

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

In the matter of

Aquarion Water Company of New Hampshire, Inc.

Docket No. DW 20-184

Request for Change in Rates

DIRECT TESTIMONY

OF

BION C. OSTRANDER

ON BEHALF OF

TOWNS OF HAMPTON AND NORTH HAMPTON

March 2, 2022

## TABLE OF CONTENTS

### I. Introduction

Education and professional experience.....	4
Purpose and organization of testimony.....	7
Summary of Aquarion’s current rate case .....	8
Summary of Ostrander’s recommendations and proposed revenue deficiency .....	9

### II. Revenue Requirement Approach and Justification

JT-1 Adjustment: Adjust to Aquarion 2020 Annual Report.....	13
Problems with Aquarion’s Approach.....	14
Reasons and Regulatory Principles Supporting Ostrander’s Approach .....	17
Ostrander Performing Due Diligence of 2020 Amounts .....	20
Ostrander Did Not Use a 2020 Test Period .....	24

### III. Other Revenue Requirement Adjustments

JT-2 Adjustment: Revise Aquarion’s Depreciation Expense Adjustment.....	33
JT-3 Adjustment: Adopt Aquarion’s Rate Case Expense Adjustment .....	41
JT-4 Adjustment: Adopt Aquarion’s TCJS Income Tax Expense Adjustment .....	41
JT-5 Adjustment: Adjust 2020 Capital Structure.....	41

### IV. Attachments and Exhibits:

**Attachment BCO-1: Bion C. Ostrander Curriculum Vitae**

**Attachment BCO-2: List of Bion C. Ostrander Regulatory Proceedings**

**Exhibit BCO-1: Revenue Requirement and Adjustments**

Schedule 1 - Summary Comparison of Revenue Deficiency

Schedule 2 - Capital Structure and Adjustment JT-4

Schedule 3 - Rate Base Adjustments and Adjustment JT-1

Schedule 4 – Summary of Operating Income Adjustments and Adjustment JT-1

Schedule 5 - JT-2 Adjustment – Revise Aquarion’s Depreciation Expense Adjustment  
Schedule 6 – Alternative Test of Ostrander’s Revenue Deficiency Calculation

**Data Request Response Exhibits, Exhibit BCO-2 to Exhibit BCO-9.**

- Exhibit BCO-2:** 2020 Annual Reports
- Exhibit BCO-3:** Commission Order 20,776
- Exhibit BCO-4:** Joint Towns data request 4-5
- Exhibit BCO-5:** Joint Towns data request 4-6
- Exhibit BCO-6:** Joint Towns data request TS 3-1
- Exhibit BCO-7:** Joint Towns data request TS 3-2
- Exhibit BCO-8:** Joint Towns data request 4-10
- Exhibit BCO-9:** Joint Towns data request 4-17
- Exhibit BCO-10:** Joint Towns data request 4-7

1 **I. INTRODUCTION**

2 **Q. Please state your name, business address and occupation.**

3 A. My name is Bion C. Ostrander; I am President of Ostrander Consulting. My business  
4 address is 1121 S.W. Chetopa Trail, Topeka, Kansas 66615-1408. I am an independent regulatory  
5 consultant specializing in revenue requirement/accounting and policy issues related to electric,  
6 gas, renewable energy, and telecommunication industries.

7 **Q. What is your role in this proceeding?**

8 A. The Towns of Hampton and North Hampton (“Joint Towns” or “Hampton and North  
9 Hampton”) asked me to conduct an independent review and provide recommendations to the New  
10 Hampshire Public Utilities Commission (“PUC” or “Commission”) regarding the proposed  
11 revenue requirements of Aquarion Water Company of New Hampshire, Inc. (“Aquarion” or the  
12 “Company”). This testimony and the supporting schedules provide the results of my independent  
13 review and recommendations to the Commission.

14 **Q. Please describe your formal education and professional experience.**

15 A. Please see Attachment BCO-1 for my curriculum vitae and Attachment BCO-2 for a list of  
16 regulatory proceedings (by jurisdiction/docket/client) where I have participated. I am an  
17 independent regulatory consultant with a specialization in regulatory utility issues, and particularly  
18 revenue requirement/accounting issues. I have forty-three years of regulatory and accounting  
19 experience, including thirty-one years with my firm Ostrander Consulting.

20 I started my current consulting practice in 1990 after leaving the Kansas Corporation  
21 Commission (“KCC”). I previously served as the Chief of Telecommunications for the KCC from

1 1986 to 1990, and I served as the lead witness on most major telecom issues, while still assisting  
2 with electric/gas utility issues on a periodic basis. I served as Chief Auditor for the KCC from  
3 1983 to 1986, addressing issues regarding the telecom, gas, electric, and transportation industries.  
4

5 In addition, I have worked for international and regional certified public accounting firms,  
6 including Deloitte, Haskin and Sells (now Deloitte) and Mize, Houser, Mehlinger and Kimes (now  
7 Mize Houser and Company P.A.). I previously held a permit to practice as a CPA in Kansas up  
8 until recent years, but I no longer perform any CPA-type services requiring a permit to practice. I  
9 remain a member of the American Institute of CPAs and the Kansas Society of CPAs. I received  
10 a Bachelor of Science degree in Business Administration with a major in Accounting from the  
11 University of Kansas in 1978.  
12

13 I have addressed many regulatory issues for various state regulatory agencies and for  
14 international regulatory and other governmental entities. My experience includes addressing issues  
15 related to rate cases under traditional rate of return regulation, alternative regulation/price cap  
16 plans, management audits, specialized accounting and regulatory issues and other matters. I have  
17 addressed a broad range of regulatory issues in my career, including the levelized cost of renewable  
18 energy alternatives, specialized accounting matters, affiliate transactions/Cost Allocation Manual,  
19 income taxes (including net operating loss carryback), sale/leaseback, compensation, cross-  
20 subsidization, depreciation, retail and wholesale cost studies for telecom, competition, affordable  
21 rates/universal service, service quality, infrastructure/modernization, rate design for telecom,  
22 sales/acquisitions and many other matters.  
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1 Below is a high-level summary of clients I have consulted with in various jurisdictions:

2

<b>Client Summary</b>	
<i>Consumer Advocates/Attorney General</i>	<i>Public Service Commissions</i>
District of Columbia - OPC	Arizona
Indiana UCC	Georgia
Florida OPC	Kansas
Kansas CURB	Maryland
Kentucky AG	Minnesota
Michigan AG	North Dakota
Maine OPA	Oklahoma
Maine AARP	<i>Other</i>
Maryland OPC	Alaska Competitive Local Exchange Carrier
Michigan AG	Maryland - Montgomery County
Minnesota DPS	Cities of Hampton & North Hampton - New Hampshire
Nevada AG	Virginia - CWA
New Hampshire OCA	Kansas Counties (911 implementation issues)
Ohio OPA	<i>International</i>
Oklahoma AG	Fair Trading Commission - Barbados
Utah OCS	Eastern Caribbean Telecomm. Authority (ECTEL -
Vermont DPS	St. Lucia, St. Kitts/Nevis, St. Vincent, Grenada, Dominica)
Washington AG	Armenia - USAID
Wyoming	Russia/Ukraine Energy Utility Training
	Saudi Arabia

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4 **Q. Have you previously provided testimony before this Commission?**

5 A. Yes. I have provided testimony for the New Hampshire Office of the Consumer Advocate  
 6 on December 6, 2019, regarding the rate case of Liberty Utilities (Granite State Electric) Corp. in  
 7 Docket No. DE 19-064. This matter was resolved by Settlement Agreement dated May 22, 2020,  
 8 and approved by the Commission on June 30, 2020.

9 **Q. Have you ever provided testimony or performed regulatory consulting services for**  
 10 **other U.S. or international regulatory agencies, other international governments, or other**  
 11 **entities?**

1 A. Yes. Please see Attachment BCO-2 which summarizes major cases/engagements from  
2 1986 to current, by regulatory agency/client, jurisdiction, utility company, and docket/case  
3 number.

4 **Q. What is the purpose of your testimony?**

5 A. The purpose of my testimony is to present my independent analysis and recommendations  
6 regarding Aquarion's revenue requirements, including addressing related accounting and  
7 regulatory issues.

8 **Q. Please discuss how your testimony is organized.**

9 A. My testimony consists of three sections:

10 I. Introduction – Addresses various background information, my qualifications, and a  
11 summary of my adjustments and recommendations.

12  
13 II. Revenue Requirement Approach and Justification

14  
15  
16 III. Other Adjustments to Revenue Requirements – Addresses revisions to Aquarion's  
17 adjustments, and additional adjustments that I have identified.

18  
19 Attachments BCO-1 and BCO-2 address my credentials and a list of cases/proceedings that  
20 I have addressed. I am referring to my credentials and qualifications information as "Attachments"  
21 to this testimony and referring to my proposed revenue requirement and documentation supporting  
22 my proposed adjustments as "Exhibits" to this testimony.

23 Attachment BCO-1 is my curriculum vitae and Attachment BCO-2 is list of regulatory  
24 proceedings where I have participated.

25 Exhibit BCO-1 is the Ostrander/Joint Town's proposed revenue requirement and related  
26 adjustments to rate base, operations, and capital structure of Aquarion. Exhibit BCO-2 and all

1 subsequent exhibits include supporting documentation for my proposed adjustments, such as  
2 Aquarion's responses to data requests and other documentation as applicable.

3 **Q. Please summarize Aquarion's current rate case filing?**

4 A. On November 18, 2020, Aquarion filed a Request for Change in Rates and Request for  
5 Waiver for Certain Filing Requirements, including a proposed increase to permanent rates that if  
6 approved, would yield an annual revenue increase of \$1,373,351 to be effective February 1, 2021,  
7 based on an adjusted 2019 test period. In its original filing, Aquarion requested temporary rates  
8 in the same amount, also effective as of February 1, 2021. Aquarion's filing include an adjusted  
9 rate base of \$36,091,050, adjusted operating net income of \$1,940,736, a proposed return on equity  
10 ("ROE") of 10.25 percent, and an overall rate of return ("ROR") of 8.1507 percent.

11 **Q. Please explain the subsequent Settlement Agreement regarding temporary rates?**

12 A. On June 3, 2021, a Settlement Agreement ("Agreement") was entered into between  
13 Aquarion, the Office of Consumer Advocate ("OCA"), Staff of the Commission ("Staff"), and the  
14 Joint Towns (collectively, the "Settling Parties") in order to set temporary rates for Aquarion  
15 pursuant to RSA 378:27. The Commission subsequently approved the Agreement on June 21,  
16 2021.<sup>1</sup> The Settling Parties agreed to the following primary terms:

- 17 1) Aquarion's temporary rates will be set at the level of its current rates pending resolution of  
18 the permanent rates phase of this proceeding, subject to reconciliation to an effective date  
19 of February 1, 2021.  
20
- 21 2) Aquarion's current Water Infrastructure and Conservation Adjustment ("WICA") charge  
22 will not be folded into the Company's rate base at this time, but shall remain as a separate  
23 surcharge. The ultimate disposition of the WICA and surcharge shall be addressed in the  
24 permanent rates phase of the proceeding.  
25

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<sup>1</sup> Commission Order No. 26,488.

3) The customers in Wiggin Way subdivision of the Town of Strathan will continue to pay seasonal rates as they are presently in effect, and these rates will be adjusted and reconciled in the permanent phase of this proceeding and upon resolution of the pending petition in Docket No. DW 21-093.

4) The Settling Parties reserve all rights as to whether the Company in fact under-earned during the test year when taking into account all appropriate factors with respect to just and reasonable permanent rates, subject to RSA 378:27 – 29.

**Q. Please summarize your recommendations concerning Aquarion’s proposed permanent rates and revenue deficiency?**

A. Based on my analysis and review of Aquarion’s permanent rate filing, responses to discovery requests and other information, I do not agree that Aquarion’s proposed revenue requirement and proposed permanent rates are just and reasonable under NH RSA 378:7. I recommend that the Commission adjust Aquarion’s proposed revenue deficiency of \$1,372,716 to my recommendation of \$410,199 as shown in Table 1 (Exhibit BCO-1, Schedule 1).

**Table 1 – Comparison of Aquarion and Ostrander Revenue Deficiency**

A	B	C	D
Line	Description	Aquarion Proposed	Ostrander Proposed
1	Rate Base	\$ 36,091,050	\$ 36,091,050
2	<b>Ostrander Adjs.</b>		\$ 919,326
3	Adjusted Rate Base (Sch. 3)	\$ 36,091,050	\$ 37,010,376
4	ROR (Sch. 2)	8.1507%	7.6119%
5	Required Return	\$ 2,941,679	\$ 2,817,199
6	Operating Net Income	\$ 1,940,736	\$ 1,940,736
7	<b>Ostrander Adjs.</b>		\$ 577,358
8	Adjusted Operating Net Income (Sch. 4)	\$ 1,940,736	\$ 2,518,094
9	Return Deficiency (Surplus)	\$ 1,000,943	\$ 299,105
10	Tax Effect	72.9170%	72.917%
11	<b>Required Revenue Increase/Deficiency</b>	<b>\$ 1,372,716</b>	<b>\$ 410,199</b>
12			
13	Aquarion Required Increase per Filing	\$ 1,373,351	
14	Difference - Immaterial (rounding ROR)	\$ (635)	

1 As shown at Table 1 (Exhibit BCO-1 (Schedules 1 to 4), I recommend that the Commission  
2 adjust all revenues, expenses, taxes, rate base components, and capital structure based on  
3 Aquarion's 2020 Annual Report balances (Exhibit BCO-2), subject to the five additional  
4 adjustments summarized below in order to arrive at a rate that is just and reasonable and better  
5 reflects known and measurable changes during the 12-month period subsequent to the 2019 test  
6 year:

- 7 1) JT-1 Adjustment (Exhibit BCO-1, Schedules 2, 3, and 4) – I have adjusted all revenues,  
8 expenses, taxes, rate base components, and capital structure components to Aquarion's  
9 December 31, 2020 Annual Report balances via this adjustment. This adjustment increases  
10 net operating income by \$536,175 (Exhibit BCO-1, line 24, column G).  
11
- 12 2) JT-2 Adjustment (Exhibit BCO-1, Schedule 5) – I have revised Aquarion's depreciation  
13 expense adjustment, which decreases net operating income by \$82,553 net of income taxes.  
14 When I adjusted operating accounts to Aquarion's 2020 Annual Report balances, this  
15 effectively removed the Company's adjustment to increase depreciation expense related to  
16 the annualization of depreciation on year-end rate base at proposed new depreciation rates.  
17 I have proposed a revised adjustment to increase depreciation expense by \$113,215 for the  
18 impact of annualized proposed new depreciation rates in my revenue requirement  
19 calculation.  
20
- 21 3) JT-3 Adjustment (Exhibit BCO-1, Schedules 1 and 4) - When I adjusted operating  
22 accounts to Aquarion's 2020 Annual Report balances, this effectively removed the  
23 Company's adjustment to increase rate case amortization expense by \$19,798 net of  
24 income taxes. I have made an adjustment to reflect the same amount of rate case expense  
25 in my revenue requirement calculation.  
26
- 27 4) JT-4 Adjustment (Exhibit BCO-1, Schedules 1 and 4) – When I adjusted operating  
28 accounts to Aquarion's 2020 Annual Report balances, this effectively removed the  
29 Company's adjustment to decrease income tax expense by \$143,534 related to the  
30 amortization of excess deferred taxes related to the Tax Cut and Jobs Act ("TCJA"). I have  
31 made an adjustment to reflect the same amount of in both the operating income and rate  
32 base of my revenue requirement calculation.  
33
- 34 5) JT-5 Adjustment (Exhibit BCO-1, Schedule 2) - Capital structure. Although I do not agree  
35 with Aquarion's proposed Return on Equity ("ROR") of 10.25 percent, I have used this as  
36 a placeholder in my capital structure for calculating the Rate of Return ("ROR). I adjusted  
37 the capital structure to Aquarion's 2020 Annual Report balances and then made one  
38 adjustment to reverse the Company's accounting entry, and I transferred short-term debt to

1 back to paid in capital. This caused the ROR to decrease from Aquarion’s proposed 8.1507  
2 percent to my recommended ROR of 7.6119 percent.

3 **Q. Please summarize the reasons for your recommended changes.**

4 **A.** The primary reasons that support my approach to adjust to the 2020 Annual Report  
5 balances, and which also support my contention this approach does not constitute a “2020 test  
6 period” are summarized below:

- 7 1) My initial analysis began with the same December 31, 2019 test period used by Aquarion.  
8 However, based on my review of actual 2020 results, I concluded that Aquarion’s proposed  
9 adjustments were not a reasonable or accurate representation of its revenue requirement on  
10 a going-forward basis.  
11
- 12 2) Traditional ratemaking principles in New Hampshire support adjustment of test-year  
13 results based on actual known and measurable changes during the twelve month period  
14 subsequent to the test year “for the sake of furnishing the most accurate possible prediction  
15 of the utility's fortunes in the period following the rate order.”<sup>2</sup> There is no Commission  
16 or general regulatory principle that prohibits or restricts the number of 2020-related  
17 adjustments to be included in a 2019 test period rate case.  
18
- 19 3) Aquarion opened the door to my 2020-related adjustments because it proposed only  
20 selective 2020 and 2021-related adjustments that increase the revenue requirement (and  
21 Aquarion did not include any 2020 and 2021-related adjustments that decrease the revenue  
22 requirement) – although such adjustments exist as shown by my 2020-related adjustments.  
23
- 24 4) Aquarion’s nineteen rate case adjustments recognize that 2019 results do not reasonably  
25 reflect a going-forward more current revenue requirement. However, it is more reasonable,  
26 accurate, and objective to use the “actual” 2020 adjusted balances instead of Aquarion’s  
27 estimates.  
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<sup>2</sup> See e.g. *Appeal of Public Serv. Co.*, 130 N.H. 748, 758 (1988) (“Often enough, even before the ratemaking proceeding has begun, elements of income and expense are known to have changed from their levels in the test year, and the commission must then decide whether to modify the test year data in order to obtain a more accurate prediction. One commentator has observed that “[p]hilosophically, the strict test year assumes the past relationship among revenues, costs, and net investment during the test year will continue into the future.’ To the extent that these relationships are not constant, the actual rate of return earned by a utility may be quite different from the rate allowed by the commission. For many years, commissions have adjusted test-year data for ‘known changes,’ i.e., a change that actually took place during or after the test period . . . .” C. Phillips, Jr., *The Regulation of Public Utilities* 182 (1985) (footnotes omitted) (emphasis in original); see *Appeal of Manchester Gas Co.*, 129 N.H. 800, 806, 533 A.2d 366, 370 (1987) (commission may limit recognition of changes to those occurring within twelve months of test year's end, in order to conform to matching principle that adjustments should include both revenue and expense changes). *Thus, the test year data are modified to conform to actual experience, for the sake of furnishing the most accurate possible prediction of the utility's fortunes in the period following the rate order.*”) (emphasis added).

- 1           5) My 2020-related adjustments are within twelve months of the 2019 test period and are not  
2           a violation of the Commission Order No. 20,776<sup>3</sup> (Exhibit BCO-3) that opposes  
3           adjustments more than twelve months following the test period. In contrast, Aquarion  
4           proposes certain 2021-related payroll/medical cost adjustments that occur more than  
5           twelve months following the test period and should be rejected because it violates the  
6           principle of matching.<sup>4</sup>  
7
- 8           6) The June 3, 2021, Settlement Agreement between parties does not prevent Joint Towns  
9           from incorporating 2020-related adjustments in the rate case. It expressly reserved the  
10          right to make recommendations as to whether permanent rates are just and reasonable.  
11
- 12          7) My 2020-related adjustments and revenue deficiency calculation are conservative, and I  
13          could have incorporated other traditional and acceptable ratemaking adjustments to arrive  
14          at a reduced revenue deficiency – but that is not my recommendation.<sup>5</sup> If I would have  
15          adopted a pure 2020 test period, then I would have made numerous other adjustments to  
16          this 2020 test period (similar to Aquarion’s numerous adjustments to its 2019 test period).  
17          But I have not made any other adjustments except to incorporate several Aquarion  
18          adjustments that were removed in the process of adjusting to 2020 Annual Report balances  
19          (along with a revision of Aquarion’s depreciation expense adjustment as part of this  
20          process).  
21
- 22          8) Aquarion’s 2019, 2020, and 2021 adjustments result in a mismatch of various period  
23          adjustments that are not consistent with the matching regulatory principle. My adjustments  
24          consistently reflect known 2020 amounts that are properly matched with all other revenue  
25          requirement components in the same time period. The Commission’s Order No. 20,776  
26          (pages 119 and 120) supports the matching principle.

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<sup>3</sup> Re EnergyNorth Natural Gas, Inc., DR 91-212, Order No. 20,776, pages 119 and 120, 78 NH PUC 117, New Hampshire Public Utilities Commission, Order dated March 1, 1993.

<sup>4</sup> See e.g. *Appeal of Manchester Gas Co.*, 129 N.H. 800, 806 (1987) (“In this instance, the PUC reasonably could create a twelve-month limitation for adjustments to test-year operating expenses. At some point, a cutoff is necessary to preserve the integrity of the matching principle.”).

<sup>5</sup> Although, these other potential adjustments could be used to offset any claims that some of my 2020-related adjusted amounts are not reasonable or require further revision.

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## **IV. Revenue Requirement Approach and Justification**

### **ADJUSTMENT JOINT TOWNS (“JT-1”) - OPERATING INCOME ACCOUNTS**

**Q. Please explain Adjustment JT-1 to operating income accounts (revenues, expenses, depreciation, and taxes)?**

A. Table 2 below shows Aquarion and my proposed adjustments at a high level, by primary account. Column C shows unadjusted 2019 amounts per books with operating income of \$1,942,412, column D shows Aquarion’s proposed adjustments that reduce operating income by \$1,676, and column E shows Aquarion’s proposed adjusted pro forma operating income of \$1,940,736.

Table 2 also shows the Ostrander Adjustment JT-1 in column F which adjusts all accounts to the Aquarion December 31, 2020, Annual Report balances and which increases operating income by \$536,175. Column G shows the adjusted balances for all accounts per the December 31, 2020, Annual Report, which results in operating income of \$2,476,911. Column H shows Ostrander Adjustment JT-2 which increases depreciation expense by \$113,215 (gross of taxes), Adjustment JT-3 which increases rate case expense by \$27,151 (gross of taxes), and Adjustment JT-4 which reduces income tax expense by \$143,534, and these combined adjustments increase operating income by \$41,183 (net of taxes). Column I shows the Ostrander final adjusted balances for each account, resulting in adjusted operating income of \$2,518,094 (line 11, column I).

1 **Table 2 – Summary of Aquarion and Ostrander/Joint Towns Adjustments (Exhibit BCO-1,**  
2 **Sch. 4)**

A	B	C	D	E	F	G	H	I
			AQUARION		OSTRANDER			
		Per		Adjusted	Adust to	Dec. 31, 2020	Adjs.	Adjusted
		Books	Proposed	Pro Forma	Dec. 31, 2020	Annual Report	JT-2, JT-3	Pro Forma
Line	Description	Dec. 31, 2019	Adjustments	Balance	Annual Report	Balances	JT-4	Balance
1	Total Revenues	7,226,513	390,280	7,616,793	4,813	7,621,606		7,621,606
2								
3	O&M expenses	3,346,040	(64,899)	3,281,141	(287,133)	2,994,008	27,151	3,021,159
4	Depreciation exp.	1,024,230	286,177	1,310,407	(268,001)	1,042,406	113,215	1,155,621
5	Property tax	677,193	183,522	860,715	(52,561)	808,154		808,154
6	Payroll tax	75,824	12,152	87,976	(11,610)	76,366		76,366
7	Other	(48,792)	106	(48,686)	1,565	(47,121)		(47,121)
8	Nonreg. Income	-		-	40,039	40,039		40,039
9	Income tax	209,606	(25,102)	184,504	46,339	230,843	(38,015)	192,828
	TCJA tax						(143,534)	(143,534)
10	Total Expenses	5,284,101	391,956	5,676,057	(531,362)	5,144,695	(41,183)	5,103,512
11	Oper. Income	1,942,412	(1,676)	1,940,736	536,175	2,476,911	41,183	2,518,094
12	<b>Total Adjustment</b>		<b>(1,676)</b>		536,175		41,183	<b>577,358</b>
13			Note 1		Adj. JT-1		JT-2, 3, and 4	
14					Note 2		Note 2	Note 3
15								
16	Note 1:	Aquarion's total adjustments of (\$1,676) are shown in more detail at Exhibit BCO-1, Schedule 4.						
17	Note 2:	Ostrander Adjustment JT-1 adjusts to December 31, 2020 balances (\$536,175),						
18		Adjustment JT-2 adjusts depreciation expense (\$113,215 gross of taxes), Adjustment JT-3						
19		adjusts rate case expense (\$27,151 gross of taxes), Adjustment JT-4 decreases income taxes for the						
20		impact of TCJA (\$143,534), and this results in total adjustments of \$577,358 per						
21		Exhibit BCO-1, Schedules 1 and 4.						
22	Note 3:	Total Ostrander adjustments of \$577,358, per Exhibit BCO-1, Schedules 1 and 4.						

3  
4 **Q. Please summarize some of the problems with Aquarion's approach to adjustments**  
5 **and determining its revenue deficiency?**

6 A. For income statement amounts (revenues, expenses, depreciation, and taxes) Aquarion  
7 begins with its December 31, 2019, balances per books and proposes certain annualization  
8 adjustments to the 2019 test period, along with several other adjustments related to the 2020 and  
9 2021 post-test periods, to arrive at its recommended revenue deficiency of \$1,372,716. For rate  
10 base amounts, Aquarion begins with December 31, 2019, balances for plant in service and  
11 accumulated depreciation and adds some post-test period 2020 plant additions, but uses average

1 balances for all other rate base components (such as Materials & Supplies, Prepayments,  
2 Contributions in Aid, and other components).

3 Aquarion's operating income adjustments include some post-test period adjustments that  
4 occur in (or overlap to) the 2020 and 2021 periods, such as employee payroll raises<sup>6</sup> and benefit  
5 costs.<sup>7</sup> However, Aquarion only selectively includes 2020 and 2021-related adjustments that cause  
6 an increase in costs and the revenue requirement. In doing this, Aquarion did not offset its  
7 increases in costs with other decreases in costs (and decreases in the revenue requirement) that  
8 also occurred in 2020 and 2021 (Exhibit BCO-1, Schedule 6). Thus, Aquarion's proposed revenue  
9 requirement does not reasonably or accurately represent forward-looking costs and related  
10 impacts, and this will result in an excessive revenue requirement and customer rates.

11 Aquarion does not rely on a strict 2019 test period because of its proposed adjustments  
12 related to the 2020 and 2021 test periods. For the 2019 financial amounts that Aquarion does rely  
13 upon, or the 2019 amounts that it relies upon as a starting point to calculate the estimated impact  
14 of cost increases in 2020 and 2021, much of this data is stale, outdated, and over two years old  
15 now.

16 My approach to calculating the revenue deficiency is superior to the method used by  
17 Aquarion. I begin with Aquarion's adjusted pro forma net operating income, rate base, and capital  
18 structure, and make certain adjustments to reflect these amounts at Aquarion's December 31, 2020  
19 Annual Report balances - which means that my adjustments and related pro forma balances are

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<sup>6</sup> Aquarion Schedule No. 1C regarding 2020 and 2021 pay raise adjustments related to Aquarion Salaries and Wages, Schedule No. 1P regarding 2020 and 2021 pay raise adjustments related to AWC-CT Shared Customer Service/Collections, and Schedule No. 1Q regarding 2020 and 2021 pay raise adjustments related to IT Shared Technology.

<sup>7</sup> Aquarion Schedule No. 1D regarding medical/dental, life insurance, and long-term disability on the 2020/2021 pay raises addressed in previous footnote.

1 based on actual amounts that are more accurate, objective,<sup>8</sup> known and measurable, supported by  
2 an existing documented source (the Annual Report), and based on more current data, instead of  
3 Aquarion’s stale 2019 data that is now over two years old.

4 **Q. Please summarize the reasons and regulatory principles that support your approach**  
5 **to adjustments and determining the revenue deficiency?**

6 A. The reasons, benefits, and regulatory principles that support my approach, are also the  
7 same reasons and regulatory principles that Aquarion’s approach violates to some degree. Some  
8 of the primary reasons supporting my approach are summarized below:

- 9 1) Accurate, reliable, and based on an existing documented source – Aquarion’s Annual  
10 Report.
- 11 12 2) Consistent with the generally accepted and long-standing regulatory principle of “known  
13 and measurable.”
- 14 15 3) Consistent with the generally accepted and long-standing regulatory principle of  
16 “matching”, which matches all revenues and expenses in the operating statement, along  
17 with plant in service and other components in rate base.
- 18 19 4) Objective and removes the ability to selectively include or exclude adjustments that are  
20 beneficial to any particular party’s interests.
- 21 22 5) Uses actual results from the “2020” period, instead of using estimated adjustments based  
23 on 2019 or other data that is intended to approximate the same 2020 and forward-looking  
24 amounts.
- 25 26 6) Reduces regulatory lag because it uses forward-looking information instead of backward-  
27 looking stale information.
- 28 29 7) It is conservative and does not include additional adjustments that are justified – although  
30 these additional adjustment could be used to offset any claims that the 2020 period  
31 includes unreasonable amounts.

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<sup>8</sup> The amounts are based on a reliable documented source, so adjustments and amounts are not arbitrary and cannot be manipulated, and are not subject to any party selectively including or excluding certain adjustments that are beneficial to their interests.

1 **Q. Please explain in more detail the reasons and regulatory principles that support your**  
2 **approach to adjustments and determining the revenue deficiency?**

3 A. I have adjusted to Aquarion’s 2020 Annual Report balances. These amounts are accurate,  
4 reliable, objective, and based on the existing documented source (Annual Report). This eliminates  
5 the use of subjective or estimated adjustments for various periods 2019, 2020, and 2021.

6 By using actual known and measurable data, this results in my proposed revenue  
7 requirement being reflected at the most recently known and available current amounts<sup>9</sup> which also  
8 greatly reduces any negative impact of regulatory lag – which utility companies commonly argue  
9 is a negative result of using old stale data and not using most recent accurate financial data. In  
10 addition, because I have adjusted the revenue requirement to the most recent 2020 Annual Report  
11 amounts, this effectively eliminates the necessity for some of Aquarion’s adjustments that are  
12 intended to be surrogates or estimates of 2020/going-forward amounts (that are already included  
13 in the 2020 period that I propose).

14 For example, Aquarion proposes an adjustment to “estimate” and annualize the impact of  
15 certain employee pay raises that occur in 2020 and 2021. However, most of the “actual” 2020 pay  
16 raises are already reflected in the 2020 Annual Report financial data that I used, thus it is not  
17 necessary to reflect Aquarion’s estimates of these pay raises in the 2020 adjusted revenue  
18 requirement that I used.

19 Because I have adjusted to amounts at the 2020 Annual Report, this means that my  
20 adjustments are consistent with the generally accepted regulatory principles of “known and  
21 measurable and “matching.” The adjustments that I propose can all be easily verified and traced

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<sup>9</sup> The 2020 Aquarion book amounts reflect the most recent financial results available, and 2021 financial amounts will not likely be available until the books are closed and subject to audit sometime later in the first quarter of 2022.

1 to the 2020 Annual Report, so the amounts are known and measurable. Also, all of the adjustments  
2 that I propose are within the 2020 period, so I have properly “matched” all revenues and expenses  
3 in the operating statement, along with matching of plant in service and other relevant components  
4 in rate base. In contrast, Aquarion proposes revenues, expenses, and rate base components from a  
5 combination of periods 2019, 2020, and 2021 via its adjustments – and not all components are  
6 properly matched. It would have been more accurate to use “actual” 2020 data instead of  
7 Aquarion’s estimates and surrogates of forward-looking 2020 data.

8 I have removed subjectivity and bias from the ratemaking process because I have used  
9 known and actual 2020 Annual Report balances, regardless of whether these amounts increased or  
10 decreased from the same types of 2019 balances. However, Aquarion selectively only includes  
11 increases in costs for payroll raises (and benefits) in the post test periods 2020 and 2021, but  
12 Aquarion did not propose any other offsetting decreases in costs for 2020 and 2021 (although I  
13 have documented cost decreases for 2020 in my testimony and per my revenue requirement  
14 adjustments, and also see Exhibit BCO-1, Schedule 6).

