

**Stephen P. St. Cyr & Associates**

17 Sky Oaks Drive  
Biddeford, Me. 04005  
207-423-0215  
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October 17, 2022

Chairman Daniel C. Goldner  
Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, N. H. 03301-2429

Re: Bedford Waste Services Corp.  
DW 22-058 Request for Change in Rates

Dear Mr. Goldner:

On behalf of Bedford Waste Services Corp. ("Bedford" or "Company") enclosed are the Written Testimony, Rate Case Schedules and other rate filing requirements. An electronic copy has been sent to NHDOE, NHOCA and the homeowners' association. If the Commissioners and/or its Staff, the NHDOE, NHOCA and the homeowners' association have any questions, comments, and/or need additional information, please contact me at [stephenpstcyr@yahoo.com](mailto:stephenpstcyr@yahoo.com) or 207-423-0215.

Sincerely,



Stephen P. St. Cyr

Perm. 1

Bedford Waste Services Corp.  
DW 22-058  
Testimony, Exhibits and  
Other Rate Case Filing Requirements

Perm. 2

**Stephen P. St. Cyr & Associates**

17 Sky Oaks Drive  
Biddeford, Me. 04005  
207-423-0215  
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**Bedford Waste Services Corp.**

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STATE OF NEW HAMPSHIRE  
THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

BEDFORD WASTE SERVICES CORPORATION

DW 22-058

PETITION FOR APPROVAL OF  
CHANGE IN RATES

The Petitioner, Bedford Waste Services Corporation (“Bedford” or “Company”), respectively petitions the N.H. Public Utilities Commission (Commission) for approval of a change in rates. In support of this Petition, the Company says:

1. That it is presently franchised in the neighborhood known as Bedford Three Corners in Bedford, New Hampshire.
2. That it has been approximately 17 years since its last rate case (DW 04-144). Since that time, Bedford has rejuvenated 1 leach field and replaced numerous pumps. In 2021, the test year, Bedford replaced 7 pumps amounting to \$26,353.
3. That the current approved rate of return (from DW 04-144) is 8%. Bedford is proposing the same rate of return plus the amortization of financing costs. The total equity is negative. As such, Bedford is utilizing the costs of debt of 8.09% for the proposed rate of return.
4. That due to the increase in rate base and increases in expenses, rates and revenues also have to increase.
5. That Bedford believes that the proposed increase in rates / revenues is fair, reasonable and manageable and allows the Company to earn a fair and reasonable rate of return on its prudently incurred investments and pay for its necessary operating expenses. The proposed increase will enable the Company to continue to provide good quality sewer service with good reliability and at good price.

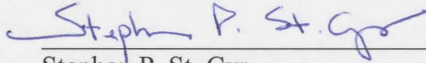
6. That while Bedford awaits NHPUC approval of permanent rates, Bedford proposes temporary rates. See temporary rate filing.
7. That in 2022 Bedford replaced 4 pumps year to date, amounting to \$17,176. Bedford projects that it will replace 3 additional pumps amounting to \$12,882, totaling \$30,057. As such, Bedford is requesting recovery of the 7 2022 pumps as part of Step 1, subject to adjusting for the actual number of pumps replaced and the actual costs.
8. That in 2023 Bedford projects that it will replace 7 pumps, amounting to \$30,057. As such, Bedford is requesting recovery of the 7 2023 pumps as part of Step 2, subject to adjusting for the actual number of pumps replaced and the actual costs.
9. In support of temporary rates, permanent rates, step 1 and step 2, the Company proposes that the change in rates will:
  - a. result in a rate base that fully reflects plant that is used and useful and in service to customers,
  - b. result in a rate of return that reflects the current cost of debt, and
  - c. result in a revenue requirement that allows Bedford to recover its present expenses and earn fair and reasonable rate of return of its rate base.
10. It would be in the public good for the Company to receive approval of the change in rates. The Company provides the following support:
  - a. It will improve cash flow and earnings.
  - b. It will allow for continuation of sewer service to the Company's customers.
11. Please see the Pre-filed Testimony of Stephen St. Cyr and other rate case requirements in support of the temporary rates, permanent rates and step 1 and step 2.

WHEREFORE your Petitioner prays:

- A. That the Commission finds that it would be in the public good for the Company to change rates, as proposed;
- B. That the Commission, by appropriate order, grant the Company permission to implement temporary rates, as proposed;
- C. That the Commission, by appropriate order, grant the Company permission to implement permanent rates, as proposed;
- D. That the Commission, by appropriate order, grant the Company permission to implement Step 1, as proposed;
- E. That the Commission, by appropriate order, grant the Company permission to implement Step 2, as proposed;
- F. That the Commission make such further findings and orders as may be appropriate under the circumstances.

Dated the 17<sup>th</sup> day of October, 2022

Respectfully submitted,  
Bedford Waste Services Corporation

  
\_\_\_\_\_  
Stephen P. St. Cyr  
Manager

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

- (1) A detailed list of charitable contributions charged in the test year ...  
None.

Perm. 4

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

- (2) A detailed list of advertising charges in the test year ...  
None.

Perm. 5



Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

- (3) Bedford' most recent construction budget.  
Bedford generally plans for 7 pump replacements per year.

Perm. 6

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

- (4) Bedford's chart of accounts, if different ...  
Bedford utilizes the PUC approved chart of accounts.

