deductions</b>                                | \$ 1,015                        | \$ (802)                       | \$ 213                                   | \$ 677                          |                                 |
| <b>TAXES APPLICABLE TO OTHER INCOME</b>  |   |                                 |                                |  |                                 |                                 |
| 32                                       | Taxes Other Than Income (408.2)   |                                 |                                |  |                                 |                                 |
| 33                                       | Income Taxes (409.2, 410.2, 411.2,<br>412.2, 412.3)                     |                                 |                                |  |                                 |                                 |
| 34                                       | <b>Total Taxes Applicable To Other Income</b>                           |                                 |                                |  |                                 |                                 |
| <b>INTEREST EXPENSE</b>                  |   |                                 |                                |  |                                 |                                 |
| 35                                       | Interest Expense (427)  | 10,386                          |                                | 10,386                                   | 9,385                           |                                 |
| 36                                       | Amortization of Debt Discount &<br>Expense (428)                        | 58                              |                                | 58                                       | 41                              |                                 |
| 37                                       | Amortization of Premium on Debt (429)                                   |                                 |                                |  |                                 |                                 |
| 38                                       | <b>Total Interest Expense</b>   | \$ 10,444                       |                                | \$ 10,444                                | \$ 9,426                        |                                 |
| 39                                       | <b>Income Before Extraordinary Items</b>                                | (26,485)                        | 45,223                         | 18,738                                   | (23,468)                        |                                 |
| <b>EXTRAORDINARY ITEMS</b>               |   |                                 |                                |  |                                 |                                 |
| 40                                       | Extraordinary Income (433)  |                                 |                                |  |                                 |                                 |
| 41                                       | Extraordinary Deductions (434)  |                                 |                                |  |                                 |                                 |
| 42                                       | Income Taxes, Extraordinary Items (409.3)                               |                                 |                                |  |                                 |                                 |
| 43                                       | <b>Net Extraordinary Items</b>  |                                 |                                |  |                                 |                                 |
| 44                                       | <b>NET INCOME (LOSS)</b>  | \$ (26,485)                     | \$ 45,223                      | \$ 18,738                                | \$ (23,468)                     |                                 |

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**NHPUC Docket DW 20-187**

Schedule 1A

**Lakes Region Water Company - Dockham Shores - Temporary Rates  
Statement of Income - Proforma Adjustments**

**Operating Revenues**

**Water Sales**

|   |   |                         |
|---|---|-------------------------|
| 1 | 2019 Test Year Proforma Water Sales - Special Contract  |                         |
|   | 2019 Test Year Actual Water Sales - Special Contract  |                         |
|   | Proforma Adjustment   | <u>\$ -</u>             |
|   | To adjust test year revenues for the 2019 proforma decrease of \$17,748 (\$210,768 - \$228,515) for POASI Special Contract.                     |                         |
| 2 | 2019 Test Year Proforma   | \$ 91,212               |
|   | 2019 Test Year Actual Water Sales   | <u>38,631</u>           |
|   | Proforma Adjustment   | <u>\$ 52,581</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. |                         |
|   | <b>Total Proforma Adjustment to Water Sales</b>   | <b><u>\$ 52,581</u></b> |

**Other Water Revenues**

|   |   |                         |
|---|---|-------------------------|
| 3 | 2019 Test Year Proforma Rate Case Expense Surcharge   |                         |
|   | 2019 Test Year Actual Rate Case Expense Surcharge   |                         |
|   | Proforma Adjustment   | <u>\$ -</u>             |
|   | To adjust test year revenues for the elimination of rate case expense surcharge<br>A like adjustment is made to regulatory commission expenses (see expense adj #9) |                         |
| 4 | 2019 Test Year Proforma DW 18-056 Tax Savings Refund  |                         |
|   | 2019 Test Year Actual DW 18-056 Tax Savings Refund  |                         |
|   | Proforma Adjustment   | <u>\$ -</u>             |
|   | To adjust test year revenues for the elimination of the DW 18-056 tax savings refund  |                         |
| 5 | 2019 Test Year Proforma - Revenue from Contract Work  | \$ 802                  |
|   | 2019 Test Year Actual - Revenue from Contract Work  |                         |
|   | Proforma Adjustment   | <u>\$ 802</u>           |
|   | To add revenue from Contract Work to Other Water Revenues   |                         |
|   | <b>Total Proforma Adjustment to Other Water Revenues</b>  | <b><u>\$ 802</u></b>    |
|   | <b>Total Proforma Adjustment to Operating Revenues</b>  | <b><u>\$ 53,383</u></b> |

