

**BEFORE THE NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION**

Docket No. DW 22-058

Bedford Waste Services Corporation  
Rate Proceeding

**SETTLEMENT AGREEMENT ON TEMPORARY RATES**

**I. INTRODUCTION**

This settlement agreement (Agreement) is entered into by and between Bedford Waste Services Corporation (Bedford, or the Company) and the New Hampshire Department of Energy (DOE), (together, Settling Parties). Bedford provides sewer service to 78 customers in the Bedford Three Corners Development located within the Town of Bedford, New Hampshire.

**II. BACKGROUND**

On September 15, 2022, Bedford filed its Notice of Intent to file rate schedules with the New Hampshire Public Utilities Commission (Commission). The Commission acknowledged this filing and opened the instant docket on September 19, 2022.

On October 17, 2022 Bedford filed its rate schedules increasing its permanent rates and a petition for approval of temporary rates. Bedford sought an initial increase in its permanent rates by 39.47% and two subsequent step adjustments resulting in a combined additional rate increase of 26.68%, for a total proposed increase in customer rates of 66.15%. Bedford also filed a petition for approval of an interim temporary rate increase of 18.85%. Bedford filed testimony and supporting materials in accordance with PART Puc 1604.

On November 1, 2022, the Commission issued Order No. 26,717, suspending for a period not to exceed 12 months the proposed tariffs for temporary and permanent rate increases; commencing an adjudicative proceeding; and scheduling a prehearing conference for December

14, 2022. The Commission ordered Bedford to send a copy of the order to all current and known prospective customers. The Commission also ordered that any intervention requests be filed by no later than November 28, 2022.

On November 15, 2022, the DOE filed a position statement recommending the Commission consider Bedford's financing petition in Docket No. DW 22-054 in conjunction with this docket. The DOE included with its recommendation, copies of data responses received from Bedford in Docket No. DW 22-054.

On December 14, 2022, the Commission held a prehearing conference attended by Bedford and the DOE. No petitions to intervene were filed. In a technical session following the prehearing conference, Bedford and the DOE developed a proposed procedural schedule to govern the proceeding.

On December 15, 2022, Bedford timely filed its affidavit that, on November 10, 2022, it had sent by first class mail to its 78 customers a copy of the Commission's order.

The DOE filed an assented to proposed procedural schedule with the Commission on December 21, 2022. The Commission approved the proposed schedule by a procedural order on the same day.

On January 24, 2023, the DOE filed an assented to request to modify the proposed procedural schedule. On January 26, 2023, the Commission approved the proposed modification.

On January 30, 2023, Attorney Marcia Brown filed an appearance as legal counsel for Bedford.

On February, 7, 2023, Bedford filed its initial update report of rate case expenses.

On February 9, 2023, the Commission issued a procedural order rescheduling the hearing on permanent rates from July 19, 2023 to July 12, 2023.

### **III. SCOPE OF STIPULATION**

A. This Agreement is entered into by the Settling Parties.

B. This Agreement constitutes the Settling Parties' recommendation to the Commission with respect to temporary rates in this docket.

C. Under this Agreement, the Settling Parties agree that this Agreement constitutes resolution of the issues specified herein only.

D. This Agreement shall not be deemed an admission by any Settling Party that any allegation or contention in this proceeding by any Settling Party, other than those specifically agreed to herein, is true and valid. This Agreement shall not be deemed to foreclose any party from taking any position in any future proceedings.

E. It is specifically understood and agreed in this regard that this Agreement pertaining to proposed temporary rates is signed with a complete reservation of the respective Settling Parties' rights concerning the final permanent rates determination in this proceeding, that challenges to Bedford's proposed permanent rates may be raised and asserted in the final rates segment of this proceeding and that a complete reconciliation shall be provided under RSA 378:29 in the permanent rates determination to address any charges established to be unwarranted under the agreed temporary rates.

F. The Settling Parties agree that all documentation supporting the petition should be admitted as full exhibits for the purpose of consideration of this Agreement and be given the weight the Commission deems appropriate.