Perm. 7

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

- (5) A detailed list of all membership fees, dues, lobbying expenses and donation charged in the test year ...  
None.

Perm. 8

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

- (6) Copies of any depreciation studies if not previously filed in an adjudicative proceeding.  
None.

Perm. 9

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

- (7) Copies of any management or financial audits which the utility has not submitted to the commission.  
None.

Perm. 10

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(8) A list of officers, executives, and directors of the utility and their full compensation for each of the last 2 years, ...

Robert S. LaMontagne	President	\$0 compensation
Robert S. LaMontagne	Director	\$0 compensation

Perm. 11

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(9) A list of all payments to individuals or corporations for contractual services in the test year with a description of the purpose of the contractual services.

St. Cyr & Associates	Management, Billing & Collection and Other	\$12,221
AAA Pump Services	Pump replacement and repairs	22,788
Maznek Septic Service	Pumping & leach field evaluation fees	8,120
Melanson	Tax return preparation	750

Perm. 12

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(10) For non-utility operations, the amount of assets and costs allocated thereto and justification for such allocation.

None.

Perm. 13



Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(11)Balance sheets and income statements for the previous 2 years ...

The previous 2 years balance sheets and income statement are filed with the commission and reflected on schedules 1 and 2 of the filing.

Perm. 14

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(12)Quarterly income statements for the previous 2 years ...

See attached quarterly income statements for 2020 and 2019.

Perm. 15

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(13) Quarterly sales volumes for the previous 2 years, ...  
There are no quarterly sales volume.

Perm. 16

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(14)A description of the utility's projected need for external capital for the 2 year period immediately following the test years.

Bedford projected need for external capital for 2022 and 2023 is \$60,114. Please note that Bedford has filed a request for PUC approval to refinance and finance a new owner's promissory note of \$181,743 and a new line of credit of \$20,000 in DW 22-054.

Perm. 17

Bedford Waste Services Corp.

DW 22-

PUC 1604.01 (b) Contents of a Full Rate Case

(15)Support for figures appearing on written testimony and in accompanying exhibits.

The figures appearing on written testimony are reflected on the accompanying exhibits. The figures appearing in the accompanying exhibits are reflected in the PUC Annual Reports on file with the commission and on the Company's internal financial statements.

Perm. 18

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

PUC 1604.02(a)(1)  
Cover Letter

October 17, 2022

Chairman Daniel C. Goldner  
Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, N. H. 03301-2429

Dear Mr. Goldner:

In accordance with the "Temporary Changes in Filing Requirements" dated March 17, 2020, on behalf of Bedford Waste Services Corp. ("Bedford" or "Company"), attached is Bedford's rate filing in DW 22-058. Additionally, a copy has been sent to Mr. Kreis, the Consumer Advocate and homeowners' association.

The rate filing includes the following:  
Summary of the Requested Rate Relief  
Report of proposed rate changes  
Proposed tariff rate pages  
Direct testimony of Stephen P. St. Cyr  
Filing requirement schedules for permanent rate (including adjustments)  
Proposed statement to be transmitted to customers  
Mr. St. Cyr's attestation  
Rate case expense requirements  
Temporary rate filing

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

Sincerely,



Stephen P. St. Cyr

Stephen P. St. Cyr & Associates

17 Sky Oaks Drive  
Biddeford, Me. 04005  
207-423-0215  
stephenpstcyr@yahoo.com

PUC 1604.02(a)(1)

Bedford Waste Services Corp.  
before the  
New Hampshire Public Utilities Commission  
DW 22-058  
Summary of the Requested Rate Relief

Bedford Waste Service Corp. (“Bedford” or “Company”) respectfully requests that the Commissioners accept this filing in support of its request for an increase in rates. Overall, Bedford is proposing a revenue requirement of \$67,780, an increase \$19,488 in its annual revenues. A summary of the revenue increase is briefly described below.

During the twelve months ended December 31, 2021 (the test year) the actual net income (loss) amounted to (\$22,143). Its actual operating revenues amounted to \$48,292. Its actual operating expenses amounted to \$64,582, resulting in a net operating income (loss) of (\$16,290). The net operating income (loss) of (\$16,290) is less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, the significant issues are the increase in rate base due to an increase in the pump replacements and increase in certain expenses.

Bedford is also requesting 2 step increases, 1 for an increase in revenue of \$7,214 for 2022 pump replacements and 1 for an increase in revenue of \$7,214 for 2023 pump replacements.

In additions, Bedford is requesting temporary rates.

With respect to the specific rate filing and its exhibits and supporting schedules, Bedford has engaged the services of Stephen P. St. Cyr of St. Cyr & Associates to assist the Company, prepare the exhibits, prepare, review and present testimony on the merits of the case and meet other rate filing requirements and the services of LaMontagne Management Corp. for review and oversight and approval of various rate matters. Enclosed are exhibits, testimony and the other rate filing requirements.

SPSt. Cyr  
10/17/20

Perm. 20

**Bedford Waste Services Corp****Report of Proposed Rate Changes**

Utility Bedford Waste Services Corp.