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**NHPUC Docket DW 20-187**

**Schedule 1B**

**Lakes Region Water Company - Dockham Shores - Temporary Rates  
Statement of Income - Proforma Adjustments**

**Income Taxes**

|   |  |                        |
|---|--|------------------------|
| 1 | <u>Federal Income Taxes</u>  |                        |
|   | 2019 Test Year Proforma (See Sch 1C)   | \$ 6,507               |
|   | 2019 Test Year Actual  | 1,390                  |
|   | Proforma Adjustment  | <u>\$ 5,117</u>        |
|   | To adjust test year expenses for the increase in taxable income and the related federal taxes                |                        |
|   | <u>State Business Taxes</u>  |                        |
| 2 | 2019 Test Year Proforma (See Sch 1C)   | \$ 2,585               |
|   | 2019 Test Year Actual  | \$ 344                 |
|   | Proforma Adjustment  | <u>\$ 2,241</u>        |
|   | To adjust test year expenses for the increase in state gross business profits and the related business taxes |                        |
|   | <b>Total Proforma Adjustments to Income Taxes</b>  | <b><u>\$ 7,358</u></b> |
|   | <b>Total Proforma Adjustment to Operating Expenses</b>   | <b><u>\$ 7,358</u></b> |

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**NHPUC Docket DW 20-187**

**Schedule 1C**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Income Tax Computation**

|  | <u>Actual</u>    | <u>Proforma</u>  |
|--|------------------|------------------|
| Total Rate Base                                  | \$ 333,548       | \$ 333,548       |
| Equity Component of Cost of Capital (Schedule 4) | <u>7.3387%</u>   | <u>7.3387%</u>   |
| Operating Net Income Required                    | \$ 24,478        | \$ 24,478        |
| Tax Effect (.3714)                               | <u>9,092</u>     | <u>9,092</u>     |
| Income Required before Income Taxes              | \$ 33,570        | \$ 33,570        |
| Less: NH Business Profits Tax @ 7.7%             | <u>2,585</u>     | <u>2,585</u>     |
| Income subject to Federal Taxes                  | \$ 30,985        | \$ 30,985        |
| Less: Federal Income Tax @ 21%                   | <u>6,507</u>     | <u>6,507</u>     |
| Income after Income Taxes                        | <u>\$ 24,478</u> | <u>\$ 24,478</u> |

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**Schedule 1D**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**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 Profits 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<br>the Revenue Requirement | <u>72.92%</u> |
| Tax Multiplier  | <u>37.14%</u> |

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**NHPUC Docket DW 20-187**

**Schedule 2  
Page 1 of 2**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Balance Sheet - Assets and Other Debits**

See Total Company Balance Sheet

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**NHPUC Docket DW 20-187**

**Schedule 2  
Page 2 of 2**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Balance Sheet - Equity Capital and Liabilities**

See Total Company Balance Sheet

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NHPUC Docket DW 20-187

Schedule 3

Lakes Region Water Company - Dockham Shores - Temporary Rates

Rate Base

| 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        | Utility Plant                           | 347,957                   | 347,957                  | 347,957                   | 347,957                | 347,957                | 347,957              | 347,957               | 347,957               | 347,957                 | 347,957                    | 347,957                  | 347,957                   | 347,957                   | 347,957                     |                               | 347,957                   |
| 2        | Less: Accumulated Depreciation          | 6,413                     | 6,429                    | 6,429                     | 2,724                  | 2,724                  | 2,724                | (981)                 | (981)                 | (981)                   | (4,670)                    | (4,670)                  | (4,670)                   | (6,360)                   | 164                         |                               | 164                       |
| 3        | Net Utility Plant                       | 354,370                   | 354,386                  | 354,386                   | 350,681                | 350,681                | 350,681              | 346,976               | 346,976               | 346,976                 | 343,287                    | 343,287                  | 343,287                   | 339,597                   | 348,121                     | -                             | 348,121                   |
| 4        | Plant Acquisition Adjustment            | (22,571)                  | (22,571)                 | (22,571)                  | (22,571)               | (22,571)               | (22,571)             | (22,571)              | (22,571)              | (22,571)                | (22,571)                   | (22,571)                 | (22,571)                  | (22,571)                  | (22,571)                    |                               | (22,571)                  |
| 5        | Less: Accum Amort of Util Plant Acq Adj | 2,256                     | 2,319                    | 2,381                     | 2,444                  | 2,507                  | 2,569                | 2,632                 | 2,695                 | 2,757                   | 2,820                      | 2,883                    | 2,945                     | 3,760                     | 2,690                       |                               | 2,690                     |
| 6        | Total Net Utility Plant                 | 334,055                   | 334,134                  | 334,196                   | 330,554                | 330,617                | 330,679              | 327,037               | 327,100               | 327,162                 | 323,536                    | 323,599                  | 323,661                   | 320,786                   | 328,240                     | -                             | 328,240                   |
| 7        | Material and Supplies                   | -                         | -                        | -                         | -                      | -                      | -                    | -                     | -                     | -                       | -                          | -                        | -                         | -                         | -                           |                               | -                         |
| 8        | Miscellaneous Deferred Debits           | -                         | -                        | -                         | -                      | -                      | -                    | -                     | -                     | -                       | -                          | -                        | -                         | -                         | -                           |                               | -                         |
| 9        | Contribution in Aid of Construction     | (5,200)                   | (5,200)                  | (5,200)                   | (5,200)                | (5,200)                | (5,200)              | (5,200)               | (5,200)               | (5,200)                 | (5,200)                    | (5,200)                  | (5,200)                   | (5,200)                   | (5,200)                     |                               | (5,200)                   |
| 10       | Accumulated Amortization of CIAC        | 3,242                     | 3,252                    | 3,261                     | 3,271                  | 3,281                  | 3,290                | 3,300                 | 3,310                 | 3,319                   | 3,329                      | 3,339                    | 3,348                     | 3,358                     | 3,300                       |                               | 3,300                     |
| 11       | ADIT - Lib Depr                         |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 12       | ADIT - EDIT Reserve                     |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 13       | ADIT - Tax Savings                      |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 14       | Subtotal Rate Base                      | 332,097                   | 332,186                  | 332,257                   | 328,625                | 328,698                | 328,769              | 325,137               | 325,210               | 325,281                 | 321,665                    | 321,738                  | 321,809                   | 318,944                   | 326,340                     | -                             | 326,340                   |
| 15       | Cash Working Capital *                  |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | 7,209                       |                               | 7,209                     |
| 16       | Total Rate Base                         | 332,097                   | 332,186                  | 332,257                   | 328,625                | 328,698                | 328,769              | 325,137               | 325,210               | 325,281                 | 321,665                    | 321,738                  | 321,809                   | 318,944                   | 333,548                     | -                             | 333,548                   |

