

DW 22-058

Bedford Waste Service Corp.

Filing Requirement Schedules

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	\$ 99,156
Rate of Return (Schedule 4)	<u>8.00%</u>	<u>8.09%</u>
Operating Income Required	\$ 7,429	\$ 8,022
Net Operating Income (Schedule 1)	<u>(16,290)</u>	<u>8,022</u>
Operating Income Deficiency	\$ 23,719	\$ (0)
Tax Effect	<u> </u>	<u>-</u>
Revenue Deficiency	<u>\$ 23,719</u>	<u>\$ (0)</u>

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)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 48,292	\$ 19,488	\$ 67,780	\$ 48,706	\$ 50,223
2	Operating Expenses:					
3	Contracted Services	17,545	9,308	26,853	20,033	13,552
4	Insurance	826	263	1,089	633	502
5	Regulatory Commission	260		260	291	290
6	Bad Debt	16,475	(16,475)	-	211	-
7	Miscellaneous	790	198	988	640	602
8	Total Operating and Maintenance Expense (401)	\$ 35,896	\$ (6,706)	\$ 29,190	\$ 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	Total Operating Expenses	\$ 64,582	\$ (4,824)	\$ 59,758	\$ 49,654	\$ 42,398
16	Net Operating Income (Loss)	(16,290)	24,312	8,022	(948)	7,825
17						
18	OTHER INCOME AND DEDUCTIONS					
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	Total Other Income and Deductions	\$ (5,853)	\$ -	\$ -	\$ (7,283)	\$ (7,349)
27	NET INCOME (LOSS)	\$ (22,143)	\$ 24,312	\$ 8,022	\$ (8,231)	\$ 476

Bedford Waste Services Corp
Statement of Income - Proforma Adjustments

1604.07a(3)
Schedule 1A
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Operating Revenues

2021 Test Year Proforma	\$ 67,780
2021 Test Year Actual	<u>48,292</u>
Proforma Adjustment	<u>\$ 19,488</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 **\$19,488**

Operation & Maintenance Expenses

Contracted Services - LaMontagne Management Corp

2021 Test Year Proforma	\$ 3,300
2021 Test Year Actual	<u>-</u>
Proforma Adjustment	<u>\$ 3,300</u>

To adjust test year contracted services for owner oversight

Contracted Services - Stephen P. St. Cyr & Associates

2021 Test Year Proforma	\$ 10,129
2021 Test Year Actual	<u>12,221</u>
Proforma Adjustment	<u>\$ (2,092)</u>

To adjust test year contracted services for management services

Contracted Services - Stephen P. St. Cyr & Associates - NHDOE Audit

2021 Test Year Proforma	\$ 675
2021 Test Year Actual	<u>-</u>
Proforma Adjustment	<u>\$ 675</u>

To adjust test year contracted services for management services

Contracted Services - Melanson

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2021 Test Year Proforma	\$ 900
2021 Test Year Actual	<u>750</u>
Proforma Adjustment	<u>\$ 150</u>

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

Contracted Services - AAA Pump

2021 Test Year Proforma	\$ 1,587
2021 Test Year Actual	<u>-</u>
Proforma Adjustment	<u>\$ 1,587</u>

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

Contracted Services - Maznek

2021 Test Year Proforma	\$ 10,243
2021 Test Year Actual	<u>4,555</u>
Proforma Adjustment	<u>\$ 5,688</u>

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

Total Adjustments to Contracted Services \$ 9,308

Insurance

2021 Test Year Proforma	\$ 1,089
2021 Test Year Actual	<u>826</u>
Proforma Adjustment	<u>\$ 263</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>

To adjust test year insurance bad debt for one time write off

Miscellaneous

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2021 Test Year Proforma	\$ 988
2021 Test Year Actual	<u>790</u>
Proforma Adjustment	<u>\$ 198</u>
To adjust test year miscellaneous expenses	
Total Operation & Maintenance Expense Adjustments	<u>\$ (6,706)</u>

Depreciation Expenses

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

Amortization of CIAC Expenses

2021 Test Year Proforma	\$ (2,157)
2021 Test Year Actual	<u>(2,157)</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year amortization of CIAC expenses for annual amount	

Taxes other than Income

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

State Business Taxes

2021 Test Year Proforma	\$ -
2021 Test Year Actual	<u>-</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year income taxes for anticipated state business taxes	

Total Proforma Adjustment to Operating Expenses	<u>\$ (4,824)</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)	\$ -	\$ -	\$ -	\$ 3,300	\$ 3,300
St. Cyr (2)	12,221	10,991	11,606	(2,092)	10,129
St. Cyr - PUC Audit (3)	-	-	-	675	675
Melanson (4)	750		375	150	900
AAA Pump (5)	-	(333)	(167)	1,587	1,587
United Site Services	-	(605)	(303)	-	-
Maznek (6)	4,555	9,963	7,259	5,688	10,243
Dig Safe	19	17	18		19
Liberty Insurance (7)	826	633	730	263	1,089
Regulatory Expenses	260	291	276	-	260
Bad Debt (8)	16,475	211	8,343	(16,475)	-
Office Expenses (9)	745	594	670	118	863
Telephone	44	46	45	80	124
Total O&M Expenses	35,895	21,808	28,852	(6,706)	29,189
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	\$ (4,824)	\$ 59,757