Date Filed:

Tariff No.:

Effective Date:

Immediately

**Sewer Rates**

<u>Rate of Class of Service</u>	<u>Effect of Change</u>	<u>Number of Customers</u>	<u>Authorized Present Revenue</u>	<u>Proposed Revenue</u>	<u>Proposed Change Amount</u>
Residential	\$ 19,180	78	\$ 48,600	\$ 67,780	\$ 19,180
Misc.	308	-	(308)	-	308
Total	<u>\$ 19,488</u>	<u>78</u>	<u>\$ 48,292</u>	<u>\$ 67,780</u>	<u>\$ 19,488</u>
<b>Avg.Res.Cust.</b>	<b>\$ 245.90</b>		<b>\$ 623.08</b>	<b>\$ 868.97</b>	<b>\$ 245.90</b>
<b>Avg.Res.Cust. Percentage</b>					<u><b>39.47%</b></u>



DW 22-058

Bedford Waste Services Corp.

Proposed Tariff Pages

NHPUC No. 1  
Bedford Waste Services Corporation

~~Original~~ Revised Page 6a  
in lieu of Original Page 6a

- (e) Lien. If the Company receives a favorable judgment from the small claims court, and bills remain unpaid, the Company will issue a letter indicating that an administrative fee of \$100.00 has been added to the account in order for the Company to place a lien on the property. In addition, filing fees and other fees will be added to the account.
- (f) Attorney Fees. If a customer causes the Company to consult/engages the services of an attorney due to the nonpayment of any bill, the Company will issue a letter indicating that an additional administrative fee of \$200.00 and/or attorney fees ~~has~~ have been added to the account in order for the Company to work with an attorney to resolve the unpaid balance. In accordance with PUC 1203.08, financial hardship customers are not subject to late charges and penalties.
- (g) Change of Ownership. Until the Company is notified of a change in ownership of premises served, the Company will hold the customer of record responsible for payment of service.

Issued: December 14, 2005  
NHPUC Docket No. DW 04-144, PUC Order No. 24,550.

Issued by:-

Effective: November 29,  
2005 Title:

NHPUC Docket No. DW 04-144 22-058  
Bedford Waste Services Corporation

~~Fourth~~ Fifth Revised Page 7 issued  
in lieu of ~~Third~~ Fourth Revised Page 7

Character of Service: Receiving, transporting and disposal of sewage from the Customer's premises, subject to the terms and conditions of this Tariff.

Rate: ~~\$623.08~~ \$ 8 6 8 . 9 7 per customer per annum.

Terms of Payment: Bills under this rate will be issued in quarterly installments of ~~\$155.77~~ \$271.24 each, in arrears.

Minimum Charge: One quarterly payment.

Issued: July 25 2005  
Effective: February 1, 2005

Issued by: s\l.t?-- \, '\ V  
Title: Manager

(Authorized by NHPUC Order No. 24,479 in Docket DW 04-144 dated July 1, 2005.)

1604.02(a)(3)

DW 22-058

Bedford Waste Services Corp.

Written Direct Testimony of

Stephen P. St. Cyr

1

2

Bedford Waste Services Corp.

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before the

4

New Hampshire Public Utilities Commission

5

DW 22-058

6

Direct Testimony of Stephen P. St. Cyr

7 Q.

Please state your name and address.

8 A.

Stephen P. St. Cyr of Stephen P. St. Cyr & Associates, 17 Sky Oaks Drive,  
Biddeford, Me. 04005.

9

10 Q.

Please state your present employment position and summarize your professional  
and educational background.

11

12 A.

I am presently employed by St. Cyr & Associates (“SPS&A”), which primarily  
provides accounting, management and regulatory services. SPS&A devotes a  
significant portion of the practice to serving utilities. SPS&A has a number of  
regulated water and sewer utilities among its clientele. I have prepared and  
presented a number of rate case filings before the New Hampshire Public Utilities  
Commission (“PUC”). Prior to establishing SPS&A, I worked in the utility  
industry for 16 years, holding various managerial accounting and regulatory  
positions. I have a Business Administration degree with a concentration in  
accounting from Northeastern University in Boston, Ma. I obtained my CPA  
certificate in Maryland (but not certified in NH due to different certificate

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1 requirements).

2 Q. Is SPS&A presently providing services to Bedford Waste Services Corp.  
3 (“Bedford” or the “Company”)?

4 A. Yes. SPS&A manages Bedford day to day operations including overseeing its  
5 operations and maintenance and providing administrative services such as billing,  
6 collection, etc. SPS&A also prepares financial statements and the PUC Annual  
7 Report. In addition, SPS&A assists Bedford in various regulatory filings  
8 including refinancing/financing of construction projects and adjusting rates.  
9 SPS&A has been engaged to prepare the various rate case exhibits, supporting  
10 schedules and written testimony.

11 Q. What is the purpose of your testimony?

12 A. The purpose of my testimony is to support Bedford’s efforts to increase rates to its  
13 customers so as to reflect in rates its additions to plant and its expenses adjusted  
14 for known and measurable changes.