\* The "Actual 13 Month Avg Bal" for Cash Working Capital is the 12/31/19 balance.

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**Schedule 3A**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Rate Base Adjustments**

There are no rate base adjustments for temporary rate purposes.

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**NHPUC Docket DW 20-187**

**Schedule 3B**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Working Capital**

|                                    | 2019<br>Proforma<br><u>Amount</u> | 2019<br>Actual<br><u>Amount</u> | 2018<br>Actual<br><u>Amount</u> | 2017<br>Actual<br><u>Amount</u> |
|------------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Operating and Maintenance Expenses | \$35,078                          | \$35,078                        | \$30,438                        |                                 |
| 75/365                             | <u>20.55%</u>                     | <u>20.55%</u>                   | <u>20.55%</u>                   | <u>20.55%</u>                   |
| Working Capital                    | <u>\$7,209</u>                    | <u>\$7,209</u>                  | <u>\$6,255</u>                  | <u>\$0</u>                      |

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**Schedule 4**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Rate of Return Information**

See Total Company Rate of Return Information - Actual Rate of Return of 8.69%.

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**NHPUC Docket DW 20-187**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Report of Proposed Rate Changes**

Utility Lakes Region Water Co. Date Filed: 1/15/2020  
 Tariff No.: 8 Pages 18 Effective Date: 2/15/2021

| <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> | <u>Proposed Change Percentage</u> |
|---|-------------------------|----------------------------|-----------------------------------|-------------------------|-------------------------------|-----------------------------------|
| Unmetered Customers   |                         |                            |                                   |                         |                               |                                   |
| WVG Pool  |                         |                            |                                   |                         |                               |                                   |
| Metered Customers excluding Suissevale                              | 52,581                  | 61                         | 38,631                            | 91,212                  | 52,581                        | 136.11%                           |
| Total Unmetered and Metered Customers excluding Suissevale Contract | \$ 52,581               | 61                         | \$ 38,631                         | \$ 91,212               | \$ 52,581                     | 136.11%                           |
| Suissevale Contract   |                         |                            |                                   |                         |                               |                                   |
| Total Sales of Water  | \$ 52,581               | 61                         | \$ 38,631                         | \$ 91,212               | \$ 52,581                     | 136.11%                           |
| Miscellaneous Services Revenues                                     |                         |                            | \$ 177                            | \$ 177                  |                               | 0.00%                             |
| Other Water Revenue   |                         |                            |                                   | 802                     |                               |                                   |
| Total Other Operating Revenues                                      | \$ -                    |                            | \$ 177                            | \$ 979                  | \$ -                          | 0.00%                             |
| Total Water Operating Revenues                                      | \$ 52,581               | 61                         | \$ 38,808                         | \$ 92,191               | \$ 52,581                     | 135.49%                           |