15 Finally, the following few examples show how my approach to adjusting the revenue  
16 requirement using actual 2020 financial data results in a conservative<sup>10</sup> and unbiased revenue  
17 deficiency that is beneficial to the interests of Aquarion in many respects, and helps reduce  
18 regulatory lag (compared to Aquarion’s approach), as shown below:

19 1) Aquarion proposes an adjusted net plant in service of \$42,462,993 (Exhibit BCO-1,  
20 Sch. 3, line 3, column F). I have proposed a larger net plant in service balance of  
21 \$43,554,814 (Exhibit BCO-1, Sch. 3, line 3, column I), based on actual December 31,

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<sup>10</sup> By conservative, I mean that my proposed revenue deficiency is somewhat overstated to the benefit of Aquarion due to: 1) including certain 2020 financial balances that exceed 2019 financial balances; and 2) not proposing any including other rate case type adjustments (other than the true-up or incorporation of three other adjustments proposed by Aquarion in its filing for depreciation, rate case expense, and the TCJA tax impact).

1 2020, balances from the Annual Report. Thus, I have proposed a larger rate base than  
2 Aquarion,<sup>11</sup> and this results in a greater revenue deficiency impact that is beneficial to  
3 Aquarion. Also, by using a larger net plant in service balance this means that a greater  
4 number of plant addition projects will earn a rate of return, and this helps eliminate  
5 regulatory lag. Utility companies favor the use of forecasted plant additions or other  
6 approaches to maximize the timely recovery of a return on their capital investment, and  
7 my approach of using 2020 plant in service financial data achieves this end result better  
8 than Aquarion's approach of using 2019 plant in service data, plus selective 2020 plant  
9 additions.

- 10  
11 2) Although my revenue deficiency calculation is based on actual December 31, 2020,  
12 Annual Report balances, I am not proposing to reduce the revenue deficiency by  
13 additional traditional adjustments (and these adjustments would be justified for  
14 Aquarion's 2019 pro forma test period), per the following examples:  
15
- 16 a) Remove lobbying costs.
  - 17 b) Remove a percent of long and short-term incentive driven by financial performance  
18 related goals (which are not beneficial to customers).
  - 19 c) Remove Supplemental Executive Retirement Plan ("SERP") expenses.
  - 20 d) Remove a portion of D&O liability insurance, to share these costs between  
21 shareholders and ratepayers.
  - 22 e) Remove amortization costs of the Eversource Aquarion merger impact (that has not  
23 been ruled upon by the Commission).
  - 24 f) Remove excessive or nonrecurring legal expenses.
  - 25 g) Remove excessive or nonrecurring levels of customer assistance program costs.

26 I do not propose to directly incorporate any of the above-mentioned adjustments in its  
27 revenue deficiency calculation, which would typically be made if 2020 was the actual test period.  
28 However, these potential adjustments could be used as justification for offsetting any adjustments  
29 to address understated expenses in the 2020 period that might be proposed by Aquarion.

30

31

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<sup>11</sup> Aquarion proposes an adjusted rate base of \$36,091,050 and I propose an adjusted rate base of \$37,010,376 (Exhibit BCO-1, Schedule 3).

1 **Q. Is your approach of adjusting to the 2020 Annual Report balances considered**  
2 **reasonable in this case because of the stale 2019 test period?**

3 A. Yes. It is reasonable to use my approach of adjusting to the 2020 Annual Report balances  
4 because the 2019 test period is stale, outdated, and more than two years old. In my experience it  
5 is highly unusual to use a test period that is more than two years old, especially when more recent  
6 results are readily available. In cases where this occurs, it is often required to update forecasted  
7 data when actual results become available for the subsequent period.

8 **Q. Did you attempt to perform reasonable due diligence on the 2020 Annual Report data**  
9 **and determine if there were any operating income or rate base balances or events that**  
10 **required additional annualization, normalization, or other adjustments?**

11 A. Yes. Joint Towns 4-5 and 4-6 data requests (Exhibits BCO-4 and BCO-5, respectively)  
12 were issued to Aquarion on October 19, 2021, in an attempt to determine why it would not be  
13 reasonable to adjust operating income (revenues, expenses, depreciation, and taxes) and rate base  
14 balances to the December 31, 2020, Annual Report balances. These data requests also asked why  
15 certain December 31, 2020, revenues, expenses, taxes, and rate base balances had changed from  
16 the related December 31, 2019, balances, if there were any 2020 balances that required additional  
17 annualization, normalization, or other adjustments, and if certain 2020 balances were recurring or  
18 nonrecurring. These data requests sought objective information about increases and decreases in  
19 2020 balances, and no bias was intended in the data that was sought.

20 Aquarion provided its response to Joint Towns 4-5 and 4-6 data requests on November 12,  
21 2021. Joint Towns 4-5 data request included eleven questions, subparts (a) to (k). Joint Towns 4-  
22 6 data request included eight questions, subparts (a) to (h). Aquarion did not provide responsive

1 information to any of the Joint Towns questions in both of these data requests or provide any  
2 meaningful explanation of information showing why the known and measurable changes in 2020  
3 should not be considered and used to adjust the test year amounts.<sup>12</sup> Instead, Aquarion provided  
4 the same response to both data requests, as summarized below:

- 5 1) The 2019 test year in Aquarion’s filing is adjusted for appropriate known and measurable  
6 changes.  
7
- 8 2) Responding to the data request would require Aquarion to undertake the onerous task of  
9 recreating essentially all of its schedules and materials assuming 2020 was used as a test  
10 year rather than 2019, a position the Towns has already rejected. The use of a 2020 test  
11 period would still require identification of and adjustments for known and measurable  
12 changes. Aquarion states it is unreasonable and unduly burdensome to recreate the  
13 referenced materials based on a different test year.  
14
- 15 3) Aquarion also claimed that “the Towns rejected” a delay in filing which would have  
16 allowed for a test period later than 2019. It is my understanding from the Towns that this  
17 statement is not accurate and occurred during an appellate mediation that is strictly  
18 confidential under the rules of the Supreme Court Rule 12-A(11). I will therefore not  
19 respond except to note that post test year adjustments are proper within twelve months of  
20 the test period.

21

22 **Q. Did Joint Towns subsequently issue data request TS 3-1 and 3-2, and did Aquarion’s**  
23 **response provide information that it previously failed to provide in its response to Joint**  
24 **Towns 4-5 and 4-6?**

25 A. As a result of the Technical Session on December 6, 2021, Joint Towns issued data request  
26 TS 3-1 and 3-2 (Exhibit BCO-6 and 7, respectively) to Aquarion on December 7, 2021, and these  
27 data requests asked essentially the same questions as previous Joint Towns data requests 4-5 and

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<sup>12</sup> Although I have addressed Aquarion’s failure to provide information requested in Joint Towns data requests 4-5 and 4-6 above, Aquarion did provide other helpful financial information in response to other data requests in the fourth series of data requests, including Joint Towns 4-7, 4-8, 4-10, 4-15, 4-22, and others.

1 4-6. Aquarion's December 14, 2021, response to TS 3-1 and 3-2 included the same type of overall  
2 objections and claims as 4-5 and 4-6. I believe that Aquarion performed a fairly thorough review  
3 of 2020 financial data, and I am not arguing with their level of review. However, I strongly  
4 disagree with Aquarion's findings and statements in its response to 4-5, 4-6 and TS 3-1 and 3-2,  
5 regarding:

- 6 1) The information that Joint Towns seeks regarding 2020 financial data is onerous,  
7 burdensome, and would require the Company to recreate all the same 2019 data in this  
8 rate case on a 2020 basis; and  
9  
10 2) Joint Towns is attempting to use a 2020 test period.  
11  
12 3) The 2020 period would require certain adjustments to revenues and expenses to  
13 decrease the operating income for purposes of using this data for ratemaking purposes  
14 and calculating a revenue deficiency (and this Aquarion finding conflicts with other  
15 Company documents, including 2020 management/variance reports).

16 **Q. Why do you disagree that consideration of the 2020 financial data is onerous,**  
17 **burdensome, and would require the Company to recreate all the same 2019 data in this rate**  
18 **case on a 2020 basis?**

19 A. Aquarion's response to Joint Towns data request TS 3-1 does mostly provide the  
20 information that Joint Towns originally requested in data requests 4-5 and 4-6, and which Aquarion  
21 originally failed to provide in its responses to these data requests. The response to TS 3-1 and 3-  
22 2 provides an analysis of certain 2020 account balances, reasons for change in accounts, and certain  
23 events or conditions that contributed to impacts on the 2020 account balances. However, I do not  
24 agree with Aquarion's findings and statements, because these conflict with other information in  
25 this rate case, including the Company's 2020 management/variance reports. This information is  
26 readily available to a regulated utility such as Aquarion and is not onerous or burdensome to  
27 produce.

1           Aquarion’s response to TS 3-1 and 3-2 was about seven pages in total.<sup>13</sup> This is clearly  
2 not onerous, burdensome, and did not require the Company to recreate all of its 2019 rate case data  
3 on a 2020 basis. This information is important to consider because the Company proposed  
4 adjustments based on projections of 2020 and 2021 expenses that served to increase the revenue  
5 requirement. It was reasonable for me to conduct due diligence to try and determine if there were  
6 any other changes in 2020 costs or revenues that might offset the 2020 cost increases proposed by  
7 Aquarion. Therefore, it was reasonable for Joint Towns to consider whether known and  
8 measurable changes in 2020 should be considered for purposes of setting going-forward rates.

9           It is very common in rate cases to test the accuracy of a utility’s estimates of forward-  
10 looking revenues and costs by comparing those to actual amounts in the subsequent test period.  
11 Because Aquarion proposed increases in costs via thirteen of its nineteen adjustments for the 2019,  
12 2020 and 2021 periods, it is reasonable to attempt to review the subsequent actual costs, to test the  
13 accuracy of Aquarion’s original estimated costs. For example, Aquarion proposed increases in  
14 payroll costs (for the 2020 and 2021 time periods), and also proposed increases in affiliate allocated  
15 costs. However, a subsequent review of these costs in 2020 indicated that these costs had actually  
16 decreased, and not increased. Please see Exhibit BCO-1, Schedule 6 for this information. Thus,  
17 if I would not have reviewed the 2020-related data, then I would not have discovered that these  
18 costs had actually decreased instead of increasing. The review of actual 2020-related data in this  
19 case was justified and is a reasonable and common audit procedure to determine the reasonableness  
20 of Aquarion’s 2019, 2020, and 2021 related adjustments.

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<sup>13</sup> Plus, Attachment 1 that is seven pages.

1 **Q. Do you disagree with Aquarion’s assertion in its response to Joint Towns data**  
2 **requests 4-5, 4-6, TS-1, and TS-2 that Joint Towns is attempting to use a “2020 test period”**  
3 **for this rate case?**

4 A. No, I do not agree with Aquarion’s statement that Joint Towns is attempting to use a “2020  
5 test period” and I believe the use of 2020 data is reasonable. I will summarize some of the primary  
6 reasons why my approach does not constitute a “2020 test period”, and why the use of 2020-related  
7 data is reasonable:

- 8 1) My initial analysis began with the same December 31, 2019 test period used by Aquarion.  
9 However, based on my review of actual 2020 results, I concluded that Aquarion’s proposed  
10 adjustments were not a reasonable or accurate representation of its revenue requirement on  
11 a going-forward basis.  
12
- 13 2) Traditional ratemaking principles in New Hampshire support adjustment of test-year  
14 results based on actual known and measurable changes during the twelve month period  
15 subsequent to the test year “for the sake of furnishing the most accurate possible prediction  
16 of the utility's fortunes in the period following the rate order.” There is no Commission or  
17 general regulatory principle that prohibits or restricts the number of 2020-related  
18 adjustments to be included in a 2019 test period rate case.  
19
- 20 3) Aquarion opened the door to my 2020-related adjustments because it proposed only  
21 selective 2020 and 2021-related adjustments that increase the revenue requirement (and  
22 Aquarion did not include any 2020 and 2021-related adjustments that decrease the revenue  
23 requirement) – although such adjustments exist as shown by my 2020-related adjustments.  
24
- 25 4) Aquarion’s nineteen rate case adjustments recognize that 2019 results do not reasonably  
26 reflect a going-forward more current revenue requirement. However, it is more reasonable,  
27 accurate, and objective to use the “actual” 2020 adjusted balances instead of Aquarion’s  
28 estimates.  
29
- 30 5) My 2020-related adjustments are within twelve months of the 2019 test period and are not  
31 a violation of the Commission Order No. 20,776 (Exhibit BCO-3) that opposes adjustments  
32 more than twelve months following the test period. In contrast, Aquarion proposes certain  
33 2021-related payroll/medical cost adjustments that occur more than twelve months  
34 following the test period and should be rejected because it violates the principle of  
35 matching.  
36

- 1           6) The June 3, 2021 Settlement Agreement between parties does not prevent Joint Towns  
2           from incorporating 2020-related adjustments in the rate case. It expressly reserved the  
3           right to make recommendations as to whether permanent rates are just and reasonable.  
4
- 5           7) My 2020-related adjustments and revenue deficiency calculation are conservative, and I  
6           could have incorporated other traditional and acceptable ratemaking adjustments to arrive  
7           at a reduced revenue deficiency – but that is not my recommendation. If I would have  
8           adopted a pure 2020 test period, then I would have made numerous other adjustments to  
9           this 2020 test period (similar to Aquarion’s numerous adjustments to its 2019 test period),  
10          but I have not made any other adjustments except to incorporate several Aquarion  
11          adjustments that were removed in the process of adjusting to 2020 Annual Report balances  
12          (along with a revision of Aquarion’s depreciation expense adjustment as part of this  
13          process).  
14
- 15          8) Aquarion’s 2019, 2020, and 2021 adjustments result in a mismatch of various period  
16          adjustments that are not consistent with the matching regulatory principle. My adjustments  
17          consistently reflect known 2020 amounts that are properly matched with all other revenue  
18          requirement components in the same time period. The Commission’s Order No. 20,776  
19          (pages 119 and 120) supports the matching principle.  
20  
21

22       **Q.     Aquarion’s response to Joint Towns data request TS 3-1 and TS 3-2 attempts to**  
23       **degrade the use of 2020 financial results for ratemaking purposes, please explain how the**  
24       **Company’s 2020 internal management reports fail to support this contention?**

25       A.     Aquarion’s response to Joint Towns data request 4-17 (Exhibit BCO-9) provided copies of  
26       monthly internal financial management/variance reports for certain years, including 2020.<sup>14</sup> The  
27       purpose of these management/variance reports is to summarize the monthly and year-to-date  
28       financial status, by showing how actual financial results for the current year vary from budget and  
29       prior year results in terms of revenues, expenses, taxes, ROE, and the capital budget. In addition,  
30       these reports identify those reasons and events that are causing significant or important variances  
31       from budget and prior year results. The Company uses the term “favorable” or “unfavorable” to

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<sup>14</sup> Joint Towns data request 4-22 asked for copies of management variance reports, and the response referred to the Company’s response to 4-17.

1 explain how the Company is performing on a monthly basis in regards to budget and prior year  
2 results.

3 The Company's response to TS 3-1 and TS 3-2 claims that revenues were overstated and  
4 certain costs were understated in 2020 due to certain events or reasons, and provide the impression  
5 that 2020 results were not as positive as they appear. This would lead one to believe it is not  
6 reasonable to rely on 2020 financial results for regulatory purposes without making certain rate-  
7 case type adjustments to decrease the otherwise favorable earnings.

8 I do not agree with Aquarion's conclusions regarding the 2020 financial results, and no  
9 significant rate case adjustments are necessary to reflect 2020 results on a reasonable regulatory  
10 basis (other than Adjustments JT-2, JT-3, JT-4 and JT-5 that I incorporated from Aquarion's  
11 filing). I reviewed the monthly variance reports for 2020 and did not find any mention of  
12 significant overstated revenues or significant understated expenses that Aquarion identifies as  
13 cause for adjustment in response to TS 3-1 and 3-2.<sup>15</sup> There are several important points of  
14 emphasis from the 2020 variance reports:

15 First, Aquarion's variance reports do not identify or focus on any single significant factor  
16 or event that caused 2020 earnings to be overstated, excessive, or unusual. Most importantly, the  
17 reports do not focus on any negative financial reasons identified in Aquarion's response to TS 3-  
18 1 and 3-2. The reports do state that revenues were favorable due to hot dry weather in certain  
19 months, but 2020 revenues were only \$4,800 greater than Aquarion's pro forma adjusted test  
20 period revenues, so this was not a material factor. The reports do identify some "unfavorable"  
21 increases in certain expenses for 2020, but these cause the Company's 2020 earnings to be

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<sup>15</sup> Most of the revenues and expenses that Aquarion identifies as outliers or requiring adjustment in TS 3-1 and 3-2 are not significant, and many are not even related to the 2020 period (they are related to the 2019 period).

1 understated and not overstated – so these 2020 financial results are not unreasonable to use for  
2 regulatory purposes.

3 Second, the bottom line is that Aquarion’s 2020 variance reports do not support the Company’s  
4 response to TS 3-1 and TS 3-2 that attempt to paint the 2020 test period as an outlier that requires  
5 regulatory adjustments to significantly reduce earnings to a normalized basis for regulatory  
6 purposes.

7

8 **Q. Do you agree with Aquarion’s response to Joint Towns data request TS 3-1 and TS**  
9 **3-2 that addresses concerns with certain amounts in the 2020 financial statements?**

10 A. No, for the most part I do not agree with Aquarion’s responses to TS 3-1 and TS 3-2. Joint  
11 Towns issued TS 3-1 and TS 3-2 to perform due diligence on the 2020 revenue, expense and rate  
12 base components, to determine if these amounts were reasonable and reliable for use in this rate  
13 case, and to determine if there were any significant adjustments that needed to be made to these  
14 2020 amounts. Joint Towns TS 3-1 and TS 3-2 included comprehensive questions to determine if  
15 these 2020 revenues, expenses, and rate base components were overstated, understated, included  
16 nonrecurring or extraordinary items or events that impacted amounts, and to determine if any other  
17 annualization/normalization adjustments were necessary.

18 Aquarion provided the same objections to TS 3-1 and TS 3-2 that it did in response to  
19 previous Joint Towns data requests 4-5 and 4-6 (which included the same questions), but Aquarion  
20 did provide some comments expressing concerns with certain 2020 revenue and expense amounts.  
21 I am relying on Aquarion’s responses to TS 3-1 and TS 3-2 to have been a fairly thorough  
22 evaluation and due diligence review of the 2020 period, to identify any potential concerns with

1 revenues and expenses – although I do not agree with Aquarion’s conclusions. I will now address  
2 the concerns raised by Aquarion regarding 2020 revenues and expenses, and indicate if I agree or  
3 disagree for each of the issues that I consider to be significant or necessary to address.

4 1) **TS 3-1(b) – Impact of COVID on Revenues:**

5  
6 Aquarion states that due to COVID, residential consumers are spending more time at home  
7 and this caused residential consumption to increase and commercial/public authority  
8 consumption to decrease. Although Aquarion provided this change in terms of consumption  
9 volumes (thousand gallons), the Company did not provide this impact on actual revenues.  
10 First, the total increase from Aquarion’s pro forma adjusted revenues to 2020 revenues was  
11 only \$4,813 (Exhibit BCO-1, Sch. 4, line 4, column H), so it does not appear that revenues  
12 increased significantly due to COVID (or the impact is masked by other factors). Also, my  
13 adjustment for 2020 revenues is the same as this \$4,813 revenue increase, and this amount is  
14 not material.

15 Second, a review of Aquarion’s financial variance reports for all of the months in 2020 did  
16 not identify any significant impacts on revenues due to the stated reason of “COVID” in these  
17 reports. In fact, the December 2020 variance report notes that revenues exceeded budget by  
18 \$43,000 due to dry, hot weather, and not due to COVID. Third, Witness Donald J. Morrissey<sup>16</sup>  
19 states that in 2020, the Company implemented a Customer Assistance Program to provide a  
20 \$50 credit to certain customer’s bills that are struggling with making ends meet. This customer  
21 credit would cause a reduction in 2020 revenues compared to 2019 revenues, so 2020 revenues  
22 are actually understated in regards to this issue.

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<sup>16</sup> Direct testimony, Morrissey, page 12, lines 10-13.

1 In conclusion, Aquarion has not provided adequate documentation to show that 2020  
2 revenues have increased significantly from 2019 to 2020 due to COVID or any other unusual  
3 reasons that require any adjustment. Aquarion has not provided any meaningful justification  
4 or documentation to explain why 2020 revenues are not reasonable to use in my revenue  
5 requirement calculation.

6  
7 **2) TS 3-1(c) – Impact on Customer Accounting Expenses:**  
8

9 Aquarion states that 2020 O&M expenses are \$352,034 less than the 2019 O&M expenses,  
10 and the 2020 expenses are not reasonable because they do not include: a) 2019 related customer  
11 goodwill credits of \$179,160 (issued in response to a boil water alert in 2019 per Staff data  
12 request 2-58); b) and do not include 2019 customer program expenses of \$23,886. First, the  
13 2019 customer goodwill credits of \$179,160 are a nonrecurring event and expense in 2019 that  
14 caused the 2019 O&M expenses to be greater than normal, and these nonrecurring expense  
15 amounts should be removed from the 2019 period as a rate case adjustment. However, these  
16 goodwill credit expenses related to the boil water alert of \$179,160 should not be included as  
17 an adjustment to increase 2020 expenses as proposed by Aquarion. Besides, if the goodwill  
18 credit expenses were recurring, they would have already been reflected in the 2020 expenses,  
19 and they were not. Aquarion's argument is not justified, and it further supports an adjustment  
20 to reduce 2019 test period expenses and does not support an increase to 2020 expenses.

21  
22 Similar to the same argument I propose for the customer goodwill credits, the customer  
23 program expenses of \$23,886 incurred in 2019 appear to be a nonrecurring expense that should  
24 be removed from the 2019 test period, and this does not impact the 2020 expenses. Also, if  
25 these expenses were recurring, they would have been included in the 2020 expenses, and they

1 were not. Aquarion's argument is not justified, and it supports an adjustment to reduce 2019  
2 test period expenses by \$23,886 and not an increase to 2020 expenses. Aquarion has not  
3 provided any meaningful justification or documentation to explain why 2020 Customer  
4 Accounting expenses are not reasonable to use in my revenue requirement calculation.

5  
6 **3) TS 3-1(c) – Impact on Other Operating Expenses:**  
7

8 Aquarion's explanation is disjointed and difficult to understand. It appears Aquarion is  
9 arguing that its 2019 labor costs were \$65,000 greater than 2020 labor costs, but Aquarion does  
10 not explain why it believes the 2020 labor costs are unusually or unreasonably understated on  
11 its books, if that is the argument. Also, Aquarion appears to state that its payroll adjustment  
12 in the rate case includes increased expenses reflecting the impact of 3 percent pay raises that  
13 occur in both April 2020 and April 2021, and the 2020 period only reflects nine months of the  
14 2020 pay raise.

15 First, the 2021 pay raise expenses do not belong in Aquarion's 2019 test period adjusted  
16 payroll costs (and should not be included in 2020 book costs), because these expenses are a  
17 violation of Commission Order No. 20,766 that disallows expenses more than twelve months  
18 beyond the test period. Second, although the 2020 test period may not include three months  
19 of 2020 pay raises, these expenses are relatively immaterial and do not significantly impact a  
20 revenue requirement relying upon 2020 expenses.

21 Third, the information in the table below shows that 2020 payroll costs were less than 2019  
22 payroll costs, and Aquarion has not explained why 2019 payroll expenses were overstated or  
23 why 2020 payroll expenses were understated (Aquarion provides no explanation for adjusting  
24 these payroll costs related to unusual or nonrecurring events), thus the 2020 payroll costs  
25 appear reasonable for use in my revenue requirement. Finally, Aquarion states that the 2020

1 expense to capital ratio is 89.1 percent, and I’m not sure if Aquarion is claiming that this causes  
 2 2020 payroll expenses to be understated, but that argument is incorrect. Per the payroll  
 3 information in the table below (from the Annual Reports), both 2019 and 2020 have a similar  
 4 expense to capital ratio of 90.85 percent and 90.45 percent, so this issue of the capital to  
 5 expense ratio is not impacting payroll amounts between the two periods.

A	B	C	D
			Amount
Source: F-58 Annual Reports	2019	2020	Change
Payroll expensed	858,695	850,443	(8,252)
Payroll capitalized	86,511	89,786	3,275
Total Payroll Costs	945,206	940,229	(4,977)
Percent expensed	90.85%	90.45%	
Percent capitalized	9.15%	9.55%	
Total	100.00%	100.00%	

6  
 7 Aquarion states that 2020 outside expenses were curtailed by the pandemic, but does not  
 8 support this statement with any specific dollar impact or calculations. Aquarion has not  
 9 provided any meaningful justification or documentation to explain why 2020 payroll expenses  
 10 and other expenses are not reasonable to use in my revenue requirement calculation.

11  
 12 **4) TS 3-1(c) – Impact on Administrative and General (“A&G”) Expenses:**

13 Aquarion provides a list of expenses (and reduction in expenses) that are included in 2019  
 14 and not 2020, to explain why 2020 expenses are understated, and I will address the larger  
 15 amounts. First, Aquarion states that 2020 does not include a reduction in income tax expense  
 16 related to the amortization of the Tax Cuts and Job Act (“TCJA”), although the Company  
 17 included this adjustment in its rate case for its 2019 pro forma expenses. I am not sure why  
 18 the Company is not recording the proper impact of the TCJA on its financial books for each

1 year, but that is a separate issue. However, I have included the Aquarion's TCJA income tax  
2 expense amortization adjustment (reduction of income taxes) of \$143,534 as one of the five  
3 adjustments that I propose in this rate case.

4 Second, the remaining list of expenses that Aquarion claims should be included in 2020  
5 financial results are either relatively immaterial (change to self insured liability, change to  
6 internal legal, Next Gen champion award), they are nonrecurring costs that do not belong in  
7 any test period, they have not been approved by the Commission (amortization of merger  
8 expenses), I have previously addressed (greater wages/benefits), or I have already adjusted for  
9 in the revenue requirement (rate case expense, amortization of TCJA).

10  
11 **5) TS 3-1(d) – Impact on Property Tax Expense:**  
12

13 Although Aquarion's information shows that 2020 property taxes are \$130,961 greater than  
14 2019 property taxes, the Company states it still needs to recover additional property taxes of  
15 \$52,562 per its property tax annualization adjustment. I do not entirely oppose reflecting the  
16 additional \$52,562 in my revenue requirement calculation. However, if this adjustment were  
17 to be made, there are other corresponding adjustments that should be implemented to reduce  
18 2020 costs using traditional ratemaking principles, such as the following:

- 19
- 20 • Remove lobbying costs.
  - 21 • Remove a percent of long and short-term incentive driven by financial performance  
22 related goals (which are not beneficial to customers).
  - 23 • Remove Supplemental Executive Retirement Plan ("SERP") expenses.
  - 24 • Remove a portion of D&O liability insurance, to share these costs between shareholders  
25 and ratepayers.
  - 26 • Remove amortization costs of the Eversource Aquarion merger impact (that has not  
27 been ruled upon by the Commission).
  - Remove excessive affiliate allocations (Exhibit BCO-10).

- 1 • Remove excessive or nonrecurring legal expenses.
- 2 • Remove excessive or nonrecurring levels of customer assistance program costs.

3 Bottom line, I am not convinced by Aquarion's response to TS 3-1 and TS 3-2 that any  
4 other significant adjustments are necessary to reflect 2020 financial results on a reasonable basis  
5 for regulatory ratemaking purposes.

### III. Other Revenue Requirement Adjustments

#### ADJUSTMENT JT-2 – DEPRECIATION EXPENSE

6  
7  
8 **Q. Please explain Aquarion's depreciation expense adjustment at Schedule 1R of its**  
9 **filing to annualize depreciation expense at the Company's proposed new depreciation rates?**

10 A. Aquarion proposed an adjustment to annualize depreciation expense at its proposed new  
11 depreciation rates. Aquarion begins with its adjusted pro forma gross plant in service of  
12 \$56,033,346<sup>17</sup> and applies its proposed new depreciation rates to each of the respective accounts,  
13 to arrive at annualized depreciation expense (at proposed new depreciation rates) of \$1,310,407.<sup>18</sup>  
14 Aquarion then adjusted the 2019 depreciation expense per books to its annualized depreciation  
15 expense of \$1,310,407, resulting in an adjustment (and increase) to depreciation expense of  
16 \$286,177. Aquarion provides calculations at its Schedule 1R, to break out the \$286,177  
17 depreciation expense adjustment between depreciation expense annualized at existing depreciation  
18 rates of \$157,798, and incremental depreciation expense annualized at proposed new depreciation  
19 rates of \$128,379 ( $\$157,798 + \$128,379 = \$286,177$ ). The adjustment is shown in Table 3 below:

---

<sup>17</sup> Aquarion's adjusted plant in service is calculated as the 2019 gross plant in service per books, and adds \$6,695,500 of post test period 2021 plant additions, equaling an adjusted pro form balance of \$5,033,346.

<sup>18</sup> The depreciation expense of \$1,310,407 is net of \$24,975 of reserve deficiency amortization.

1 **Table 3– Summary of Aquarion Depreciation Expense Adjustment**

A	B	C
		Aquarion
Line	Description	Adjustment
1	2019 depreciation expense per books	1,024,230
2	Increase in deprec. expense - annualized at existing deprec. rates	157,798
3	Increase in deprec. expense - annualized at proposed deprec. rates	128,379
4	Proposed adjustment	286,177
5	Adjusted depreciation expense rate case	<u>1,310,407</u>

2

3 **Q. Will you explain your revision to Aquarion’s depreciation expense adjustment, which**  
 4 **also reflects depreciation expense at Aquarion’s proposed new depreciation rates?**

5 A. This is explained after Table 4 below.

6  
 7  
 8  
 9  
 10  
 11  
 12  
 13  
 14

1 **Table 4 – Summary of Ostrander/Joint Towns Depreciation Expense Adjustment**

A	B	C	D	E
		Depreciation	Depreciation	
	<b>Aquarion Adjustment:</b>	Expense	Expense	Source
1	2019 depreciation expense per books		1,024,230	Note 1
2	Aquarion adj. - annualize deprec. expense at existing deprec. rates	157,798		Note 1
3	Aquarion adj. - annualize deprec. expense at proposed new deprec. rates	128,379		Note 1
4	Proposed adjustment	286,177	286,177	Note 1
5	Aquarion adjusted depreciation expense in rate case		1,310,407	Note 1
6				
7	<b>Ostrander Adjustment - Adjust to December 31, 2021 Balance:</b>			
8	Adjust Aquarion deprec. expense to Dec. 31, 2021 deprec. expense		(268,001)	
9	Depreciation expense at December 31, 2020		1,042,406	Note 2
10	<b>Ostrander Adjustment - Revise Aquarion Deprec. Expense Adjustment:</b>			
11	Include deprec. expense at Aquarion's proposed new depreciation rates		113,215	
12	Ostrander adjusted deprec. expense		<u><u>1,155,621</u></u>	
13				
14	<b>Reconciliation of Ostrander Depreciation Expense Adjustment:</b>			
15	2019 depreciation expense per books	1,024,230	1,024,230	
16	2020 Annualize depreciation expense at existing deprec. rates	18,176	18,176	
17	2020 depreciation expense per books	1,042,406		
18	Ostrander adj. - annualize deprec. expense at proposed new deprec. rates	113,215	113,215	
19	Ostrander adjusted deprec. expense at proposed new deprec. rates	<u><u>1,155,621</u></u>	<u><u>1,155,621</u></u>	
20				
21	Sources:			
22	Note 1 - Aquarion filing, Schedule (Adjustment) 1R.			
23	Note 2 - Depreciation expense per 2020 Annual Report			

2

3 Per above Table 4, I started with Aquarion’s adjusted pro forma depreciation expense of

4 \$1,310,407 (line 5, column D), and then I reduced depreciation expense by \$268,001 (line 8,

5 column D) to adjust to the December 31, 2020 depreciation expense balance of \$1,042,406 (line

6 9, column D). By adjusting to the December 31, 2020 balance, this effectively removed

7 Aquarion’s pro forma adjustment to depreciation expense. However, I believe that a pro forma

8 depreciation expense adjustment is reasonable within certain boundaries, and so I added my

1 revised adjustment to reflect depreciation expense at annualized levels, including Aquarion's  
2 proposed new depreciation rates. Although I do not necessarily agree with Aquarion's proposed  
3 new depreciation rates, I have included an allowance for this in my calculated revenue deficiency  
4 at this time – although I am continuing to evaluate this issue. Therefore, I increased the December  
5 31, 2020 depreciation expense by \$113,215 (line 11, column D, and line 18, columns C and D) to  
6 allow for increased depreciation expense at proposed new depreciation rates. Therefore, my  
7 depreciation expense adjustment consists of two components, similar to Aquarion's approach.

8 First, I have allowed an annualized increase in depreciation expense at existing  
9 depreciation rate levels, and this is an amount of \$18,176 (line 16, columns C and D), which is the  
10 difference between the 2019 depreciation expense per books of \$1,024,230 and the 2020  
11 depreciation expense per books of \$1,042,406.

