

Stephen P. St. Cyr & Associates

1604.02(a)(1)

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

stephenpstcyr@yahoo.com

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 - Temporary

Dear Mr. Goldner:

On behalf of Bedford Waste Services Corp. ("Bedford" or "Company") enclosed are the Report of Proposed Rate Changes, Written Testimony, Rate Case Schedules and other rate filing requirements for temporary rates. 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 or 207-423-0215.

Sincerely,



Stephen P. St. Cyr

Bedford Waste Services Corp.

DW 22-058

Testimony, Exhibits and

Other Rate Case Filing Requirements

For Temporary Rates

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 for temporary rates in DW 22-058. Additionally, a copy has been sent to Mr. Kreis, the Consumer Advocate and the homeowners' association.

The temporary rate filing includes the following:

Report of proposed rate changes

Proposed tariff rate page

Direct testimony of Stephen P. St. Cyr

Filing requirement schedules for temporary rates (including adjustments)

Mr. St. Cyr's attestation

Bedford believes that it has met the temporary 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 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

Bedford Waste Services Corp.

Temporary Rate Index

1. 1604.02 (1) Cover letter
2. 1604.02 (2) Report of Proposed Temporary Rate Changes
3. Proposed Temporary Tariff Page
4. 1604.02 (3) Written Direct Testimony of Stephen P. St. Cyr for Temporary Rates
5. 1604.02 (4) Temporary Filing Requirement Schedules
6. 1604.04 Attestation of Stephen P. St. Cyr

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	\$ 9,161	78	\$ 48,600	\$ 57,761	\$ 9,161
Misc.	308	-	(308)	-	308
Total	\$ 9,469	78	\$ 48,292	\$ 57,761	\$ 9,469
Avg.Res.Cust.	\$ 117.45		\$ 623.08	\$ 740.53	\$ 117.45
Avg.Res.Cust. Percentage					18.85%

DW 22-058

Bedford Waste Services Corp.

Proposed Tariff Page

For Temporary Rates

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~~ \$740.53 per customer per annum.

Terms of Payment: Bills under this rate will be issued in quarterly installments of ~~\$155.77~~ \$185.38 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
For Temporary Rates

1 Bedford Waste Services Corp.

2 before the

3 New Hampshire Public Utilities Commission

4 DW 22-058

5 Direct Testimony of Stephen P. St. Cyr for Temporary Rates

6 Q. Please state your name and address.

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

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

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

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

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

10 Q. What is the purpose of your temporary rate testimony?

11 A. The purpose of my temporary rate testimony is to support Bedford’s efforts to
12 increase rates to its customers so as to reflect in rates its 2021 (test year) additions
13 to plant and its 2021 expenses.

14 Q. Please provide an overview of the temporary rate filing.

15 A. The temporary rate filing is substantially the same as the permanent rate filing
16 except for the elimination of the operating expense adjustments for known and
17 measureable changes. Generally, the goal of the temporary rate filing is to
18 increase rates approximately 50% of the permanent rates filing. By implementing
19 temporary rates at approximately 50% of the permanent rates, temporary revenues
20 will increase resulting in an increase in cash to pay bills, lessen the impact of the
21 permanent rate increase and lessen the temporary and permanent rate difference.

1 It has been approximately 17 years since its last rate case (DW 04-144). Since
2 that time, Bedford has rejuvenated 1 leach field and replaced numerous pumps.
3 In 2021, the test year, Bedford replaced 7 pumps amounting to \$26,353. The
4 current approved rate of return (from DW 04-144) is 8%. Bedford is proposing
5 the same rate of return for temporary rates. At 12/31/21 the capital structure
6 consisted of -65% equity and 165% debt. Since the total equity is negative,
7 Bedford is utilizing the costs of debt of 8.00% for the temporary proposed rate of
8 return. With the increase in rate base, rates and revenues also have to increase.
9 Bedford believes that the proposed increase in temporary rates / revenues is fair,
10 reasonable and manageable and allows the Company to earn a fair and reasonable
11 rate of return on its prudently incurred investments and pay for its necessary
12 operating expenses. The proposed temporary increase will enable the Company
13 to continue to provide good quality sewer service with good reliability and a good
14 price.