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**NHPUC Docket DW 20-187**

**Lakes Region Water Company - Dockham Shores - Temporary Rates**

**Calculationn of Rates**

|                           |           |
|---------------------------|-----------|
| Total Water Sales         | \$ 91,212 |
| Less :Suissevale Contract | <u>-</u>  |

|   |          |
|---|----------|
| Total revenue to be raised from Pool, Unmetered and Metered Customers excluding Suissevale Contract | \$91,212 |
|---|----------|

| <u>WVG Pool</u>   |            |          |           |         | Current   | Proposed  |
|---|------------|----------|-----------|---------|-----------|-----------|
| Current   | Percentage | Proposed | Number    | Revenue | Quarterly | Quarterly |
| Annual  | Increase   | Annual   | of        | to be   | Rate      | Rate      |
| Rate  |            | Rate     | Customers | Raised  |           |           |
| Total revenue to be raised from Unmetered and Metered Customers excluding Suissevale Contract |            |          |           |         | \$        | 91,212    |

| <u>Unmetered Customers</u>  |            |          |           |         | Current   | Proposed  |
|---|------------|----------|-----------|---------|-----------|-----------|
| Current   | Percentage | Proposed | Number    | Revenue | Quarterly | Quarterly |
| Annual  | Increase   | Annual   | of        | to be   | Rate      | Rate      |
| Rate  |            | Rate     | Customers | Raised  |           |           |
| Total revenue to be raised from Metered Customers excluding Suissevale Contract |            |          |           |         | \$        | 91,212    |

| <u>Metered Customers</u> |            |           |           |              | Current   | Proposed  |
|--------------------------|------------|-----------|-----------|--------------|-----------|-----------|
| Current                  | Percentage | Proposed  | Number    | Revenue      | Quarterly | Quarterly |
| Annual                   | Increase   | Annual    | of        | to be        | Fixed     | Fixed     |
| Fixed                    |            | Fixed     | Customers | Raised by    | Rate      | Rate      |
| Rate                     |            | Rate      |           | Fixed Rate   |           |           |
| \$ 193.84                | 136.11%    | \$ 457.68 | 61        | \$ 27,918.32 | \$ 48.46  | \$ 114.42 |
|                          |            |           |           |              | \$        | 27,918    |

|                                     |           |   |            |            |         |          |
|-------------------------------------|-----------|---|------------|------------|---------|----------|
| Total to be raised from Volume Rate |           |   |            |            | \$      | 63,294   |
|                                     |           |   | Divided by | Annual Gal | Current | Proposed |
|                                     |           |   |            | Volume (1) | Volume  | Volume   |
| Volume Rate Calculation             | \$ 63,294 | / |            | 25,020     | Rate    | Rate     |
|                                     |           |   |            |            | \$1.232 | \$2.53   |
|                                     |           |   |            |            | \$      | 63,294   |

(1) Annual Gal Volume is calculated as follows: (2,502.000 / 100 = 25,020).

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**Lakes Region Water Company - Wildwood - Temporary Rates**

**Computation of Revenue Deficiency**

**For the Test Year Ended December 31, 2019**

|                                   | <u>Actual</u>   | <u>Proforma</u> |
|-----------------------------------|-----------------|-----------------|
| Rate Base (Schedule 3)            | \$33,253        | \$33,253        |
| Rate of Return (Schedule 4)       | <u>8.6851%</u>  | <u>8.6851%</u>  |
| Operating Income Required         | \$2,888         | \$2,888         |
| Net Operating Income (Schedule 1) | <u>(8,726)</u>  | <u>2,888</u>    |
| Operating Income Deficiency       | \$11,614        | \$0             |
| Tax Effect                        | <u>0</u>        | <u>0</u>        |
| Revenue Deficiency                | <u>\$11,614</u> | <u>\$0</u>      |