#### IV. TERMS OF AGREEMENT

A. The Settling Parties agree that, in accordance with RSA 378:27, temporary rates, based on the books and records on file with the Commission, be set at 16.19% over existing base rates, which will increase Bedford's annual revenue requirement from \$48,292 recognized by the Company during 2021 to \$56,467. This translates into an annual increase of \$100.86 (\$25.22 per quarter) in Bedford's present annual charge per customer of \$623.08 (\$155.77 per quarter), resulting in an annualized temporary rate charge per customer of \$723.94 (\$180.99 per quarter). The derivation of this proposed rate increase is detailed in Attachment A to this Agreement. The agreed-to temporary rate increase is somewhat different than that proposed by Bedford as follows: (1) the temporary rate uses a return on rate base of 6.8% instead of Bedford's originally requested 8%; (2) An additional \$1,882 is included in the Company's Accumulated Depreciation account in recognition of the Company's proposed pro forma adjustment of the same amount to Bedford's Depreciation Expense account in its original filing. This reduces the Company's proposed Rate Base amount from \$97,148 to \$95,266; (3) As a result of the previous two adjustments, Bedford's Operating Income Requirement has been reduced by \$1,294 from \$7,772 as originally proposed by the Company to \$6,478 as reflected in this Agreement.

B. The Settling Parties agree that the effective date for the temporary rates should be November 17, 2022, on a service-rendered basis. This date is subsequent to the actual notice provided to customers of Bedford's rate filing, which, as stated in the Company's affidavit, was November 10, 2022.

C. The Settling Parties agree that temporary rates should be subject to reconciliation, pursuant to RSA 378:29, after the final determination of permanent rates by the Commission. The Settling Parties agree that the above proposed temporary rates are just and reasonable and

that given the recoupment mechanism afforded under RSA 378:29, the rates will yield operating revenues sufficient to enable Bedford to pay its expenses and meet its financial obligations.

## **V. CONDITIONS**

A. This Agreement is expressly conditioned upon the Commission's acceptance of all of its provisions, without change or condition. If the Commission does not accept the Agreement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Agreement, and the Settling Parties are unable to agree with said changes, conditions, or findings, the Agreement shall be deemed to be withdrawn by the Settling Parties and the Settling Parties agree that it shall not constitute any part of the record in this proceeding and shall not be used for any other purpose. The Commission's acceptance of this Agreement shall not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding.

B. The discussions that produced this Agreement have been conducted on the explicit understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

C. This Agreement may be signed electronically, by facsimile, and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.

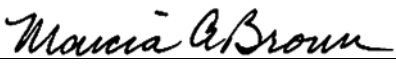
IN WITNESS WHEREOF, the Settling Parties to this Agreement have caused the Agreement to be duly signed in their respective names by their fully authorized agents.

IN WITNESS WHEREOF, the Settling Parties to this Agreement have caused the Agreement to be duly signed in their respective names by their fully authorized agents.

BEDFORD WASTE SERVICES CORPORATION

By its Attorney,


Dated: March 16, 2023

  
\_\_\_\_\_  
Marcia A. Brown, Esq.

N.H. DEPARTMENT OF ENERGY

By its Attorneys,

Dated: March 16, 2023

  
\_\_\_\_\_  
Matthew Young, Esq.

**Bedford Waste Services Corp****1604.07a(1)****Computation of Revenue Deficiency****For the Test Year Ended December 31, 2021**

	<u>5 Qtr Avg</u>	<u>Proforma</u>
Rate Base (Schedule 3)	\$ 92,866	\$ 95,266
Rate of Return (Schedule 4)	<u>8.00%</u>	<u>6.80%</u>
Operating Income Required	\$ 7,429	\$ 6,478
Net Operating Income (Schedule 1)	<u>(16,290)</u>	<u>6,478</u>
Operating Income Deficiency	\$ 23,719	\$ 0
Tax Effect	<u>                    </u>	<u>-</u>
Revenue Deficiency	<u>\$ 23,719</u>	<u>\$ 0</u>