12 Second, I have allowed an annualized increase in depreciation expense at proposed new  
13 depreciation rate levels, and this is an amount of \$113,215 that I previously addressed. The  
14 reconciliation (lines 14 to 19, columns C and D) shows the beginning 2019 depreciation expense  
15 of \$1,024,230, adding \$18,176 for depreciation expense annualized at existing depreciation rates,  
16 plus adding \$113,215 for depreciation expense annualized at proposed new depreciation rates,  
17 equals my adjusted forward-looking depreciation expense of \$1,155,621.

18 **Q. Does Aquarion's annualized depreciation expense at existing depreciation rates**  
19 **appear to be unusually high compared to actual 2020 depreciation expense, and how did you**  
20 **address this?**

21 A. Yes. This is explained by information in Table 5 below. Aquarion's adjusted depreciation  
22 expense at existing depreciation rate levels is \$1,182,028 (line 3, column C), based on adjusted

1 pro forma gross plant in service of \$56,033,346 (including \$6.7 m of 2020 plant additions). The  
 2 actual 2020 depreciation expense is \$1,024,230 based on 2020 gross plant in service of  
 3 \$57,573,255. It appears unusual that Aquarion’s adjusted depreciation expense at existing  
 4 depreciation rate levels of \$1,182,028 (based on adjusted plant of \$56,033,346) is \$157,798 greater  
 5 than actual 2020 depreciation expense of \$1,024,230 (based on December 31, 2020, plant of  
 6 \$57,573,255).<sup>19</sup> Aquarion’s adjusted plant of \$56.0 million and related forward-looking  
 7 depreciation expense of \$1,182,028, should be reasonable surrogates for actual depreciation  
 8 expense incurred in 2020, although Aquarion’s calculation produces depreciation expense that is  
 9 \$157,798 greater than the actual 2020 depreciation expense. Therefore, I have used the actual  
 10 increase from 2019 depreciation expense to 2020 depreciation expense of \$18,176 as the increase  
 11 annualized increase in depreciation expense at existing depreciation levels (as shown in prior Table  
 12 7).

13 **Table 5 – Aquarion Depreciation Expense at Existing Depreciation Rate Levels**

A	B	C
Line	<b>Aquarion Depreciation Expense Adjustment - Schedule 1R</b>	Deprec. Expense
1	2019 depreciation expense per books	1,024,230
2	Deprec. expense annualized at existing deprec. rates	157,798
3	Adjusted depreciation expense	1,182,028
4	Deprec. expense annualized at new proposed deprec. rates	128,379
5	Aquarion adjusted pro forma depreciation expense	1,310,407

15 **Q. How did you adjust Aquarion’s depreciation expense to reflect the impact of proposed**  
 16 **new depreciation rates?**

17 A. First, per Table 6 below, I calculated a ratio of: a) Aquarion’s incremental increase in  
 18 depreciation expense related to the Company’s proposed new depreciation rates (\$128,379, see

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<sup>19</sup> Although increase in this plant balance occur throughout the 2020 period.

1 prior Table 8); to the b) amount of Aquarion’s adjusted depreciation expense at existing  
 2 depreciation rates (\$1,182,028, see prior Table 8), and this ratio is 10.86 percent. This ratio/percent  
 3 is intended to show how much Aquarion’s depreciation expense at proposed new depreciation rates  
 4 exceeds its depreciation expense at existing depreciation rate levels.

5 Second, per Table 7 below, I increased the actual 2020 depreciation expense of \$1,042,406  
 6 (which I previously explained is my surrogate for Aquarion’s depreciation expense at existing  
 7 depreciation rates), by the 10.86 percent (ratio of depreciation expense at proposed new  
 8 depreciation rate levels), to arrive at my depreciation expense increase (and adjustment) of  
 9 \$113,215 related to reflect depreciation expense at proposed new depreciation rate levels.

10 Third, per Table 8 below, this shows a comparison, and the difference, between Aquarion’s  
 11 proposed depreciation expense adjustment and the depreciation expense adjustment that I propose.

12

13 **Table 6 – Ratio of Depreciation Expense at Proposed New Rates**

<b>Ratio of Proposed Deprec. Rates to Deprec. Expense at Existing Rates Annualized:</b>		Ratio
Increase in deprec. expense - annualized at proposed new deprec. rates	128,379	
Aquarion adjusted deprec. expense - annualized at existing deprec. rates	1,182,028	10.86%

15

16 **Table 7 – Apply Ratio to Ostrander Proposed Depreciation Expense**

<b>Ostrander Depreciation Adjustment at Aquarion's Proposed Depreciation Rates:</b>	
Actual 2020 depreciation expense per Annual Report	1,042,406
Ratio of Aquarion proposed deprec. rates to deprec. rates/expense	10.86%
Joint Towns allowed adjustment for new proposed deprec. rates	113,215

18

19

20

21

1 **Table 8 – Summary of Aquarion and Ostrander Depreciation Expense Adjustments**

A	B	C	D	E
			Joint	Joint
		Aquarion	Towns	Towns Adjusted
inc	Description	Adjustment	Adjustment	Deprec. Expense
1	2019 depreciation expense per books	1,024,230		1,024,230
2	Increase in deprec. expense - annualized at existing deprec. rates	157,798	(139,622)	18,176
3	Increase in deprec. expense - annualized at proposed deprec. rates	128,379	(15,164)	113,215
4	Proposed adjustment	286,177		131,391
2	5 Adjusted depreciation expense rate case	1,310,407	<b>(154,786)</b>	1,155,621

3 **Q. Did you perform additional analysis to determine if your adjusted depreciation**  
 4 **expense is within a range of reasonableness?**

5 A. Yes. Per Table 9 below, I compared the ratio of actual depreciation expense to actual gross  
 6 plant in service for the periods 2018 to 2020 (including average balances for gross plant also), to  
 7 see if my adjusted depreciation expense falls within a range of reasonableness. The information  
 8 shows that the ratio of depreciation expense to gross plant in service typically falls in a range of  
 9 1.81 percent for 2020 year-end data (line 5, column F) to an upward range of 2.10 percent for 2018  
 10 year-end data.<sup>20</sup> My proposed depreciation expense (at annualized depreciation proposed new rate  
 11 levels) of \$1,155,621 (related to corresponding 2020 gross plant of \$57,572,255) is at 2.01 percent,  
 12 and this falls within the range of 1.81 percent to 2.10 percent that I previously identified, so my  
 13 adjustment is reasonable.

14

15

---

<sup>20</sup> I did not include Aquarion’s adjusted depreciation expense in this range, because I was testing my calculation against “actual” amounts per books from prior years, and not against Aquarion’s “estimated” depreciation expense adjustment for which I had concerns.

1 **Table 9 – Reasonableness Test of Depreciation Expense Adjustment**

A	B	C	D	E	F
				Gross	Ratio of
			Depreciation	Plant	Deprec.
Line	Party	Description	Expense	in Service	Exp. To Plant
1	Aquarion	2018 Year-End	968,602	46,103,736	2.10%
2	Aquarion	2019 Year-End	1,024,230	49,337,846	2.08%
3	Aquarion	2018/2019 Average	996,416	47,720,791	2.09%
4	Aquarion	Aquarion 2019 Adjusted Pro Forma Amounts	1,310,407	56,033,346	2.34%
5	Aquarion	2020 Year-End	1,042,406	57,573,255	1.81%
6	Aquarion	2019/2020 Average	1,033,318	53,455,551	1.93%
7	Aquarion	Depreciation expense - annualized at current rates	1,182,028	56,033,346	2.11%
8	Aquarion	Depreciation expense - annualized at proposed rates	1,310,407	56,033,346	2.34%
9	Ostrander	Adjusted depreciation expense - at proposed rates	1,155,621	57,573,255	2.01%
10	Ostrander	Adjusted depreciation expense - at proposed rates	1,155,621	56,033,346	2.06%
11					
12		Note 1: Plant balances from Sch. No. 3 or Annual Report for respective year.			
13		Note 2: Depreciation expense from Sch. No. 1 or Annual Report for respective year.			

**ADJUSTMENT JT-3 – RATE CASE EXPENSE**

6 **Q. Please explain your adjustment to include Aquarion’s rate case expense adjustment**  
 7 **in your revenue requirement calculations?**

8 A. When I made adjustments to operating expenses to reflect amounts at December 31, 2020,  
 9 balances, this effectively removed Aquarion’s proposed rate case expense amortization adjustment  
 10 of \$27,151. I have made a separate adjustment to add this rate case adjustment back into my  
 11 proposed revenue requirement because I am not opposed to this adjustment, and it is reasonable  
 12 for Aquarion to recover these costs (along with any reasonable trued-up amounts).

1                    **ADJUSTMENT JT-4 – TCJA Income Tax Expense**

2  
3    **Q.     Please explain your adjustment to include Aquarion’s TCJA income tax expense**  
4 **adjustment in your revenue requirement calculations?**

5    A.     Aquarion’s response to Joint Towns data request TS 3-1(c) states that the impact of TCJA  
6 upon income tax expense has not been reflected in the 2020 period. Therefore, I have made an  
7 adjustment to include this impact in my revenue requirement, at the same amount that Aquarion  
8 used in its revenue requirement. This results in a decrease to income tax expense of \$143,534 for  
9 the effect of the amortization of excess deferred income taxes per the TCJA. I have also made a  
10 corresponding adjustment to reduce accumulated deferred income taxes in rate base by the same  
11 amount.

12  
13                    **ADJUSTMENT JT-5 – CAPITAL STRUCTURE ADJUSTMENT**

14  
15    **Q.     Please explain your adjustment to Aquarion’s capital structure?**

16    A.     I will explain this adjustment using Tables 10, 11, and 12 below. Table 10 is Aquarion’s  
17 proposed capital structure with the related 10.25 percent ROE and overall ROR of 8.1507 percent.  
18 The focus of my adjustment will be on Table 11, which is the 2020 capital structure per books,  
19 and Table 12, which is my proposed capital structure that includes Aquarion’s 10.25 percent ROE  
20 and a revised ROR of 7.6119 percent based on the adjustment that I propose to the capital structure.

21             First, consistent with operating and rate base accounts, I have made an adjustment to reflect  
22 the capital structure at December 31, 2020, balances per Aquarion’s Annual Report. Table 11  
23 shows that the 2020 capital structure includes “Paid in Capital” in the Total Equity balance of

1 \$4,080,250 (line 5, column C) and also includes “Short-Term Debt” of \$2,833,281 (line 11,  
2 column C) at a cost of .78 percent (weighted cost of \$.0604 percent).

3 Second, Aquarion’s response to Joint Towns data request 4-10 (Exhibit BCO-8) on  
4 November 2, 2021 states that the Company transferred Short-Term Debt of \$1,600,000 to the Paid  
5 in Capital account on December 30, 2020, and this increased the Paid in Capital (equity) account  
6 from its 2019 balance of \$2,480,250 (Table 10) at 2019 to its 2020 balance of \$4,080,250 (Table  
7 11), and also decreased the Short-Term Debt balance by the same amount. Aquarion states that it  
8 transferred the Short-Term Debt to the Paid in Capital account so the Company’s capital structure  
9 remained at a reasonable level within the industry range,<sup>21</sup> and this caused the Equity/Debt ratio  
10 to change from 52/48 percent in 2019 to 54/46 percent in 2020, increasing the equity ratio by about  
11 2 percent. I would also note that the timing of this transaction appears somewhat odd or unusual,  
12 to transfer \$1.6 million of Short-Term Debt to Paid in Capital on December 30, 2020, right before  
13 the beginning of the 2021 calendar year. This transaction had the impact of increasing equity  
14 balances by \$1.6 million and reducing the Company’s reported ROE in its December 31, 2020,  
15 Annual Report, to an ROE of 7.98 percent – the ROE would have been 8.47 percent without this  
16 \$1.6 million increase in equity.

17 Third, as Table 12 shows that I reversed the Aquarion transaction and removed the  
18 \$1,600,000 from Paid in Capital account (line 5, column C) and placed it back in the Short-Term  
19 Debt balance (line 10, column C) at the prior 2019 cost of 2.42 percent, and this results in an  
20 Equity/Debt ratio of 50/50 percent for the adjusted 2020 period.

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<sup>21</sup> Per Aquarion’s response to Joint Towns data request 4-10.

1 I do not believe it was reasonable for Aquarion to transfer Short-Term Debt amounts to  
 2 Paid in Capital amounts, because these are two different types of original capital sources. Also,  
 3 Aquarion states the purpose of this transfer was to keep the capital structure remained in line with  
 4 the industry range, but Aquarion did not provide any supporting documentation for the “industry  
 5 range”, of which they supported an Equity/Debt ratio of 54/46 percent. In prior years, Aquarion’s  
 6 Equity/Debt ratio was about 40/60 percent, and now the Company’s capital structure has almost  
 7 reversed to the proposed 54/46 percent. I do not believe that a further increase in the Equity balance  
 8 is warranted via the Company’s paper accounting entry to achieve this result. Also, by reversing  
 9 this transaction, I have maintained the Paid in Capital balance at \$2,480,250, which is the same  
 10 amount proposed by Aquarion in the capital structure of this rate case (Table X8, line 5, column  
 11 C).

12 **Table 10 – Aquarion’s Capital Structure**

A	B	C	D	E	F
		Schedule 4 and 4A of Filing			
		Aquarion Proposed Capital Structure			
					Weighted
Line	Description	Amount	%	Cost	Cost
1	Preferred Stock	2,300	0.01%	6%	0.0%
2					
3	Common Stock	2,187,075			
4	Premium on capital stock	3,557,940			
5	Other paid in capital	2,480,250			
6	Retained earnings	8,373,058			
7	Total Equity	16,598,323	52.36%	10.25%	5.3669%
8					
9	Long-Term Debt - Bonds	13,900,000	43.85%	6.14%	2.6922%
10	Short-Term Debt Transferred to Paid in Capital in 2020				
11	Short-Term Debt/Note Payable	1,200,000	3.79%	2.42%	0.0916%
12	Total Debt	15,100,000	47.63%		
13					
14	Rate of Return	31,700,623	100.00%		<b>8.1507%</b>

14

1 **Table 11 – Ostrander’s December 31, 2020 Capital Structure per Books**

A	B	C	D	E	F
		Joint Towns - December 31, 2020 Capital Structure			
					Weighted
Line	Description	Amount	%	Cost	Cost
1	Preferred Stock	2,300	0.01%		0.0%
2					
3	Common Stock	2,187,075			
4	Premium on capital stock	3,557,940			
5	Other paid in capital	4,080,250			
6	Retained earnings	10,023,211			
7	Total Equity	19,848,476	54.25%	10.25%	5.5611%
8					
9	Long-Term Debt - Bonds	13,900,000	37.99%	6.14%	2.3329%
10	Short-Term Debt Transferred to Paid in Capital in 2020				
11	Short-Term Debt/Note Payable	2,833,281	7.74%	0.78%	0.0604%
12	Total Debt	16,733,281	45.74%		
13					
14	Rate of Return	36,584,057	100.00%		<b>7.9544%</b>

3 **Table 12 – Ostrander’s Adjusted December 31, 2020 Capital Structure**

A	B	C	D	E	F
		Note 2 (with Joint Towns adjustment)			
		Joint Towns - December 30, 2020 Adjusted			
					Weighted
Line	Description	Amount	%	Cost	Cost
1	Preferred Stock	2,300	0.01%		0.0%
2					
3	Common Stock	2,187,075			
4	Premium on capital stock	3,557,940			
5	Other paid in capital	2,480,250			
6	Retained earnings	10,023,211			
7	Total Equity	18,248,476	49.88%	10.25%	5.1128%
8					
9	Long-Term Debt - Bonds	13,900,000	37.99%	6.14%	2.3329%
10	Short-Term Debt Transferred to Paid in Capital in 2020	1,600,000	4.37%	2.42%	0.1058%
11	Short-Term Debt/Note Payable	2,833,281	7.74%	0.78%	0.0604%
12	Total Debt	18,333,281	50.11%		2.4991%
13					
14	Rate of Return	36,584,057	100.00%		<b>7.6119%</b>

- 1 **Q. Does this conclude your direct testimony?**
- 2 A. Yes.

## **Bion C. Ostrander – Curriculum Vitae**

Mr. Ostrander is an independent regulatory consultant with forty-three years of total regulatory and accounting experience working for Certified Public Accounting (CPA) firms, regulatory agencies, and his regulatory consulting business (including thirty-one years as an independent consultant with his own firm). Mr. Ostrander has been providing continuous consulting services since 1990 and has addressed more than 250 cases in numerous U.S. and international jurisdictions.<sup>1</sup>

Mr. Ostrander has addressed a broad range of telecom and energy accounting and policy issues in his career, including rate case/revenue requirement accounting adjustments, CAM/EAM reviews, capital asset infrastructure/modernization, affordable rates/universal service, tariff design, models that calculate the levelized cost of electricity for renewable energy options (PV solar, wind, biogas, etc.) for purposes of setting feed-in/renewable energy rider tariffs, compensation, affiliate transactions, depreciation, merger/acquisitions, cross-subsidization, complex income tax issues, service quality, retail and wholesale cost studies, competition, and many others.

Mr. Ostrander's experience is summarized below:

- ✓ **Bion C. Ostrander (dba Ostrander Consulting):** Principal/Owner - October 1990 to current.
- ✓ **Kansas Corporation Commission:** Chief of Telecommunications - 1986-1990.
- ✓ **Kansas Corporation Commission:** Chief Auditor (gas, electric, telephone & transport.) - 1983-1986.
- ✓ **Mize Houser Mehlinger & Kimes:** Auditor in audit section of regional CPA firm - 1981-1983.
- ✓ **Deloitte Haskins and Sells (now Deloitte or Deloitte Touche Tohmatsu Limited):** Auditor for international CPA firm - 1978-1981.

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<sup>1</sup> Mr. Ostrander maintained a permit to practice as a CPA for most years he was providing consulting services, the permit was maintained primarily for credential purposes. However, because he no longer provides any attestation or related services that require a permit to practice, he no longer maintains the permit - - although he retains membership in CPA organizations.

A client summary is included in the table below:

<b>Client Summary</b>	
<b><i>Consumer Advocates/Attorney General</i></b>	<b><i>Public Service Commissions</i></b>
District of Columbia - OPC	Arizona
Indiana UCC	Georgia
Florida OPC	Kansas
Kansas CURB	Maryland
Kentucky AG	Minnesota
Michigan AG	North Dakota
Maine OPA	Oklahoma
Maine AARP	<b><i>Other</i></b>
Maryland OPC	Alaska Competitive Local Exchange Carrier
Michigan AG	Maryland - Montgomery County
Minnesota DPS	Cities of Hampton & North Hampton - New Hampshire
Nevada AG	Virginia - CWA
New Hampshire OCA	Kansas Counties (911 implementation issues)
Ohio OPA	<b><i>International</i></b>
Oklahoma AG	Fair Trading Commission - Barbados
Utah OCS	Eastern Caribbean Telecomm. Authority (ECTEL -
Vermont DPS	St. Lucia, St. Kitts/Nevis, St. Vincent, Grenada, Dominica)
Washington AG	Armenia - USAID
Wyoming	Russia/Ukraine Energy Utility Training
	Saudi Arabia

**Work History – Ostrander:**

**Bion C. Ostrander – Consulting Firm (1990 to present):**

**Principal**

Mr. Ostrander principally addresses regulatory issues on behalf of governments and regulatory agencies, including U.S. and international regulatory agencies. Services include those related to revenue requirement issues, price caps or alternative regulation plans, competition assessment, costing/pricing, interconnection/local loop unbundling, universal service, management audits and other matters.

**Kansas Corporation Commission (1983 – 1990):**

**Chief of Telecommunications**

Supervised staff and directed all telecommunications-related matters including assessment of rate cases of SWBT, United/Sprint and rural LECs. Also, directed actions regarding alternative regulation

plans, establishing access charge policy, transition to intrastate competition, depreciation filings, establishment of the Kansas Relay Center for speech and hearing impaired citizens in Kansas, filings with the FCC, billing standards, quality of service, consumer complaints, staff training and over one hundred docketed regulatory matters per year. Mr. Ostrander was the lead witness on all major telecommunications matters.

Chief Auditor

Directed rate cases of gas, electric and telecom companies prior to promotion to Chief of Telecommunications.

**Mize, Houser, Mehlinger and Kimes (now Mize Houser & Company Professional Association):**

Auditor – CPA firm

Performed auditing, tax and special projects for various industries.

**Deloitte, Haskins and Sells (now Deloitte & Touche) – (International CPA/Audit Firm):**

Auditor – CPA firm

Performed auditing, tax and special projects in industries such as utilities, savings and loan, manufacturing, retail, construction, real estate, insurance, banking and not-for-profit.

**Education:**

University of Kansas - B.S. Business Administration with a Major in Accounting, 1978.

**Affiliations:**

- Member - American Institute of CPAs (AICPA)
- Member - Kansas Society of CPAs (KSCPA)

Bion C. Ostrander - Regulatory Cases

Joint Towns

Utility	State	Client/Agency	Docket/Case	Product	Summary of Issues
Aquarion Water Company	NH.	Hampton & North Hampton	Docket No. DW 20-184	Testimony	Revenue requirement issues
Columbia Gas of Ohio	OH.	Office of the Ohio Consumers' Counsel	Case No. 21-637-GA-AIR	In progress	Revenue requirement issues
Delta Natural Gas Company	KY.	Kentucky Office of Attorney General	Case No. 2021-00185	Testimony	Revenue requirement issues
Renewable Energy Plan	MD.	Fair Trading Commission	N/A	Formal Report	Prepare leveled cost of electricity (LCOE) models to propose feed-in tariffs for all renewable energy options (solar centr. and distributed, wind on-shore, wind off-shore, WTE) and determine the potential impact on customer rates
Liberty Utilities	MD.	New Hampshire OCA	Docket No. DE 19-064	In progress	Revenue requirement
Washington Gas Light Company	MD.	Maryland Commission Staff	Case No. 9481	Testimony	Revenue requirement and CAM
Potomac Electric Power Co.	MD.	Maryland Commission Staff	Case No. 9418	Testimony	Revenue requirement, rate base and operating expenses
None - operational audit	OK.	Oklahoma Commission Staff	No docket	Report	Operational audit of Oklahoma Universal Service Fund
Carbon Emery Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 15-2302-01	Testimony	Revenue requirement/CAM
Emery Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 15-042-01	Testimony	Revenue requirement/CAM - case settled
Strata Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 15-053-01	Testimony	Revenue requirement/CAM - case settled
Beehive Tel. Co.	UT.	Utah Office of Consumer Services	Dkt. No. 14-051-01	Testimony	Revenue requirement/CAM - case withdrawn
FairPoint Comm., Inc.	MN.	Maine Office of Public Advocate	2013-00340	Testimony	Revenue requirement/CAM
Bangor Gas Company	MN.	Maine Office of Public Advocate	2012-00598	Testimony	Revenue requirement/CAM and evaluate a new Alt. Reg.
Potomac Electric Power Co.	MD.	Montgomery County	Case No. 9336	Testimony	Revenue requirement, rate base and operating expenses
Hanksville Telecom, Inc.	Utah	Utah Office of Consumer Services	Dkt. No. 14-2303-01	Consultation	Request for Univ. Service Funding, revenue requirement/CAM
Big Rivers Electric Corp.	KY	Kentucky Office of Attorney General	CN 2013-00199	Testimony	TIER rev. req., operating expenses, payroll and policy This rate case was filed while the prior rate case was still pending.
Atmos Energy Corp.	KY	Kentucky Office of Attorney General	CN 2013-00148	Testimony	Revenue requirement/rate case
Manti Telephone Company	UT.	Utah Office of Consumer Services	Dkt. No. 13-046-01	Consultation	Phase II issues, revenue requirement/CAM
Delmarva Power & Light Co.	MD.	Maryland Office of People's Counsel	Case No. 9317	Multiple testimonies	Revenue requirement, rate base, and operating expenses
Century Link	KS	Citizen's Utility Ratepayer Board	13-GIMT-473-MIS	Assist with negotiation	Review of price cap plan renewal and CAM
Generic	KS	Citizen's Utility Ratepayer Board	13-GIMT-597-GIT	Comments	Address Kansas Lifeline issues
Big Rivers Electric Corp.	KY	Kentucky Office of Attorney General	CN 2012-00535	Testimony	TIER rev. req., operating expenses, payroll and policy
Potomac Electric Power Co.	MD.	Montgomery County	Case No. 9311	Multiple testimonies	Revenue requirement, rate base and operating expenses
Cable & Wireless - Caribbean	Note 1	Eastern Caribbean Telecomm. Authority (EC	not applicable	Report	Review EAM/CAM telecom cost study and evaluate profitability by service and revise EAM allocations
Baltimore Gas & Electric Co.	MD.	Maryland Office of People's Counsel	Case No. 9299	Multiple testimonies	Revenue requirement, rate base, and operating expenses
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	13-GIMT-130-GIT	Review/monitor	Annual review of Ks. USF funding and assessment. Mr. Ostrander has reviewed these filings for the past 15 years of the Ks. USF existence
Manti Telephone Company	UT.	Utah Office of Consumer Services	Dkt. No. 08-046-01	Testimony	Revenue requirements/CAM and and policy on universal service fund.
Generic review	UT.	Utah Office of Consumer Services	No docket	Report	Review and assessment of Utah telephone companies
Potomac Electric Power Co.	MD.	Maryland Office of People's Counsel	Case No. 9286	Multiple testimonies	Overall revenue requirement and operating expenses
Delmarva Power & Light Co.	MD.	Maryland Office of People's Counsel	Case No. 9285	Multiple testimonies	Overall revenue requirement and operating expenses
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	12-GIMT-168-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies
Telecom industry	KS	Citizen's Utility Ratepayer Board	12-GIMT-170-GIT	Comments and Reply Comments	Address implications of FCC changes/policy regarding ICC, Broadband, FUSF policies and other upon changes to policy for Ks. USF and carriers
PacifiCorp - Pacific Power	WA.	Washington Attorney General - Public Counsel Section	Dkt. UE-111190	Testimony	Rate case - rate base, revenues, expenses, affiliate transactions, MEHC affiliate management fee,

**Bion C. Ostrander - Regulatory Cases**

**Joint Towns**

Washington Gas Light	MD.	Maryland Office of People's Counsel	Case No. 9267	Multiple testimonies	outsourcing of services to Adecco, Rate case - rate base, revenues, expenses, affiliate transactions, complex issues regarding outsourcing of services to Accenture, compensation issues, other
Telecom industry	KS	Citizen's Utility Ratepayer Board	11-GIMT-420-GIT	Client advice/review No testimony schedule released yet	General proceeding to address changes in policy and review of cost studies/CAM to determine cost-based
Washington Elec. Coop.	Vt.	Vt. Dept. of Public Service	Dkt. No. 7691	Draft testimony & negotiate settlement	Ks. Univ. Service Fund support for price capped telcos. Rate case - rate base, revenues, expenses, affiliate transactions, other matters.
Telecom industry	KS	Citizen's Utility Ratepayer Board	11-GIMT-842-GIT	Client advice/review	Method to identify and report prepaid wireless revenue for Ks. USF.
Cable & Wireless	Note 1	Eastern Caribbean Telecom Authority (ECTEL)	There is no Docket No.	Reports & Consultation Papers	Review earnings, EAM/CAM, competition, cost studies, assessment of duopoly market, implement new price caps plan.
Pioneer Tel. Assoc.	KS	Citizen's Utility Ratepayer Board	Dkt. 11-PNRT-315-KSF	Review/monitor	Monitored this case regarding Pioneer's request for increased Ks. USF support, reviewed rate case issues and monitored settlement of issues.
Telecom industry	KS	Citizen's Utility Ratepayer Board	08-GIMT-1023-GIT	Testimony	Address Sprint's petition to reduce access charges of CenturyLink, statute issues, policy and calculations.
Rural Telcos	KS	Citizen's Utility Ratepayer Board	10-GIMT-188-GIT	Review - no hearings held	Review update of rural telco update of intrastate access charges requires every 2 years by statute
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	11-GIMT-201-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies and carrier data
Telecom industry	Armenia	USAID and AED - Armenia assessment of Dept. of Public Services Armenia	not applicable	Report	Telecom sector strategic analysis - legal/regulatory assessment, human & institutional capacity, govt. plan for IT sector development, market structure, performance gaps, telecom law, and other universal service and compliance.
Kansas City Power & Light	KS	Citizen's Utility Ratepayer Board	09-KCPE-246-RTS	Review	How to treat common plant costs for CWIP for major upgrades to coal-fired energy plant
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	09-GIMT-272-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies and carrier data
Michigan - Verizon	MI	Michigan Attorney General	Dkt. 15210	Testimony	Address CAM, TSLRIC & TELRIC cost studies of Verizon
Maryland - Verizon	MD	Maryland Office of People's Counsel	Case No. 9133	Testimony	Address price caps, competition service quality, and CAM
Maryland - Verizon	MD	Maryland Office of People's Counsel	Case No. 9121	Open	Address expanded local calling for Verizon customers
Cable & Wireless	Note 2	Fair Trading Commission of Barbados	No docket	Consulting	Address C&W EAM/CAM costs/profits for regulated & deregulated services, and address 2nd price caps plan
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. No. 07-GIMT-1353	Comments	Address Lifeline hold harmless plan
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-SCCC-200-MIS	Consulting	Address on-going compliance of Embarq with requirements of spin-off stipulation
Annual Ks. USF review	KS	Citizen's Utility Ratepayer Board	08-GIMT-315-GIT	Review/monitor	Annual review of Ks. USF funding, assessment, policies and carrier data
Virginia - Verizon	VA.	CWA	PUC-2007-0008	Testimony	Competition/deregulation/detariffing and CAM
Embarq - Nevada	NV	BCP of Attorney General - Nevada	Dkt. 06-11016	Stipulated	Address UNEs, CAM, and competition related to Embarq
Embarq - Nevada	NV	BCP of Attorney General - Nevada	Dkt. 06-11016	Consulting	Competition/deregulation/flexibility legislation
Embarq - Ks. & AT&T - Kansas	KS.	Citizens' Utility Ratepayers Board	Dkt. 07-GIMT-782-MIS	Stipulated	Address price cap factors and CAM
		Citizens' Utility Ratepayers Board	Dkt. 07-GIMT-782-MIS	Stipulated	Address price cap factors for AT&T and CAM

**Bion C. Ostrander - Regulatory Cases**

**Joint Towns**

**Exhibit 21  
Attachment BCO-2  
Docket No. DW 20-184**

Verizon - Michigan	MI.	Michigan Attorney General	Dkt. 15312	Consulting	Address reasonableness of Verizon local rates, plus CAM review
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 08-GIMT-315-GIT	Consulting	12th Year assessment Ks. Universal Serv. Fund
AT&T	KS.	Citizens' Utility Ratepayers Board	not docketed	Consulting	Assist with advice on 2007 legislative session
Generic	KS.	Citizen's Utility Ratepayer Board		Consulting	11th Year assessment Ks. Universal Serv. Fund
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-332-GIT	Consulting	10th Year assessment Ks. Universal Serv. Fund
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-446-GIT	Comments	Addressing requirements for ETCs
AT&T	KS.	Citizen's Utility Ratepayer Board	Dkt. 07-SWBT-277-MIS	Consulting	AT&T/SWBT annual price cap filing and CAM review
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-332-GIT	Consulting	10th Year assessment Ks. Universal Serv. Fund
Generic	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-GIMT-390-GIT	Consulting	Ks. Univ. Service neutrality issues
Rural Tel. - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-RRLT-963-COC	Stipulation	Rural Tel. purchase of exchanges from Embarq
Embarq - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-SCCC-200-MIS	Consulting	Monitor dividends and EQ spin-off
Embarq - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-UTDT-962-CCS	Stipulation	Embarq sale of exchanges to Rural Tel.
Generic	KS.	Citizens' Utility Ratepayers Board	Dkt. 06-GIMT-943-GIT	Consulting	
Maine - Verizon	ME.	AARP	Dkt. 2005-155	Testimony	Yellow Pages, affiliate transactions, AFOR
Sprint - Nevada	NV.	Bureau of Consumer Protection	Dkt. 05-8032	Settlement	Sprint/Nextel change of control/LTD spin-off
Sprint - Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 06-SCCC-200-MIS	In progress	Sprint/Nextel change of control/LTD spin-off
SWBT-Kansas	KS.	Citizen's Utility Ratepayer Board	Dkt. 05-SWBT-907-PDR	Consulting	SWBT application for deregulation
Sprint - Kansas	KS.	Citizen's Utility Ratepayer Board	06-UTDT-115-CCS	Stipulation	Sprint/United sale of exchanges to Twin Valley
Twin Valley - Kansas	KS.	Citizen's Utility Ratepayer Board	06-TWVT-116-COC	Stipulation	Sprint/United sale of exchanges to Twin Valley
Saudi Telecom		Saudi Arabia Communications & Information Technology Commission	No docket	Report	Report on Accounting Separation and recommendations for changes to CAM
SWBT-Ks.	KS.	Citizens' Utility Ratepayer Board	01-SWBT-1099-IAT	Comments	Address SWBT/Sage interconn. Agreement
Sprint/United & Blue Valley	KS.	Citizens' Utility Ratepayer Board	04-UTDT-781-CCS	Stipulation	Sale of exchanges from Sprint/United to Blue Valley Tel.
Generic	KS.	Citizens' Utility Ratepayer Board	04-BVTT-780-COC		Address lifeline payment policy
Generic	KS.	Citizens' Utility Ratepayer Board	04-GIMT-653-GIT	Comments	Policy on KUSF audits/tariff filings
Verizon, Bell South & Sprint	FL.	Florida Office of Public Counsel	Dockets 030867-TL, 030869-TL, 030961-TL	Testimony	Impact of access rate rebalancing, rate design, and universal service, plus review of CAM
SWBT-Ks.	Ks.	Citizens' Utility Ratepayer Board	98-SWBT-677-GIT	Testimony	SWBT's failure to comply with provision of DSL
Generic	KS.	Citizens' Utility Ratepayer Board	03-GIMT-932-GIT	Comments	Ks. Universal Service Fund policies
Kansas - generic	KS.	Citizens' Utility Ratepayer Board	03-GIMT-284-GIT	Testimony	Review KUSF assessment
Maryland Verizon	MD.	Maryland People's Counsel	Case No. 8918	Testimony	Review of earnings, price cap & deregulation issues.
Verizon Maine	ME.	Maine Office of Public Advoc.	2000-849	Testimony	Verizon's 271 filing
Ameritech	MI.	Michigan Attorney General	Case No. 12320	Comments	Ameritech's 271 filing
Verizon Vermont	VT	Dept. of Public Service	Docket 6533	Testimony	Verizon's 271 filing
Sprint Nevada	NV.	Nevada Attorney General	Docket 01-12047	Testimony	Review of earnings, CAM, rate design and affiliate issues
Western/KP&L	KS.	Citizens' Utility Ratepayer Board	01-WSRE-436-RTS	Testimony	Review allocation of costs between regulated & nonregulated operations/CAM, review of aircraft logs, and analysis of compensation benefits.
Southern Ks.	KS.	Citizens' Utility Ratepayer Board	02-SNKT-1014-EAS	Testimony	Review of Southern Ks. EAS applic.
SWBT, Sprint/United	KS.	Citizens' Utility Ratepayer Board	02-GIMT-272-MIS	Testimony	Price cap formula of LECs, plus CAM
Gen. Invest.	KS.	Citizens' Utility Ratepayer Board	01-GIMT-082-GIT	Testimony	Access charges, afford. rates and misc.
Verizon	MI.	Michigan Attorney General	U-12682	Comments	Review earnings, CAM, universal service regarding Verizon's request to restructure basic local rates
Ks. Rural LECs	KS.	Citizens' Utility Ratepayer Board	02-GIMT-068-KSF	Testimony	Rural LECs KUSF, affordable rates & access
Ameritech	MI.	Michigan Attorney General	U-12622	Briefs	Review policy for use of shared transport for intraLATA toll traffic over AM's network