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

17 A. No.

18 Q. Are you familiar with the pending rate application of the Company and with the
19 various exhibits submitted as Schedules 1 through 6 inclusive, with related pages
20 and attachments?

21

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

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

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

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

7 A. Yes. This schedule summarizes the supporting schedules. The actual revenue
8 deficiency for the test period amounts to \$23,719. It is based upon a 5 quarter
9 average balance for 2021 of \$92,866 as summarized in Schedule 3. The
10 Company is utilizing its previously approved rate of return of 8.00% for the actual
11 test year. The actual rate of return of 8.00%, when multiplied by the rate base of
12 \$92,866, results in an operating income requirement of \$7,429. As shown on
13 Schedule 1, the actual net operating income for the test period was (\$16,290).
14 The operating income requirement less the net operating income results in an
15 operating income deficiency of \$23,719. The tax effect on the operating income
16 deficiency is \$0, resulting in a revenue deficiency of \$23,719.

17

18 The pro forma revenue deficiency for the test year amounts to \$0. The Company
19 made a few adjustments to its rate base, related to adjusting the 5 quarter average
20 rate base to year end rate base. For temporary rates, the Company is utilizing
21 current authorized rate of return of 8.00%. The current authorized rate of return

1 of 8.08%, when multiplied by the pro forma rate base of \$97,148, results in an
2 operating income requirement of \$7,772. The Company increased its revenue by
3 \$9,469 in order to allow the Company to recover its expenses and to earn a fair
4 and reasonable return on its investment.

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

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

13
14 The Company's operating expenses consist of operation and maintenance
15 expenses, depreciation and amortization expenses, and taxes. The total 2021
16 operating expenses amounted to \$64,582, an increase of \$14,928 or 30.06%.
17 Operation and maintenance expenses increased \$14,928, primarily due to the
18 setting up an accumulated provision for uncollectible accounts for \$16,475
19 associated with 1 customer.

20 The Company reviewed all of its expense accounts in its preparation of the
21 temporary rate filing. In its review, the Company determined that it would make

1 just 1 adjustment for temporary rates, namely the elimination of the provision for
2 uncollectible for \$16,475.

3 Q. Please explain each of the pro forma adjustments made to revenue as shown on
4 Schedule 1, in the second column (column c) and further supported on Schedule
5 1A.

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

7 Operating Revenues

8 1. Operating Revenues needed to earn return and recover expenses - \$9,469.

9 The pro forma adjustment to revenue represents the additional revenue of \$9,469
10 needed to recover the increase in rate base and to earn a reasonable return on its
11 pro forma rate base.

12
13 Q. Did the Company make any pro forma adjustments to expenses?

14 A. Yes. The Company made only 2 pro forma adjustments to expenses as follows:

15 Operating and Maintenance Expenses

16 2. Contracted Services – LaMontagne Management Corp. - \$0.

17
18 3. Contracted Services Stephen P. St. Cyr & Associates – \$0.

19
20 4. Contracted Services Stephen P. St. Cyr & Associates – \$0.

21

1 5. Melanson – \$0.

2

3 6. Contracted Services – AAA Pump - \$0.

4

5 7. Contracted Services – Maznek \$0.

6

7 8. Insurance – \$0.

8

9 9. Bad Debt – (\$16,475).

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

15

16 10. Miscellaneous - \$0.

17

18 11. Depreciation – \$1,882.

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

1 12. Amortization of CIAC - \$0.

2

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

4

5 14. State Business Taxes - \$0.