## Bedford Waste Services Corp

1604.07a(2)

## Statement of Income

Schedule 1

Line No.	Account Title (Number) (a)	Actual 2021 Year End Balance (b)	Proforma Adjustments (c)	Proforma 2021 Year End Balance (d)	Actual 2020 Year End Balance (e)	Actual 2019 Year End Balance (f)
	<b>UTILITY OPERATING INCOME</b>					
1	<b>Operating Revenues(400)</b>	\$ 48,292	\$ 8,175	\$ 56,467	\$ 48,706	\$ 50,223
2	<b>Operating Expenses:</b>					
3	Contracted Services	17,545	-	17,545	20,033	13,552
4	Insurance	826	-	826	633	502
5	Regulatory Commission	260		260	291	290
6	Bad Debt	16,475	(16,475)	-	211	-
7	Miscellaneous	790		790	640	602
8	Total Operating and Maintenance Expense (401)	\$ 35,896	\$ (16,475)	\$ 19,421	\$ 21,808	\$ 14,946
9	Depreciation Expense (403)	26,896	1,882	28,778	25,634	25,228
10	Amortization of Contribution in Aid of Construction (405)	(2,157)	-	(2,157)	(2,157)	(2,157)
11	Amortization of Utility Plant Acquisition Adjustments (406)					
12	Amortization Expense-Other (407)					
13	Taxes Other Than Income (408)	3,947	-	3,947	4,369	4,413
14	Income Taxes (409.1, 410.1, 411.1, 412.1)		-	-		(32)
15	<b>Total Operating Expenses</b>	\$ 64,582	\$ (14,593)	\$ 49,989	\$ 49,654	\$ 42,398
16	<b>Net Operating Income (Loss)</b>	(16,290)	22,768	6,478	(948)	7,825
17						
18	<b>OTHER INCOME AND DEDUCTIONS</b>					
19	Interest and Dividend Income (419)					
20	Allow. for funds Used During Construction (420)					
21	Nonutility Income (421)					
22	Gains (Losses) From Disposition of Nonutility Property (422)					
23	Miscellaneous Nonutility Expenses (426)					
24	Interest Expense (427)	(5,853)			(7,283)	(7,349)
25	Taxes Applicable To Other Income (409.2, 410.2, 411.2, 412.2)					
26	<b>Total Other Income and Deductions</b>	\$ (5,853)	\$ -	\$ -	\$ (7,283)	\$ (7,349)
27	<b>NET INCOME (LOSS)</b>	\$ (22,143)	\$ 22,768	\$ 6,478	\$ (8,231)	\$ 476



**Bedford Waste Services Corp**  
**Statement of Income - Proforma Adjustments**

1604.07a(3)  
**Schedule 1A**  
Page 1 of 3

**Operating Revenues**

2021 Test Year Proforma Miscellaneous Revenues	\$ -
2021 Test Year Actual Miscellaneous Revenues	<u>(308)</u>
Proforma Adjustment	<u>\$ 308</u>
To adjust test year revenues for revenue needed in order for the Company to earn its rate of return and to recover its expenses.	
2021 Test Year Proforma	\$ 56,467
2021 Test Year Actual	<u>48,600</u>
Proforma Adjustment	<u>\$ 7,867</u>
To adjust test year revenues for revenue needed in order for the Company to earn its rate of return and to recover its expenses.	
Total Proforma Adjustment to Operating Revenues	<u><b>\$8,175</b></u>

**Operation & Maintenance Expenses**

Contracted Services - LaMontagne Management Corp	
2021 Test Year Proforma	\$ -
2021 Test Year Actual	<u>-</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year contracted services for owner oversight	
Contracted Services - Stephen P. St. Cyr & Associates	
2021 Test Year Proforma	\$ 12,221
2021 Test Year Actual	<u>12,221</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year contracted services for management services	
Contracted Services - Stephen P. St. Cyr & Associates - NHDOE Audit	
2021 Test Year Proforma	\$ -
2021 Test Year Actual	<u>-</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year contracted services for management services