**Bion C. Ostrander - Regulatory Cases**

**Joint Towns**

Generic	KS.	Citizens' Utility Ratepayer Board	00-GIMT-910-GIT	Comments	Methods to improve Lifeline
Ameritech	MI.	Michigan Attorney General	U-12598	Testimony	Evaluate Ameritech's service quality problems, service quality standards and customer credits to be paid to customers
Ameritech & Verizon	MI.	Michigan Attorney General	U-12528	Testimony	Evaluate earnings of Ameritech and Verizon in regards to expanded local calling and removal
Bell Atlantic	VT.	Vermont Department of Public Service	Docket No. 6167	Testimony	Addressing earnings of Bell Atlantic, CAM, rate design and alternative regulation plan
Sprint	NV.	Nevada Attorney General - Bureau of Consumer Protection	Docket No. 99-2024	Testimony	Address earnings of Sprint Nevada, CAM and related policy issues
Ameritech	MI.	Michigan Attorney General	U-12287	Testimony	Review of Ameritech's earnings and CAM in regards to addressing access charges and in-state EUCL
Verizon	MI.	Michigan Attorney General	U-12321	Testimony	Review of Verizon's earnings and CAM in regards to addressing access charges and in-state EUCL
Generic	KS.	Citizens' Utility Ratepayer Board	99-GIMT-326-GIT	Filed comments and testimony	Address generic universal service costing methods, adjustment of Kansas Universal Service Fund, geographic deaveraging, etc.
GTE	MI.	Michigan Attorney General	U-11759	Phase I Comments/ Testimony	Address GTE's request for intrastate PICC charge and address related cost study issues
Southwestern Bell Telephone	KS.	Citizens' Utility Ratepayer Board	98-SWBT-677-GIT	Testimony on Stipulation	Address SWBT's cost of local service, KUSF levels and policy issues, plus CAM review Universal Service Fund
ILEC's	MI.	Michigan Attorney General	U-11899	Briefs	Address universal service fund for ILECs
Ameritech	MI.	Michigan Attorney General	U-11660	Comments/ Testimony	Address Ameritech's request for intrastate PICC charge and related cost study issues
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	94-GIMT-478-GIT	Testimony/ Comments	Performed the first audit of the KUSF, reviewing first two years of actual operations and third year projections, addressing cellular issues, excessive assessment and per line charges
Ameritech	MI.	Michigan Attorney General	U-11635	Comments	Address Ameritech cost studies for
UNEs				briefs	deaveraging issues
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	96-LEGT-670-LEG	Comments	Address increased Lifeline Support measures
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	194, 734-U	Comments	Address industry billing standards
Ameritech	MI.	Michigan Attorney General	U-11743	Testimony	Address problems with Ameritech's position on intraLATA dialing parity and 55% access discount and previous Court case
Southwestern Bell	KS.	Citizens' Utility Ratepayer Board	98-SWBT-380-MIS	Comments	Address problems with SWBT's price cap plan and various components/calculations
Southwestern Bell	KS.	Citizens' Utility Ratepayer Board	97-SCCC-411-GIT	Testimony	Address SWBT's 271 application in Kansas and level of competition, Track A and B, long distance rates, joint marketing, FCC issues
BellSouth	GA.	Georgia Public Service Commission	7061-U	Assistance on case	Address BellSouth and Hatfield cost studies for unbundled elements and policy issues
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	194,734-U	Comments	Deregulation/detariffing of CLECs/LECs
Generic Investigation	KS.	Citizens' Utility Ratepayer Board	97-SCCC-149-GIT	Testimony, along with	Review of cost study methodology of Hatfield, BCPM (Sprint) and Southwestern Bell for

**Bion C. Ostrander - Regulatory Cases**

**Joint Towns**

AT&T, Sprint & U S WEST Rulemaking into Interconnection & Unbundling SWBT/Generic	ND.	North Dakota Public Service Comm.	PU-453-96-82 and PU-987-96-389	comments Case assistance	unbundled elements Address proposed deregulation of AT&T, Sprint and U S WEST
	WY.	Wyoming Public Service Commission	Gen. Order No. 76	Comments	Comments supporting proposed rules for interconnection, dialing parity, pricing, privacy and other competition issues
	KS.	Citizens' Utility Ratepayer Board	Cases before Ks. Court of Appeals & Supreme Court	Assistance	Address issues regarding non-cost basis of Kansas Universal Service Fund and problems with revenue neutrality end user charges
Ameritech	MI.	Michigan Attorney General	Case No. U-11155, U-11156 and U-11280	Comments and assistance	Review retail/wholesale cost studies of Ameritech
GTE	MI.	Michigan Attorney General	Case No. U-11207	Comments and assistance	Review cost studies of GTE
Generic Rulemakings	GA.	Georgia Public Service Commission	Various dockets	Assistance and analysis	Assisted GPSC with various rulemakings on competition, universal service and conducted workshop for number portability
General Investigation into Competition General Presentation	KS.	Citizens' Utility Ratepayer Board	190,492-U 94-GIMT-478-GIT	Testimony	Address SWBT retail cost study for local service, universal service fund, universal service policy issues, alternative regulation and other matters
	N/A	Russian/Ukrainian Regulatory Agency and Utilities	Misc.	Presentations/analysis	Provide presentations and analysis for Russian/Ukrainian executives in Moscow and Kansas
U S WEST	WY.	Wyoming Consumer Advocate Staff	70000-TR-95-238	Testimony	Address USW's rate/price plan, competition issues, rate design for access charges, and CAM
Generic Invest. into Access Charges	KS.	Citizens' Utility Ratepayer Board	190,383-U	Testimony	Address access charge plan for Kansas and related issues
General Investigation into Competition	KS.	Citizens' Utility Ratepayer Board	190,492-U 94-GIMT-478-GIT	Testimony, Suppl. and Rebuttal	Address competition issues, alternative regulation, universal service issues, costing methods and related issues
United Tel. of Kansas	KS.	Citizens' Utility Ratepayer Board	189-150-U	Testimony/report	Review quality of service via show-cause and address service standards, modernization schedule and customer complaints
U S WEST	MN.	Minnesota Dept. of Public Service	P421/EI-89-860	Address revenue req. for alternative reg. plan for period 1990 - 1993	Key issues include management salaries, fringe benefits, short/long-term incentive compensation plans, work force reduction issues, space-utilization, Bellcore expenses, software expense, CAM, rent expense and affiliate transactions
Southwestern Bell Tel.	KS.	Citizen's Utility Ratepayer Board (CURB)	183,522-U	Testimony	FASB 106 and issues related to alternative rate plan
Michigan Northern States Power Company	MI.	Michigan Dept. of Attorney	U-10138	Testimony	IntraLATA equal access competition
U.S. WEST	N.D.	North Dakota Public Service Commission	PU-400-92-399	Oversight and Review	Compensation issues (salaries, wages and incentive compensation)
	MN.	Minnesota Dept. of Public Service	P421/DI-92-168	Formal report on various regulatory	Management salaries, fringe benefits, CAM, force reduction and costs, pensions, training, maintenance expense,

**Bion C. Ostrander - Regulatory Cases**

**Joint Towns**

Southwestern Bell Telephone	KS.	Kansas Counties/Cities - Harvey, Douglas, Butler, Riley, Crawford, Dodge City, Jackson and Pottawatomie	92-SWBT-143-TAR	issues Comments	leasing and affiliate relations 911 service issues - recurring and nonrecurring rates for trunk/circuit and ALI/ANI, data base unbundling, cost studies and dedicated/public provision
Michigan LECs and IXC	MI.	Michigan Dept. of Attorney General	U-10063	Comments	Establishment of quality of service standards for LECs/IXCs
Michigan LECs and IXC	MI.	Michigan Dept. of Attorney General	U-10064	Comments	Establishment of the procedures and format for the filing of tariffs
Southwestern Bell Telephone	KS.	City of Wichita - subcontracting with law firm of Woodard, Blaylock Hernandez, Pilgreen & Roth	90-1342-C U.S. District Court for the District of Ks.	Affidavit	Lawsuit by City of Wichita vs. SWBT regarding violation of franchise agreement
U.S. WEST	AZ.	Arizona Corporation Commission	E-1051-91-004	Rate case subcontract	Toll/access revenues, income taxes and misc., plus CAM
Indiana Bell Telephone	IN.	Indiana Utility Consumer Counselor	Cause No. 39017	Rate case subcontract	Rate base, operations, affiliate transactions & misc.
Southwestern Bell Telephone	OK.	Oklahoma Attorney General	PUD 000662	Rate case subcontract	Royalty fee, affiliate transactions and misc.
JBN Telephone Co., Inc.	KS.	Kansas Corporation Commission	171,826-U	Rate case	Rate base, operations, capital structure acquisition issues, rate design and CAM
AT&T Comm. of the Southwest	KS.	Citizens' Utility Ratepayers Board	91-AT&T-90	Comments	Directory assistance rates and call allowances, costs studies and misc.
Kansas LECs and IXC	KS.#	Kansas Corporation Commission	127,140-U	Testimony - Access policy witness	Generic investigation into access charges-access charge policy, rate design and revenue requirements
Kansas LECs and IXC	KS. #	Kansas Corporation Commission	148,200-U	Formal recomm. to Comm.	Initiated generic investigation into affiliated transactions and established policies
Kansas LECs and IXC	KS. #	Kansas Corporation Commission	168,334-U	Formal recomm. to Comm.	Initiated generic docket and established policies to implement Dual Party Relay Service for persons whom are hearing and speech impaired. The Center opened in 1990.
AT&T Comm. of the Southwest	KS. #	Kansas Corporation Commission	167,493-U	Testimony - Chief witness	Rate case/regulatory flexibility - Competition, policy, regulatory flexibility, rate design and CAM
Southwestern Bell Telephone	KS. #	Kansas Corporation Commission	166,856-U	Testimony - Chief witness	Rate case/regulatory flexibility - Rate base, operations, capital structure, CAM, rate design, policy, regulatory flexibility, affiliated transactions, modernization issues, depreciation and misc.
Pioneer Tel. Co.	KS. #	Kansas Corporation Commission	89-PNRT-350-CON	Formal recomm. to Comm.	Promoted introduction of two-way interactive video services in rural areas by introduction of economic develop. rates
United Telephone Company	KS. #	Kansas Corporation Commission	162,044-U	Testimony - Chief witness	Rate case - Yellow pages, royalty fee, rate base, CAM, operations, capital structure, rate design, policy, penalties, affiliated transactions revenue adjustments, misc.

**Bion C. Ostrander - Regulatory Cases**

**Joint Towns**

United Telephone Long Distance Continental Tel. Co.	OH. # Office of the Consumers' Counsel	86-2173-TP-ACE	Testimony	Royalty fee, Part X, affiliate transactions, cross-subsidization
	KS. # Kansas Corporation Commission	157,053-U	Formal recomm. to Comm.	Reserve deficiency - settled reserve deficiency issue with protections for local ratepayers
Continental Tel. Co.	KS. # Kansas Corporation Commission	157,052-U	Formal recomm. to Comm.	Tax Reform Act - Reduced rates permanently and collected refunds
AT&T Comm. of the Southwest	KS. # Kansas Corporation Commission	156,655-U	Formal recomm. to Comm.	Tax Reform Act - Obtained rate reductions and rate refunds
Southwestern Bell Telephone	KS. # Kansas Corporation Commission	156,655-U	Formal recomm. to Comm.	Tax Reform Act - Obtained rate refunds. Offset Comm. approved dollar shift to local rates from access charges with TRA savings to avoid increases in local rates
United Telephone Long Distance	KS. # Kansas Corporation Commission	154,728-U	Formal recomm. to Comm.	UTLD/United required to make a formal request for affiliate loan per statutes per findings in Docket 153,655-U
United Tel. Co.	KS. # Kansas Corporation Commission	154,610-U	Formal recomm. to Comm.	Reserve deficiency - set precedent requiring deficiencies resulting from uneconomic plant placement go below the line
United Tel. Co.	KS. # Kansas Corporation Commission	153,662-U	Formal recomm. to Comm.	Request by United to deregulate billing and collection is denied upon recommendation
United Tel. Long Distance Southwestern Bell Telephone	KS. # Kansas Corporation Commission	153,655-U	Testimony - Chief witness	Royalty fee, affiliate transactions, cross-subsidization and affiliate loans
Kansas Gas & Electric Company	KS. # Kansas Corporation Commission	151,488-U	Formal recomm. to Comm.	Reserve deficiency - settled deficiency with protections for local ratepayers
	KS. # Kansas Corporation Commission	142,098-U	Testimony - Chief witness	Company Regulatory Plan - Gross-of-tax/net-of-tax deferred carrying costs analysis, FAS 71 and 90 - impact on imprudence disallowance and physical/economic excess capacity, life insurance financing and policy issues
Kansas Electric Power Coop, Inc.	KS. # Kansas Corporation Commission	151,191-U	Testimony - Chief witness	Rate case - deferred carrying charges, present value depreciation, FAS 71 implications, operations and misc.
United Tel. Co.	KS. # Kansas Corporation Commission	149,685-U	Motion - Chief auditor	Rate case - United withdrew rate case as a result of findings regarding significant overstatement of payroll expenses and understatement of lease revenues due from other affiliates
Kansas State Tel. Co. of Ks.	KS. # Kansas Corporation Commission	147,585-U	Testimony	Rate case - excess plant capacity, rate base, operations, capital structure and misc.
AT&T Comm. of the Southwest	KS. # Kansas Corporation Commission	145,718-U	Testimony	Rate case - rate base and operations
Elkhart Tel. Co.	KS. # Kansas Corporation Commission	144,087-U	Testimony	Rate case - rate base, operations, capital structure and loans
Continental Tel. Co. of Ks.	KS. # Kansas Corporation Commission	143,565-U	Testimony	Rate case - rate base, operations and capital structure

**Bion C. Ostrander - Regulatory Cases**

**Joint Towns**

Kansas LECs and IXCs	KS. #	Kansas Corporation Commission	144,299-U	Testimony	General investigation - intraLATA operator services, duplication of services and misc. Rate case - revenue/sales annualization, purchased gas cost, nonrecurring expenses unfunded deferred taxes and misc. Rate case - rate base and operations, plus CAM Rate case - rate base and operations  Rate case - rate base and operating income, plus CAM review  Rate case - revenue annualization/weather normalization, purchased gas cost, rate base, operations and capital structure Rate case - review of Jeffrey Energy #3 construction costs and contracts, rate base and misc. Rate case - rate base, operations and capital structure
Kansas Power & Light Co.	KS. #	Kansas Corporation Commission	140,015-U	Testimony	
United Tel. Co.	KS. #	Kansas Corporation Commission	138,500-U	Testimony	
Greyhound Lines, Inc.	KS. #	Kansas Corporation Commission	137,873-U	Testimony	
Southwestern Bell Telephone	KS. #	Kansas Corporation Commission	137, 534-U	Testimony	
The Gas Service Co.	KS. #	Kansas Corporation Commission	136, 850-U	Testimony	
Kansas Power & Light Co.	KS. #	Kansas Corporation Commission	136,381-U	Testimony	
DS&O Rural Electr. Coop	KS. #	Kansas Corporation Commission	136,249-U	Testimony	

# Work performed while employed by the Kansas Corporation Commission.

Note 1: ECTEL - Performed for island nations of St. Lucia, Dominica, St. Kitts & Nevis, Grenada, and St. Vincent & the Grenadines.

Ostrander Revenue Requirement Summary and Adjustments  
 Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 20-184  
 Test Period December 31, 2019

Docket No. DW 20-184  
 Exhibit BCO-1  
 Schedule 1

A	B	C	D	E	F	G	H	I
						<b>Operating Income Impact</b>		
						JT-1 Adj.	JT-2 - JT-4	Total
						Adjust to Dec. 31, 2021	Other	Ostrander
Line	Description	Aquarion Proposed	Ostrander Proposed	Towns	Ostrander Adjustments	Aquarion Ann. Report	Adjustments	Adjustments
1	Rate Base	\$ 36,091,050	\$ 36,091,050	Adj.	<b>Ostrander Operation Adjustments:</b>			
2	<b>Ostrander Adjs.</b>		\$ 919,326	No.	Revenues - Adj. to Dec. 31, 2020	\$ 4,813		\$ 4,813
3	Adjusted Rate Base (Sch. 3)	\$ 36,091,050	\$ 37,010,376		O&M Expenses - Adj. to Dec. 31, 2020	287,133		287,133
4	ROR (Sch. 2)	8.1507%	7.6119%	JT 1.1	Depreciation - Adj. to Dec. 31, 2020 plus revision	268,001	(113,215)	154,786
5	Required Return	\$ 2,941,679	\$ 2,817,199	JT 1.2	Taxes Other - Adj. to Dec. 31, 2020	64,171		64,171
6	Operating Net Income	\$ 1,940,736	\$ 1,940,736	JT 1.3 & 2	Other Income & Exp. - Adj. to Dec. 31, 2020	(1,565)		(1,565)
7	<b>Ostrander Adjs.</b>		\$ 577,358	JT 1.4	Nonreg. Other Inc. - Adj. to Dec. 31, 2020	(40,039)		(40,039)
8	Adjusted Operating Net Income (Sch. 4)	\$ 1,940,736	\$ 2,518,094	JT 1.5	Rate case expense amortization		(27,151)	(27,151)
9	Return Deficiency (Surplus)	\$ 1,000,943	\$ 299,105	JT 1.6	(same as Aquarion's rate case adjustment)			
10	Tax Effect	72.9170%	72.917%	JT 3				
11	<b>Required Revenue Increase/Deficiency</b>	<b>\$ 1,372,716</b>	<b>\$ 410,199</b>					
12					Adjustments to Operations before Taxes	582,514	(140,366)	442,148
13	Aquarion Required Increase per Filing	\$ 1,373,351			<b>Ostrander Income Tax Adjustments:</b>			
14	Difference - Immaterial (rounding ROR)	\$ (635)			Income Taxes	50,235		50,235
15					Tax Allocated to Non-Utility	(3,896)		(3,896)
16	<b>Revenue Conversion Factor</b>	1.371553971			JT 1.7 State Tax rate		7.70%	0
17	<b>Revenue Deficiency</b>	<b>\$ 1,372,848</b>		JT 1.8	State Income Taxes		(10,808)	(10,808)
18					Federal Tax rate (Szabo, p. 6)		21%	0
19					Federal Income Taxes		(27,207)	(27,207)
20					Subtotal Income Taxes	46,339	(38,015)	8,324
21					Amortization of TCJA (Note 1) - Adj. JT-4		(143,534)	(143,534)
22	Estimate of Company Revenue Conversion Factor:				Total Income Taxes		\$ (181,549)	\$ (135,210)
23	State Income Tax Rate	7.70000%	7.70000%		<b>Total Adjustments to Net Operating Income</b>	<b>\$ 536,175</b>	<b>\$ 41,183</b>	<b>\$ 577,358</b>
24	Federal Income Tax Rate	21.00000%	21.00000%		Test of Amounts			
25	Composite Tax Rate	28.70000%	28.70000%		<b>Ostrander Rate Base Adjustments:</b>			
26	Complement of Composite	71.30000%	71.30000%		Plant in service - Adjust to Dec. 31, 2020	1,539,909		
27	Composite Tax Factor	140.25245%	140.25245%		Accumulated depreciation - Adjust to Dec. 31, 2020	(448,088)		
28	Company Factor	1.371553971	1.371553971		JT 1.9 Materials & supplies - Adjust to Dec. 31, 2020 avg.	(2,722)		
29					JT 1.10 Prepayments - Adjust to Dec. 31, 2020 avg.	136,748		
30					JT 1.11 Deferred tank painting - Adjust to Dec. 31, 2020	(17,710)		
31	Note 1: Aquarion's response to Joint Towns data request TS 3-1				JT 1.12 Working capital allowance - Adjust to Dec. 31, 2020	62,213		
32	states that the impact of the amortization of the TCJA is not included				JT 1.13 Customer advances - Adjust to Dec. 31, 2020 avg.	(380,026)		
33	in 2020 operations, so an adjustment is reflected for that amount.				JT 1.14 Contributions in aid - Adjust to Dec. 31, 2020 avg.	8,727		
34					JT 1.15 Reserved for deferred taxes - Adjust to Dec. 31, 2020	(123,259)		
35					JT 1.16 Deferred tax impact of TCJA	143,534		
36					JT 1.17 <b>Total Adjustments to Rate Base</b>	<b>919,326</b>		
37								
38								

Ostrander Capital Structure Adjustments  
Aquarion Water Company of New Hampshire, Inc.  
Case No. DW 20-184  
Test Period December 31, 2019

Docket No. DW 20-184  
Exhibit BCO-1  
Schedule 2

A	B	C				D				E				F				G				H				I				J				K				L				M				N			
		Schedule 4 and 4A of Filing								Note 2								Note 2 (with Joint Towns adjustment)																															
		Aquarion Proposed Capital Structure								Joint Towns - December 31, 2020 Cap. Structure								Joint Towns - December 30, 2020 Adjusted																															
Line	Description	Amount	%	Cost	Weighted Cost	Amount	%	Cost	Weighted Cost	Amount	%	Cost	Weighted Cost	Amount	%	Cost	Weighted Cost																																
1	Preferred Stock	2,300	0.01%	6%	0.0%	2,300	0.01%		0.0%	2,300	0.01%		0.0%	2,300	0.01%		0.0%																																
2																																																	
3	Common Stock	2,187,075				2,187,075				2,187,075				2,187,075																																			
4	Premium on capital stock	3,557,940				3,557,940				3,557,940				3,557,940																																			
5	Other paid in capital	2,480,250				4,080,250				2,480,250				2,480,250																																			
6	Retained earnings	8,373,058				10,023,211				10,023,211				10,023,211																																			
7	Total Equity	16,598,323	52.36%	10.25%	5.3669%	19,848,476	54.25%	10.25%	5.5611%	18,248,476	49.88%	10.25%	5.1128%	18,248,476	49.88%	10.25%	5.1128%																																
8																																																	
9	Long-Term Debt - Bonds	13,900,000	43.85%	6.14%	2.6922%	13,900,000	37.99%	6.14%	2.3329%	13,900,000	37.99%	6.14%	2.3329%	13,900,000	37.99%	6.14%	2.3329%																																
10	Short-Term Debt Transferred to Paid in Capital in 2020									1,600,000	4.37%		0.1058%	1,600,000	4.37%		0.1058%																																
11	Short-Term Debt/Note Payable	1,200,000	3.79%	2.42%	0.0916%	2,833,281	7.74%	0.78%	0.0604%	2,833,281	7.74%	0.78%	0.0604%	2,833,281	7.74%	0.78%	0.0604%																																
12	Total Debt	15,100,000	47.63%			16,733,281	45.74%			18,333,281	50.11%			18,333,281	50.11%		2.4991%																																
13																																																	
14	Rate of Return	31,700,623	100.00%		8.1507%	36,584,057	100.00%		7.9544%	36,584,057	100.00%		7.6119%																																				
15																																																	

16 Note 1: Aquarion uses zero weighted cost for Preferred Stock, so Ostrander used this same approach.

17 Note 2: December 31, 2020 Annual Report schedule titled, "Return on Equity for the Twelve Months Ended December 31, 2020."

18 Note 3: Schedule 4 and 4A of filing.

19 Note 4: Per Aquarion's response to Joint Towns data request 4-10, the Company transferred \$1.6 million of ST Debt to Paid in Capital (Equity) in 2020 so that the

20 Company's capital structure remained at a reasonable level within the industry range. However, Ostrander is treating the \$1.6 m as ST-Debt at the same cost as 2019, because the

21 transfer to Paid in Capital is not reasonable and produces an Equity balance of 54.25% (line 7, column H). In prior years, including the prior rate case, the Company's Equity balance was

22 about 40% (and 60% Debt), and with the transfer to Paid in Capital, the Company is trending towards a "reversed" capital structure approaching 60% Equity and 40% Debt.

Ostrander Rate Base Adjustments  
 Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 20-184  
 Test Period December 31, 2019

Docket No. DW 20-184  
 Exhibit BCO-1  
 Schedule 3

A	B	C	D	E	F	G	H	I	J	K
		Aquarion		Aquarion Adjustments		Joint Towns Adjustments				
Line	Description	December 31, 2019 - Sch. No. 3 (other rate base does not agree with Annual Report)	13-Month Average Sch. No. 3	Pro Forma Adjustments	Pro Forma Adjusted from December 31, 2019	Joint Towns Adj. No.	Adjustments to Reconcile to December 31, 2020 Annual Report	December 31, 2020 Annual Report Balances	JT-4 Decrease Def. Tax for TCJA	Joint Towns Adjusted Rate Base
1	Plant in Service	\$ 49,337,846	\$ 46,801,074	\$ 6,695,500	\$ 56,033,346	JT 1.9	1,539,909	\$ 57,573,255		\$57,573,255
2	Accumulated Deprec.	(13,570,353)	(13,098,049)	-	(13,570,353)	JT 1.10	(448,088)	(14,018,441)		(14,018,441)
3	Net Plant in Service	35,767,493	33,703,025	6,695,500	42,462,993		1,091,821	43,554,814		43,554,814
4										
5	Add:									
6	Material & Supplies	157,783	163,416	-	163,416	JT 1.11	(2,722)	160,694		160,694
7	Prepayments	166,586	89,815	-	89,815	JT 1.12	136,748	226,563		226,563
8	Deferred Tank Painting	17,699	17,710	-	17,710	JT 1.13	(17,710)	-		-
9	Working Capital	267,683	255,615	(78,308)	177,307	JT 1.14	62,213	239,520		239,520
10	Total Additions	609,751	526,556	(78,308)	448,248		178,529	626,777		626,777
11										
12	Less:									
13	Customer Advances	(727,819)	(652,006)	-	(652,006)	JT 1.15	(380,026)	(1,032,032)		(1,032,032)
14	Contribs. in Aid of Con.	(2,412,895)	(2,431,613)	-	(2,431,613)	JT 1.16	8,727	(2,422,886)		(2,422,886)
15	Deferred Taxes	(3,821,719)	(3,736,572)	-	(3,736,572)	JT 1.17	(123,259)	(3,859,831)	143,534	(3,716,297)
16	Total Deductions	(6,962,433)	(6,820,191)	-	(6,820,191)		(494,558)	(7,314,749)		(7,171,215)
17										
18	Total Rate Base	\$ 29,414,811	\$ 27,409,390	\$ 6,617,192	\$ 36,091,050		775,792	\$ 36,866,842	143,534	\$37,010,376
19		Note 1		Note 2			Sch. 1	Note 3		

22 There is no CWIP included in above balances

23 Note 1: Plant in service and accumulated depreciation are December 31, 2019 year-end balances per Sch. No. 3, page 1 of filing (and agree to Annual  
 24 Report Schedule F-6 and Return on Equity Schedule).

25 M&S use December 2019 and December 2018 average per Sch. No. 3B of filing.

26 Prepayments, Deferred Tank Painting, Customer Advances, Contributions in Aid, and Deferred Taxes use December 31, 2019 balances per Sch. No. 3B,  
 27 and amounts agree to December 31, 2019 Annual Report except Deferred Taxes is \$4,535,087 at Annual Report.

29 Note 2: Plant in service and accumulated depreciation at December 31, 2019 year-end balances plus \$6,695,000 in plant additions, and  
 30 remaining rate base components are at 13-month average per Sch. No. 3 of filing.

32 Note 3: Balances are all from December 31, 2020 Annual Report Return on Equity Schedule, and plant in service and accumulated depreciation  
 33 are at year-end amounts. Plant in service agrees with Schedule F-6, but accumulated depreciation at F-6 is \$14,017,910, which is \$510 less  
 34 than amount of \$14,018,441 at Return on Equity Schedule. Difference is immaterial, pass.

Ostrander Operating Income Adjustments  
 Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 20-184  
 Test Period December 31, 2019

Docket No. DW 20-184  
 Exhibit BCO-1  
 Schedule 4

A	B	C	D	E	F	G	H	I	J	K	L	M
Line	Description	Aquarion Proposed Adjustments				Joint Town Adjustments						
		Note 1				JT-1 Adj.	Note 2 December	JT-2 Adj.	JT-3 Adj.	JT-4 Adj.	TCJA - Deferred Tax Amort.	Joint Towns Adjusted Income Statement
	Aquarion December 31, 2019 Per Books	Aquarion Adj. No.	Aquarion Pro Forma Adjs.	Aquarion Pro Forma Adjusted	Joint Towns Adj. No.	Adjust to December 31, 2020 Annual Report	31, 2020 Annual Report Balances	Deprec. Expense	Rate Case Expense			
1	Operating Revenues:											
2	Revenues - Water	\$ 7,023,197		\$ 371,669	\$ 7,394,866		\$ 39,664	\$ 7,434,530				\$ 7,434,530
3	Revenues - Other	203,316		18,611	221,927		(34,851)	187,076				187,076
4	Total Revenues	7,226,513		390,280	7,616,793	JT 1.1	4,813	\$ 7,621,606				\$ 7,621,606
5												
6	Operating Expenses:											
7	Source of supply	133,637	1C	1,332	134,969		106	135,075				135,075
8	Pumping	394,142	1C, 1H	29,662	423,804		10,262	434,066				434,066
9	Treatment	171,854	1C, 1G	19,943	191,797		(7,325)	184,472				184,472
10	Trans. & Distrib.	529,529	1C	22,294	551,823		(68,240)	483,583				483,583
11	Customer accounts	376,031	1C, 1M, 1P	22,802	398,833		(207,183)	191,650				191,650
12	Info. Technology	263,000	1C, 1Q	(80,662)	182,338		10,119	192,457				192,457
13	Admin. & General	1,477,847	Note 5	(80,270)	1,397,577		(24,872)	1,372,705		27,151		1,399,856
14	Depreciation	1,024,230	1R	286,177	1,310,407	JT 1.3	(268,001)	1,042,406	113,215			1,155,621
15	Taxes - Property	677,193	1T	183,522	860,715		(52,561)	808,154				808,154
16	Taxes - Payroll	75,824	1S	12,152	87,976		(11,610)	76,366				76,366
17	Total Expenses	5,123,287		416,952	5,540,239		(619,305)	4,920,934	113,215	27,151		5,061,300
18	Operating Income	2,103,226		(26,672)	2,076,554		624,118	2,700,672	(113,215)	(27,151)		2,560,306
19	Other Income & Expense	48,792	1C	(106)	48,686	JT 1.5	(1,565)	47,121				47,121
20	Deduct: Nonreg. Income				-	JT 1.6	(40,039)	(40,039)				(40,039)
21	Total Other Income	48,792		(106)	48,686	-	(41,604)	7,082				7,082
22												
23	State - Current	24,990	1V	(3,170)	21,820							
24	Federal - Current	99,289	1W	(21,932)	77,357							
25	State - Deferred	29,366			29,366							
26	Federal - Deferred	62,909			62,909							
27	Total Income Taxes	216,554		(25,102)	191,452	JT 1.7	50,235	241,687	(30,662)	(7,353)	(143,534)	60,138
28	Taxes on Nonreg. Income	(6,948)			(6,948)	JT 1.8	(3,896)	(10,844)				(10,844)
29	Net Income Taxes	209,606		(25,102)	184,504		46,339	230,843	(30,662)	(7,353)	(143,534)	49,294
30	Adjusted Operating Income	\$ 1,942,412		\$ (1,676)	\$ 1,940,736		\$ 536,175	\$ 2,476,911	\$ (82,553)	\$ (19,798)	\$ 143,534	\$ 2,518,094
31	<b>Total Adjustments</b>			\$ (1,676)			\$ 536,175	\$ 2,476,911	\$ (82,553)	\$ (19,798)	\$ 143,534	\$ <b>577,358</b>

Exh. BCO-1, Sch. 1, line 9, column D

Exh. BCO-1, Sch. 1, line 22, column G

Exh. BCO-1, Sch. 1, line 22, column I

34 Adjusted Income above \$ 2,476,911  
 35 Utility Operating Income \$ 2,477,942 Note 3  
 36 Minor difference \$ 1,031 Note 4

37 Note 1 - Aquarion application, Schedule No. 1, pages 1 and 2

38 Note 2 - Source: Balances are from December 31, 2020 Annual Report Table F-2, Schedule F-47 for Revenues, and  
 39 Schedule F-48 for detailed O&M expenses.