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Schedule 1

## Lakes Region Water Company - Wildwood - Temporary Rates

## Statement of Income

| Line No.                                 | Account Title (Number)<br>(a)   | 2019<br>Year End Balance<br>(b) | Proforma<br>Adjustments<br>(c) | Proforma 2019<br>Year End Balance<br>(d) | 2018<br>Year End Balance<br>(e) | 2017<br>Year End Balance<br>(f) |
|--|---|---------------------------------|--------------------------------|--|---------------------------------|---------------------------------|
| <b>UTILITY OPERATING INCOME</b>          |   |                                 |                                |  |                                 |                                 |
| 1  | Water Sales   | \$ 25,645                       | \$ 9,985                       | \$ 35,630                                | \$ 12,789                       |                                 |
| 2  | Miscellaneous Service Revenues  | 394                             |                                | 394                                      | 254                             |                                 |
| 3  | Other Water Revenue   |                                 | 801                            | 801                                      |                                 |                                 |
| 4  | Total Operating Revenues(400)   | \$ 26,039                       | \$ 10,786                      | \$ 36,825                                | \$ 13,043                       |                                 |
| Operating Expenses:                      |   |                                 |                                |  |                                 |                                 |
| Operating and Maintenance Expense (401): |   |                                 |                                |  |                                 |                                 |
| 5  | Source of Supply  | 240                             |                                | 240                                      | 2                               |                                 |
| 6  | Pumping Expenses  | 3,757                           |                                | 3,757                                    | 1,192                           |                                 |
| 7  | Water Treatment Expense   | 2,017                           |                                | 2,017                                    | 96                              |                                 |
| 8  | Transmission and Distribution Expenses                                  | 4,917                           |                                | 4,917                                    | 2,572                           |                                 |
| 9  | Customer Accounts Expenses  | 1,043                           |                                | 1,043                                    | 584                             |                                 |
| 10                                       | Administrative and General Expenses                                     | 14,227                          |                                | 14,227                                   | 6,964                           |                                 |
| 11                                       | Total Operating Expenses  | 26,201                          | -                              | 26,201                                   | 11,410                          |                                 |
| 12                                       | Depreciation Expense (403)  | 4,303                           |                                | 4,303                                    | 1,947                           |                                 |
| 13                                       | Amortization of Contribution in Aid of<br>Construction (405)            | (28)                            |                                | (28)                                     | (28)                            |                                 |
| 14                                       | Amortization of Utility Plant Acquisition<br>Adjustment (406)           | (6)                             |                                | (6)                                      | (3)                             |                                 |
| 15                                       | Amortization Expense-Other (407)  |                                 |                                |  |                                 |                                 |
| 16                                       | Taxes Other Than Income (408.1-408.13)                                  | 1,661                           |                                | 1,661                                    | 865                             |                                 |
| 17                                       | Income Taxes (409.1, 410.1, 411.1, 412.1)                               | 2,634                           | \$ (828)                       | 1,806                                    | 2,237                           |                                 |
| 18                                       | <b>Total Operating Expenses</b>   | \$ 34,765                       | \$ (828)                       | \$ 33,937                                | \$ 16,428                       |                                 |
| 19                                       | Net Operating Income (Loss)   | (8,726)                         | 11,614                         | 2,888                                    | (3,385)                         |                                 |
| 20                                       | Income From Utility Plant Leased to<br>Others (413)                     |                                 |                                |  |                                 |                                 |
| 21                                       | Gains(Losses) From Disposition of<br>Utility Property (414)             |                                 |                                |  |                                 |                                 |
| 22                                       | <b>Net Water Utility Operating Income</b>                               | \$ (8,726)                      | \$ 11,614                      | \$ 2,888                                 | \$ (3,385)                      |                                 |
| <b>OTHER INCOME AND DEDUCTIONS</b>       |   |                                 |                                |  |                                 |                                 |
| 23                                       | Revenues From Merchandising, Jobbing and<br>Contract Work (415)         | 801                             | (801)                          | -  | 375                             |                                 |
| 24                                       | Costs and Expenses of Merchandising,<br>Jobbing and Contract Work (416) |                                 |                                |  |                                 |                                 |
| 25                                       | Equity in Earnings of Subsidiary<br>Companies (418)                     |                                 |                                |  |                                 |                                 |
| 26                                       | Interest and Dividend Income (419)                                      | 230                             |                                | 230                                      | 153                             |                                 |
| 27                                       | Allow. for funds Used During<br>Construction (420)                      |                                 |                                |  |                                 |                                 |
| 28                                       | Nonutility Income (421)   |                                 |                                |  |                                 |                                 |
| 29                                       | Gains (Losses) Form Disposition<br>Nonutility Property (422)            |                                 |                                |  |                                 |                                 |
| 30                                       | Miscellaneous Nonutility Expenses (426)                                 | (17)                            |                                | (17)                                     | (39)                            |                                 |
| 31                                       | <b>Total Other Income and Deductions</b>                                | \$ 1,014                        | \$ (801)                       | \$ 213                                   | \$ 489                          |                                 |
| <b>TAXES APPLICABLE TO OTHER INCOME</b>  |   |                                 |                                |  |                                 |                                 |
| 32                                       | Taxes Other Than Income (408.2)   |                                 |                                |  |                                 |                                 |
| 33                                       | Income Taxes (409.2, 410.2, 411.2,<br>412.2, 412.3)                     |                                 |                                |  |                                 |                                 |
| 34                                       | <b>Total Taxes Applicable To Other Income</b>                           |                                 |                                |  |                                 |                                 |
| <b>INTEREST EXPENSE</b>                  |   |                                 |                                |  |                                 |                                 |
| 35                                       | Interest Expense (427)  | 1,344                           |                                | 1,344                                    | 780                             |                                 |
| 36                                       | Amortization of Debt Discount &<br>Expense (428)                        | 58                              |                                | 58                                       | 21                              |                                 |
| 37                                       | Amortization of Premium on Debt (429)                                   |                                 |                                |  |                                 |                                 |
| 38                                       | <b>Total Interest Expense</b>   | \$ 1,402                        |                                | \$ 1,402                                 | \$ 801                          |                                 |
| 39                                       | <b>Income Before Extraordinary Items</b>                                | (9,114)                         | 10,813                         | 1,699                                    | (3,697)                         |                                 |
| <b>EXTRAORDINARY ITEMS</b>               |   |                                 |                                |  |                                 |                                 |
| 40                                       | Extraordinary Income (433)  |                                 |                                |  |                                 |                                 |
| 41                                       | Extraordinary Deductions (434)  |                                 |                                |  |                                 |                                 |
| 42                                       | Income Taxes, Extraordinary Items (409.3)                               |                                 |                                |  |                                 |                                 |
| 43                                       | <b>Net Extraordinary Items</b>  |                                 |                                |  |                                 |                                 |
| 44                                       | <b>NET INCOME (LOSS)</b>  | \$ (9,114)                      | \$ 10,813                      | \$ 1,699                                 | \$ (3,697)                      |                                 |