6 The total pro forma adjustments to expenses amount to (\$14,593).

7 Q. Please explain Schedule 1B

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

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

14 A. Yes, it does.

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

17 A. Yes, it does.

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

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

21 Utility Plant consists of 5 common leach fields, mains, 78 septic tanks and 78

1 pumps. At December 31, 2021 the Company had utility plant of \$647,002.
2 Accumulated Depreciation represents the depreciation on these same assets from
3 the date of purchase through December 31, 2021, using a straight line
4 depreciation method over the estimated useful life. The Company's current and
5 accrued assets amount to \$13,905, including \$11,918 of accounts receivables.
6 The Company's cash position is poor. The Company also has deferred assets of
7 \$3,762 representing unamortized debt expense.

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

1 and miscellaneous current and accrued liabilities, respectively. The Company's
2 total deferred credits amount to \$19,527 representing net contribution in aid of
3 construction. Please note that Bedford is seeking to refinance / finance the MCSB
4 loan, to repay the OPIC and STD and to pay past due accrued liabilities in DW
5 22-054.

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

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

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

1 days or 20.55% to operating expenses. The computation of working capital is
2 shown on schedule 3B. The Company proposes a pro forma 5 quarter average
3 rate base of \$97,148.

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 current authorized cost of debt of
9 8.00%. The 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 temporary rate increase should improve earning, increase
16 retained 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 the Report of Proposed Rate Changes.

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

9 The proposed change amount is \$9,469 or 18.85%. Based on the proposed
10 change amount, the annual rate would go from \$623.08 to \$740.53 or the
11 quarterly rate would go from \$155.77 to \$185.13.

12 Q. Would you please summarize what the Company is requesting for temporary rates
13 in this docket?

14 A. Yes, the Company is requesting a temporary revenue increase of \$9,469, effective
15 November 15, 2022. The temporary revenue increase of \$9,469 enables the
16 Company to earn a 8.00% pro forma rate of return on its investment, reflected in a
17 pro forma rate base of \$97,148. The annual amount for the Company's 78
18 customers will increase from \$623.08 to \$740.53, an increase of \$117.45 or
19 18.85%.

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

21 A. No.

PUC 1604.07

DW 22-058

Bedford Waste Service Corp.

Filing Requirement Schedules

For Temporary Rates

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	\$ 97,148
Rate of Return (Schedule 4)	<u>8.00%</u>	<u>8.00%</u>
Operating Income Required	\$ 7,429	\$ 7,772
Net Operating Income (Schedule 1)	<u>(16,290)</u>	<u>7,772</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)
	UTILITY OPERATING INCOME					
1	Operating Revenues(400)	\$ 48,292	\$ 9,469	\$ 57,761	\$ 48,706	\$ 50,223
2	Operating Expenses:					
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	Total Operating Expenses	\$ 64,582	\$ (14,593)	\$ 49,989	\$ 49,654	\$ 42,398
16	Net Operating Income (Loss)	(16,290)	24,062	7,772	(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)	\$ 24,062	\$ 7,772	\$ (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	\$ 57,761
2021 Test Year Actual	<u>48,292</u>
Proforma Adjustment	<u>\$ 9,469</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 \$9,469

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

	Page 3 of 3
Miscellaneous	
2021 Test Year Proforma	\$ 790
2021 Test Year Actual	<u>790</u>
Proforma Adjustment	<u>\$ -</u>
To adjust test year miscellaneous expenses	
Total Operation & Maintenance Expense Adjustments	<u>\$ (16,475)</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>\$ (14,593)</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)	\$ -	\$ -	\$ -		\$ -
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
Page 1 of 2

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

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)
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

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	(1,070)	3,991
6	Total Rate Base	\$ 96,025	\$ 90,628	\$ 87,875	\$ 89,270	\$100,534	92,866	\$4,282	\$97,148

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 \$ 3,991

Cash Working Capital - 5 quarter average 5,061

Cash Working Capital Adjustment \$ (1,070)

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	\$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
Overall Rate of Return			
Equity Capital	-65.14%	0.00%	0.00%
Long Term Debt	165.14%	8.00%	13.21%
Total Capital	100.00%		8.00%

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	\$ -	\$ -	\$ -	\$ -
				8.00%

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	\$97,148
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>

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,



Stephen P. St. Cyr
Manager