40 Note 3 - The Operating Income used is the amount of \$2,477,942 from the Annual Report schedule titled "Return on Equity for the Twelve Months Ended December 31, 2020",  
 41 and not from Table F-2 (which includes expenses such as interest expense that are not included in the revenue requirement)

42 Note 4 - The minor difference of \$1,031 is due to Table F2 showing Interest Expense of \$855,817 and the "Return on Equity" schedule showing  
 43 Interest Expense of \$856,845, and the difference is \$1,031.

44 Note 5 - Aquarion adjustments 1C, 1D, 1E, 1F, 1I, 1J, 1K, 1L, 1N, 1O, and 1X

Ostrander Depreciation Expense Adjustment  
 Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 20-184  
 Test Period December 31, 2019

Docket No. DW 20-184  
 Exhibit BCO-1  
 Schedule 5

A	B	C	D	E
Line	Description	Aquarion Adjustment	Ostrander Adjustment	Ostrander Adjusted Deprec. Expense
1	2019 depreciation expense per books	1,024,230		1,024,230
2	Increase in deprec. expense - annualized at existing deprec. rates	157,798	(139,622)	18,176
3	Increase in deprec. expense - annualized at proposed deprec. rates	128,379	(15,164)	113,215
4	Proposed adjustment	286,177		131,391
5	Adjusted depreciation expense rate case	1,310,407	(154,786)	1,155,621
6				
7	<b>Ostrander Adjust from Depreciation Expense per 2020 Annual Report:</b>			
8	Deprec. expense per 2020 Annual Report	1,042,406		
9	Ostrander adjusted depreciation expense	1,155,621		
10	<b>Ostrander adjustment</b>	<b>113,215</b>		
11				
12		Depreciation		
13		Expense		
14	2019 depreciation expense per books	1,024,230		
15	2020 depreciation expense per books	1,042,406		
16	Actual increase in depreciation expense from 2019 to 2020	18,176		
17				
18	Aquarion increase in deprec. expense - annualized at existing deprec. rates	157,798		
19	Actual increase in deprec. expense from 2019 to 2020	18,176		
20		(139,622)		
21				
22	Aquarion's adjusted deprec. expense - annualized at existing deprec. rates	1,182,028		
23	Actual 2020 depreciation expense per Annual Report	1,042,406		
24	Joint Towns reduction to depreciation expense at existing deprec. rates	(139,622)		
25				
26	<b>Ostrander Depreciation Adjustment at Aquarion's Proposed Depreciation Rates:</b>			
27	Actual 2020 depreciation expense per Annual Report	1,042,406		
28	Ratio of Aquarion proposed deprec. rates to deprec. rates/expense	10.86%		
29	Joint Towns allowed adjustment for new proposed deprec. rates	113,215		
30	Aquarion increase in deprec. expense - annualizing at proposed deprec. rates	128,379		
31	Joint Towns reduction to deprec. expense at proposed deprec. rates	(15,164)		
32				
33			Ratio	
34	<b>Ratio of Proposed Deprec. Rates to Deprec. Expense at Existing Rates Annualized:</b>			
35	Increase in deprec. expense - annualized at proposed new deprec. rates	128,379	10.86%	
36	Aquarion adjusted deprec. expense - annualized at existing deprec. rates	1,182,028		

A	B	C	D
Line	Aquarion Depreciation Expense Adjustment - Schedule 1R	Deprec. Expense	
1	2019 depreciation expense per books	1,024,230	157,798
2	Deprec. expense annualized at existing deprec. rates	157,798	
3	Adjusted depreciation expense	1,182,028	128,379
4	Deprec. expense annualized at new proposed deprec. rates	128,379	
5	Aquarion adjusted pro forma depreciation expense	1,310,407	286,177
6	Aquarion's pro forma depreciation expense adjustment		
7			
8	Reconciliation:		
9	2019 depreciation expense per books	1,024,230	Note 2
10	Pro forma adjusted depreciation expense	1,310,407	Note 2
11	Aquarion depreciation expense adjustment	286,177	Note 2
12			

Note 1: Depreciation expense is annualized at existing rates and at new proposed rates at Aquarion's 2019 pro forma adjusted gross plant in service of \$56,033,346, which consists of December 31, 2019 gross plant in service of \$49,337,846 plus pro forma 2020 plant additions of \$6,695,500.  
 Source: Note 2 - Aquarion depreciation expense adjustment at Schedule 1R

A	B	C	D	E	F
Line	Party	Description	Depreciation Expense	Gross Plant in Service	Ratio of Deprec. Exp. To Plant
1	Aquarion	2018 Year-End	968,602	46,103,736	2.10%
2	Aquarion	2019 Year-End	1,024,230	49,337,846	2.08%
3	Aquarion	2018/2019 Average	996,416	47,720,791	2.09%
4	Aquarion	Aquarion 2019 Adjusted Pro Forma Amounts	1,310,407	56,033,346	2.34%
5	Aquarion	2020 Year-End	1,042,406	57,573,255	1.81%
6	Aquarion	2019/2020 Average	1,033,318	53,455,551	1.93%
7	Aquarion	Depreciation expense - annualized at current rates	1,182,028	56,033,346	2.11%
8	Aquarion	Depreciation expense - annualized at proposed rates	1,310,407	56,033,346	2.34%
9	Ostrander	Adjusted depreciation expense - at proposed rates	1,155,621	57,573,255	2.01%
10	Ostrander	Adjusted depreciation expense - at proposed rates	1,155,621	56,033,346	2.06%
11					
12		Note 1: Plant balances from Sch. No. 3 or Annual Report for respective year.			
13		Note 2: Depreciation expense from Sch. No. 1 or Annual Report for respective year.			

A	B	C	D	E
Line	Party	Description	Depreciation Expense	Depreciation Expense
<b>Aquarion Adjustment:</b>				
1		2019 depreciation expense per books		1,024,230
2		Aquarion adj. - annualize deprec. expense at existing deprec. rates	157,798	
3		Aquarion adj. - annualize deprec. expense at proposed new deprec. rates	128,379	
4		Proposed adjustment	286,177	286,177
5		Aquarion adjusted depreciation expense in rate case		1,310,407
6				
7		<b>Ostrander Adjustment - Adjust to December 31, 2021 Balance:</b>		
8		Adjust Aquarion deprec. expense to Dec. 31, 2021 deprec. expense		(268,001)
9		Depreciation expense at December 31, 2020		1,042,406
10		<b>Ostrander Adjustment - Revise Aquarion Deprec. Expense Adjustment:</b>		
11		Include deprec. expense at Aquarion's proposed new depreciation rates		113,215
12		Ostrander adjusted deprec. expense		1,155,621
13				
14		<b>Reconciliation of Ostrander Depreciation Expense Adjustment:</b>		
15		2019 depreciation expense per books	1,024,230	1,024,230
16		2020 Annualize depreciation expense at existing deprec. rates	18,176	18,176
17		2020 depreciation expense per books	1,042,406	
18		Ostrander adj. - annualize deprec. expense at proposed new deprec. rates	113,215	113,215
19		Ostrander adjusted deprec. expense at proposed new deprec. rates	1,155,621	1,155,621
20				

Sources:  
 Note 1 - Aquarion filing, Schedule (Adjustment) 1R.  
 Note 2 - Depreciation expense per 2020 Annual Report

Ostrander - Actual 2020 Expenses Less than Actual 2019 or 2019 Per Rate Case  
 Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 20-184  
 Test Period December 31, 2019

Docket No. DW 20-184  
 Exhibit BCO-1  
 Schedule 6

**Summary of Other Cost Reduction from 2019 to 2020:**

Item 1 - O&M expenses - Actual 2020 Less than Actual 2019 per Books

Item 2 - Labor - Actual 2020 Less than Actual 2019 per Books

Item 3 - Affiliate charges - Actual 2020 per Books Less than Aquarion Adjusted Rate Filing

A
(352,032)
(8,252)
(83,214)

Note - the above items are not intended to be added up to a sum total, because some of these amounts will overlap in the financial statements.

**Item 1 - Changes in Expenses from 2019 to 2020 per Operating Statement**

A	B	C	D	E
		Per Books	Per Books	Change from
Line	Description	Dec. 31, 2019	Dec. 31, 2020	2019 to 2020
1	Total Revenues	7,226,513	7,621,606	395,093
2				-
3	O&M expenses	3,346,040	2,994,008	(352,032)
4	Depreciation exp.	1,024,230	1,042,406	18,176
5	Property tax	677,193	808,154	130,961
6	Payroll tax	75,824	76,366	542
7	Other	(48,792)	(47,121)	1,671
8	Nonreg. Income	-	40,039	40,039
9	Income tax	209,606	230,843	21,237
				-
10	Total Expenses	5,284,101	5,144,695	(139,406)
11	Oper. Income	1,942,412	2,476,911	534,499

**Item 2 - Reduction in Labor Costs from 2019 to 2020**

A	B	C	D	E
		Per Books 2019	Per Books 2020	Change from 2019 to 2020
	Source: F-58 Annual Reports	2019	2020	2019 to 2020
1	Payroll expensed	858,695	850,443	(8,252)
2	Payroll capitalized	86,511	89,786	3,275
3	Total Payroll Costs	945,206	940,229	(4,977)
4				
5	Percent expensed	90.85%	90.45%	
6	Percent capitalized	9.15%	9.55%	
7	Total	100.00%	100.00%	
8				
9	Source of supply	15,265	6,211	(9,054)
10	Pumping	149,297	167,263	17,966
11	Treatment	32,896	36,884	3,988
12	Trans. & Distrib.	260,702	233,101	(27,601)
13	Customer accounts	16,800	15,512	(1,288)
14	Sales	-	-	-
15	Admin. & General	383,735	391,472	7,737
16	Total payroll expense	858,695	850,443	(8,252)

**Item 3 - Reduction in Affiliate Costs from 2019 to 2020 (Joint Towns data request 4-7)**

A	B	C	D	E	F	G
		2019 Per Books	Aquarion Rate Case Adjs.	Aquarion Adjusted Test Period	2020 Per Books	2020 Actual Less Than Rate Case
	Allocated from AWC-CT:					
1	Shared IT	262,527	(80,662)	363,730	192,457	(171,273)
2	Shared Customer Service	89,382	(2,550)	173,664	78,989	(94,675)
3	Shared Facilities	49,830	(3,093)	93,474	43,113	(50,361)
4	Allocated Cost	401,739	(86,305)	630,868	314,559	(316,309)
5						
6	CT Labor	128,981	7,855	136,836	96,168	(40,668)
7	Labor overcharged to NH	7,005	(7,005)	-		
8	Payroll benefit	141,825	2,241	144,066	99,313	(44,753)
9	Payroll taxes	21,792		21,792	18,886	(2,906)
10	MA labor	2,897		2,897	4,869	1,972
11	Direct labor & OH	302,500	3,091	305,591	219,236	(86,355)
12	Total	704,239	(83,214)	621,025	537,811	(83,214)

Ostrander - Actual 2020 Expenses Less than Actual 2019 or 2019 Per Rate Case  
 Aquarion Water Company of New Hampshire, Inc.  
 Case No. DW 20-184  
 Test Period December 31, 2019

Docket No. DW 20-184  
 Exhibit BCO-1  
 Workpaper-1

A	B	C	D	E	F	G	H	I
Line	Description	AQUARION			OSTRANDER			
		Per Books Dec. 31, 2019	Proposed Adjustments	Adjusted Pro Forma Balance	Adust to Dec. 31, 2020 Annual Report	Dec. 31, 2020 Annual Report Balances	Adjs. JT-2, JT-3 JT-4	Adjusted Pro Forma Balance
1	Total Revenues	7,226,513	390,280	7,616,793	4,813	7,621,606		7,621,606
2								
3	O&M expenses	3,346,040	(64,899)	3,281,141	(287,133)	2,994,008	27,151	3,021,159
4	Depreciation exp.	1,024,230	286,177	1,310,407	(268,001)	1,042,406	113,215	1,155,621
5	Property tax	677,193	183,522	860,715	(52,561)	808,154		808,154
6	Payroll tax	75,824	12,152	87,976	(11,610)	76,366		76,366
7	Other	(48,792)	106	(48,686)	1,565	(47,121)		(47,121)
8	Nonreg. Income	-		-	40,039	40,039		40,039
9	Income tax	209,606	(25,102)	184,504	46,339	230,843	(38,015)	192,828
	TCJA tax						(143,534)	(143,534)
10	Total Expenses	5,284,101	391,956	5,676,057	(531,362)	5,144,695	(41,183)	5,103,512
11	Oper. Income	1,942,412	(1,676)	1,940,736	536,175	2,476,911	41,183	2,518,094
12	<b>Total Adjustment</b>		<b>(1,676)</b>		536,175		41,183	<b>577,358</b>
13			Note 1		Adj. JT-1		JT-2, 3, and 4	
14					Note 2		Note 2	Note 3
15								

- 16 Note 1: Aquarion's total adjustments of (\$1,676) are shown in more detail at Exhibit BCO-1, Schedule 4.  
 17 Note 2: Ostrander Adjustment JT-1 adjusts to December 31, 2020 balances (\$536,175),  
 18 Adjustment JT-2 adjusts depreciation expense (\$113,215 gross of taxes), Adjustment JT-3  
 19 adjusts rate case expense (\$27,151 gross of taxes), Adjustment JT-4 decreases income taxes for the  
 20 impact of TCJA (\$143,534), and this results in total adjustments of \$577,358 per  
 21 Exhibit BCO-1, Schedules 1 and 4.  
 22 Note 3: Total Ostrander adjustments of \$577,358, per Exhibit BCO-1, Schedules 1 and 4.

**EXHIBIT BCO-2**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

Annual Report of Aquarion Water Company of New Hampshire

Year ended December 31, 2020

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

1. Name of utility Aquarion Water Company of New Hampshire

2. Officer or Individual to whom the ANNUAL REPORT should be mailed:

Name Beth Elmore

Title Accountant

Street 600 Lindley Street

City/State Bridgeport, CT

Zip Code 06606

3. Telephone: Area Code 203 Number 362-3015

4. Officers or individual to whome the N. H. UTILITY ASSESSMENT and ASSESSMENT BILLING ADDRESS should be mailed:

ASSESSMENT BOOK

Name Mike Appicelli

Title Director of Taxes

Street 600 Lindley Street

City/State Bridgeport, CT

Zip Code 06606

ASSESSMENT BILLING ADDRESS

Name Mike Appicelli

Title Director of Taxes

Street 600 Lindley Street

City/State Bridgeport, CT

Zip Code 06606

5. Telephone: Area Code 203 Number 362-3011

Telephone: Area Code 203 Number 362-3011

6. The names and titles of principal officers that changed are:

Name

Title

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

REMARKS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above information is requested for our office directory.

N.H. PUBLIC UTILITES COMMISSION  
21 South Fruit Street Suite 10  
Concord, New Hampshire 03301 - 2429  
(603) 271 - 2431

**A-2 IDENTITY OF RESPONDENT**

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020**

1. Give the exact name under which the utility does business:

**Aquarion Water Company of New Hampshire**

2. Full name of any other utility acquired during the year and date of acquisition:

**N/A**

3. Location of principal office:

**7 Scott Road, Hampton, NH 03842**

4. State whether utility is a corporation, joint stock association, a firm or partnership or an individual:

**Corporation**

5. If a corporation or association, give date of incorporation, State under whose laws incorporated, and whether incorporated under special act or general law:

**Incorporated August 14, 1889 under NH special law**

6. If incorporated under special act, given charter and session date:

**Chapter 24, Law 1889, amended charter laws of 1909**

7. Give date when company was originally organized and date of any reorganization:

**August 14, 1889**

8. Name and address of principal offices of any corporations, trusts or associations owning, controlling or operated by the respondent:

**Aquarion Water Company, 835 Main Street, Bridgeport, CT 06604**

9. Names and addresses of principal offices of any corporations, trusts or associations owned, controlled or operated by the respondent:

**None**

10. Date when respondent first began to operate as a utility\*:

**1907-WATER**

11. If the respondent is engaged in any business not related to utility operations, give particulars:

**None**

12. If the status of the respondent has changed during the year in respect to any of the statements made above, give particulars, including dates:

**None**

13. If the utility is a foreign corporation which operated in New Hampshire prior to June 1, 1911, give dates on which permission was granted to operate under N.H. Rev. Stat. Ann. 374:25, **Exceptions** and N.H. Rev. Stat. Ann. 374:26 **Permission**.

**N/A**

\*If engaged in operation of utilities of more than one type, give dates for each.

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

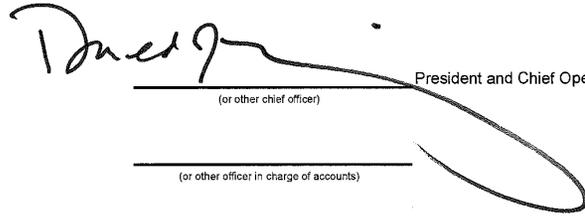
A - 3 OATH

AQUARION WATER COMPANY OF NEW HAMPSHIRE

TO THE  
STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION  
FOR THE YEAR ENDED DECEMBER 31, 2020

State of Connecticut  
County of Fairfield ss.

We, the undersigned, Donald J. Morrissey and \_\_\_\_\_  
of the Aquarion Water Company of New Hampshire utility, on our oath do severally say that the foregoing report has been prepared, under our direction, from the original books, papers and records of said utility, that we have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of said utility, in respect to each and every matter and thing therein set forth to the best of our knowledge, information and belief; and that the accounts and figures contained in the foregoing report embrace all of the financial operations of said utility during the period for which report is made.

  
\_\_\_\_\_  
(or other chief officer) President and Chief Operation Officer  
  
\_\_\_\_\_  
(or other officer in charge of accounts)

Subscribed and sworn to before me this  
2 day of March 2021  
Joy Hyde

Joy Hyde  
Notary Public, State of Connecticut  
My Commission Expires Aug 31, 2025

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**A-4 LIST OF OFFICERS**

Line No.	Title of Officer	Name	Residence	Compensation	Charged to NH
1	Chief Executive Officer	Werner J. Schweiger	23 Eisenhower Drive, Franklin, MA 02038	765,885	-
2	President and Chief Operation Officer	Donald J. Morrissey	16 Merlins Lane, Newtown, Ct 06470	530,362	10,073
3	Senior Vice President-Finance and Regulatory and	John M. Moreira	3 Tilden Commons Drive, Quincy, MA 02171	383,678	-
4	Vice President, Administration	Lucy A. Teixeira	37 Revere Lane, Trumbull, CT 06611	337,634	-
6	Vice President, Operations and Utility Innovation	John P. Walsh	5 Mullen Way Falmouth MA 02540	356,918	6,871
7	Vice President, Supply Operations and Sustainability	Robert J. Ulrich	21 Palmer Woods Circle, Branford, CT 06405	224,296	-
8	Vice President, Engineering and Real Estate	Daniel R. Lawrence	110 Jones Hollow Rd, Marlborough, CT 06447	225,597	-
9	Secretary and Clerk	Richard J. Morrison	60 Ashburn Ave, Wellesley, MA 02481	313,194	-
10					
11					
12					

**LIST OF DIRECTORS**

Line No.	Name	Residence	Length of Term	Term Expires	No. of Meetings Attended	Annual Fees
14	Donald J. Morrissey	16 Merlins Ln. Newtown, CT 06470	1 yr	09/2021	2	
15	John P. Walsh	5 Mullen Way Falmouth MA 02540	1 yr	09/2021	2	
16						
17						
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24						
25						
26						
27						
28						

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**A-5 SHAREHOLDERS AND VOTING POWER**

Line No.					
1	Indicate total of voting power of security holders at close of year: 2019 Votes: N/A				
2	Indicate total number of shareholders of record at close of year according to classes of stock:				
3	Common 1				
4	Preferred				
5	Indicate the total number of votes cast at the latest general meeting: N/A				
6	Give date and place of such meeting: N/A				
7	Give the following information concerning the ten security holders having the highest voting powers in the corporation, the officers, directors and each holder of one percent or more of the voting stock: (Section 7, Chapter 182, laws of 1933)				
	Name	Address	No of Votes	Number of Shares Owned	
				Common	Preferred
8	Aquarion Water Company	835 Main Street, Bridgeport, CT 06604	N/A	87,483	-
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

**LIST OF DIRECTORS**

Line No.	Name	Residence	Length of Term	Term Expires
11	Donald J. Morrissey	16 Merlins Ln. Newtown, CT 06470	1 yr	09/2021
12	John P. Walsh	5 Mullen Way Falmouth MA 02540	1 yr	09/2021
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

**A-6 LIST OF TOWNS SERVED**

List by operating divisions the towns served directly, indicating those in which franchise is for listed area by an asterisk(\*) after name. Give population of the area served and the number of customers.

Line No.	Town	Population of Area	Number of Customers	Line No.	Town	Number of Customers
1	Hampton*	15,207	7,231	16	Sub Totals Forward	9,600
2	North Hampton*	4,582	1,594	17		
3	Rye*	5,479	774	18		
4	Stratham*	7,559	1	19		
5				20		
6				21		
7				22		
8				23		
9				24		
10				25		
11				26		
12				27		
13				28		
14				29		
15	Sub Totals Forward	32,827	9,600	30		

<https://www.nh.gov/osi/data-center/population-estimates.htm>

**A-7 PAYMENTS TO INDIVIDUALS**

List names of all individuals, partnerships, or corporations to whom payments totaling \$10,000 or more for services rendered were made or accrued during the year, and the amount paid or accrued to each. Where payments or accruals to the individual members of a partnership or firm together total \$10,000 or more, list each individual and the amount paid or due each.

Line No.	Name	Address	City	Zip	Amount
1	BARRIE MILLERS WELL & PUMP SERV.	P.O. BOX 23	HILLSBOROUGH	03244	43,700.00
2	BCK EXCAVATION, LLC	13 RICHARD ST	HAMPTON	03842	70,373.00
3	BETTERSAFE LLC	P.O. BOX 162	SCOTLANE	06264	14,950.00
4	BORDEN & REMINGTON CO.	63 WATER ST.	FALL RIVER	02722	19,733.63
5	CARUS CORPORATION	15111 COLLECTIONS CENTER DR	CHICAGO	60693	29,912.40
6	CASEMO REALTY, LLC.	5 MERRILL INDUSTRIAL DRIVE	HAMPTON	03842	105,218.58
7	CENTURY BANK AND TRUST CO.	P.O. BOX 9102	MEDFORD	02155	16,099.83
8	CHARLES LAMIE JR	284 TOWLE FARM RD	HAMPTON	03842	12,350.00
9	CORE & MAIN LP	295 HANCOCK ST	BRIDGEPORT	06606	467,247.43
10	EVERSOURCE	P.O. BOX 650047	DALLAS	650047	85,251.83
11	F.W. WEBB COMPANY	869 EASTERN AVE	MALDEN	02148	46,264.05
12	GEOSPHERE ENVIRONMENTAL	51 PORTSMOUTH AVE	EXETER	03833	85,289.67
13	GRANITE ST ANALYTICAL SERVICES	22 MANCHESTER RD	DERRY	03038	49,342.00
14	GUTTERMANN INC.	55 MAINST SUITE 409	NEWMARKET	03857	72,477.00
15	JAMCO EXCAVATORS LLC	84 EXETER RD	S. HAMPTON	03827	2,421,667.42
16	MARTHA LEARY	128 LITTLE RIVER RD	HAMPTON	03842	81,700.00
17	MCLANE MIDDLETON PROFESSION	P.O. BGOX 326	MANCHESTER	03105	25,678.88
18	MONSON COMPANIES	154 PIONEER DR	LEOMINSTER	01453	22,994.21
19	MPX	2301 CONGRESS ST	PORTLAND	04102	57,283.40
20	NEPTUNE TECHNOLOGY GROUP INC	1600 ALABAMA HWY 329	TALLASSEE	36078	76,310.00
21	NEW ENGLAND WATER DISTRIBUTION	6 HANCOCK ROAD	WINDHAM	03087	31,563.00
22	NEW HAMPSHIRE DEPT OF REVENUE ADMIN	PO Box 637	CONCORD	03303-0637	265,702.00
23	NEW HAMPSHIRE PUBLIC UTILITIES COMM	21 S. FRUIT ST. SUITE 10	CONCORD	03301	27,479.00
24	NEXT GENERATION STRATEGIES, LLC.	60 STATION ST	HINGHAM	02043	46,416.50
25	PORTSMOUTH CHEVROLET INC	549 US HIGHWAY 1 BYPASS	PORTSMOUTH	03801	28,629.00
26	RESULTS ENGINEERING	PO Box 357	SACO	04072	232,690.19
27	RICHARDSON ELECTRICAL CO INC	17 BATCHELDER ROAD	SEABROOK	03874	126,445.52
28	ROBERT PIKE CONSTRUCTION INC	PO Box 5507	SALISBURY	01952	261,166.98
29	RONALD MULCAHY	3 EXETER RD	N. HAMPTON	03862	13,246.20
30	SHELL FLEET NAVIGATOR (WEX)	P.O. BOX 4337	CAROL STREAMS	60197	15,342.95
31	SKYLINE ROOFING SERVICES	861 PAGE ST	MANCHESTER	03109	23,500.00
32	TIGHE & BOND	53 SOUTHAMPTON RD	WESTFIELD	01085	977,644.00
33	TOWN OF HAMPTON	100 WINNACUNNET RD	HAMPTON	03842-2119	622,835.98
34	TOWN OF NORTH HAMPTON	237 ATLANTIC AVENUE	NORTH HAMPTON	03862	139,425.00
35	TOWN OF RYE	10 CENTRAL ROAD	RYE	03870	16,808.55
36	TOWN OF STRATHAM	10 BUNKER HILL AVENUE	STRATHAM	06885	15,969.00
37	TUFTS ASSOCIATED HEALTH MAINTENANCE	705 MOUNT AUBURN STREET	WATERTOWN	02472	318,829.89
38	UNDERGROUND TESTING & SERVICES	809 BACK MOUNTAIN ROAD	GOFFSTOWN	03045	24,661.00
39	UNIFIRST CORPORATION	430 RIVERSIDE IND PKWY	PORTLAND	04103	21,301.49
40	UNITEDHEALTHCARE INSURANCE CO.	P.O. BOX 5840	CAROL STREAMS	60197	25,636.96
41	UNITIL	P.O. BOX 981077	BOSTON	02298	10,815.70
42	UNITIL EXETER & HAMPTON ELECTRIC CO	PO Box 981010	BOSTON	02298-1010	175,382.36
43	W.L. FRENCH EXCAVATING CORP	14 STERLING ROAD	BILLERICA	01862	39,118.12
44	WATERLINE INDUSTRIES	7 LONDON LANE	SEABROOK	03874	425,721.85
45					\$ 7,690,174.57

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**A-8 MANAGEMENT FEES AND EXPENSES**

List all individuals associations, corporations or concerns with whom the company has any contract or agreements covering management or supervision of its affairs such as accounting, financing, engineering, construction, purchasing operations, etc. and show the total amount paid for the year. Designate by asterisk (\*) those organizations which are "Affiliates" as defined in Chapter 182, section 1, Laws of 1933

Line No. (a)	Name (b)	Date of Contract (c)	Date of Expiration (d)	Character of Services (e)	Amount Paid or Accrued for Each Class (f)	Distribution of Accruals or Payments		
						To Fixed Capital (g)	To Operating Expenses (h)	To Other Accounts (i)
1	Aquarion Water Company of CT	4/25/2002	Indefinite	Accounting/information technology/customer service/regulatory/taxes/ water quality	\$ 533,495		\$ 533,495	\$ -
2	Aquarion Company	4/25/2002	Indefinite	management/finance/ corporate communications	\$ 51,062		\$ 51,062	
3								
4								
5								
6								
7								
8								
9								
10								
11								
Totals					\$ 584,557	\$ -	\$ 584,557	\$ -

Have copies of all contracts or agreements been filed with the Commission? Yes

Detail of Distributed Charges to Operating Expenses (Column h)					
Line No.	Contract/Agreement Name	Account No.		Account Title	Amount
12	Aquarion Water Company of CT	2310000	408011,923011,905011,906011,926011	Various	\$ 533,495
13	Aquarion Company	2310000	923100	Outside Services Employed	\$ 51,062
14					
15					
16					
17					
18					
19					
20					
21					
22				Total	\$ 584,557

Annual Report of Aquarion Water Company of New Hampshire

Year ended December 31, 2020

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**A-9 AFFILIATION OF OFFICERS AND DIRECTORS**

the officials listed on Schedule A-3 Oath, list the principle occupation or business affiliation if other than listed on Schedule A-3 oath, and all affiliations or with any other business or financial organizations, firm, or partnerships. For purpose of financial organizations, firms or partnerships in which he/she is an officer, director, trustee, partner exercising similar functions.

Line No.	Name	Principal occupation of Business Affiliation	Affiliation or Connection	Name and Address of Affiliation or Connection
1	<b>NONE</b>			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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20				

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**A-10 BUSINESS WHICH ARE A BYPRODUCT, COPRODUCT OR JOINT PRODUCT AS  
A RESULT OF PROVIDING WATER SERVICE**

Complete the following for any business which is conducted as a byproduct, coproduct or joint product as a result of providing water SERVICE. This would include any business which requires the use of utility land and facilities. This would not include any business for which the assets are properly included in Account 121- Nonutility Property along with the associated revenues and expenses segregated out as nonutility also.

Line No.	Business or Service Conducted	Assets		Revenues		Expenses	
		Book Cost of Asset	Account Number	Revenues Generated	Account Number	Expenses Incurred	Account Number
1	<b>NONE</b>						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**A-11 BUSINESS TRANSACTIONS WITH RELATED PARTIES**

List each contract, agreement, or other business transaction exceeding a cumulative amount of \$500 in any one year, entered into between the Respondent and a business or financial organization, firm, or partnership named on Schedule A3, Oath, identifying the parties, amounts, dates and product, asset or service involved.

**PART I - SERVICES AND PRODUCTS RECEIVED OR PROVIDED**

List all transactions involving services and products received or provided. This would include management, legal, and accounting services; computer services; engineering & construction services; repairing and servicing of equipment; material and supplies furnished; leasing of structures, land and equipment; all rental transactions; sale, purchase or transfer of various products.