Contracted Services - Melanson	Page 2 of 3
2021 Test Year Proforma	\$ 750
2021 Test Year Actual	<u>750</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year contracted services for increase in tax preparation service

Contracted Services - AAA Pump	
2021 Test Year Proforma	\$ -
2021 Test Year Actual	<u>-</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year contracted services for annual maintenance on pumping equipment

Contracted Services - Maznek	
2021 Test Year Proforma	\$ 4,555
2021 Test Year Actual	<u>4,555</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year contracted services for twice a year septic tank pumping service

Total Adjustments to Contracted Services	<u>\$ -</u>
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**Insurance**

2021 Test Year Proforma	\$ 826
2021 Test Year Actual	<u>826</u>
Proforma Adjustment	<u>\$ -</u>

To adjust test year insurance for increase in insurance premium

**Bad Debt**

2021 Test Year Proforma	\$ -
2021 Test Year Actual	<u>16,475</u>

Proforma Adjustment	<u>\$ (16,475)</u>
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To adjust test year insurance bad debt for one time write off

<b>Miscellaneous</b>	Page 3 of 3
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2021 Test Year Proforma	\$ 790
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2021 Test Year Actual	<u>790</u>
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Proforma Adjustment	<u>\$ -</u>
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Total Operation & Maintenance Expense Adjustments	<u>\$ (16,475)</u>
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### Depreciation Expenses

2021 Test Year Proforma	\$ 28,778
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2021 Test Year Actual	<u>26,896</u>
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Proforma Adjustment	<u>\$ 1,882</u>
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To adjust test year depreciation expenses for annual amount

### Amortization of CIAC

2021 Test Year Proforma	\$ (2,157)
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2021 Test Year Actual	<u>(2,157)</u>
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Proforma Adjustment	<u>\$ -</u>
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### Taxes other than Income

2021 Test Year Proforma	\$ 3,947
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2021 Test Year Actual	<u>3,947</u>
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Proforma Adjustment	<u>\$ -</u>
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To adjust test year taxes other than income taxes for anticipated state and local property taxes

### State Business Taxes

2021 Test Year Proforma	\$ -
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2021 Test Year Actual	<u>-</u>
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Proforma Adjustment	<u>\$ -</u>
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**Bedford Waste Services Corp**  
**Statement of Income - Operating Expenses**

**Schedule 1B**

	2021	2020	2 Year Average	Adjustments to 2021	Adjusted 2021
Operating Expenses:					
LaMontagne Mgmt Corp (1)	\$ -	\$ -	\$ -		\$ -
St. Cyr (2)	12,221	10,991	11,606		12,221
St. Cyr - PUC Audit (3)	-	-	-		-
Melanson (4)	750		375		750
AAA Pump (5)	-	(333)	(167)		-
United Site Services	-	(605)	(303)		-
Maznek (6)	4,555	9,963	7,259		4,555
Dig Safe	19	17	18		19
Liberty Insurance (7)	826	633	730		826
Regulatory Expenses	260	291	276		260
Bad Debt (8)	16,475	211	8,343	(16,475)	-
Office Expenses (9)	745	594	670		745
Telephone	44	46	45		44
Total O&M Expenses	35,895	21,808	28,852	(16,475)	19,420
Depreciation	26,896	25,634	26,265	1,882	28,778
Amortization of CIAC	(2,157)	(2,157)	(2,157)	-	(2,157)
State Utility Prop Taxes	999	1,199	1,099		999
Bedford Prop Taxes	2,948	3,170	3,059		2,948
NHBPT	-	-	-	-	-
Total Operating Expenses	\$ 64,581	\$ 49,654	\$ 57,118	\$ (14,593)	\$ 49,988

Notes:

- (1) Adj LMC for Owner's oversight and approval. See Owner's Oversight Agreement - Mo. Matrix
- (2) Adj St. Cyr for Mgmt. +\$453, Billing +\$121, Collection +\$32, RFP for P&S -\$2,227, RC Exp -\$471 totalling -\$2,092.
- (3) Adj St. Cyr for anticipated DOE Audit based on 15 hours at \$135 per hour. Amount will be adjusted for actual hours and costs. Amount will be amortized over 3 years.
- (4) Adj Melanson for increase to prepare 2021 tax return.
- (5) Adj AAA Pump for annual maintenance +\$1,587.18, based on 2022 replacement of junction box/alarm float.
- (6) Adj Maznek for 24 add'l septic tank pumpings +\$5,688.
- (7) Adj for Liberty Insurance premium increase +263.
- (8) Adj for bad debt exp -\$16,475.
- (9) Adj for postage +30 and POBox rental +\$88.
- (10) Adj for shared telephone expenses w/o Bodwell +\$80

## Bedford Waste Services Corp

1604.07a(7)

Schedule 2

## Balance Sheet - Assets and Other Debits

Page 1 of 2

Line No.	Account Title (Number) (a)	Actual 2021 Year End Balance (d)	Actual 2020 Year End Balance (d)	Actual 2019 Year End Balance (d)
<b>UTILITY PLANT</b>				
1	Utility Plant (101-105)	\$ 647,002	\$ 634,836	\$ 627,300
2	Less: Accumulated Depr. and Amort. (108-110)	\$ 534,318	\$ 521,609	\$ 510,642
3	Net Plant	\$ 112,684	\$ 113,227	\$ 116,658
4	Utility Plant Acquisition Adj. (Net) (114-115)			
5	Total Net Utility Plant	\$ 112,684	\$ 113,227	\$ 116,658
<b>OTHER PROPERTY AND INVESTMENTS</b>				
6	Nonutility Property (121)			
7	Less: Accumulated Depr. and Amort. (122)			
8	Net Nonutility Property			
9	Investment in Associated Companies (123)			
10	Utility Investments (124)			
11	Total Other Property & Investments			
<b>CURRENT AND ACCRUED ASSETS</b>				
12	Cash (131)	766	1,125	6,310
13	Special Deposits (132)	147	147	147
14	Accounts and Notes Receivable-Net (141-144)	11,918	28,395	27,423
15	Plant Materials and Supplies (151)			
16	Prepayments (162-163)	1,074	800	1,083
17	Misc. Current and Accrued Assets (174)			
18	Total Current and Accrued Assets	\$ 13,905	\$ 30,467	\$ 34,963
<b>DEFERRED DEBITS</b>				
19	Miscellaneous Deferred Debits (186)	3,762	4,107	4,301
20	Accumulated Deferred Income Taxes (190)			
21	Total Deferred Debits	\$ 3,762	\$ 4,107	\$ 4,301
<b>TOTAL ASSETS AND OTHER DEBITS</b>		\$ 130,351	\$ 147,801	\$ 155,922

## Bedford Waste Services Corp

1604.07a(8)

Schedule 2

## Balance Sheet - Equity Capital and Liabilities

Page 2 of 2

Line No.	Account Title (Number) (a)	Actual 2021 Year End Balance (d)	Actual 2020 Year End Balance (d)	Actual 2019 Year End Balance (d)
<b>EQUITY CAPITAL</b>				
1	Common Stock Issued (201)	\$ 1,000	\$ 1,000	\$ 1,000
2	Preferred Stock Issued (204)			
3	Other Paid-In Capital (211)	25,000	25,000	20,000
4	Retained Earnings (217)	(78,940)	(56,798)	(48,567)
5	Proprietary Capital (proprietorships & partnerships) (218)			
6	Total Equity Capital	\$ (52,940)	\$ (30,798)	\$ (27,567)
<b>LONG TERM DEBT</b>				
7	Other Long-Term Debt (224)	134,217	143,946	152,566
<b>CURRENT AND ACCRUED LIABILITIES</b>				
8	Accounts Payable (231)			
9	Notes Payable (232)	18,000		
10	Customer Deposits (235)			
11	Accrued Taxes (236)		886	
12	Accrued Interest (237)			
13	Misc. Current and Accrued Liabilities (241)	11,547	12,083	7,082
14	Total Current and Accrued Liabilities	\$ 29,547	\$ 12,969	\$ 7,082
<b>DEFERRED CREDITS</b>				
15	Advances for Construction (252)			
16	Other Deferred Credits (253)			
17	Accumulated Deferred Investment Tax Credits (255)			
18	Miscellaneous Operating Reserves (265)			
19	Contributions In Aid of Construction - Net (271-272)	19,527	21,684	23,841
20	Accumulated Deferred Income Taxes (281-283)			
21	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	\$ 130,351	\$ 147,801	\$ 155,922