15 Q. Please provide an overview of the rate filing.

16 A. It has been approximately 17 years since its last rate case (DW 04-144). Since  
17 that time, Bedford has rejuvenated 1 leach field and replaced numerous pumps.  
18 In 2021, the test year, Bedford replaced 7 pumps amounting to \$26,353. In 2022  
19 Bedford has replaced 4 pumps year to date, amounting to \$17,176. Bedford  
20 projects that it will replace 3 more pumps in 2022 and 7 pumps in 2023. The  
21 2022 pumps and 2023 pumps are subject to the proposed Step 1 and Step 2,

1           respectively. It should be noted that the pumps cost more in 2022 than 2021.  
2           While the costs are projected, the 2022 plant costs will be known and measureable  
3           during the course of the proceeding. The 2023 plant costs will be known and  
4           measureable before rates based on such costs will be effective. The current  
5           approved rate of return (from DW 04-144) is 8%. Bedford is proposing the same  
6           rate of return plus the amortization of financing costs. Bedford has recently filed  
7           for NHPUC approval to refinance / finance (DW 22-054) \$201,743 from its  
8           owner, Mr. LaMontagne, over 15 years at a fixed interest of 8%. The funds will  
9           be used to refinance approximately \$125,000 of the existing 2017 MCSB loan, to  
10          repay the owner \$33,000 of APIC and STF, to pay \$17,500 past due accrued  
11          liabilities and to pay \$6,000 and \$20,000 for financing costs and rate case  
12          expenditures, respectively. At 12/31/21 the capital structure consisted of -65%  
13          equity and 165% debt. With the additional debt financing associated with the  
14          refinancing / financing Bedford's capital structure is projected to consist of -42%  
15          equity and 142% debt. Since the total equity is negative, Bedford is utilizing the  
16          costs of debt of 8.09% for the proposed rate of return. With the increase in rate  
17          base and increases in expenses, rates and revenues also have to increase. Bedford  
18          believes that the proposed increase in rates / revenues is fair, reasonable and  
19          manageable and allows the Company to earn a fair and reasonable rate of return  
20          on its prudently incurred investments and pay for its necessary operating  
21          expenses. The proposed increase will enable the Company to continue to provide

1 good quality sewer service with good reliability and a good price.

2 Q. Is there anything else that you would like to address before you address the rate  
3 filing and the rate schedules?

4 A. No.

5 Q. Are you familiar with the pending rate application of the Company and with the  
6 various exhibits submitted as Schedules 1 through ~~5~~<sup>2</sup> inclusive, with related pages  
7 and attachments?

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

10 Q. What is the test year that the Company is using in this filing?

11 A. The Company is utilizing the twelve months ended December 31, 2021.

12 Q. Would you summarize the schedule entitled "Computation of Revenue Deficiency  
13 for the Test Year ended December 31, 2021"?

14 A. Yes. This schedule summarizes the supporting schedules. The actual revenue  
15 deficiency for the test period amounts to \$23,719. It is based upon a 5 quarter  
16 average balance for 2021 of \$92,866 as summarized in Schedule 3. The  
17 Company is utilizing its previously approved rate of return of 8.00% for the actual  
18 test year. The actual rate of return of 8.00%, when multiplied by the rate base of  
19 \$92,866, results in an operating income requirement of \$7,429. As shown on  
20 Schedule 1, the actual net operating income for the test period was (\$16,290).  
21 The operating income requirement less the net operating income results in an



1 operating income deficiency of \$23,719. The tax effect on the operating income  
2 deficiency is \$0, resulting in a revenue deficiency of \$23,719.

3

4 The pro forma revenue deficiency for the test year amounts to \$0. The Company  
5 made a few adjustments to its rate base, related to adjusting the 5 quarter average  
6 rate base to year end rate base. The Company adjusted the rate of return to reflect  
7 same current authorized rate of return plus the amortization of the financing costs,  
8 resulting in a pro forma rate of return of 8.09%. The proposed rate of return of  
9 8.09%, when multiplied by the pro forma rate base of \$99,156, results in an  
10 operating income requirement of \$8,022. The Company increased its revenue by  
11 \$19,488 in order to allow the Company to recover its expenses and to earn a fair  
12 and reasonable return on its investment.

13 Q. Would you please summarize Schedule 1, "Statement of Income," for the twelve  
14 months ended December 31, 2021?

15 A. The first column (column b) of Schedule 1 shows the actual operating results of  
16 the Company from January 1, 2021 through December 31, 2021. The Company  
17 has filed its 2021 NHPUC Annual Report, which further supports the rate filing.  
18 During the twelve months ended December 31, 2021, the Company operating  
19 revenues amounted to \$48,292. The overall revenue is stable since there is a fixed  
20 number of customers and fixed rates. The Company had 78 customers.

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The Company's operating expenses consist of operation and maintenance expenses, depreciation and amortization expenses, and taxes. The total 2021 operating expenses amounted to \$64,582, an increase of \$14,928 or 30.06%. Operation and maintenance expenses increased \$14,928, primarily due to the setting up an accumulated provision for uncollectible accounts for \$16,475 associated with 1 customer.

The Company reviewed all of its expense accounts in its preparation of the rate filing. In its review, the Company determined that certain expenses needed to be adjusted in order to reflect what would be considered normal and recurring.

Q. Please explain each of the pro forma adjustments made to revenue as shown on Schedule 1, in the second column (column c) and further supported on Schedule 1A.

A. The Company made one pro forma adjustment to revenue.

Operating Revenues

1. Operating Revenues needed to earn return and recover expenses - \$19,488.

The pro forma adjustment to revenue represents the additional revenue of \$19,488 needed to recover the increase in its pro forma expenses and to earn a reasonable return on its pro forma rate base.