Line No.	Name of Company or Related Party	Description of Service and/ or Name of Product	Contract or Agreement Effective Dates	Annual Charges	
				(P)urchased or (S)old	Amount
1	Aquarion Water Company of CT	accounting/information	4/25/2002	P	\$ 533,795
2		technology/customer			
3		service/regulatory			
4					
5	Aquarion Company	management/finance	4/25/2002	P	\$ 51,062
6		corporate communications			
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**TABLE F-1 BALANCE SHEET****Assets and Other Debits**

Line No.	Account Title(Number) (a)	Ref. Sch. (b)	Current Year End Balance (c)	Previous Year End Balance (d)	Increase or Decrease (e)
<b>UTILITY PLANT</b>					
1	Utility Plant(101-106)	F-6	\$ 58,711,689	\$ 53,629,059	\$ 5,082,630
2	Less: Accumulated Depr. and Amort.(108-110)	F-6	\$ 14,017,910	\$ 13,570,351	\$ 447,559
3	Net Plant		\$ 44,693,779	\$ 40,058,708	\$ 4,635,071
4	Utility Plant Acquisition Adj.(Net)(114-115)	F-7	\$ -	\$ -	\$ -
5	Total Net Utility Plant		\$ 44,693,779	\$ 40,058,708	\$ 4,635,071
<b>OTHER PROPERTY AND INVESTMENTS</b>					
6	Nonutility Property(121)	F-14	\$ -	\$ -	\$ -
7	Less: Accumulated Depr. and Amort.(122)	F-15	\$ -	\$ -	\$ -
8	Net Nonutility Property		\$ -	\$ -	\$ -
9	Investment in Associated Companies(123)	F-16	\$ -	\$ -	\$ -
11	Utility Investments(124)	F-16	\$ -	\$ -	\$ -
12	Other Investments(125)	F-16	\$ 47,560	\$ 42,257	\$ 5,303
13	Special Funds(126-128)	F-17	\$ -	\$ -	\$ -
14	Total Other Property and Investments		\$ 47,560	\$ 42,257	\$ 5,303
<b>CURRENT AND ACCRUED ASSETS</b>					
16	Cash(131)	-	\$ 3,916	\$ 21,834	\$ (17,918)
17	Special Deposits(132)	F-18	\$ -	\$ -	\$ -
18	Other Special Deposits(133)	F-18	\$ -	\$ -	\$ -
19	Working Funds(134)	-	\$ -	\$ -	\$ -
20	Temporary Cash Investments(135)	F-16	\$ -	\$ -	\$ -
21	Accounts and Notes Receivable - Net(141-144)	F-19	\$ 251,915	\$ 263,714	\$ (11,799)
22	Account Receivable from Assoc. Co.(145)	F-21	\$ -	\$ -	\$ -
23	Notes Receivable from Assoc. Co.(146)	F-21	\$ -	\$ -	\$ -
24	Materials and Supplies(151-153)	F-22	\$ 161,662	\$ 159,726	\$ 1,936
25	Stores Expense(161)	-	\$ -	\$ -	\$ -
26	Prepayments - Other(162)	F-23	\$ 53,404	\$ 44,965	\$ 8,439
27	Prepaid Taxes(163) *	F-38	\$ 173,159	\$ 121,621	\$ 51,538
28	Interest and Dividends Receivable(171)	F-24	\$ -	\$ -	\$ -
29	Rents Receivable(172)	F-24	\$ -	\$ -	\$ -
30	Accrued Utility Revenue(173)	F-24	\$ 265,622	\$ 252,179	\$ 13,443
31	Misc. Current and Accrued Assets(174)	F-24	\$ 377,636	\$ 473,984	\$ (96,348)
32	Total Current and Accrued Assets		\$ 1,287,314	\$ 1,338,023	\$ (50,709)
<b>DEFERRED DEBITS</b>					
32	Unamortized Debt Discount & Expense(181)	F-25	\$ 81,340	\$ 92,934	\$ (11,594)
33	Extraordinary Property Losses(182)	F-26	\$ -	\$ -	\$ -
34	Prelim. Survey & Investigation Charges(183)	F-27	\$ -	\$ -	\$ -
35	Pension Cost(165)	-	\$ -	\$ -	\$ -
36	Temporary Facilities(185)	-	\$ -	\$ -	\$ -
37	Miscellaneous Deferred Debits(186)	F-28	\$ 3,866,226	\$ 3,727,813	\$ 138,414
38	Research & Development Expenditures(187)	F-29	\$ -	\$ -	\$ -
39	Accumulated Deferred Income Taxes(190)	F-30	\$ -	\$ -	\$ -
40	Total Deferred Debits		\$ 3,947,567	\$ 3,820,747	\$ 126,820
<b>TOTAL ASSETS AND OTHER DEBITS</b>					
			\$ 49,976,220	\$ 45,259,734	\$ 4,716,485

## Equity Capital and Liabilities

Line No.	Account Title(Number) (a)	Ref. Sch. (b)	Current Year End Balance (c)	Previous Year End Balance (d)	Increase or Decrease (e)
<b>EQUITY CAPITAL</b>					
1	Common Stock Issued(201)	F-31	\$ 2,187,075	\$ 2,187,075	\$ -
2	Preferred Stock Issued(204)	F-31	\$ 2,300	\$ 2,300	\$ -
3	Capital Stock Subscribed(202,205)	F-32	\$ -	\$ -	\$ -
4	Stock Liability for Conversion(203,206)	F-32	\$ -	\$ -	\$ -
5	Premium on Capital Stock(207)	F-31	\$ 3,557,940	\$ 3,557,940	\$ -
6	Installments Received on Capital Stock(208)	F-32	\$ -	\$ -	\$ -
7	Other Paid-in Capital(209-211)	F-33	\$ 4,080,250	\$ 2,480,250	\$ 1,600,000
8	Discount on Capital Stock(212)	F-34	\$ -	\$ -	\$ -
9	Capital Stock Expense(213)	F-34	\$ -	\$ -	\$ -
10	Retained Earnings(214-215)	F-3	\$ 10,023,211	\$ 8,373,058	\$ 1,650,153
11	Reacquired Capital Stock(216)	F-31	\$ -	\$ -	\$ -
12	Total Equity Capital		\$ 19,850,776	\$ 16,600,623	\$ 3,250,153
<b>LONG TERM DEBT</b>					
13	Bonds(221)	F-35	\$ 13,900,000	\$ 13,900,000	\$ -
14	Reacquired Bonds(222)	F-35	\$ -	\$ -	\$ -
15	Advances from Associated Companies(223)	F-35	\$ -	\$ -	\$ -
16	Other Long-Term Debt(224)	F-35	\$ -	\$ -	\$ -
17	Total Long-Term Debt		\$ 13,900,000	\$ 13,900,000	\$ -
<b>CURRENT AND ACCRUED LIABILITIES</b>					
18	Accounts Payable(231)	-	\$ 969,698	\$ 1,989,335	\$ (1,019,637)
19	Notes Payable(232)	F-36	\$ 2,800,000	\$ 1,200,000	\$ 1,600,000
20	Accounts Payable to Associated Companies(233)	F-37	\$ 33,281	\$ 22,906	\$ 10,375
21	Notes Payable to Associated Companies(234)	F-37	\$ -	\$ -	\$ -
22	Customer Deposits(235)	-	\$ -	\$ -	\$ -
23	Accrued Taxes(236)	F-38	\$ -	\$ -	\$ -
24	Accrued Interest(237)	-	\$ 228,799	\$ 228,799	\$ -
25	Accrued Dividends(238)	-	\$ 1,180	\$ 1,180	\$ -
26	Matured Long-Term Debt(239)	F-39	\$ -	\$ -	\$ -
27	Matured Interest(240)	F-39	\$ -	\$ -	\$ -
28	Misc. Current and Accrued Liabilities(241)	F-39	\$ 948,350	\$ 1,200,621	\$ (252,271)
29	Total Current and Accrued Liabilities		\$ 4,981,308	\$ 4,642,841	\$ 338,467
<b>DEFERRED CREDITS</b>					
30	Unamortized Premium on Debt(251)	F-25	\$ -	\$ -	\$ -
31	Advances For Construction(252)	F-40	\$ 1,032,032	\$ 727,819	\$ 304,213
32	Other Deferred Credits(253)	F-41	\$ 2,683,262	\$ 2,283,856	\$ 399,406
33	Accumulated Deferred Investment Tax Credits(255)	F-42	\$ 151,542	\$ 157,614	\$ (6,072)
34	<b>Accumulated Deferred Income Taxes:</b>				
35	Accelerated Amortization(281)	F-45	\$ -	\$ -	\$ -
36	Liberalized Depreciation(282)	F-45	\$ 2,707,410	\$ 2,303,284	\$ 404,126
37	Other(283)	F-45	\$ 2,247,005	\$ 2,230,803	\$ 16,202
38	Total Deferred Credits		\$ 8,821,251	\$ 7,703,376	\$ 1,117,875
<b>OPERATING RESERVES</b>					
39	Property Insurance Reserve(261)	F-44	\$ -	\$ -	\$ -
40	Injuries and Damages Reserve(262)	F-44	\$ -	\$ -	\$ -
41	Pensions and Benefits Reserves(263)	F-44	\$ -	\$ -	\$ -
42	Miscellaneous Operating Reserves	F-44	\$ -	\$ -	\$ -
43	Total Operating Reserves		\$ -	\$ -	\$ -
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>					
44	Contributions in Aid of Construction(271)	F-46	\$ 3,167,224	\$ 3,119,748	\$ 47,476
45	Accumulated Amortization of C.I.A.C.	F-46	\$ 744,338	\$ 706,854	\$ 37,484
46	Total Net C.I.A.C.		\$ 2,422,886	\$ 2,412,894	\$ 9,992
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>					
			\$ 49,976,220	\$ 45,259,734	\$ 4,716,487

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

NOTES TO BALANCE SHEET (F-1)

1. The space below is provided for important notes regarding the balance sheet or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at end of year, including brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. Give a concise explanation of any retained earnings restriction and state the amount of retained earnings affected by such restriction.
4. If the notes to balance sheet relating to the respondent company appearing in the annual report to the stockholders are applicable in every respect and furnish the data required by Instructions 2 and 3 above, such notes may be attached hereto.

**NONE**

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

TABLE F-2 STATEMENT OF INCOME

Line No.	Account Title(Number) (a)	Ref. Sch. (b)	Current Year End Balance (c)	Previous Year End Balance (d)	Increase or Decrease (e)
<b>UTILITY OPERATING INCOME</b>					
1	Operating Revenues(400)	F-47	\$ 7,621,606	\$ 7,226,513	\$ 395,093
2	Operating Expenses:				
3	Operation and Maintenance Expense(401)	F-48	\$ 2,994,007	\$ 3,346,041	\$ (352,034)
4	Depreciation Expense(403)	F-12	\$ 1,080,492	\$ 1,024,230	\$ 56,262
5	Amortization of Contribution in Aid of Construction(405)	F-46.4	\$ (37,484)	\$ (37,437)	\$ (47)
6	Amortization of Utility Plant Acquisition Adjustment(406)	F-49	\$ -	\$ -	\$ -
7	Amortization Expense - Other(407)	F-49	\$ (602)	\$ -	\$ (602)
8	Taxes Other Than Income(408.1-408.13)	F-50	\$ 884,520	\$ 753,018	\$ 131,502
9	Income Taxes(409.1,410.1,411.1,412.1)	-	\$ 241,687	\$ 216,554	\$ 25,133
10	<b>Total Operating Expenses</b>		\$ 5,162,620	\$ 5,302,406	\$ (139,786)
11	Net Operating Income(Loss)		\$ 2,458,986	\$ 1,924,107	\$ 534,879
12	Income from Utility Plant Leased to Others(413)	F-51	\$ -	\$ -	\$ -
13	Gains(Losses) from Disposition of Utility Property(414)	F-52	\$ -	\$ -	\$ -
14	<b>Net Water Utility Operating Income</b>		\$ 2,458,986	\$ 1,924,107	\$ 534,879
<b>OTHER INCOME AND DEDUCTIONS</b>					
15	Revenues from Merchandising, Jobbing, and Contract Work(415)	F-53	\$ 26,107	\$ 38,999	\$ (12,892)
16	Costs and Expenses of Merchandising, Jobbing, and Contract Work(416)	F-53	\$ (17,396)	\$ (27,644)	\$ 10,248
17	Equity in Earning of Subsidiary Companies(418)	-	\$ -	\$ -	\$ -
18	Interest and Dividend Income(419)	F-54	\$ -	\$ -	\$ -
19	Allow. for Funds Used During Construction(420)	F-54	\$ -	\$ -	\$ -
20	Nonutility Income(421)	F-54	\$ 42,553	\$ 31,708	\$ 10,845
21	Gains(Losses) From Disposition Nonutility Property(422)	-	\$ -	\$ -	\$ -
22	Miscellaneous Nonutility Expenses(426)	F-54	\$ (4,143)	\$ (7,677)	\$ 3,534
23	<b>Total Other Income and Deductions</b>		\$ 47,121	\$ 35,386	\$ 11,735
<b>TAXES APPLICABLE TO OTHER INCOME</b>					
24	Taxes Other Than Income(408.2)	F-50	\$ -	\$ -	\$ -
25	Income Taxes(409.2,410.2,411.2,412.2,412.3)	-	\$ -	\$ -	\$ -
26	<b>Total Taxes Applicable to Other Income</b>		\$ -	\$ -	\$ -
<b>INTEREST EXPENSE</b>					
27	Interest Expense(427)	F-35/36	\$ 837,811	\$ 847,875	\$ (10,064)
28	Amortization of Debt Discount & Expense(428)	F-25	\$ 18,006	\$ 18,006	\$ 0
29	Amortization of Premium on Debt(429)	F-25	\$ -	\$ -	\$ -
30	<b>Total Interest Expense</b>		\$ 855,817	\$ 865,881	\$ (10,064)
31	<b>Income Before Extraordinary Income</b>		\$ 1,650,291	\$ 1,093,612	\$ 556,678
<b>EXTRAORDINARY ITEMS</b>					
32	Extraordinary Income(433)	F-55	\$ -	\$ -	\$ -
33	Extraordinary Deductions(434)	F-55	\$ -	\$ -	\$ -
34	Income Taxes, Extraordinary Items(409.3)	F-50	\$ -	\$ -	\$ -
35	<b>Net Extraordinary Items</b>		\$ -	\$ -	\$ -
<b>NET INCOME(LOSS)</b>			\$ 1,650,291	\$ 1,093,612	\$ 556,678

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-3 STATEMENT OF RETAINED EARNINGS**

Line No.	Account Title (Number) (a)	Current Year End Balance (b)	Previous Year End Balance (c)	Increase or (Decrease) (d)
1	Unappropriated Retained Earnings (Beg of Period) (215)	\$ 8,373,058	\$ 7,279,584	\$ 1,093,474
2	Balance Transferred from Income (435)	\$ 1,650,291	\$ 1,093,612	\$ 556,679
3	Appropriations of Retained Earnings (436)	\$ -	\$ -	\$ -
4	Dividends Declared - Preferred Stock (437)	\$ (138)	\$ (138)	\$ -
5	Dividends Declared - Common Stock (438)	\$ -	\$ -	\$ -
6	Adjustments to Retained Earnings (439)	\$ -	\$ -	\$ -
7	Net Change to Unappropriated Retained Earnings	\$ 1,650,153	\$ 1,093,474	\$ 556,679
8	Unappropriated Retained Earnings (end of period) (215)	\$ 10,023,211	\$ 8,373,058	\$ 1,650,153
9	Appropriated Retained Earnings (214)	\$ -	\$ -	\$ -
10	Total Retained Earnings (214, 215)	\$ 10,023,211	\$ 8,373,058	\$ 1,650,153

**F-4 ANALYSIS OF RETAINED EARNINGS (ACCOUNT 214, 215)**

Line No.	Item (a)	Amount (e)
	UNAPPROPRIATED RETAINED EARNINGS (ACCOUNT 215)	
	1. Report in detail the items included in the following accounts during the year: 436 Appropriations of Retained Earnings: 436, Adjustments to Retained Earnings	
	2. Show separately the income tax effect of items shown in account 439, Adjustments to Retained Earnings	
1		
2		
3		
4		
5	<b>NONE</b>	
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
	APPROPRIATED RETAINED EARNINGS (Account 214)	
	State Balance and purpose of each appropriated Retained Earnings amount at end of year and give accounting entries for any applications of Appropriated Retained Earnings during the year.	
16		
17	<b>NONE</b>	
18		
19		
20	Balance - end of year	

TABLE F-5 STATEMENT OF CHANGES IN FINANCIAL POSITION

Line No.	Sources of Funds (a)	2020 (b)	2019 (c)
1	Internal Sources:		
2	Income Before Extraordinary Items	\$ 1,650,291	\$ 1,093,612
3	Charges (Credits) To Income not Requiring Funds:		
4	Depreciation	\$ 1,080,492	\$ 1,024,230
5	Amortization of CIAC	\$ (37,484)	\$ (37,437)
6	Deferred Income Taxes and Investment Tax Credit (Net)	\$ 38,112	\$ 92,275
7	Capitalized Allowance For Funds Used During Construction	\$ -	\$ -
8	Other (Net)	\$ 1,080,077	\$ 1,155,491
9	Total From Internal Sources Exclusive of Extraordinary Items	\$ 3,811,488	\$ 3,328,171
10	Extraordinary Items - Net of Income Taxes (A)	0	0
11	Total From Internal Sources	\$ 3,811,488	\$ 3,328,171
12	Less dividends - preferred	\$ (138)	\$ (138)
13	- common	\$ -	\$ -
14	Net From Internal Sources	\$ 3,811,350	\$ 3,328,033
15	External Sources:		
16	Long-term debt (B) (C)	\$ -	\$ -
17	Preferred Stock (C)	\$ -	\$ -
18	Common Stock (includes paid in capital) (C)	\$ -	\$ -
19	Net Increase in Short Term Debt (D)	\$ -	\$ -
20	Other (Net)_ Contributions and Advances	\$ 1,904,214	\$ 2,148,699
21		\$ -	\$ -
22	Total From External Sources	\$ 1,904,214	\$ 2,148,699
23	Other Source (E)		
24	Net Decrease in Working Capital Excluding Short-term Debt		
25	Other	0	0
26	Total Financial Resources Provided	\$ 5,715,564	\$ 5,476,732

## INSTRUCTIONS TO SCHEDULE F-5

- This statement is not restricted to those items which are noncurrent in nature. It is intended that this statement be flexible enough in nature so that latitude can be given, under the classification of "Other", to allow for disclosure of all significant changes and transactions, whether they are within or without the current asset and liability group.
- If the notes to the funds statement in the respondent's annual report to stockholders are applicable in every respect to this statement, such notes should be attached hereto.
- Under "Other" specify significant amounts and group others.
- Enter the current year covered by this annual report in column (b), and the year prior to this report in column (c).
- Codes:
  - Any difference between the amount shown for net extraordinary items for current year in this statement and that shown on schedule F-2, line 35 of this report should be explained.
  - Bonds, debentures and other long-term debt.
  - Net proceeds and payments.
  - Include commercial paper.
  - Such as net increases or decreases in working capital excluding short-term debt, purchases or sale of other noncurrent assets, investments in and advances to and from associated companies and subsidiaries, and all other items not provided for elsewhere.
  - Gross additions to common utility plant should be allocated to the applicable utility departments.
- Clarifications and explanations should be listed on the following page.

Class A or B Utility

SEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**TABLE F-5 STATEMENT OF CHANGES IN FINANCIAL POSITION (Continued)**

Line No.	Application of Funds (a)	2020 (b)	2019 (c)
27	<b>Construction and Plant Expenditures (Inc. Inad):</b>		
28	Gross Additions		
29	Water Plant	\$ 8,851,849	\$ 3,808,707
30	Nonutility Plant	\$ -	\$ -
31	Other	\$ (3,136,285)	\$ 1,668,025
32	Total Gross Additions	\$ 5,715,564	\$ 5,476,732
33	Less : Capitalized Allowance for Funds Used during Construction	\$ -	\$ -
34	Total Construction and Plant Expenditures	\$ 5,715,564	\$ 5,476,732
35	<b>Retirement of Debt and Securities:</b>		
36	Long-Term Debt (B) (C)		
37	Preferred Stock (C)	\$ -	\$ -
38	Redemption of Short Term Debt (D)	\$ -	\$ -
39	Net (increase/decrease) in Short Term Debt (D) **	\$ -	\$ -
40	Other (Net) _____	\$ -	\$ -
41	Dividends _____	\$ -	\$ -
42	_____		
43	Total Retirement of Debt and Securities	\$ -	\$ -
44	Other Resources were used (E)		
45	Net Increase in Working Capital Excluding Short Term Debt	\$ -	\$ -
46	Other	\$ -	\$ -
47	Total Financial Resources Used	\$ 5,715,564	\$ 5,476,732

**NOTES TO SCHEDULE F-5**

<p>NONE **</p>
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Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-6 UTILITY PLANT(ACCOUNTS 101-106)  
AND ACCUMULATED DEPRECIATION AND AMORTIZATION  
(ACCOUNTS 108-110)**

Line No.	Account (a)	Ref. Sch. (b)	Current Year End Balance (c)	Previous Year End Balance (d)	Increase or (Decrease) (e)
1	<b>Plant Accounts:</b>				
2	Utility Plant in Service-Accts 301-348(101)	F-8	\$57,573,255	\$49,337,847	8,235,408
3	Utility Plant Leased to Others(102)	F-9	0	0	0
4	Property Held for Future Use(103)	F-9	4,779	4,779	0
5	Utility Plant Purchased or Sold(104)	F-8	0	0	0
6	Construction Work in Progress(105)	F-10	1,133,655	4,286,434	(3,152,778)
7	Completed Construction Not Classified(106)	F-10	0	0	0
8	Total Utility Plant		\$58,711,689	\$53,629,059	5,082,630
9	<b>Accumulated Depreciation &amp; Amortization:</b>				
10	Accum. Depr.-Utility Plant in Service(108.1)	F-11	\$14,017,910	\$13,570,351	447,559
11	Accum. Depr.-Utility Plant Leased to Others(108.2)	F-9	0	0	0
12	Accum. Depr.-Property Held for Future Use(108.3)	F-9	0	0	0
13	Accum. Amort.-Utility Plant in Service(110.1)	F-13	0	0	0
14	Accum. Amort.-Utility Plant Leased to Others(110.2)	F-9	0	0	0
15	Total Accumulated Depreciation & Amortization		\$14,017,910	\$13,570,351	447,559
16	Net Plant		\$44,693,779	\$40,058,708	\$4,635,071

**F-7 UTILITY PLANT ACQUISITION ADJUSTMENTS(ACCOUNTS 114-115)**

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

Line No.	Account (a)	Current Year End Balance (c)	Previous Year End Balance (d)	Increase or (Decrease) (e)
1	Acquisition Adjustment(114)			
2	<b>NONE</b>			
3				
4				
5				
6	Total Plant Acquisition Adjustments			
7	Accumulated Amortization(115)			
8	<b>NONE</b>			
9				
10				
11				
12	Total Accumulated Amortization			
13	Net Acquisition Adjustments			

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**TABLE F-8 UTILITY PLANT IN SERVICE**

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	<b>INTANGIBLE PLANT 1.</b>						
2	301 Organization	17,700	-	-	-	-	17,700
3	302 Franchises	-	-	-	-	-	-
4	339 Other Plant and Misc. Equip.	-	-	-	-	-	-
5	Total Intangible Plant	17,700	-	-	-	-	17,700
6	<b>SOURCE OF SUPPLY AND PUMPING PLANT 2.</b>						
7	303 Land and Land Rights	635,643	193,875	-	-	-	829,518
8	304 Structures and Improvements	2,034,938	23,565	(27,924)	-	-	2,030,579
9	305 Collecting and Impounding Reservoirs	-	-	-	-	-	-
10	306 Lake, River and Other Intakes	-	-	-	-	-	-
11	307 Wells & Springs	3,140,638	1,316,322	(65,387)	-	-	4,391,573
12	308 Infiltration Galleries & Tunnels	-	-	-	-	-	-
13	309 Supply Mains	137,490	-	-	-	-	137,490
14	310 Power Generation Equipment	-	-	-	-	-	-
15	311 Pumping Equipment	939,650	85,946	(70,957)	-	-	954,639
16	339 Miscellaneous Intangible Plant	-	-	-	-	-	-
17	339 Other Plant and Miscellaneous (317 03/31/08)	1,434,736	-	-	-	-	1,434,736
18	339 Other Plant and Miscellaneous	288,525	12,539	(72,502)	-	-	228,562
19	Total Supply and Pumping Plant	8,611,619	1,632,247	(236,770)	-	-	10,007,096
20	<b>WATER TREATMENT PLANT 3.</b>						
21	303 Land and Land Rights	-	-	-	-	-	-
22	304 Structures and Improvements	58,588	851,538	-	-	-	910,126
23	320 Water Treatment Equipment	231,134	2,160,063	(1,635)	-	-	2,389,562
24	339 Other Plant and Misc. Equip.	-	-	-	-	-	-
25	Total Water Treatment Plant	289,722	3,011,601	(1,635)	-	-	3,299,688

Class A or B Utility

**TABLE F-8 UTILITY PLANT IN SERVICE(Continued)**

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
26	<b>TRANSMISSION &amp; DISTRIBUTION PLANT 4.</b>						
27	303 Land and Land Rights	314,551	-	-	-	-	314,551
28	304 Structure and Improvements	32,894	8,731	-	-	-	41,625
29	330 Distribution Reservoirs and Standpipes	2,708,344	5,072	-	-	-	2,713,416
30	331 Transmission and Distribution Mains	26,634,036	3,689,335	(142,431)	-	-	30,180,941
31	333 Services	5,731,679	172,742	-	-	-	5,904,420
32	334 Meters and Meter Installations	1,819,180	88,278	(191,153)	-	-	1,716,305
33	335 Hydrants	709,986	8,100	-	-	-	718,086
34	339 Other Plant and Misc. Equip	178,436	-	(3,741)	-	-	174,695
35	Total Transmission and Distribution	38,129,106	3,972,258	(337,325)	-	-	41,764,039
36	<b>GENERAL PLANT 5.</b>						
37	303 Land and Land Rights	-	-	-	-	-	-
38	304 Structure and Improvements	566,028	-	-	-	-	566,028
39	340 Office Furniture and Equipment	610,358	107,817	(238)	-	-	717,937
40	341 Transportation Equipment	644,403	43,022	(28,945)	-	-	658,481
41	342 Stores Equipment	331	-	-	-	-	331
42	343 Tools, Shop and Garage Equipment	87,849	1,344	(9,893)	-	-	79,301
43	344 Laboratory Equipment	-	-	-	-	-	-
44	345 Power Operated Equipment	109,715	-	-	-	-	109,715
45	346 Communication Equipment	51,553	-	-	-	-	51,553
46	347 Miscellaneous Equipment	219,461	83,560	(1,635)	-	-	301,387
47	348 Other Tangible Plant	-	-	-	-	-	-
48	Total General Plant	2,289,698	235,743	(40,711)	-	-	2,484,731
49	Total(Accounts 101 and 106)	49,337,845	8,851,849	(616,441)	-	-	57,573,255
50	104 Utility Plant Purchased or Sold	-	-	-	-	-	-
51	Total Utility Plant in Service	49,337,845	8,851,849	(616,441)	-	-	57,573,255

Class A or B Utility

Y SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**TABLE F-9 MISCELLANEOUS PLANT DATA**

For each of the accounts listed hereunder, provide a summary statement if balance was carried therein at any time during the year. Information required consists of a brief description and amount of transactions carried through each such account and except to the extent that the data is shown elsewhere in this report, the opening and closing balances. If any of the property involved had an income producing status during the year, the gross income and applicable expenses (suitably subdivided) should be reported.

Utility Plant Leased to Others(102)	Accumulated Depreciation of Utility Plant Leased to Others(108.2)
Property Held for Future Use(103)	Accumulated Depreciation of Property Held for Future Use(108.3)
	Accumulated Amortization of Utility Plant Leased to Others(110.2)

Property Held for Future Use(103)

Detail of Account Balance:

1. The Data resulting from 1997 transactions will be considered useful for the future development of a well and storage tank.	\$ 4,778.50
Balance	<u>\$ 4,778.50</u>

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-10 CONSTRUCTION WORK IN PROGRESS AND COMPLETES CONSTRUCTION**

**NOT CLASSIFIED (Accounts 105 and 106)**

1. For each department report below descriptions and balances at end of year of projects in process of construction and completes construction not classified for projects actually in service. For any substantial amounts of completed construction not prescribed primary accounts for plant in service.
2. The information specified by this schedule for Account 106, Completed Construction Not Classified, shall be furnished even though this account is included in Schedule F-8, Utility Plant in Service according to a tentative classification by primary accounts
3. Minor projects may be grouped

Line No.	Description of project (a)	Construction Work in Progress (Acct 105) (b)	Completed Construction Not Classified (Acct 106) (c)	Estimated Additional Cost of Project (d)
1	Exeter Rd Tank Improvements - Capital	276,919		4,118,081
2	Mary Batchelder Hampton, NH	247,185		-
3	Well 7/ Well 22 Treatment Improvements	146,001		5,828,999
4	Well 14A Improvements	143,710		-
5	High Street, Hampton - Ph. I	48,568		1,408,400
6	Gentian / Green / Meadow Pond Main Repl	32,684		-
7	Mill Road Well 6 - PFAS Treatment	25,791		1,687,209
8	Other	212,796		
9				
10				
11				
12				
13				
14				
15				
16				
17				
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35				
		1,133,655	-	13,042,689

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-11 ACCUMULATED DEPRECIATION OF  
UTILITY PLANT IN SERVICE (Account 108.1)**

1. Report below the information called for concerning accumulated provision for depreciation of utility plant in service at end of year and changes during year.
2. Explain any important adjustments during the year.
3. Explain any difference between the amount for book cost of plant retired, line 4, column (b) and that reported in the schedule F-8 Utility Plant in Service, column (d) exclusive of retirements of nondepreciable property.
4. The provision of account 108.1 of the Uniform System of Accounts intent is that retirements of depreciable plant be recorded when such plant is removed from service. There also shall be included in this schedule the amounts of plant retired, removal expenses, and salvage on an estimated basis if necessary with respect to any significant amount of plant actually retired from service but for which appropriate entries have not been made to the accumulated provisions for depreciation account. The inclusion of these amounts in this schedule shall be made even though it involves a journal entry in the books of account as of the end of the year recorded subsequent to closing of respondent's books. See also note B to schedule F- 8 Utility Plant in Service
5. In section B show the amounts applicable to prescribed functional classifications.

**A. Balances and Changes During Year**

Line No.	Item (a)	Utility Plant In service (Account 108.1) (b)
1	Balance beginning of year	13,570,351
2	Depreciation provisions for year, charged to Account 403, Depreciation Expense	1,080,492
3	Net charges for plant retired:	14,650,843
4	Book cost of plant retired	(616,441)
5	Cost of removal	(13,233)
6	Proceeds from sales(salvage value)	(3,259)
7	Net charges for plant retired	(632,933)
8	Other (debit) or credit items	
9	Accum Depr for equipment transfer	-
10		
11		
12	Balance end of year	14,017,910

**B. Balance at End of Year According to Functional Classifications**

13	Intangible Plant	9,970
14	Source of Supply and Pumping Plant	3,229,517
15	Water Treatment Plant	75,306
16	Transmission and Distribution Plant	8,941,506
17	General Plant	1,761,611
18	Other	
19	Total	14,017,910

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-12 ANNUAL DEPRECIATION CHARGE

1. Indicate cost basis upon which depreciation charges calculation were derived.
2. Show separately the rates used and the total depreciation for each class of property.
3. Depreciation charges are to be computed using the straight line method. Composite rates may be used with Commission approval.