Bedford Waste Services Corp

1604.07a(11)

Rate Base

Schedule 3

Line No.	Account Title (a)	Actual 12/31/20 Balance (b)	Actual 3/31/20 Balance (c)	Actual 6/30/20 Balance (d)	Actual 9/30/20 Balance (e)	Actual 12/31/21 Balance (f)	Actual 5 Qtr Avg Balance (g)	Adjustments (h)	Proforma 2022 Balance (i)
1	Plant in Service	\$ 634,836	\$ 633,318	\$ 633,930	\$ 636,324	\$ 647,002	\$ 637,082	\$ 9,920	\$ 647,002
2	Less: Accumulated Depreciation	521,609	526,027	529,931	531,470	534,318	528,671	7,529	536,200
3	Net Utility Plant	\$ 113,227	\$ 107,291	\$ 103,999	\$ 104,854	\$ 112,684	\$ 108,411	\$ 2,391	\$ 110,802
4	Contribution in Aid of Construction - Net	(21,684)	(21,145)	(20,606)	(20,066)	(19,527)	(20,606)	1,079	(19,527)
5	Cash Working Capital	4,482	4,482	4,482	4,482	7,377	5,061	(1,070)	3,991
6	Total Rate Base	\$ 96,025	\$ 90,628	\$ 87,875	\$ 89,270	\$100,534	92,866	\$2,400	\$95,266

**Bedford Waste Services Corp** **1604.07a(12)**

**Plant / Depreciation Expense / Accumulated Depreciation** **Schedule 3A**

Plant in Service - 2021 year end	\$ 647,002
Plant in Service - 5 quarter average	<u>637,082</u>
Plant in Service Adjustment	<u>\$ 9,920</u>
To adjust Plant in Service for 12/31/21 year end balance	
Accumulated Depreciation - 2021 year end	\$ 534,318
Accumulated Depreciation - 5 quarter average	<u>528,671</u>
Accumulated Depreciation Adjustment	<u>\$ 5,647</u>
To adjust Accumulated Depreciation for 12/31/21 year end balance	
Accumulated Depreciation with additional 1/2 depreciation	\$ 536,200
Accumulated Depreciation - 2021 year end	<u>534,318</u>
Accumulated Depreciation Adjustment	<u>\$ 1,882</u>
To adjust Accumulated Depreciation for 12/31/21 year end balance	
Total Accumulated Depreciation Adjustment	<u>\$ 7,529</u>

**CIAC / Amortization Expense / Accumulated Amortization**

Contribution in Aid of Construction Net - 2021 year end	\$ (19,527)
Contribution in Aid of Construction Net - 5 quarter average	<u>(20,606)</u>
Contribution in Aid of Construction Net Adjustment	<u>\$ 1,079</u>
To adjust Contribution in Aid of Construction Net for 12/31/21 year end balance	

**Cash Working Capital**

Cash Working Capital - Proforma	\$ 3,991
Cash Working Capital - 5 quarter average	<u>5,061</u>
Cash Working Capital Adjustment	<u>\$ (1,070)</u>
To adjust Cash Working Capital for 12/31/21 year end balance	