1 Q. Did the Company make any pro forma adjustments to expenses?

2 A. Yes. The Company made a number of pro forma adjustments to expenses as  
3 follows:

4 Operating and Maintenance Expenses

5 2. Contracted Services – LaMontagne Management Corp. - \$3,300.

6 For years, Mr. LaMontagne and his representative have provided review,  
7 oversight and approval of various aspects of Bedford's operations at no costs. In  
8 recent years, Mr. LaMontagne and his representative have had to increase their  
9 involvement due to cash flow issues. With their increased involvement, it is no  
10 longer practical to provide such services at no costs. As such, Mr. LaMomtagne  
11 and his representative have begun to monitor their time and have developed a  
12 proposed matrix of hours provided on a monthly basis at fair and reasonable  
13 hourly rates. The result of the proposed monthly matrix is \$275 per month of  
14 \$3,300 per year.

15 3. Contracted Services Stephen P. St. Cyr & Associates – (\$2,092).

16 During the test year, SPS&A was involved in a number of activities including the  
17 management, billing and collection, the potential purchase and sale of the  
18 company, the testing of the leach fields and repair of leach field D-Box, cash flow  
19 analysis and the consideration of filing for a rate case. The potential purchase and  
20 sale of the company is considered nonrecurring and as such the costs have been  
21 deducted. Certain other activities i.e., management, billing and collection have

1           seen an increase in costs. The net of the not recurring expenses and the price  
2           increases resulted in a net decrease of \$2,092.

3           4. Contracted Services Stephen P. St. Cyr & Associates – \$675.

4           With the filing of the rate case, the Company anticipates that the NHDOE will  
5           audit Bedford’s financials. Since there are no such expenses in the test year, the  
6           Company proposed to track and accumulate such expenses and amortize the  
7           expenses over 3 years. The Company projects that it will incur \$2,205 in audit  
8           expenses. The projected audit expenses of \$2,025, amortized over 3 years, results  
9           in \$675 per year. The projected expenses will be adjusted to actual expenses once  
10          the audit is completed.

11          5. Melanson – \$150.

12          In 2021, the test year, Melanson charged Bedford \$750 to prepare the 2020 tax  
13          return. In 2022 Melanson charged Bedford \$900 to prepare the 2021 tax return.  
14          The pro forma adjustment of \$150, represents the difference for the known and  
15          measurable change

16          6. Contracted Services – AAA Pump - \$1,587.

17          In 2021, the test year, there were no AAA Pump expenses. In 2022, Bedford  
18          incurred \$1,587 associated with AAA Pump fixing a float in one of the septic  
19          tanks. Bedford needs some funds to cover costs associated with repairs and  
20          maintenance that do not involve replacing a pump. Since this is Bedford’s most  
21          recent experience, the Company believes that the amount is appropriate.

1           7. Contracted Services – Maznek \$5,688.

2           In 2021, the test year, the Company incurred \$4,555 associated with pumping of  
3           15 tanks. Due to replacement of pumps and a cash flow shortage, the Company  
4           was unable to do a 2<sup>nd</sup> semi-annual pumping. In a perfect world, the Company  
5           would pump 39 tanks per years, ½ of the total 78 tanks. The pro forma  
6           adjustment attempts to get Bedford in a position to pump approximately 39 tanks  
7           per year.

8           8. Insurance – \$263.

9           In 2021, the test year, the Company incurred \$826. In 2022 the Company's  
10          insurance provided Liberty Mutual increased its insurance rates from \$74.75 to  
11          \$90.74 per month. The pro forma adjustment adjusted the test year expenses to  
12          reflect the current insurance rates.

13          9. Bad Debt – (\$16,475).

14          In 2021, the test year, the Company charged bad debt expense and set up an  
15          accumulated provision for uncollectible accounts for \$16,475. The amount is  
16          associated with 1 customer. The Company is currently pursuing the matter in  
17          court. As such, the Company is removing the bad debt expense from test year  
18          expenses.

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1        10. Miscellaneous - \$198.

2        In 2021, the test year, the Company incurred \$790 of miscellaneous expenses.  
3        The miscellaneous expenses consist largely of office expenses and telephone  
4        costs. The Company increased test year expenses for the increase in the POBox  
5        rental fee and the increase in postage. The Company also increased test year  
6        expenses for the increase in the telephone expenses. Bedford shares telephone  
7        expenses with Bodwell and Lorden sewer companies. With the PUC approving  
8        Bodwell's petition to discontinue sewer service, Bedford's share of the telephone  
9        expense increases.

10       11. Depreciation – \$1,882.

11       In 2021, the Company replaced 7 pumps and recorded a half year depreciation on  
12       such pumps. The \$1,882 represents the other half year depreciation so as to  
13       reflect a full year's depreciation expense in the test year.

14       12. Amortization of CIAC - \$0.

15       In 2021, the test year, the Company incurred (\$2,157) of amortization of CIAC.  
16       The Company is not proposing any changes to the amortization.

17       13. Taxes other than income - \$0.

18       In 2021, the test year, the Company incurred \$999 and \$2,948 associated with  
19       State of NH and Town of Bedford property taxes, respectively. The Company  
20       continues to monitor its property taxes and, at this time, is not proposing any  
21       changes to the test year expenses.

1           14. State Business Taxes - \$0.

2           In 2021, the test year, there were no state business taxes. The Company continues  
3           to monitor its state business tax situation, but, at this time, is not proposing any  
4           changes. .