Total annual depreciation charge should agree with schedule F-11, line 2 "Depreciation provision for year," charged to Account 403, Depreciation Expense.								
Line No.	Class of Property		Cost Basis	Adjustments	Rate	Net Additions	Rate	Annual Depreciation
1	<b>Source of Supply and Pumping Plant</b>							
2	Organization Costs	Source of Supply	17,700	-	5.00%	-	2.50%	885
3		Cost Basis @ 12/31/19	17,700					
4		Cost Basis @ 12/31/20	17,700					
5								
6	Structures and Improvements	Source of Supply	642,550	-	2.75%	(1,117)	1.38%	17,655
7		Cost Basis @ 12/31/19	642,550					
8		Cost Basis @ 12/31/20	641,433					
9								
10	Structures and Improvements	Pumping	1,392,388	-	2.75%	(3,242)	1.38%	38,246
11		Cost Basis @ 12/31/19	1,392,388					
12		Cost Basis @ 12/31/20	1,389,146					
13								
14	Miscellaneous Intangible Plant		-	-	3.33%	-	1.67%	-
15		Cost Basis @ 12/31/19	-					
16		Cost Basis @ 12/31/20	-					
17								
18	Wells & Springs		3,140,638	-	3.50%	1,250,935	1.75%	131,813
19		Cost Basis @ 12/31/19	3,140,638					
20		Cost Basis @ 12/31/20	4,391,572					
21								
22	Supply Mains		137,490	-	1.20%	-	0.60%	1,650
23		Cost Basis @ 12/31/19	137,490					
24		Cost Basis @ 12/31/20	137,490					
25								
26	Pumping Equipment	Electric	907,573	-	3.43%	14,989	1.72%	31,387
27	Pumping Equipment	Diesel	-	-	3.50%	-	1.75%	-
28	Pumping Equipment	Other	32,076	-	4.40%	-	2.20%	1,411
29		Cost Basis @ 12/31/19	939,650					
30		Cost Basis @ 12/31/20	954,639					
31								
32	Other Plant and Miscellaneous		1,434,736	-	5.00%	-	2.50%	71,737
33		Cost Basis @ 12/31/19	1,434,736					
34		Cost Basis @ 12/31/20	1,434,736					
35								
36	Other Plant & Miscellaneous		288,525	-	5.00%	(59,964)	2.50%	12,927
37		Cost Basis @ 12/31/19	288,525					
38		Cost Basis @ 12/31/20	228,561					
39								
40	<b>Water Treatment Plant</b>							
41	Structures and Improvement		58,588	-	2.75%	851,538	1.38%	13,320
42		Cost Basis @ 12/31/19	58,588					
43		Cost Basis @ 12/31/20	910,126					
44								
45	Equipment		231,134	-	3.50%	2,158,428	1.75%	45,862
46		Cost Basis @ 12/31/19	231,134					
47		Cost Basis @ 12/31/20	2,389,562					
48								
49	<b>Transmission and Distribution Plant</b>							
50								
51	Distribution Reservoirs and Standpipes		2,708,344	-	2.00%	5,072	1.00%	54,218
52		Cost Basis @ 12/31/19	2,708,344					
53		Cost Basis @ 12/31/20	2,713,416					
54								
55	Transmission and Distribution Mains		26,634,035	-	1.20%	3,546,906	0.60%	340,889
56		Cost Basis @ 12/31/19	26,634,035					
57		Cost Basis @ 12/31/20	30,180,942					
58								
59	Services		5,731,679	-	1.85%	172,742	0.93%	107,634
60		Cost Basis @ 12/31/19	5,731,679					
61		Cost Basis @ 12/31/20	5,904,420					
62								
63	Meters		1,620,461	-	3.80%	(102,875)	1.90%	59,623
64	Meter Installations		198,719	-	3.80%	-	1.90%	7,551
65		Cost Basis @ 12/31/19	1,819,180					
66		Cost Basis @ 12/31/20	1,716,305					
67								

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-12 ANNUAL DEPRECIATION CHARGE

1. Indicate cost basis upon which depreciation charges calculation were derived.
2. Show separately the rates used and the total depreciation for each class of property.
3. Depreciation charges are to be computed using the straight line method. Composite rates may be used with Commission approval.

(Continued)									
Line No.	Class of Property		Cost Basis 1/0/1900	Adjustments	Rate	Net Additions	Rate	Annual Depreciation	
1	<b>Transmission and Distribution Plant (Continued)</b>								
2									
3	Hydrants		709,986	-	2.40%	8,100	1.20%	17,137	
4		Cost Basis @ 12/31/19	709,986						
5		Cost Basis @ 12/31/20	718,086						
6									
7	Other T & D Plant		178,436	-	5.00%	(3,741)	2.50%	8,828	
8		Cost Basis @ 12/31/19	178,436						
9		Cost Basis @ 12/31/20	174,695						
10									
11	Structures and Improvements		32,894	-	2.75%	8,731	1.38%	1,025	
12		Cost Basis @ 12/31/19	32,894						
13		Cost Basis @ 12/31/20	41,625						
14									
15		<b>General Plant</b>							
16	Structures and Improvements		566,029	-	2.75%	-	1.38%	15,566	
17		Cost Basis @ 12/31/19	566,029						
18		Cost Basis @ 12/31/20	566,029						
19									
20	Computer Equipment		603,708	-	20.00%	105,262	10.00%	131,268	
21	Other Office Equipment		6,650	-	7.46%	2,316	3.73%	582	
22		Cost Basis @ 12/31/19	610,358						
23		Cost Basis @ 12/31/20	717,936						
24									
25	Transportation Equipment		644,403	-	11.25%	14,077	5.63%	73,287	
26		Cost Basis @ 12/31/19	644,403						
27		Cost Basis @ 12/31/20	658,480						
28									
29	Stores Equipment		331	-	5.00%	-	2.50%	17	
30		Cost Basis @ 12/31/19	331						
31		Cost Basis @ 12/31/20	331						
32									
33	Tools, Shop and Garage Equipment		87,849	-	5.00%	(8,549)	2.50%	4,178	
34		Cost Basis @ 12/31/19	87,849						
35		Cost Basis @ 12/31/20	79,301						
36									
37	Laboratory Equipment		-	-	6.67%	-	3.34%	-	
38		Cost Basis @ 12/31/19	-						
39		Cost Basis @ 12/31/20	-						
40									
41	Power Operated Equipment		109,715	-	6.67%	-	3.34%	7,318	
42		Cost Basis @ 12/31/19	109,715						
43		Cost Basis @ 12/31/20	109,715						
44									
45	Communication Equipment		51,553	-	10.00%	-	5.00%	5,155	
46		Cost Basis @ 12/31/19	51,553						
47		Cost Basis @ 12/31/20	51,553						
48									
49	Miscellaneous Equipment		219,461	-	6.67%	81,925	3.34%	17,370	
50		Cost Basis @ 12/31/19	219,461						
51		Cost Basis @ 12/31/20	301,386						
52									
53	Structures and Improvements, Computer Hardware and Software, Communications, and Stores Equipment depreciation adjustment								(138,046)
54									
55									
56	Reserve Deficiency (Docket DW 08-098)		676,460					-	
57									
58	Other					-			
59									
60	<b>Totals</b>		<b>49,064,112</b>	<b>-</b>		<b>8,041,533</b>		<b>1,080,492</b>	

Class A or B Utility

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
UTILITY PLANT IN SERVICE (Account 110.1)**

1. Report below particulars concerning accumulated provisions for amortization of utility plant in service.
2. Explain and give particulars of important adjustments during the year.
3. Under "gain or (loss) on disposition of Property", line 17, report the excess of book cost of plant retired, less any proceeds realized at retirement, over the accumulated provisions for such plant.

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	\$
2	Amortization Accruals for year:	\$
3	(specify accounts debited)	
4		
5		
6		
7	<b>NONE</b>	
8		
9		
10		
11		
12	Total accruals	\$
13	Total (line 1 plus line 12)	\$
14	Net charges for retirements during year:	\$
15	Book cost of plant retired	
16	Proceeds realized (credit)	
17	Gain or (Loss) on Disposition of Property	
18		
19		
20		
21		
22		
23	Net charges for retirements	\$
24	Other (debits) and credits (describe separately):	\$
25		
26		
27		
28		
29		
30		
31		
32	Balance end of year	\$

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-14 NONUTILITY PROPERTY (Account 121)**

1. Give a brief description and state the location of non-utility property included in account 121
2. Designate any property which is leased to another company. State name of lessee and whether lessee is an associated company.
3. Furnish particulars concerning sales, purchases, or transfers of nonutility property during the year.
4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property  
These items are separate and distinct from those allowed to be grouped under instruction No. 5
5. Minor items may be grouped.

Line No.	Description and Location (a)	Balance Beginning of Year (b)	Purchases, Sales, Transfers etc. (c)	Balance End of Year (d)
1				
2		\$ -	\$ -	\$ -
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19	TOTAL	\$ -	\$ -	\$ -

**F-15 ACCUMULATED DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)**

Report below the information called for concerning depreciation and amortization of nonutility property.

Line No.	Account (a)	Increase or (Decrease) (e)
1	Balance beginning of year	\$ -
2	Accrual for year, charged to account 426, Miscellaneous nonutility Expenses	
3	Net charges for plant retired:	
4	Book cost of plant retired	\$ -
5	Cost of removal	
6	Salvage (credit)	
7	Total Net Charges	\$ -
8	Other (debit) or credit items (describe)	
9	Adjustments	\$ -
10	Balance, end of year	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-16 INVESTMENTS ( Accounts 123, 124, 125, 135)**

1. Report below investments in Account 123, Investments in Associated Companies; 124, Utility Investments; 125, Other Investments; Temporary Cash Investments.
2. Provide a subheading for each account and list there under the information called for, observing the instructions below.
3. Investment in Securities-List and describe each security owned, giving name of issuer. For bonds give also principal amount, date of issue, maturity and interest rate. For capital stock state number of shares, class and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, Temporary Cash Investments, Also may be grouped by classes.
4. Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is renewal. Designate due from officers, directors, stockholders or employees.
5. For any securities, notes or accounts that were pledged designate such securities, notes and in a footnote state the name of pledge and purpose of the pledge.
6. If Commission approval was required for any advance made or security acquired, designate such fact and in a footnote give date of authorization and case number.
7. Interest and dividend revenues and investments should be reported in column (g), including such revenues from securities disposed of during the year.
8. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of investment (or the other amount at which carried in the books of account if different from cost) and the selling price therefor, not including any dividend or interest adjustment in column (g).

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Cost* Beginning of Year (d)	Principal Amount or No. of Shares End of Year (e)	Book Cost* End of Year (f)	Revenues for Year (g)	Gain or Loss From Invest. Disposed of (h)
1	Investment in Associated Companies (Account 123)			\$		\$	\$	\$
2								
3								
4	<b>NONE</b>							
5								
6								
7								
8								
9								
10								
11	<b>TOTALS</b>			\$		\$0	\$	\$

Class A or B Utility

**F-16 INVESTMENTS ( Accounts 123, 124, 125, 135) - Continued**

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Cost* Beginning of Year (d)	Principal Amount or No. of Shares End of Year (e)	Book Cost* End of Year (f)	Revenues for Year (g)	Gain or Loss From Invest. Disposed of (h)
11	Investment in Associated Utility Investment - Account 124			\$		\$	\$	\$
12								
13								
14	<b>NONE</b>							
15								
16								
17								
18								
19	<b>TOTALS</b>			\$		0	\$	\$
20	Other Investments - Account 125	7/5/2012	7/5/2022	\$ 42,257		47,560	\$	\$
21								
22								
23	<b>NONE</b>							
24								
25								
26								
27	<b>TOTALS</b>			\$ 42,257		\$ 47,560	\$	\$
28	Temporary Cash Investments - Account 135			\$		\$	\$	\$
29								
30								
31	<b>NONE</b>							
32								
33								
34								
35	<b>TOTALS</b>			\$ -		\$ -	\$	\$

Class A or B Utility  
ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-17 Special Funds (Accounts 126, 127, 128)**  
(Sinking Funds, Depreciation Fund, Other Special Funds)

1. Report below the balance at end of year of each special fund maintained during the year. Identify each fund ad to account in which included. Indicate nature of any fund included in Account 128, Other Special Funds.
2. Explain for each fund any deductions other than withdrawals for the purpose for which the fund was created.
3. If the trustee of any fund is an associated company, give name of such associated company.
4. If assets other than cash comprise any fund, furnish a list of the securities or other assets, giving interest or dividend rate of each, cost of respondent, number of shares or principal amount, and book cost at end of year.

Line No.	Name of Fund and Trustee if any (a)	Year end Balance (b)
1	Sinking Fund (Account 126)	
2		
3		
4	<b>NONE</b>	
5		
6	TOTAL	\$ -
7	Depreciation Funds (Account 127)	
8		
9		
10	<b>NONE</b>	
11		
12	TOTAL	\$ -
13	Other Special Funds (account 128)	
14		
15		
16	<b>NONE</b>	
17		
18	TOTAL	\$ -

**F-18 Special Deposits (Accounts 132, 133)**  
(Special Deposits, Other Special Deposits)

1. Report below the amount of special deposits by classes at end of year.
2. If any deposit consists of assets other than cash, give a brief description of such asset.
3. If any deposit is held by an associated company, give name of company.
4. Specify purpose of each other special deposit.

Line No.	Description and Purpose of Deposit (a)	Year End Balance (b)
1	Special Deposits (Account 132)	\$ -
2		
3	<b>NONE</b>	
4		
5	TOTAL	\$ -
6	Other Special Deposits (Account 133)	\$ -
7		
8	<b>NONE</b>	
9		
10	TOTAL	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-19 NOTES AND ACCOUNTS RECEIVABLE (Accounts 141,142,143,144)**

Show separately by footnotes the total amount of notes and accounts receivable from directors, officers, and employees included in Notes Receivable(Account 141) and Other Accounts Receivable(Account 143)

Line No.	Accounts (a)	Current Year End Balance (b)	Previous Year End Balance (c)	Increase or Decrease (d)
1	Notes Receivable(Account 144)	\$ -	\$ -	\$ -
2	Customer Accounts Receivable(Account 142)	\$ 281,878	\$ 282,156	\$ (278)
3	General Customers			\$ -
4	Other Water Companies			\$ -
5	Public Authorities			\$ -
6	Merchandising, Jobbing and Contract Work	\$ -	\$ -	\$ -
7	Other			\$ -
8	Total	\$ 281,878	\$ 282,156	\$ (278)
9	Other Accounts Receivable(Account 142)	\$ -	\$ -	\$ -
10	Total Notes and Accounts Receivable	\$ 281,878	\$ 282,156	\$ (278)
11	Less: Accumulated Provisions for Uncollectible Accounts(Account 144)	\$ 29,963	\$ 18,442	\$ 11,521
12	Notes and Accounts Receivable - Net	\$ 251,915	\$ 263,714	\$ (11,799)

**F-20 ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CR.(Account 143)**

Line No.	Item (a)	Amount (b)	Balance (c)
1	Balance first of year		\$ (18,442)
2	Provision for uncollectible for current year(Account 403)		
3	Accounts written off	\$ 9,472	
4	Collections of accounts written off		
5	Adjustments(explain)		
6	Deterioration in account aging	\$ (20,993)	
7			
8	Net total		\$ (11,521)
9	Balance end of year		\$ (29,963)

Summarize the collection and write-off practices applied to overdue customer accounts.

Collections - Bills are issued and due upon receipt. Penalties are applied to unpaid accounts 30 days from bill date.

Notice includes a date for termination(45 days from bill date). Properties are tagged after the 45th day, notifying the occupant of the pending disconnection of service for non-payment. The company allows the customer 48 hours to respond to the tag left at the property. If the company does not receive customer contact and/or pending payment, service will be terminated. Water service will not be turned on without a payment or scheduled payment agreed upon by the company.

Write-offs - Accounts are sent a final bill: 20 days a reminder final bill is sent. 45 days a letter from the office is issued indicating the unpaid balance. 75 days a final letter is issued. The letter informs the customer that the account will be turned over to our collection agency if payment is not received in our office. If payment is not made by the customer, the company will write-off the unpaid balance and submit the information to an outside collection agency.

Class A or B Utility  
 ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-21 RECEIVABLES FROM ASSOCIATED COMPANIES (ACCOUNT 145, 146)**

1. Report particular notes and accounts receivable from associated companies at end of year.
2. Provide separate headings and totals for Accounts 145, Notes Received from Associated Companies, and 146 Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
3. For notes receivable list each note separately and state purpose for which received. Show also in column (a) date of note, date maturity and interest rate.
4. If any note was received in satisfaction of an open account, state period covered by such open account.
5. Include in column (f) interest recorded as income during the year, including interest on accounts and notes held any time during the year.
6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Debits During the Year (c)	Credits During the Year (d)	Balance End of Year (e)	Interest for Year (f)
1	Accounts Receivable from Associated Companies (Account 145)	\$ -	\$ -	\$ -	\$ -	\$ -
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	<b>TOTALS</b>	\$ -	\$ -	\$ -	\$ -	\$ -
13						
14	Notes Receivable from Associated Companies (Account 146)	\$ -	\$ -	\$ -	\$ -	\$ -
15						
16						
17						
18						
19						
20						
21						
22						
23						
24	<b>TOTALS</b>	\$ -	\$ -	\$ -	\$ -	\$ -

Annual Report of Aquarion Water Company of New Hampshire Year ended December 31, 2020

## Class A or B Utility

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-22 MATERIALS AND SUPPLIS ( Accounts 151-153)**

Line No.	Accounts (a)	Current Year End Balance (b)	Previous Year End Balance (c)	Increase or Decrease (d)
1	Plant Material and Supplies ( Account 151)	\$ -	\$ -	\$ -
2	Fuel Oil			\$ -
3				\$ -
4	General Supplies - Utility Operations	\$ 145,152	\$ 154,594	\$ (9,442)
5	Totals (Account 151)	\$ 145,152	\$ 154,594	\$ (9,442)
6	Merchandise (Account 152)			\$ -
7	Merchandise for Resale			\$ -
8	General Supplies - Merchandise Operations			\$ -
9	Totals (Account 152)	\$ -	\$ -	\$ -
10	Other Materials and Supplies (Account 153)	\$ 16,510	\$ 5,132	\$ 11,378
11	Total Materials and Supplies	\$ 161,662	\$ 159,726	\$ 1,936

**F-23 PREPAYMENTS - OTHER (Account 162)**

Line No.	Type of Prepayment (a)	Current Year End Balance (b)	Previous Year End Balance (c)	Increase or Decrease (d)
1	Prepaid Insurance	\$ 8,059	\$ 2,922	\$ 5,137
2	Prepaid Bond Trustee Fee	\$ 1,724	\$ 1,724	\$ -
3	Prepaid Dues and Subscriptions	\$ 3,385	\$ 3,323	\$ 62
4	Miscellaneous Prepayments	\$ 26,509	\$ 23,309	\$ 3,200
5	Prepaid DPUC Assessment	\$ 13,727	\$ 13,687	\$ 40
6				
7	Total prepayments	\$ 53,404	\$ 44,965	\$ 8,439

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-24 OTHER CURRENT AND ACCRUED ASSETS (ACCOUNTS 171-174)**

LINE No.	Description (a)	Current Year End Balance (b)	Previous Year End Balance (c)	Increase or (Decrease) (d)
1	<b>Accr, Interest and Dividends Receivable (Account 171)</b>			
2				
3	<b>NONE</b>			
4				
5				
6				
7				
8	<b>TOTALS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
9	<b>Rents Receivable (Account 172)</b>			
10				
11	<b>NONE</b>			
12				
13				
14				
15				
16	<b>TOTALS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
17	<b>Accrued Utility Revenues (Account 173)</b>	<b>\$ 265,622</b>	<b>\$ 252,179</b>	<b>\$ 13,443</b>
18				
19				
20				
21				
22				
23				
24	<b>TOTALS</b>	<b>\$ 265,622</b>	<b>\$ 252,179</b>	<b>\$ 13,443</b>
25	<b>Misc. Current and Accrued Assets (Account 174)</b>			
26				
27	Misc. Accounts Receivable	\$ 32,572	\$ 24,450	\$ 8,122
28	Amounts due From VEBA	\$ -	\$ -	\$ -
29	UP Under Op Lease	\$ 345,064	\$ 449,534	\$ (104,470)
30				
31				
32				
33	<b>TOTALS</b>	<b>\$ 377,636</b>	<b>\$ 473,984</b>	<b>\$ (96,348)</b>

**F-25 UNAMORTIZED DEBT DISCOUNT, PREMIUM AND EXPENSE(Account 181, 251)**

1. Report under applicable subheading the particulars of Unamortized Debt Discount and Expense and Unamortized Premium on Debt.
2. Show premium amounts by enclosure in parentheses.
3. In column (b) show the principal amount of bonds or other long term debt original issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long term debt originally issued.
5. Furnish particulars regarding the treatment of Unamortized debt expense, premium or discount associated with issues redeemed during the year, also date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Set out separately and identify indisposed amount applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense. or credited to Account 429, Amortization of Premium on Debt.

Line No.	Designation of Long Term Debt (a)	Principal Amount of Securities (b)	Total expense Premium or Discount (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Credits During Year (i)	Balance end of Year (j)
				From (d)	To (e)					
1	<b>Unamortized Debt Discount and Expense(Account 181)</b>									
2	GM Bond 7.71% Series	\$ 3,000,000	\$ 55,296	11/93	5/2023	\$ 6,301		\$ 1,843		\$ 4,458
3	GM Bond 6.21% Series	\$ 5,900,000	\$ 200,891	8/26/05	8/2035	\$ 62,192				\$ 62,192
4	GM Bond 4.45% Series	\$ 5,000,000	\$ 97,507	7/5/12	7/5/22	\$ 24,441		\$ 9,751		\$ 14,691
5										
6										
7										
8										
9	<b>TOTALS</b>	\$ 13,900,000	\$ 353,694			\$ 92,934	\$ -	\$ 11,594	\$ 0	\$ 81,340
10	<b>Unamortized Premium on Debt (Account 251)</b>	\$ -	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -		\$ -
11										
12										
13										
14										
15										
16										
17										
18	<b>TOTALS</b>	\$ -	\$ -	\$ 0	\$ 0	\$ -	\$ -	\$ -		\$ -

\*

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-26 EXTRAORDINARY PROPERTY LOSSES (Account 182)**

1. Report below particulars concerning the accounting for extraordinary property losses.
2. In column (a) describe the property abandoned or extraordinary loss suffered, date of abandonment or loss, date of Commission authority of use of Account 182, and period over which amortization is being made.

Line No.	Description of Property Loss or Damage (a)	Total Amount of Loss (b)	Previously Written Off (c)	WRITTEN OFF DURING YEAR		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	<b>TOTALS</b>	\$ -	\$ -		\$ -	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-27 PRELIMINARY SURVEY AND INVESTIGATION CHARGES (Account 183)**

1. Report below particulars concerning the cost of plans, surveys, and investigations made for the purpose of determining the feasibility of projects under contemplation.
2. Minor items may be grouped by classes. Show the number of items in each group.

Line No.	Description and Purpose of Project (a)	Balance Beginning of Year (b)	Debits (c)	CREDITS		Balance End of Year (d)
				Account Charged (d)	Amount (d)	
1						
2		\$ (0)	\$ -	183000	\$ -	\$ (0)
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ (0)</b>

Annual Report of Aquarion Water Company of New Hampshire

Year ended December 31, 2020

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-28 MISCELLANEOUS DEFERRED DEBITS(ACCOUNT 186)**

1. Report below the particulars called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized show period of amortization and date of Commission authorization.
3. Minor items may be grouped by classes, showing number of such items.

Line No.	Description of Miscellaneous Deferred Debts (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
1	Def Program Maint	\$ -	\$ -		\$ -	\$ -
2	Reg Asset - plant flow thru	\$ 2,624,800	\$ 482,885	86904,01,05,09	\$ 106,741	\$ 3,000,944
3	Fas158 Net(gain)/loss	\$ 846,786	\$ 19,984	232004	\$ 489,527	\$ 377,243
4	Fas158 Prior service cost	\$ 189,983	\$ 229,649	232004	\$ 50,904	\$ 368,728
5	Exeter Rd Tank Rehab	\$ 17,699	\$ -	500012	\$ 17,699	\$ -
6	Def Issue Cost	\$ 38,260		428000	\$ 6,412	\$ 31,848
7	Def Rate Case costs	\$ 10,284	\$ 75,988	500010		\$ 86,272
8	Def Acquisition costs	\$ -	\$ 1,191	500010		\$ 1,191
	<b>TOTALS</b>	<b>\$ 3,727,813</b>	<b>\$ 809,697</b>	<b>\$ -</b>	<b>\$ 671,283</b>	<b>\$ 3,866,226</b>

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-29 RESEARCH AND DEVELOPMENT ACTIVITIES (Account 187)**

1. Describe and show below costs incurred and accounts charged during the year for technological research and development projects initiated, continued or concluded during the year. Report also support to others during the year for jointly-sponsored projects. (Recipient must be identified regardless of affiliation.) For any research and development work carried on by the respondent in which there is a sharing of costs with others, show separately the respondent's cost for the year and cost chargeable to others.
2. In column (a) indicate the class of plant or operating function for which the project was undertaken, if payment were made in support of research by other performed outside the company, state name of person or organization to whom such payments were made.
3. Show in column (c) all costs incurred for R & D performed internally and in column (d) all costs incurred for R & D performed externally during the current year. In Column (e) show the capital or expense account number charged during the year. In column (f) show the amounts related to the accounts charged in column (e). In column (g) show the undistributed costs carried in Account 187, Research and Development Expenditures.
4. If costs have not been segregated for research and development activities or projects, estimates may be submitted for columns (c), (d) and (f) with amounts identified by "Est".
5. Report separately research and related testing facilities operated by the respondent.

Line No.	Classification (a)	Description (b)	Cost Incurred Internally Current Year (c)	Cost Incurred Externally Current Year (d)	CURRENT YEAR CHARGES		Undistributed Costs (g)
					Account (e)	Amount (f)	
1	<b>NONE</b>						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17		<b>TOTALS</b>	\$ -	\$ -		\$ -	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-30 ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's account for deferred income taxes.
2. In the space provided furnish significant explanations including the following:
  - (a) Describe the amounts for which deferred tax accounting in the classification is being followed by the respondent and the basis therefor.
  - (b) Itemized and identify each debit and credit underlying the entries in columns (c),(d),(e),(f),(h), and (j).

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	<b>NONE</b>			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

CHANGES DURING YEAR		ADJUSTMENTS				Balance End of Year (k)	Line No.
Debited Account Account 410.2 (e)	Account 411.2 (f)	Debits to Account 190		Credits to Account 190			
		Contra Acct No. (g)	Amount (h)	Contra Acct No. (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
\$	\$		\$		\$	\$0	

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-31 CAPITAL STOCK AND PREMIUM ON CAPITAL STOCK (Accounts 201, 204, and 207)**

1. Report below the particulars called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show totals separately for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give particulars concerning shares of any class and series of stock authorized to be issued by the commission which have not yet been issued.
4. The designation of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State if any capital stock which has been nominally outstanding at end of year.
6. Give particulars of any nominally issued capital stock, reacquired stock, or stock in sinking and other fund which is pledged, stating name of pledge and purpose of pledge.
7. For columns (g) and (h) indicate by footnote if stock held by respondent is Reacquired Stock (Account 216) or is in sinking and other funds.

Line No.	Class and Series of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	OUTSTANDING PER BALANCE SHEET				HELD BY PRESIDENT		DIVIDEND DURING YEAR	
			Number of Shares (c)	Par or stated Value per Share (d)	Amount (e)	Account 207 Premium (f)	Shares (g)	Cost (h)	Declared (i)	Paid (j)
1	Common Stock (Account 201)	100,000	87,483	\$ 25	\$ 2,187,075	\$ 3,557,940	N/A	N/A	\$ -	\$ -
2										
3										
4										
5										
6										
7										
8										
9										
10	<b>TOTALS</b>	<b>100,000</b>	<b>87,483</b>		<b>\$ 2,187,075</b>	<b>\$ 3,557,940</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
11	Preferred Stock (Account 204) Cumulative Preferred Stock 6% Series (1)						N/A	N/A	\$ 138	\$ -
12										
13										
14										
15										
16			23		\$ 2,300	\$ -	N/A	N/A	\$ -	\$ -
17										
18										
19										
20	<b>TOTALS</b>	<b>0</b>	<b>23</b>		<b>\$ 2,300</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ 138</b>	<b>\$ -</b>

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-32 CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR  
CONVERSION AND INSTALLMENTS RECEIVED ON CAPITAL STOCK**  
**(Accounts 202 and 205, 203 and 206, 208)**

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Common Stock Subscribed Account 202, and Preferred Stock Subscribed, Account 205, show the subscribed | the balance due on each class at end of year.
3. Describe the agreement and transactions under a convention liability existed under Account 203, common stock lia for Conversion, or Account 206, Preferred Stock Liability for Conversion, at end of year.

Line No.	Name of account and description of Item (a)	Number of Shares	Amount (b)
1	Capital Stock Subscribed (Accounts 202 and 205)		
2			
3			
4	<b>NONE</b>		
5			
6			
7			
8			
9			
10			
11	TOTAL		\$0
12	Capital Stock Liability for Conversion (Accounts 203 and 206)		
13			
14			
15	<b>NONE</b>		
16			
17			
18			
19			
20			
21			
22	TOTAL		\$0
23	Installments Received on Capital Stock (Account 208)		
24			
25			
26	<b>NONE</b>		
27			
28			
29			
30			
31			
32			
33			
34	TOTAL		\$0

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-33 OTHER PAID-IN CAPITAL (Account 209-211)**

1. Report below balance at end of year and the information specified in the instructions below for the respective other paid-in capital accounts. Provide a total for the account for reconciliation with the balance sheet. Explain the change in any account during the year and give the accounting entries effecting such change.
2. Reduction in Par or Stated Value of Capital Stock (Account 209) -state amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
3. Gain or Resale or Cancellation of Required Capital Stock (account 210) -Report balance at beginning of year, credits, debits, and balance at end of year with a succinct designation of the nature of each credit and debit identified as to class and series of stock to which related
4. Other Paid-In Capital (Account 211) - Classify amounts in this account at end of year according to captions which together with brief explanations, disclose the general nature of transaction which give rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Reduction in Par or Stated Value of Capital Stock (Account 209)	
2		
3		
4	<b>NONE</b>	
5		
6		
7		
8		
9	TOTAL	\$ -
10	Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210)	
11		
12		
13	<b>NONE</b>	
14		
15		
16		
17		
18		
19	TOTAL	\$ -
20	Other Paid-In Capital (Account 211)	\$ 4,080,250
21		
22		
23		
24		
25		
26		
27		
28		
29	TOTAL	\$ 4,080,250

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-34 DISCOUNT ON CAPITAL STOCK and CAPITAL STOCK EXPENSES  
(Accounts 212 and 213)**

1. Report under applicable subheading the balance at end of year of discount on capital stock and capital stock expenses for each class and series of capital stock.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off of discount on capital stock or capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Year End Balance (b)
1	Discount on Capital Stock (Account 212)	
2		
3		
4	<b>NONE</b>	
5		
6		
7		
8		
11		
12		
13		
14	TOTAL	\$ -
15	Capital Stock Expense (Account 213)	
16		
17		
18	<b>NONE</b>	
19		
20		
21		
22		
23		
24		
25		
26		
27		
28	TOTAL	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-35 LONG TERM DEBT (Accounts 221, 222, 223, 224)**

1. Report by balance sheet accounts particulars concerning long-term debt included in Accounts 221, Bonds; 222 Reacquired Bonds; 223, Advances from Associated Companies; and 224, Other Long-term Debt.
2. For bonds assumed by the respondent, Column (a) should include name of the issuing company as well as the description of the bonds.
3. Advances from Associated Companies should be reported separately for advances on notes and advances on open accounts. Demand notes shall be designed as such. Names of associated companies from which advances were received shall be shown in col. (a).
4. In an insert schedule give explanatory particulars for accounts 223 and 224 of net changes during the year. With respect to long-term advances show for each company (a) principal advances during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorized case numbers and dates.
5. If the respondent has pledged any of its long-term debt securities, give particulars in a footnote, including name of pledge and purpose of pledge.
6. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
7. If interest expense was incurred during the year on any obligation retired or reacquired before end of year, include such interest expense in column (f). Explain any difference between the total of column (f) and the total of Account 427, Interest on Long-term Debt, and Account 430, Interest on Debt to Associated Companies.
8. Give particulars concerning any long-term debt authorized by the commission but yet issued.

Line No.	Class and Series of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding (d)	INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price per \$100 End of Year (i)
					Rate (e)	Amount (f)	Reacquired Bonds (Acct 222) (g)	Sinking and Other Funds (h)	
1	Bonds (Account 221)								
2	GM								
3	7.71% Series	11/1993	06/2023	\$ 3,000,000	7.71%	\$ 231,300	\$ -	\$ -	\$ -
5	6.21% Series	8/26/2005	8/01/2035	\$ 5,900,000	6.21%	\$ 366,390			
6	4.45% Series	7/5/2012	7/5/2022	\$ 5,000,000	4.45%	\$ 226,208			
7									
8	TOTALS			\$ 13,900,000	18.37%	\$823,898	\$ -	\$ -	\$ -
9	Advances from Associated Companies (Account 223)								
10	NONE								
11									
12	TOTALS			\$ -		\$ -	\$ -	\$ -	\$ -
13	Other Long Term Debt (Account 224)								
14									
15	NONE								
16	TOTALS			\$ -	0.00%	\$ -	\$ -	\$ -	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-36 NOTES PAYABLE (Account 233)**

1. Report the particulars indicated concerning notes payable at end year.
2. Give particulars of collateral pledged, if any.
3. Furnish particulars for any formal or informal compensating balance agreements covering open lines of credit.
4. Any demand notes should be designated as such in (c).
5. Minor amounts may be grouped by classes, showing the number of such amounts.
6. Report in total, all other interest accrued and paid on notes discharged during the year.