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**NHPUC Docket DW 20-187**

Schedule 1A

**Lakes Region Water Company - Wildwood - Temporary Rates  
Statement of Income - Proforma Adjustments**

**Operating Revenues**

**Water Sales**

|   |   |                        |
|---|---|------------------------|
| 1 | 2019 Test Year Proforma Water Sales - Special Contract  |                        |
|   | 2019 Test Year Actual Water Sales - Special Contract  |                        |
|   | Proforma Adjustment   | <u>\$ -</u>            |
|   | To adjust test year revenues for the 2019 proforma decrease of \$17,748 (\$210,768 - \$228,515) for POASI Special Contract.                     |                        |
| 2 | 2019 Test Year Proforma   | \$ 35,630              |
|   | 2019 Test Year Actual Water Sales   | <u>25,645</u>          |
|   | Proforma Adjustment   | <u>\$ 9,985</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. |                        |
|   | <b>Total Proforma Adjustment to Water Sales</b>   | <b><u>\$ 9,985</u></b> |

**Other Water Revenues**

|   |   |                         |
|---|---|-------------------------|
| 3 | 2019 Test Year Proforma Rate Case Expense Surcharge   |                         |
|   | 2019 Test Year Actual Rate Case Expense Surcharge   |                         |
|   | Proforma Adjustment   | <u>\$ -</u>             |
|   | To adjust test year revenues for the elimination of rate case expense surcharge<br>A like adjustment is made to regulatory commission expenses (see expense adj ) |                         |
| 4 | 2019 Test Year Proforma DW 18-056 Tax Savings Refund  |                         |
|   | 2019 Test Year Actual DW 18-056 Tax Savings Refund  |                         |
|   | Proforma Adjustment   | <u>\$ -</u>             |
|   | To adjust test year revenues for the elimination of the DW 18-056 tax savings refund  |                         |
| 5 | 2019 Test Year Proforma - Revenue from Contract Work  | \$ 801                  |
|   | 2019 Test Year Actual - Revenue from Contract Work  | <u>-</u>                |
|   | Proforma Adjustment   | <u>\$ 801</u>           |
|   | To add revenue from Contract Work to Other Water Revenues   |                         |
|   | <b>Total Proforma Adjustment to Other Water Revenues</b>  | <b><u>\$ 801</u></b>    |
|   | <b>Total Proforma Adjustment to Operating Revenues</b>  | <b><u>\$ 10,786</u></b> |

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**Schedule 1B**

**Lakes Region Water Company - Wildwood - Temporary Rates  
Statement of Income - Proforma Adjustments**

**Income Taxes**

|   |  |                        |
|---|--|------------------------|
| 1 | <u>Federal Income Taxes</u>  |                        |
|   | 2019 Test Year Proforma (See Sch 1C)   | \$ 649                 |
|   | 2019 Test Year Actual  | 1,390                  |
|   | Proforma Adjustment  | <u>(741)</u>           |
|   | To adjust test year expenses for the increase in taxable income and the related federal taxes                |                        |
|   | <u>State Business Taxes</u>  |                        |
| 2 | 2019 Test Year Proforma (See Sch 1C)   | \$ 258                 |
|   | 2019 Test Year Actual  | \$ 344                 |
|   | Proforma Adjustment  | <u>(86)</u>            |
|   | To adjust test year expenses for the increase in state gross business profits and the related business taxes |                        |
|   | <b>Total Proforma Adjustments to Income Taxes</b>  | <b><u>\$ (828)</u></b> |
|   | <b>Total Proforma Adjustment to Operating Expenses</b>   | <b><u>\$ (828)</u></b> |

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**Schedule 1C**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**Income Tax Computation**

|  | <u>Actual</u>   | <u>Proforma</u> |
|--|-----------------|-----------------|
| Total Rate Base                                  | \$ 33,253       | \$ 33,253       |
| Equity Component of Cost of Capital (Schedule 4) | <u>7.3387%</u>  | <u>7.3387%</u>  |
| Operating Net Income Required                    | \$ 2,440        | \$ 2,440        |
| Tax Effect (.3714)                               | <u>906</u>      | <u>906</u>      |
| Income Required before Income Taxes              | \$ 3,347        | \$ 3,347        |
| Less: NH Business Profits Tax @ 7.7%             | <u>258</u>      | <u>258</u>      |
| Income subject to Federal Taxes                  | \$ 3,089        | \$ 3,089        |
| Less: Federal Income Tax @ 21%                   | <u>649</u>      | <u>649</u>      |
| Income after Income Taxes                        | <u>\$ 2,440</u> | <u>\$ 2,440</u> |