5           The total pro forma adjustments to expenses amount to (\$4,824).

6           Q.    Please explain Schedule 1B

7           A.    Schedule 1B shows Operating Expenses for 2021, 2020, the 2 year average of the  
8           2021 and 2020 expenses, Adjustment to 2021 expenses and the adjusted 2021  
9           amounts. There are also notes at the bottom of the schedule related to certain  
10          adjustments. Schedule 1B further supports Schedule 1 and 1A.

11          Q.    Does column d of Schedule 1 represent the sum of the actual test year amounts  
12          (column b) plus the pro forma adjustments (column c)?

13          A.    Yes, it does.

14          Q.    Does column e and f represent the revenue and expenses for the twelve months  
15          ended December 31, 2020 and 2019, respectively?

16          A.    Yes, it does.

17          Q.    Would you please explain Schedule 2 entitled "Balance Sheet"?

18          A.    Yes. This schedule shows the year end balances reflected on the balance sheets of  
19          the Company for 2021, 2020 and 2019.

20          Utility Plant consists of 5 common leach fields, mains, 78 septic tanks and 78  
21          pumps. At December 31, 2021 the Company had utility plant of \$647,002.

1 Accumulated Depreciation represents the depreciation on these same assets from  
2 the date of purchase through December 31, 2021, using a straight line  
3 depreciation method over the estimated useful life. The Company's current and  
4 accrued assets amount to \$13,905, including \$11,918 of accounts receivables.  
5 The Company's cash position is poor. The Company also has deferred assets of  
6 \$3,762 representing unamortized debt expense.

7  
8 The Company's Equity Capital amounts to (\$52,940) consisting of \$1,000 of  
9 common stock, \$25,000 of other paid in capital ("OPIC"), and retained earnings  
10 of (\$78,940). The Company's negative retained earnings have been increasing in  
11 recent years due to net losses. The Company's sole shareholder is Mr.  
12 LaMontagne. The number of shares authorized and outstanding is 10 with \$100  
13 par value. The Company's other long term debt outstanding amounts to  
14 \$134,217. In 2017 the Company borrowed \$170,000 at 4.75% over 15 years from  
15 Merrimack County Savings Bank ("MCSB"). The borrowing was approved in  
16 PUC Order No. 26,072 in Docket DW 17-142. In 2020 the Company sought and  
17 received PUC approval for a Change in Term Agreement ("CiTA"), resulting in a  
18 decrease from 4.75% to 3.95%. The CiTA was approved by August 25, 2020  
19 Secretary Letter in Docket DW 20-106. The Company's total current and accrued  
20 liabilities amount to \$29,547 including \$18,000 and \$11,547 of short term debt  
21 and miscellaneous current and accrued liabilities, respectively. The Company's



1 total deferred credits amount to \$19,527 representing net contribution in aid of  
2 construction. Please note that Bedford is seeking to refinance / finance the MCSB  
3 loan, to repay the OPIC and STD and to pay past due accrued liabilities in DW  
4 22-054.

5 Q. Would you please explain Schedule 3 entitled "Rate Base"?

6 A. Columns (b) - (f) show the actual balances of the rate base items as per the  
7 Company's quarterly financial statements. Column (g) shows the actual 5 quarter  
8 average balances. Column (h) shows the 2021 pro forma adjustments. Column  
9 (I) shows the pro forma 2021 balances.

10 The rate base consists of Utility Plant, less Accumulated Depreciation less net  
11 Contributions in Aid of Construction plus Cash Working Capital. The actual 5  
12 quarter average rate base amounts to \$92,866. The Company made a few  
13 adjustments to rate base, all of which pertain to adjusting the 5 quarter average  
14 balances to the year end balance. See Schedule 3A. In order to properly reflect  
15 rate base, all of its plant and plant related items at year end are completed and  
16 providing service to customers. Fully reflecting plant and the related items in rate  
17 base will allow for full recovery of the assets. Working capital is determined by  
18 utilizing a percentage that represents the lag between the time in which the  
19 Company bills its customers and receives the cash from such billing and the time  
20 that it pays for expenses to provide services. It is derived by applying 75/365  
21 days or 20.55% to operating expenses. The computation of working capital is

1 shown on schedule 3B. The Company proposes a pro forma 5 quarter average  
2 rate base of \$99,156.

3

4

5 Q. Would you please explain Schedule 4 entitled "Rate of Return Information"?

6 A. The Company's actual rate of return for 2021, 2020 and 2019 are -16.33%, -  
7 0.98% and 7.61%, respectively. Since the Company's Equity Capital is  
8 negative, the Company is proposing to utilize its cost of debt of 8.09%. The  
9 Company's capital structure consists of Equity and Debt Capital.

10

11 Its Actual 2021 Equity Capital consists of \$1000 of Common Stock, \$25,000 of  
12 Other Paid in Capital, and Retained Earnings of (\$78,940), resulting in a Total  
13 Equity Capital of (\$52,940). The Company has \$134,217 of long term debt at  
14 year end. The Company's overall capital structure is heavily weighted towards  
15 debt. The proposed rate increase should improve earning, increase retained  
16 earnings and increase the equity portion of the capital structure.