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

Balance Sheet - Assets and Other Debits

Line No.	Account Title (Number) (a)	Actual 2021 Year End Balance (d)	Actual 2020 Year End Balance (d)	Actual 2019 Year End Balance (d)
UTILITY PLANT				
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
OTHER PROPERTY AND INVESTMENTS				
6	Nonutility Property (121)			
7	Less: Accumulated Depr. and Amort. (122)			
8	Net Nonutility Property			
9	Investment in Associated Companies (123)			
10	Utility Investments (124)			
11	Total Other Property & Investments			
CURRENT AND ACCRUED ASSETS				
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
DEFERRED DEBITS				
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
TOTAL ASSETS AND OTHER DEBITS		\$ 130,351	\$ 147,801	\$ 155,922

Balance Sheet - Equity Capital and Liabilities

Line No.	Account Title (Number) (a)	Actual 2021 Year End Balance (d)	Actual 2020 Year End Balance (d)	Actual 2019 Year End Balance (d)
EQUITY CAPITAL				
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)
LONG TERM DEBT				
7	Other Long-Term Debt (224)	134,217	143,946	152,566
CURRENT AND ACCRUED LIABILITIES				
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
DEFERRED CREDITS				
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	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 130,351	\$ 147,801	\$ 155,922

Rate Base

Schedule 3

Line No.	Account Title (a)	Actual 12/31/2020 Balance (b)	Actual 3/31/2020 Balance (c)	Actual 6/30/2020 Balance (d)	Actual 9/30/2020 Balance (e)	Actual 12/31/2021 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	5,647	534,318
3	Net Utility Plant	\$ 113,227	\$ 107,291	\$ 103,999	\$ 104,854	\$ 112,684	\$ 108,411	\$ 4,273	\$ 112,684
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	938	5,999
6	Total Rate Base	\$ 96,025	\$ 90,628	\$ 87,875	\$ 89,270	\$100,534	92,866	\$6,290	\$99,156

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 637,082

Plant in Service Adjustment \$ 9,920

To adjust Plant in Service for 12/31/21 year end balance

Accumulated Depreciation - 2021 year end \$ 534,318

Accumulated Depreciation - 5 quarter average 528,671

Accumulated Depreciation Adjustment \$ 5,647

To adjust Accumulated Depreciation for 12/31/21 year end balance

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 (20,606)

Contribution in Aid of Construction Net Adjustment \$ 1,079

To adjust Contribution in Aid of Construction Net for 12/31/21 year end balance

Cash Working Capital

Cash Working Capital - Proforma \$ 5,999

Cash Working Capital - 5 quarter average 5,061

Cash Working Capital Adjustment \$ 938

To adjust Cash Working Capital for 12/31/21 year end balance

Bedford Waste Services Corp

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Working Capital**Schedule 3B**

	<u>2021 Actual Amount</u>	<u>2021 Proforma Amount</u>	<u>2020 Actual Amount</u>	<u>2019 Actual Amount</u>
Operating and Maintenance Expenses	\$35,896	\$29,190	\$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>\$5,999</u>	<u>\$4,482</u>	<u>\$3,071</u>

Rate of Return Information

Schedule 4

Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	-42.65%	0.00%	0.00%
Long Term Debt	142.65%	8.09%	11.54%
Total Capital	100.00%		8.09%

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	\$ 181,743	\$ 14,303	\$ 400	\$ 14,703
				8.09%

Cost of Common Equity Capital
Since the Total Equity is negative, the Company is utilizing a cost of debt of 8.09%.

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	\$99,156
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

Step 1 based on 2022 Pump Replacements - 4 to date / 3 projected

Schedule 7

Utility Plant

Pumps:	Costs	Annual Depreciation	Accumulated Depreciation
1/8/2022 272 Pulpit Rd.	\$ 635	\$ 91	\$ 45
1/13/2022 272 Pulpit Rd.	3,353	479	240
1/24/2022 223 Pulpit Rd.	450	64	32
1/26/2022 223 Pulpit Rd.	290	41	21
1/26/2022 223 Pulpit Rd.	3,477	497	248
4/27/2022 260 Pulpit Rd	510	73	36
4/27/2022 260 Pulpit Rd	3,943	563	282
8/14/2022 3 Pond Point Dr	585	84	42
8/16/2022 3 Pond Point Dr	3,933	562	281
2022 3 Pumps	\$ 12,882	1,840	920
Total	\$ 30,057	\$ 4,294	\$ 2,147

Step 1 Revenue Requirement

Plant in Service	\$ 30,057
Accumulated Depreciation	<u>2,147</u>
Total Net Utility Plant	\$ 27,910
Proposed Rate of Return	<u>8.09%</u>
Return on Step 1 Rate Base	\$ 2,258
Annual Depreciation	4,294
State Utility Property Taxes	184
Town of Bedford Property Taxes	478
NHBPT	<u> </u>
Required Net Operating Income	<u>\$ 7,214</u>
Required Net Operating Income Percentage	<u>14.84%</u>

Note: Step 1 pump replacements will be based on actual number of pumps replaced and actual costs.

Bedford Waste Services Corp

Step 2 based on Projected 2023 Pump Replacements

Schedule 8

Utility Plant

2023	7 Pumps	\$ 30,057	\$ 4,294	\$ 2,147
Total		<u>\$ 30,057</u>	<u>\$ 4,294</u>	<u>\$ 2,147</u>

Step 2 Revenue Requirement

Plant in Service	\$ 30,057
Accumulated Depreciation	<u>2,147</u>
Total Net Utility Plant	\$ 27,910
Proposed Rate of Return	<u>8.09%</u>
Return on Step 1 Rate Base	\$ 2,258
Annual Depreciation	4,294
State Utility Property Taxes	184
Town of Bedford Property Taxes	478
NHBPT	<u> </u>
Required Net Operating Income	<u>\$ 7,214</u>
Required Net Operating Income Percentage	<u>14.84%</u>

Note: Step 2 pump replacements will be based on actual number of pumps replaced and actual costs.