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**Schedule 1D**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**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 Profits 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<br>the Revenue Requirement | <u>72.92%</u> |
| Tax Multiplier  | <u>37.14%</u> |

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**Schedule 2  
Page 1 of 2**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**Balance Sheet - Assets and Other Debits**

See Total Company Balance Sheet

**NHPUC Docket DW 20-187**

**Schedule 2  
Page 2 of 2**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**Balance Sheet - Equity Capital and Liabilities**

See Total Company Balance Sheet

NHPUC Docket DW 20-187

Schedule 3

Lakes Region Water Company - Wildwood - Temporary Rates

Rate Base

| 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        | Utility Plant                           | 92,635                    | 92,635                   | 92,635                    | 92,635                 | 92,635                 | 92,635               | 92,635                | 92,635                | 92,635                  | 92,635                     | 92,635                   | 92,635                    | 92,635                    | 92,635                      |                               | 92,635                    |
| 2        | Less: Accumulated Depreciation          | (62,429)                  | (62,429)                 | (62,429)                  | (62,979)               | (62,979)               | (62,979)             | (63,530)              | (63,530)              | (63,530)                | (64,080)                   | (64,080)                 | (64,080)                  | (64,630)                  | (63,360)                    |                               | (63,360)                  |
| 3        | Net Utility Plant                       | 30,206                    | 30,206                   | 30,206                    | 29,656                 | 29,656                 | 29,656               | 29,105                | 29,105                | 29,105                  | 28,555                     | 28,555                   | 28,555                    | 28,005                    | 29,275                      | -                             | 29,275                    |
| 4        | Plant Acquisition Adjustment            | (93)                      | (93)                     | (93)                      | (93)                   | (93)                   | (93)                 | (93)                  | (93)                  | (93)                    | (93)                       | (93)                     | (93)                      | (93)                      | (93)                        |                               | (93)                      |
| 5        | Less: Accum Amort of Util Plant Acq Adj | 3                         | 3                        | 3                         | 3                      | 3                      | 3                    | 3                     | 3                     | 3                       | 3                          | 3                        | 3                         | 9                         | 3                           |                               | 3                         |
| 6        | Total Net Utility Plant                 | 30,116                    | 30,116                   | 30,116                    | 29,566                 | 29,566                 | 29,566               | 29,015                | 29,015                | 29,015                  | 28,465                     | 28,465                   | 28,465                    | 27,921                    | 29,185                      | -                             | 29,185                    |
| 7        | Material and Supplies                   |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 8        | Miscellaneous Deferred Debits           |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 9        | Contribution in Aid of Construction     | (2,800)                   | (2,800)                  | (2,800)                   | (2,800)                | (2,800)                | (2,800)              | (2,800)               | (2,800)               | (2,800)                 | (2,800)                    | (2,800)                  | (2,800)                   | (2,800)                   | (2,800)                     |                               | (2,800)                   |
| 10       | Accumulated Amortization of CIAC        | 1,470                     | 1,471                    | 1,474                     | 1,476                  | 1,478                  | 1,481                | 1,483                 | 1,485                 | 1,488                   | 1,490                      | 1,492                    | 1,495                     | 1,497                     | 1,483                       |                               | 1,483                     |
| 11       | ADIT - Lib Depr                         |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 12       | ADIT - EDIT Reserve                     |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 13       | ADIT - Tax Savings                      |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | -                           |                               | -                         |
| 14       | Subtotal Rate Base                      | 28,786                    | 28,787                   | 28,790                    | 28,242                 | 28,244                 | 28,247               | 27,698                | 27,700                | 27,703                  | 27,155                     | 27,157                   | 27,160                    | 26,618                    | 27,868                      | -                             | 27,868                    |
| 15       | Cash Working Capital *                  |                           |                          |                           |                        |                        |                      |                       |                       |                         |                            |                          |                           |                           | 5,384                       |                               | 5,384                     |
| 16       | Total Rate Base                         | 28,786                    | 28,787                   | 28,790                    | 28,242                 | 28,244                 | 28,247               | 27,698                | 27,700                | 27,703                  | 27,155                     | 27,157                   | 27,160                    | 26,618                    | 33,253                      | -                             | 33,253                    |

\* The "Actual 13 Month Avg Bal" for Cash Working Capital is the 12/31/19 balance.

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**Schedule 3A**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**Rate Base Adjustments**

**Plant in Service**

There are no rate base adjustments for temporary rate purposes.