17

18 Q. Please explain Schedules 5 and 6, Effective Tax Factor and Income Tax  
19 Computation?

20 A. The Effective Tax Factor amounts to 37.14%. The Income Tax Computation is  
21 zero. Please note that Bedford is an S-Corp and as such, any federal taxable

1 income (loss) and related federal income tax is passed through to the owner.

2 Bedford incurred no state business taxes in 2021. Bedford is monitoring its state  
3 business tax.

4

5 Q. Please explain Schedule 7, Step 1 based on 2022 Pump Replacement.

6 A. During 2022 Bedford has already replaced 4 pumps at a cost of \$17,176. Bedford  
7 projects that it will replace 3 more pumps during September – December 2022 at  
8 a cost of \$12,882 ( $\$17,176 / 4 \times 3$ ). The Company proposed recovery of the  
9 pump replacement costs plus the related depreciation and state and local property  
10 taxes as part of Step 1. The addition to rate base times the proposed rate of return  
11 plus the additional operating expenses results in a required net operating income  
12 of \$7,214. Please note that the Step 1 pump replacements will be adjusted to the  
13 actual number of pumps replaced and the actual costs.

14 Q. Please explain Schedule 8, Step 2 based on 2023 Pump Replacement.

15 A. During 2023 Bedford projects that it will replace 7 pumps at a cost of \$30,057.  
16 The Company proposed recovery of the pump replacement costs plus the related  
17 depreciation and state and local property taxes as part of Step 2. The addition to  
18 rate base times the proposed rate of return plus the additional operating expenses  
19 results in a required net operating income of \$7,214. Please note that the Step 2  
20 pump replacements will be adjusted to the actual number of pumps replaced and  
21 the actual costs.

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

2 A. The Report of Proposed Rate Changes shows the rate class, the effect of the  
3 revenue change, the number of customers, the authorized present revenue, the  
4 proposed revenue, the proposed change amount and percentage.

5 The proposed change amount is \$19,488 or 39.47%. Based on the proposed  
6 change amount, the annual rate would go from \$623.08 to \$868.97 or the  
7 quarterly rate would go from \$155.77 to \$217.24.

8 Q. Would you please summarize what the Company is requesting for permanent  
9 rates, Step 1 and Step 2 in this docket?

10 A. Yes, the Company is requesting a permanent revenue increase of \$19,488,  
11 effective November 15, 2022. The permanent revenue increase of \$19,448  
12 enables the Company to earn a 8.09% pro forma rate of return on its investment,  
13 reflected in a pro forma rate base of \$99,156. The annual amount for the  
14 Company's 78 customers will increase from \$623.08 to \$868.97, an increase of  
15 \$245.89 or 39.47%.

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

17 A. Yes. I would like to address temporary rates.

18 The Company is requesting a temporary revenue increase of \$9,469, effective  
19 November 15, 2022. The temporary revenue increase of \$9,469 enables the  
20 Company to earn a 8.00% pro forma rate of return on its investment, reflected in a  
21 pro forma rate base of \$97,148. The annual amount for the Company's 78

1 customers will increase from \$623.08 to \$740.53 an increase of \$117.45 or  
2 18.85%. Please see temporary rate filing.

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

4 A. Yes, there are a number of items that the Company would like to address  
5 including the calculation the annual deposit in the Bedford Depreciation Account,  
6 the year end A/R Aging Summary, the potential purchase and sale of the sewer  
7 system and the engagement of Stephen P. St. Cyr & Assoc. ("SPS&A") and  
8 LaMontagne Management Corp. ("LMC").

9 Calculation of the annual deposit into the Bedford Depreciation Account

10 Since DW 04-144 Bedford has been calculating the annual deposit to be placed in  
11 the Bedford Depreciation Account. For the 18 years in which Bedford has done  
12 the calculation, only 4 years have yielded an annual total which revenue exceed  
13 expenditures such that a deposit into the depreciation account was possible.  
14 However, the cumulative total in those years was negative. As such, the  
15 Company did not make a deposit into the depreciation account. At December 31,  
16 2021 the cumulative total was -\$128,128. In most years, the total is going to be  
17 negative. In recent years, the Company has struggled with cash flow and has had  
18 to request funds from its owner in order to pay expenditures. There is no need for  
19 Bedford to have to meet this Bedford only requirement.

20

21

1        Year End A/R Aging Summary

2        Also, since DW 04-144 Bedford has been filing its year end A/R Aging  
3        Summary. While not a particularly onerous task, it is one more requirement. At  
4        this point, Bedford has 1 customer who is significantly delinquent. Bedford is  
5        pursuing collection from this customer via the court. There is no need for  
6        Bedford to have to meet this Bedford only requirement.

7        Purchase and Sale of the Sewer System

8        In recent years Bedford has tried to sell the sewer system. It has approached the  
9        homeowners, other utilities and other entities. Bedford is still open to selling the  
10       sewer system to the homeowners or any other entity. To the extent that the parties  
11       to this proceeding are aware of any interested buyer, Bedford would appreciate  
12       assistance in facilitating such a purchase and sale.