**Bedford Waste Services Corp****1604.07a(13)****Working Capital****Schedule 3B**

	2021 Actual <u>Amount</u>	2021 Proforma <u>Amount</u>	2020 Actual <u>Amount</u>	2019 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$35,896	\$19,421	\$21,808	\$14,946
75/365	<u>20.55%</u>	<u>20.55%</u>	<u>20.55%</u>	<u>20.55%</u>
Working Capital	<u>\$7,377</u>	<u>\$3,991</u>	<u>\$4,482</u>	<u>\$3,071</u>

## Bedford Waste Services Corp

1604.08

## Rate of Return Information

## Schedule 4

		Component Ratio		Component Cost Rate		Weighted Average Cost Rate
<b>Overall Rate of Return</b>						
Equity Capital		-65.14%		0.00%		0.00%
Long Term Debt		165.14%		6.80%		11.23%
Total Capital		100.00%				6.80%

Capital Structure Amounts	2019 Actual		2020 Actual		2021 Actual		2021 Proforma
Common Stock	\$ 1,000		\$ 1,000		\$ 1,000		\$ 1,000
Other Paid in Capital	20,000		25,000		25,000		10,000
Retained Earnings	(48,567)		(56,798)		(78,940)		(68,985)
Total Equity	\$ (27,567)		\$ (30,798)		\$ (52,940)		\$ (57,985)
Long Term Debt	\$ 152,566		\$ 143,946		\$ 134,217		\$ 193,950
Total Capital	\$ 124,999		\$ 113,148		\$ 81,277		\$ 135,965

Capital Structure Percentage	2019 Actual		2020 Actual		2021 Actual		2021 Proforma
Common Stock	0.80%		0.88%		1.23%		0.74%
Other Paid in Capital	16.00%		22.09%		30.76%		7.35%
Retained Earnings	-38.85%		-50.20%		-97.12%		-50.74%
Total Equity	-22.05%		-27.22%		-65.14%		-42.65%
Long Term Debt	122.05%		127.22%		165.14%		142.65%
Total Capital	100.00%		100.00%		100.00%		100.00%

Cost of Debt Capital							
Proforma Debt	\$	-	\$	-	\$	-	\$ - 6.80%

Cost of Common Equity Capital							
Since the Total Equity is negative, the Company is utilizing its currently authorized cost of debt of 8.00%.							

**Bedford Waste Services Corp****Effective Tax Factor****Schedule 5**

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

**Bedford Waste Services Corp****Income Tax Computation****Schedule 6**

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$92,866	\$95,266
Equity Component of Cost of Capital	<u>0.00%</u>	<u>0.00%</u>
Operating Net Income Required	\$0	\$0
Interest Income	<u>0</u>	<u>0</u>
Taxable Income	\$0	\$0
Tax Effect (.3714)	<u>0</u>	<u>0</u>
Income Required before Income Taxes	\$0	\$0
Less: NH Business Profits Tax @ 7.7%	<u>0</u>	<u>0</u>
Income subject to Federal Taxes	\$0	\$0
Less: Federal Income Tax @ 21%	<u>0</u>	<u>0</u>
Income after Income Taxes	<u>\$0</u>	<u>\$0</u>

**Bedford Waste Services Corp**

**Report of Proposed Rate Changes**

Utility Bedford Waste Services Corp.

Date Filed:

Tariff No.:

Effective Date:

Immediately

**Sewer Rates**

Rate of Class of Service	Effect of Change	Number of Customers	Authorized Present Revenue	Proposed Revenue	Proposed Change Amount
Residential	\$ 7,867	78	\$ 48,600	\$ 56,467	\$ 7,867
Misc.	308	-	(308)	-	308
<b>Total</b>	<b>\$ 8,175</b>	<b>78</b>	<b>\$ 48,292</b>	<b>\$ 56,467</b>	<b>\$ 8,175</b>
<b>Avg.Res.Cust.</b>	<b>\$ 100.86</b>		<b>\$ 623.08</b>	<b>\$ 723.94</b>	<b>\$ 100.86</b>
<b>Avg.Res.Cust. Percentage</b>					<b><u>16.19%</u></b>