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**NHPUC Docket DW 20-187**

**Schedule 3B**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**Working Capital**

|                                    | 2019<br>Proforma<br><u>Amount</u> | 2019<br>Actual<br><u>Amount</u> | 2018<br>Actual<br><u>Amount</u> | 2017<br>Actual<br><u>Amount</u> |
|------------------------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Operating and Maintenance Expenses | \$26,201                          | \$26,201                        | \$11,410                        | \$0                             |
| 75/365                             | <u>20.55%</u>                     | <u>20.55%</u>                   | <u>20.55%</u>                   | <u>20.55%</u>                   |
| Working Capital                    | <u>\$5,384</u>                    | <u>\$5,384</u>                  | <u>\$2,345</u>                  | <u>\$0</u>                      |

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**Schedule 4**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**Rate of Return Information**

See Total Company Rate of Return Information - Actual Rate of Return of 8.69%.



**NHPUC Docket DW 20-187**

**Lakes Region Water Company - Wildwood - Temporary Rates**

**Report of Proposed Rate Changes**

Utility: Lakes Region Water Co. Date Filed: 1/15/2021  
 Tariff No.: 8 Page 19 Effective Date: 2/15/2021

| <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> | <u>Proposed Change Percentage</u> |
|---|-------------------------|----------------------------|-----------------------------------|-------------------------|-------------------------------|-----------------------------------|
| Unmetered Customers   | \$ 9,985                | 49                         | \$ 25,645                         | \$ 35,630               | \$ 9,985                      | 38.94%                            |
| WVG Pool  |                         |                            |                                   |                         |                               |                                   |
| Metered Customers excluding Suissevale                              | <hr/>                   |                            |                                   |                         |                               |                                   |
| Total Unmetered and Metered Customers excluding Suissevale Contract | \$ 9,985                | 49                         | \$ 25,645                         | \$ 35,630               | \$ 9,985                      | 38.94%                            |
| Suissevale Contract   | <hr/>                   |                            |                                   |                         |                               |                                   |
| Total Sales of Water  | \$ 9,985                | 49                         | \$ 25,645                         | \$ 35,630               | \$ 9,985                      | 38.94%                            |
| Miscellaneous Services Revenues                                     |                         |                            | \$ 394                            | \$ 394                  |                               | 0.00%                             |
| Other Water Revenue   | 801                     |                            |                                   | 801                     | 801                           |                                   |
| Total Other Operating Revenues                                      | \$ 801                  |                            | \$ 394                            | \$ 1,195                | \$ 801                        | 203.30%                           |
| Total Water Operating Revenues                                      | \$ 10,786               | 49                         | \$ 26,039                         | \$ 36,825               | \$ 10,786                     | 41.42%                            |

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**Lakes Region Water Company - Wildwood - Temporary Rates**

**Calculation of Rates**

|   |           |
|---|-----------|
| Total Water Sales   | \$ 35,630 |
| Less :Suissevale Contract   | <u>-</u>  |
| Total revenue to be raised from Pool, Unmetered and Metered Customers excluding Suissevale Contract | \$35,630  |

| <u>WVG Pool</u>   |                     |                      |                     |                      | Current Quarterly Rate | Proposed Quarterly Rate |
|---|---------------------|----------------------|---------------------|----------------------|------------------------|-------------------------|
| Current Annual Rate   | Percentage Increase | Proposed Annual Rate | Number of Customers | Revenue to be Raised |                        |                         |
|   |                     |                      |                     |                      |                        | <u>-</u>                |
| Total revenue to be raised from Unmetered and Metered Customers excluding Suissevale Contract |                     |                      |                     |                      | \$                     | 35,630                  |

| <u>Unmetered Customers</u> |                     |                      |                     |                      | Current Quarterly Rate | Proposed Quarterly Rate |
|----------------------------|---------------------|----------------------|---------------------|----------------------|------------------------|-------------------------|
| Current Annual Rate        | Percentage Increase | Proposed Annual Rate | Number of Customers | Revenue to be Raised |                        |                         |
| \$ 522.00                  | 39.30%              | \$ 727.14            | 49                  | \$ 35,630.00         | \$ 130.50              | \$ 181.79               |
|                            |                     |                      |                     |                      | \$                     | <u>35,630</u>           |

|   |      |
|---|------|
| Total revenue to be raised from Metered Customers excluding Suissevale Contract | \$ 0 |
|---|------|

| <u>Metered Customers</u>  |                     |                            |                     |                                    | Current Quarterly Fixed Rate | Proposed Quarterly Fixed Rate |
|---------------------------|---------------------|----------------------------|---------------------|------------------------------------|------------------------------|-------------------------------|
| Current Annual Fixed Rate | Percentage Increase | Proposed Annual Fixed Rate | Number of Customers | Revenue to be Raised by Fixed Rate |                              |                               |
|                           |                     |                            |                     |                                    |                              | <u>\$ -</u>                   |

|                                     |                                  |
|-------------------------------------|----------------------------------|
| Total to be raised from Volume Rate | \$ 0                             |
| Volume Rate Calculation             | \$ 0 /                           |
|                                     | Divided by Annual CCF Volume (1) |
|                                     | Current Volume Rate              |
|                                     | Proposed Volume Rate             |
|                                     | \$ -                             |

(1) Annual CCF Volume is calculated as follows:

SPSt. Cyr  
12/23/2020