13       Rate Case Services

14       The Company has engaged the services of Stephen P. St. Cyr & Assoc.  
15       (“SPS&A”) and LaMontagne Management Corp. (“LMC”) to prepare schedules,  
16       testimony, petition and other rate case requirements and pursue the rate increase  
17       and to provide review and oversight of such matter, respectively. For SPS&A, the  
18       Company has agreed to an hourly fee of \$135.00 (plus out of pocket costs) for  
19       work performed in preparation of the permanent and temporary rate filings and  
20       pursuit of the rate increase during the rate proceeding. For LMC, the Company  
21       has agreed to an hourly fee of \$125 (plus out of pocket costs) for work performed

1           in reviewing, overseeing and approving the permanent and temporary rate filings  
2           and pursuit of the rate increase during the rate proceeding. The Company will  
3           make every effort to minimize its rate case expenses.

4    Q.    Does this conclude your testimony?

5    A.    Yes.

PUC 1604.07

**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>

## 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	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	<b>Total Operating Expenses</b>	\$ 64,582	\$ (4,824)	\$ 59,758	\$ 49,654	\$ 42,398
16	<b>Net Operating Income (Loss)</b>	(16,290)	24,312	8,022	(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)	\$ 24,312	\$ 8,022	\$ (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	\$ 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

<b>Contracted Services - Melanson</b>	<b>Page 2 of 3</b>
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	
<b>Contracted Services - AAA Pump</b>	
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	
<b>Contracted Services - Maznek</b>	
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	
<b>Total Adjustments to Contracted Services</b>	<b><u>\$ 9,308</u></b>
<b>Insurance</b>	
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	
<b>Bad Debt</b>	
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	

	Page 3 of 3
<b>Miscellaneous</b>	
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>
<b>Depreciation Expenses</b>	
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	
<b>Amortization of CIAC Expenses</b>	
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	
<b>Taxes other than Income</b>	
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	
<b>State Business Taxes</b>	
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	
<b>Total Proforma Adjustment to Operating Expenses</b>	<u>\$ (4,824)</u>

**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

## 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 12/31/2020 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****1604.07a(13)****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>

## 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	-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	<u>\$ 12,882</u>	<u>1,840</u>	<u>920</u>
Total	<u>\$ 30,057</u>	<u>\$ 4,294</u>	<u>\$ 2,147</u>

## 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.



Bedford Waste Services Corp.  
POBox 2400  
Biddeford, ME 04005

PUC 1604.02(a)(5)

Dear Customer,

On October 17, 2022 Bedford Waste Services Corp. ("Bedford" or "Company") filed for a rate increase for its sewer system located in Bedford Three Corners with the New Hampshire Public Utilities Commission ("NHPUC"). If approved, as filed, Bedford's annual revenues would increase \$19,488 or 39.47%. The Company is proposing that the new rate tariff be effective November 15, 2022.

During the twelve months ended December 31, 2021 (the test year) the actual net income (loss) amounted to (\$22,143). Its actual operating revenues amounted to \$48,292. Its actual operating expenses amounted to \$64,582, resulting in a net operating income (loss) of (\$16,290). The net operating income (loss) of (\$16,290) is less than the net operating income required in order for the Company to pay its operating expenses and earn a fair and reasonable rate of return. Also, Bedford is requesting 2 step increases, 1 for an increase in revenue of \$7,214 for 2022 pump replacements and 1 for an increase in revenue of \$7,214 for 2023 pump replacements. In additions, Bedford is requesting temporary rates.

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

Sincerely,



Stephen P. St. Cyr

1604.04

DW 22-058

Bedford Waste Services Corp.

Attestation

Stephen P. St. Cyr & Associates

1604.04

17 Sky Oaks Drive  
Biddeford, Me. 04005  
207-423-0215  
stephenpstcyr@yahoo.com

October 17, 2022

Chairman Daniel C. Goldner  
NH Public Utilities Commission  
21 S. Fruit St., Suite 10  
Concord, N. H. 03301-2429

Dear Mr. Goldner:

I affirm, based on my personal knowledge, information and belief, that the cost and revenue statements and the supporting data submitted, which purport to reflect the books and records of the company, do in fact set forth the results shown by such books and records and that all differences between the books and the test year data and any changes in the manner of recording an item on the utility's books during the test year, have been expressly noted.

Sincerely,

A handwritten signature in blue ink that reads "Stephen P. St. Cyr". The signature is written in a cursive style with a horizontal line under the first name.

Stephen P. St. Cyr  
Manager

PUC 1900

DW 22-058

Bedford Waste Services Corp.

Rate Case Expenses

PUC 1905.01 Estimated Rate Case Expense

(a)1.	Stephen P. St. Cyr & Assoc.	Preparation of Rate Filing
	Expenditures incurred thru 9/30/22	\$ 4,109.08
	Total Projected Expenditures	\$10,890.92
	LaMontagne Management Corp.	Review & Approval of Rate Filing
	Expenditures incurred thru 9/30/22	\$ 150.00
	Total Projected Expenditures	\$4,850.00

(a)2. LaMontagne Management Corp. is providing owner review and approval. St. Cyr & Associates are providing both temporary and permanent rate case schedules as well as the written testimony and other rate case requirements.

(a)3. Total estimated costs of each service are as follows:

St. Cyr & Associates	\$15,000
LaMontagne Management Corp.	<u>5,000</u>
Total (1)	<u>\$20,000</u>

Note: The total estimated costs do not include any legal costs. It is Bedford's desire to work with the PUC, DOE, OCA and HOs in the prosecution of the rate case in such a way as to not incur any legal costs. If that is not practical or possible, then Bedford will have to engage the services of legal council.