Line No.	Payee and Interest Rate (a)	Date of Note (b)	Date of Maturity (c)	Outstanding at End of Year (d) *	INTEREST FOR YEAR	
					Accrued (e)	Paid (f)
1	Aquarion		N/A	\$ 2,800,000	\$ 13,913	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Class A or B Utility  
done

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-37 PAYABLES TO ASSOCIATED COMPANIES (Accounts 223, 234)**

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 223, Notes Payable to Associated Companies and 234, Accounts Payable to Associated Companies.
3. List each note separately and state the purpose for which issued. Show also in Column (a) date of note, maturity and interest rate.
4. Include in Column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	<b>Accounts Payable to Associated Companies (Account 233)</b>	\$ 22,906	\$ -	\$ 10,375	\$ 33,281	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11	<b>TOTALS</b>	<b>\$ 22,906</b>	<b>\$ -</b>	<b>\$ 10,375</b>	<b>\$ 33,281</b>	<b>\$ -</b>
12	<b>Notes Payable to Associated Companies (Account 234)</b>				\$ -	
13						
14		\$ 1,200,000	\$ 900,000	\$ 2,500,000	\$ 2,800,000	
15						
16						
17						
18						
19						
20						
21						
22	<b>TOTALS</b>	<b>\$ 1,200,000</b>	<b>\$ 900,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,800,000</b>	<b>\$ -</b>

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-38 ACCRUED AND PREPAID TAXES(ACCOUNTS 236,163)**

1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year.
2. Taxes paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in column (c) and (d). The balancing of the schedule is not affected by the inclusion of these taxes.
3. Taxes charged during the year, column (d), include taxes charged to operations and other accounts through (i) accruals credited to taxes accrued, (ii) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (iii) taxes paid and charged direct to operations of accounts other than accrued and prepaid tax accounts.
4. The aggregate of each kind of tax should be listed under the appropriate heading of "Federal," "State," and "Local" in such manner that the total tax for each can readily be ascertained.
5. If any tax covers more than one year, the required information of all columns should be shown separately for each year.
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.
7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Type of Tax (a)	Balance Beginning of Year		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance End of Year	
		Tax Accrued (Account 236) (b)	Prepaid Taxes (Account 163) (c)				Taxes Accrued (Account 236) (g)	Prepaid Taxes (Account 163) (h)
1	FEDERAL-							
2	FEDERAL INCOME TAX	\$ -					\$ -	
3	PAYROLL TAXES (FICA/FUTA)	\$ -		\$ 83,048	\$ 83,048	\$ -	\$ -	
4	CAPITALIZE PAYROLL TAXES			\$ (6,682)	\$ -			
5		\$ -	\$ -	\$ 76,366	\$ 83,048	\$ -	\$ -	\$ -
6								
7								
8	STATE-							
9	STATE INCOME TAX	\$ -		\$ -	\$ -	\$ -	\$ -	
10	STATE UNEMPLOYMENT TAX	\$ -		\$ -	\$ -	\$ -	\$ -	
11		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12								
13	LOCAL-							
14	PROPERTY	\$ -	\$ 121,621	\$ 808,154	\$ 859,692	\$ -	\$ -	\$ 173,159
15								
16		\$ -	\$ 121,621	\$ 808,154	\$ 859,692	\$ -	\$ -	\$ 173,159
17								
18								
19								
20								
21	TOTALS	\$ -	\$ 121,621	\$ 884,520	\$ 942,740	\$ -	\$ -	\$ 173,159

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-39 OTHER CURRENT AND ACCRUED LIABILITIES (Accounts 239-241)**

1. Give a description and the amount of the principal items carried at the end of the year in each of the accounts listed below.
2. Minor items may be grouped by classes, showing the number of items in each group.

Line No.	Item (a)	Amount (b)
1	<b>Matured Long-Term Debt (Account 239)</b>	
2		
3		
4	<b>NONE</b>	
5		
6		
7		
8		
9		
10		
11	<b>TOTAL</b>	<b>\$ -</b>
12	<b>Matured Interest (Account 240)</b>	
13		
14		
15	<b>NONE</b>	
16		
17		
18		
19		
20		
21		
22	<b>TOTAL</b>	<b>\$ -</b>
23	<b>Misc. Current and Accrued Liabilities (Account 241)</b>	
24	Accrued Pension	\$ 739,862
25	Accrued Payroll	\$ 13,152
26	Accrued Bonus	\$ 12,167
27	Accrued Trustee Fees	\$ 314
28	Accrued Audit fee	\$ 21,486
29	Accrued Bill postage	\$ 6,000
30	Accrue rent expense	\$ 1,618
31	Accrued purchase power	\$ 12,316
32	Accrued payroll taxes	\$ 720
33	Accrued general liability	\$ 50,004
34	Leases-Current	\$ 90,711
35		
36	<b>TOTAL</b>	<b>\$ 948,350</b>

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-40 CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)**

1. Report below balances at end of year and the particulars for customer advances for construction.
2. Minor items may be grouped

Line No.	Description (a)	Balance end of Year (b)
1		
2	Balance at beginning of Year	\$ 727,819
3	Deposits	\$ 304,213
4	Refunds	
5	Expired balances transferred to contributions	\$ -
6		
7		
8		
9		
10	TOTAL	\$1,032,032

**F-41 MISCELLANEOUS DEFERRED CREDITS (Account 253)**

1. Report below the particulars called for concerning other deferred credits.
2. For any deferred credit being amortized show the period of amortization.
3. Minor items may be grouped by classes showing the number of items in each class.

Line No.	Description of Other Deferred Credits (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Contra Account (d)	Amount (e)	
1						
2						
3	Fed Tax adj due RP	\$ 514,000		416001-464001	\$ 366,000	\$ 880,000
4	Excess deferred income taxes	\$ 1,754,818		282003/283020	\$ -	\$ 1,754,818
5	CIAC Tax Gross-UP	\$ 15,039		252000	\$ 33,405	\$ 48,444
6						
7						
8						
9						
10	TOTALS	\$ 2,283,857	\$ -	0	\$ 399,405	\$ 2,683,262

Class A or B Utility

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-42 ACCUMULATED DEFERRED INVESTMENT TAX CREDIT (ACCOUNT 255)**

1. Report as specified below information applicable to the balance in Account 255, and the transactions therein. Where appropriate, segregate the balances and transactions by utility and non utility operations. Explain by footnote any correcting adjustments to the account balance, shown in column (g). Include in column (i) the weighted-average.
2. State below the option selected for the investment tax credit, (1) reduction of rate base, or (2) reduction of cost of service for rate purposes in accordance with section 46(f) of the Internal Revenue Code.

Line No.	Account Subdivisions (a)	Balance Beginning Of Year (b)	Deferred for Year		Allocations to Current Years Income		Adjustments (g)	Balance End of Year (h)	Average Period of Allocation to Income (i)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)			
1	Water Utility								
2									
3	Unamortized ITC	157,614			283019		(6,072)	151,542	
4									
5									
6									
7									
8									
9									
10									
11	Total Water Utility	157,614		\$0		\$0	(6,072)	\$151,542	
12	Other (list separately.)								
13									
14									
15									
16	NONE								
17									
18									
19									
20									
21									
22	Total Other	0		\$0		\$0	\$0	\$0	
23	Total	157,614		\$0		\$0	(6,072)	\$151,542	

Class A or B Utility

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-44 OPERATING RESERVES (ACCOUNTS 261,262,263 AND 265)**

1. Report below an analysis of the changes during the year for each of the reserves listed below.
2. Show title of reserve, account number, description of the general nature of the entry and the contra account debited or credited. Combine the amounts of monthly accounting entries of the same general nature. If respondent has more than one utility department, contra accounts debited or credited should indicate the utility department affected
3. For Accounts 261, Property Insurance Reserve and 262, Injury and Damages Reserve, explain the nature of the risks covered by the reserve.
4. For Account 265, Miscellaneous Operating Reserves report separately each reserve comprising the account and explain briefly its purpose.

Line No.	Item (a)	Balance Beginning of Year (b)	DEBITS		CREDITS		Balance at End of Year (g)
			Contra Account (c)	Amount (d)	Contra Account (e)	Amount (f)	
1	Property Insurance Reserve (Account 261)						
2							
3							
4	<b>NONE</b>						
5							
6							
7	<b>TOTALS</b>						
8	Injuries and Damages Reserve (Account 262)						
9							
10							
11	<b>NONE</b>						
12							
13							
14	<b>TOTALS</b>						
15	Pensions and Benefits Reserve (Account 263)						
16							
17							
18							
19							
20							
21	<b>TOTALS</b>						
22	Miscellaneous Operating Reserves (Account 265)						
23							
24							
25	<b>NONE</b>						
26							
27							
28	<b>TOTALS</b>						\$ -

Class A or B Utility

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-45 ACCUMULATED DEFERRED INCOME TAXES (ACCOUNTS 281, 282 AND 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. In the space provided furnish significant explanations, including the following:
  - (a) Accelerated Amortization- State for each certification number a brief description of property, total and amortizable cost of such property, date amortization for tax purposes commenced, "normal" depreciation rate used in computing deferred tax deferrals.
  - (b) Liberalized Depreciation- State the general method or methods of liberalized depreciation being used (sum-of-years digits, declining balance, etc.), estimated lives i.e. useful life, guideline life, guideline class life, etc., and classes of plant to which each method is being applied and date method was adopted. Furnish a table showing for each year, 1954 to date of this report the annual amount of tax deferrals, and with respect to each year;s tax deferral, the total debits thereto which have

Line No.	Account Subdivision (a)	Balance Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Water:			
3	Pollution Control			
4	Defense Facilities	\$ -		\$ -
5	Total Water		\$ -	
6	Other (Specify)		\$ -	
7	TOTALS	\$ -	\$ -	\$ -
8	Liberalized Depreciation (Account 282)			
9	Water	\$ 2,303,284		\$ -
10	Other (Specify)	\$ -		
11	TOTALS	\$ 2,303,284	\$ -	\$ -
12	Other (Account 283)			
13	Water	\$ 2,230,803	\$ -	
14	Other	\$ -		
15	TOTALS	\$ 2,230,803	\$ -	\$ -
16	Total (Accounts 281, 282, 283)			
17	Water	\$ 4,534,087	\$ -	\$ -
18	Other (Specify)	\$ -	\$ -	\$ -
19	TOTALS	\$ 4,534,087	\$ -	\$ -

Class A or B Utility

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
(Accounts 281, 282, 283) - Continued**

been accounted for as credits to Accounts 411.1. Provisions for Deferred Income Taxes-Cr. Utility Operations Income and 411.2 Provisions for Deferred Income Taxes-Cr., Other Income and Deductions, or comparable account of previous system of accounts. Also explain the basis used to defer amounts for the latest year (straight-line tax rate to liberalized tax rate, etc.) Give references to the order action of the Commission authorizing or directing such accounting.

(c) Other - Describe the amounts for which deferred tax accounting in the classification in being followed by the respondent and the basis therefor, and give reference to the order action of the Commission authorizing or directing such accounting.

(d) Other (Specify) - Include deferred taxes relating to Other Income and Deductions at lines 6,10, 14 and 18 as appropriate.

CHANGES DURING YEAR		Adjustments				Balance End of Year	Line No.
Amounts Debited to Account 410.2 (c)	Amounts Credited to Account 411.2 (d)	Debits		Credits			
		Credit Account No. (c)	Amount	Debit Account No.	Amount		
						\$0	1
						\$0	2
						\$0	3
0	0		0		0	\$0	4
						\$0	5
						\$0	6
0	0		0		0	\$0	7
						\$0	8
-3	404,129	282	0	186		\$ 2,707,410	9
						\$0	10
-3	404,129		0		0	2,707,410	11
						\$0	12
-72,800	89,002	253	0			\$2,247,005	13
						\$0	14
-72,800	89,002		0		0	2,247,005	15
							16
-72,803	493,131				0	4,954,415	17
0	0		0		0	0	18
-72,803	493,131		0		0	4,954,415	19

Annual Report of Aquarion Water Company of New Hampshire

Year ended December 31, 2020

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-46 CONTRIBUTIONS IN AID OF CONSTRUCTION (Account 271)**

1. Report below an analysis of changes during the year for the respondent's contribution in aid of construction.
2. Detail contributions received during year from main extension charges and customer connection charges; developers or contractors agreement in supplementary schedules F-46.2 and F46.3
3. Detail Charges in a footnote.

Line No.	Item (a)	Amount (b)
1	Balance beginning of year (Account 271)	\$ 3,119,748
2	Credits during year:	
3	Contributions received from Main Extension and Customer Charges (Sch. F-46.2)	\$ -
4	Contributions received from Developer or Contractor Agreements (Sch. F-46.3)	\$ 47,476
5	Total Credits	\$ 47,476
6	Changes during year:	
7	Balance end of year (Account 271)	\$ 3,167,224

**F-46.1 ACCUMULATED AMORTIZATION OF C.I.A.C. (Account 272)**

1. Report below the information called for concerning accumulated provision for amortization of contribution in aid of construction at end of year and changes during the year.
2. Explain any important adjustment during the year.

Line No.	Item (a)	American Amount (e)
1	Balance beginning of year	\$ 706,854
2	Amortization provision for year, credit to:	
3	(405) Amortization of Contribution in Aid of Construction	\$37,484
4	Credit for plant retirement	\$ 744,338
5	Other (debit) or credit items	
6		
7		
8	Balance end of year	\$ 744,338

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-46.2 ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION**

**FROM MAIN EXTENSION CHARGES AND CUSTOMER CONNECTIONS  
CHARGES RECEIVED DURING THE YEAR**

Report as specified below information applicable to credits added to Contributions in Aid of Construction received from main extension charges and customer connection charges.

2. Total Credits amount reported on line 14 should agree with Schedule F-46, line3.

Line No.	Item (a)	Number of Connections (b)	Charges per Connection (c)	Amount (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35	Total credits from main extension charges and customer connection charges			\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-46.3 ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED**

**FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS FROM WHICH  
CASH OR PROPERTY WAS RECEIVED DURING THE YEAR**

1. Report as specified below information applicable to credits added to Contributions in Aid of Construction received from developer or contractor agreements.
2. Indicate in column (B) form of contribution received.
2. Total Credits amount reported on line 14 should agree with Schedule F-46, line4.

Line No.	Description (a)	Cash or Property (b)	Amount (c)
1	Robertson Drive		\$ 47,476
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35	Total credits from main extension charges and customer connection charges		\$47,476

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-46.4 AMORTIZATION OF CONTRIBUTION IN AID OF CONSTRUCTION (Account 405)**

1. Report below the particulars concerning the amortization of contribution in aid of construction received from developer or contractor agreements and from main extension and customer charges.
2. Indicate basis upon which the total credit for the year was derived, straight line rate and the computed amount for each class of property.
3. Total annual amortization credit for contribution in aid of construction should agree with schedule F-46.1 line 3 Amortization provision for year, charged to Account 405, Amortization of Contribution in Aid of Construction>

Line No.	Class of Property (a)	Cost Basis (b)	Rate (c)	Amount (d)
1				
2	Expired main extension agreements, unrefunded	3,119,749	1.20%	\$34,317
3	developer deposits Jan - Nov			
4	December	3,167,225	1.20%	\$3,167
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35	TOTALS			\$37,484

Class A or B Utility

**ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
F-47 OPERATING REVENUES (ACCOUNTS 400)**

1. Report below the amount of operating revenue for the year for each prescribed account and the amount of increase or decrease over the preceding year.
2. If increases or decreases are not derived from previously reported figures explain any inconsistencies.
3. Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters so added. The average number of customers means the average of the 12 figures at the close of each month.
4. Total Water Operating Revenue, line 14 should agree with schedule F-2, Income Statement, line 1.

Line No.	Account (a)	OPERATING REVENUES		NUMBER OF THOUSAND GALLONS SOLD		AVERAGE NO. OF CUSTOMERS PER MONTH	
		Amount for Year (b)	Increase or Decrease from Preceding Year (c)	Amount for Year (d)	Increase or Decrease from Preceding Year (e)	Amount for Year (f)	Increase or Decrease from Preceding Year (g)
<b>SALES OF WATER</b>							
1	460 Unmetered Sales to General Customers	\$ 3,232	(5,622)	0	0	0	0
2	461 Metered Sales to General Customers	6,140,827	431,989	646,894	63,294	9,222	55
3	462 Fire Protection Revenue	1,290,471	(24,254)	0	0	378	4
4	466 Sales for Resale	-	-	0	0	0	0
5	467 Interdepartmental Sales	-	-	0	0	0	0
6	Total Sales of Water	\$ 7,434,530	\$ 402,113	646,894	63,294	9,600	59
<b>OTHER OPERATING REVENUES</b>							
8	470 Forfeited Discounts	-	-				
9	471 Miscellaneous Service Revenues	35,519	(12,117)				
10	472 Rents from Water Property	151,557	5,097				
11	473 Interdepartmental Rents	-	-				
12	474 Other Water Revenues	-	-				
13	Total Other Operating Revenues	\$ 187,076	\$ (7,020)				
14	400 Total Water Operating Revenues	\$ 7,621,606	\$ 395,093				

**BILLING ROUTINE**

Report the following information in days for Accounts 460 and 461:

1. The period for which bills are rendered. monthly and semi annual
2. The period between the date meters are read and the date customers are billed. not more than 6 days
3. The period between the billing date and the date on which discounts are forfeited. the penalties are applied 30 days from billing date

(See schedule A-13 Important Changes During the Year, for important new territory added and important rate increases or decreases)

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-48 OPERATION AND MAINTENANCE EXPENSE (Accounts 401)**

1. Enter in the space provided the operation and maintenance expenses for the year.
2. If two or more water systems are operated, the statement of operation and maintenance accounts should be subdivided to show separately the expense of each such system in cols. (d) (e) (f)
3. If the increases are not derived previously reported figures please explain in footnotes.

Line No.	Account (a)	Total Amount for Year (b)	Increase or Decrease from Preceding Year (c)	(d)	(e)	(f)
1	<b>1. SOURCE OF SUPPLY</b>					
2	<b>Operations</b>					
3	601 Operation Labor and Expenses	\$ -	\$ (120)			
4	603 Miscellaneous Expense	\$ 89,059	\$ 18,791			
5	604 Rents	\$ 23,952	\$ 1,302			
6	Total Operation	\$ 113,011	\$ 19,973	\$ -	\$ -	\$ -
7	<b>Maintenance</b>					
9	611 Maintenance of Structures and Improvement	\$ 669	\$ (37)			
10	612 Maintenance of Collecting and Impounding Reservoirs	\$ 18,711	\$ (16,295)			
10	614 Maintenance of Wells and Springs	\$ 2,684	\$ (2,203)			
11	Total Maintenance	\$ 22,064	\$ (18,535)	\$ -	\$ -	\$ -
12	Total Source of Supply	\$ 135,075	\$ 1,438	\$ -	\$ -	\$ -
13	<b>2. PUMPING EXPENSES</b>					
14	<b>Operations</b>					
15	620 Operation Supervision and Engineering	\$ -	\$ (871)			
16	623 Fuel or Power Purchased for Pumping	\$ 232,790	\$ 16,963			
17	624 Pumping Labor and Expenses	\$ 135,672	\$ 7,955			
18	626 Miscellaneous Expenses	\$ 9,365	\$ (2,291)			
19	Total Operations	\$ 377,827	\$ 21,756	\$ -	\$ -	\$ -

-70-

Class A or B Utility

**F-48 OPERATION AND MAINTENANCE EXPENSE(Accounts 401) - Continued**

Line No.	Account (a)	Total Amount for Year (b)	Increase or Decrease from Preceding Year (c)	(d)	(e)	(f)
20	<b>2.PUMPING EXPENSES(Cont'd)</b>					
21	<b>Maintenance</b>					
22	631 Maintenance of Structures and Improvement	\$ 28,943	\$ 13,094			
23	632 Maintenance of Power Production Equipment	\$ 10,299	\$ 2,443			
24	633 Maintenance of Pumping Equipment	\$ 16,996	\$ 2,631			
25	Total Maintenance	\$ 56,238	\$ 18,168	\$ -	\$ -	\$ -
26	Total Pumping Expenses	\$ 434,065	\$ 39,924	\$ -	\$ -	\$ -
27	<b>3. WATER TREATMENT EXPENSES</b>					
28	<b>Operations</b>					
29	640 Operation Supervision and Engineering	\$ 7,888	\$ 3,499			
30	641 Chemicals	\$ 61,666	\$ 21,349			
31	642 Operation Labor and Expenses	\$ 78,011	\$ (5,484)			
32	643 Miscellaneous Expenses	\$ 14,431	\$ 1,773			
34	Total Operation	\$ 161,996	\$ 21,137	\$ -	\$ -	\$ -
35	<b>Maintenance</b>					
36	651 Maintenance of Structures and Improvements	\$ 6,017	\$ 729			
37	652 Maintenance of Water Treatment Equipment	\$ 16,459	\$ (9,249)			
38	Total Maintenance	\$ 22,476	\$ (8,520)	\$ -	\$ -	\$ -
39	Total Water Treatment Expenses	\$ 184,472	\$ 12,617	\$ -	\$ -	\$ -
40	<b>4.TRANSMISSION AND DISTRIBUTION EXPENSES</b>					
41	<b>Operation</b>					
43	662 Transmission & Distribution Lines Expense	\$ 50,809	\$ 15,897			
44	663 Meter Expenses	\$ 22,105	\$ (13,776)			
45	664 Customer Installations Expenses	\$ 35,959	\$ 6,320			
46	665 Miscellaneous Expenses	\$ 27,568	\$ (74,585)			

-71-

1. Enter in the space provided the operation and maintenance expenses for the year.
2. If two or more water systems are operated, the statement of operation and maintenance accounts should be subdivided to show separately the expense of each such system in cols. (d) (e) (f)
3. If the increases are not derived previously reported figures please explain in footnotes.  
Class A or B Utility

**F-48 OPERATION AND MAINTENANCE EXPENSE(Accounts 401) - Continued**

Line No.	Account (a)	Total Amount for Year (b)	Increase or Decrease from Preceding Year (c)	(d)	(e)	(f)
47	<b>TRANSMISSION &amp; DISTRIBUTION EXPENSES(Cont'd)</b>					
48	<b>Operations</b>					
49	666 Rents	\$ -	\$ (600)			
50	Total Operation	\$ 136,441	\$ (66,744)	\$ -	\$ -	\$ -
51	<b>Maintenance</b>					
52	671 Maintenance of Structures and Improvements	\$ 58,775	\$ 3,315			
53	672 Maintenance of Distribution Reservoirs and Standpipes	\$ 86,377	\$ 84,955			
54	673 Maintenance of Transmission and Distribution Mains	\$ 52,598	\$ (27,881)			
55	675 Maintenance of Services	\$ 94,882	\$ (41,252)			
56	676 Maintenance of Meters	\$ 27,371	\$ 8,906			
57	677 Maintenance of Hydrants	\$ 14,612	\$ 563			
58	678 Maintenance of Miscellaneous Equipment	\$ 12,527	\$ (7,809)			
59	Total Maintenance	\$ 347,142	\$ 20,797	\$ -	\$ -	\$ -
60	Total Transmission and Distribution Expense	\$ 483,583	\$ (45,947)	\$ -	\$ -	\$ -
61	<b>5. Customer Accounts Expenses</b>					
62	<b>Operation</b>					
63	902 Meter Reading Expenses	\$ 15,615	\$ (1,386)			
64	903 Customer Records and Collections Expenses	\$ 77,610	\$ (181,058)			
65	904 Uncollectible Accounts	\$ 19,327	\$ 8,452			
66	905 Miscellaneous Customer Accounts Expenses	\$ 79,098	\$ (10,389)			
67	Total Customer Accounts Expenses	\$ 191,650	\$ (184,381)	\$ -	\$ -	\$ -
68	<b>6. Information Technology</b>					
69	<b>Operations</b>					
70	906 Information Technology Expense	\$ 192,457	\$ (70,543)	\$ -	\$ -	\$ -

-72-

Class A or B Utility

**F-48 OPERATION AND MAINTENANCE EXPENSE(Accounts 401) - Continued**

Line No.	Account (a)	Total Amount for Year (b)	Increase or Decrease from Preceding Year (c)	(d)	(e)	(f)
71	<b>7. ADMINISTRATIVE AND GENERAL EXPENSES</b>					
72	<b>Operations</b>					
73	920 Administrative and General Salaries	\$ 410,711	\$ 7,880			
74	921 Office Supplies and Other Expenses	\$ 60,095	\$ (9,528)			
75	923 Outside Services Employeed	\$ 279,923	\$ 3,339			
76	924 Property Insurance	\$ 1,197	\$ (120)			
77	925 Injuries and Damages	\$ 81,819	\$ (33,112)			
78	926 Employee Pension and Benefits	\$ 290,101	\$ (81,939)			
79	928 Regulatory Commission Expenses	\$ 27,414	\$ 344			
80	930 Miscellaneous General Expenses	\$ 15,812	\$ (10,450)			
81	931 General Rents	\$ 106,056	\$ 376			
82	932 Main of office equipment	\$ 99,577	\$ 18,068			
83	Total Operation	\$ 1,372,705	\$ (105,142)	\$ -	\$ -	\$ -
86	Total Administrative and General Expenses	\$ 1,372,705	\$ (105,142)	\$ -	\$ -	\$ -
87	Total Operation and Maintenance Expenses	\$ 2,994,007	\$ (352,034)	\$ -	\$ -	\$ -
<b>SUMMARY OF OPERATION AND MAINTENANCE</b>						
	<b>Functional Classification (a)</b>	<b>Operation (b)</b>	<b>Maintenance (b)</b>	<b>Total</b>		
88	Source of Supply Expenses	\$ 113,011	\$ 22,064	\$ 135,075		
89	Pumping Expenses	\$ 377,827	\$ 56,238	\$ 434,065		
90	Water Treatment Expenses	\$ 161,996	\$ 22,476	\$ 184,472		
91	Transmission and Distribution Expenses	\$ 136,441	\$ 347,142	\$ 483,583		
92	Customer Accounts Expenses	\$ 191,650	\$ -	\$ 191,650		
93	Information Technology Expenses	\$ 192,457	\$ -	\$ 192,457		
94	Administrative and General Expenses	\$ 1,372,705	\$ -	\$ 1,372,705		
95		\$ -	\$ -	\$ -		
96	Total	\$ 2,546,087	\$ 447,920	\$ 2,994,007		

-73-

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-49 AMORTIZATION OF UTILITY PLANT ACQUISITION ADJUSTMENT**

**(Account 406)**

**AMORTIZATION EXPENSE - OTHER (Account 407)**

1. Report below the particulars concerning the amortization of utility plant acquisition adjustment and other amortization debits or credits which relate to utility operations and are not provided for elsewhere.
2. Indicate cost basis upon which debit/credit amortization amount was derived.
3. Total amortization amount for accounts 406 and 407 should agree with schedule F-2, line 6 and line 7 respectively and applicable balance sheet account schedules.

Line No.	Item	Basis	Rate	Amount
1	Amortization of Utility Plant Acquisition Adjustment			
2	Account 406			
3				
4				
5	<b>NONE</b>			
6				
7				
8				
9	<b>TOTAL</b>			\$ -
<b>AMORTIZATION EXPENSE - OTHER</b>				
10				
11	Amortize 2019 CIAC tax gross up over 25 years	15,038.00		\$ (602)
12				
13				
14				
15				
16				
17				
18	<b>TOTAL</b>			\$ (602)
19	Amortization of Property Losses -Account 407.2			
20				
21				
22	<b>NONE</b>			
23				
24				
25				
26				
27	<b>TOTAL</b>			\$ -
28	Amortization of Other Utility Charges - Account 407.3			
29				
30				
31				
32	<b>NONE</b>			
33				
34				
35				
36	<b>TOTAL</b>			\$ -
37	<b>TOTAL - Account 407</b>			\$ (602)

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-50 TAXES CHARGED DURING YEAR (ACCOUNT 408,409)**

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.
2. The aggregate of each kind of tax should be listed under the appropriate heading of "Federal," "State," and "Local".
3. The accounts to which taxes charged were distributed should be shown in columns (c) to (g).
4. For any tax which it was necessary to apportion more than one account, state in a footnote the basis of apportioning such tax.
5. The total taxes charges as shown in column (b) should agree with amounts shown by column (d) of schedule F-38 entitled "Accrued and Prepaid Taxes".
6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Class of Tax (a)	Total Taxes Charged During Year (b)	DISTRIBUTION OF TAXES CHARGED				
			Operating Income Taxes Other Than Income (Account 408.1) (c)	Operating Income Taxes (Account 409.1) (d)	Other Income Taxes Other Than Income (Account 408.2) (e)	Other Income Taxes (Account 409.2) (f)	Extraordinary Items Income Taxes (Account 409.3) (g)
1	<b>FEDERAL</b>						
2	FEDERAL INCOME TAX	\$ -			\$ -		
3	PAYROLL TAXES	\$ 83,048	\$ 83,048				
4	TAXES CAPITALIZE TO UTILITY PLAN	(6,682)	(6,682)				
5							
6	<b>STATE</b>						
7	STATE INCOME TAX	\$ -		\$ -			
8							
9							
10	<b>LOCAL</b>						
11	PROPERTY	\$ 808,154	\$ 808,154				
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24	<b>TOTALS</b>	\$ 884,520	\$884,520	\$ -	\$ -	\$ -	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-51 INCOME FROM UTILITY PLANT LEASED TO OTHERS (ACCOUNT 413)**

1. Report below the revenues, expenses and income for year from lease to others of utility property constituting a distinct operating unit or systems.
2. For each lease show: (1) name of lessee and description and location of the leased property; (2) revenues; (3) operating expenses classified as to operation, depreciation and amortization, and (4) income from lease for year.
3. If the property is leased on a basis other than that of a fixed annual rental, give particulars of the method of determining the annual rental.
4. Designate associated companies.

Line No.	Name of Lessee Description and Location (a)	Revenues (b)	Operation Expenses (c)	Depreciation Expenses (d)	Amortization Expenses (e)	Total Operating Expenses (f)	Income from Lease Account 413 (g)
1	<b>NONE</b>						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22	<b>TOTALS</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-52 GAINS OR LOSSES ON DISPOSITION OF UTILITY PROPERTY (ACCOUNT 414)**

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type; Leased or Held for Future Use.
2. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See Account 104, Utility Plant Purchased or Sold).

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Amount Charged to Account 414 (d)
1	<u>Gain on disposition of property:</u>	\$ -		\$ -
2				
3				
4				
5	<b>NONE</b>			
6				
7				
8				
9				
10				
11	Total Gain			\$ -
12				
13	<u>Loss on disposition of property:</u>			
14				
15	<b>NONE</b>			
16				
17				
18				
19				
20				
21	Total Loss			\$ -
22	<b>NET GAIN OR LOSS</b>			\$ -

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-53 INCOME FROM MERCHANDISING, JOBBING, AND  
CONTRACT WORK (Accounts 415 and 416)**

Report by utility departments the revenues, costs, expenses, and net income from merchandising, jobbing and contract work during year. Report also applicable taxes included in Accounts 408 and 409 and income after such taxes. Give the basis of any allocation of expenses between utility and merchandising, jobbing and contract work activities.

Line No.	Item (a)	Water Department (b)	(c)	(d)	Total (e)
1	Revenues:				
2	Merchandise sales, less discount				
3	allowance and returns.....				
4	Contract work.....	26,107			26,107
5	Commissions.....				
6	Other (list major classes).....				
7					
8					
9					
10	Total Revenues (account 415).....	26,107			26,107
11	Costs and Expenses:				
12	Cost of sales (list major classes of cost)				
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26	Sales expenses.....				
27	Customer account expenses.....	17,396			17,396
28	Administrative and general expenses...				
29	Depreciation.....				
30	Total Costs and Expenses (Account 416)	17,396			17,396
31					
32	Net Income (before taxes).....	8,711			8,711
33	Taxes (Account 408,409)				
34	Federal.....				
35	State.....				
36	Total Taxes.....				
37	Net Income(after taxes).....				

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-54 OTHER INCOME AND DEDUCTION ACCOUNTS ANALYSIS****(Account 419, 421 AND 426)**

1. Report in this schedule the information specified in the instructions below for the respective other income and deductions accounts.
2. Interest and Dividend Income (Account 419). Report Interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124, 125 and 135 may be shown in total. Income from sinking and other funds should be identified with related special funds.
3. Non utility Income (account 421). Describe each non utility operation and indicate the gross income earned from each. Indicate the net gain on any sale received of non utility property.
4. Miscellaneous Non utility Expense (426). Report the nature, payee, and amount of miscellaneous non utility expenses.

Line No.	Item	Amount
1	Interest and Dividend Income (Account 419)	-
2		
3	AFUDC Interest ( Account 420)	-
4	Other Interest Income	-
5		
6		
7		
8		
9		
10		
11		
12	TOTAL	-
13	Non-Utility Income (Account 421)	
14		
15	Miscellaneous Non-Utility Income	-
16	Non - Operating Rental Income	-
17	Qual Patr Dst	42,553
18		
19		
20		
21		
22		
23		
24	TOTAL	42,553
25	Miscellaneous Non-Utility Expense (account 426)	-
26		
28	Charitable Donations	2,069
33	Customer Asst.	1,047
34	Interest on Tax Assessments	1,027
35		
36	TOTAL	4,143

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-56 RECONCILIATION OF REPORTED NET INCOME WITH  
TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computations of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
2. If the utility is a member of group which files a consolidated Federal tax return, reconciling reported net income with taxable net income as if a separate return were to be filed, indicating however, intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax amount group members

Line No.	Particulars	Amount
1		
2	Net Income per Books	\$ 1,650,291
3	Federal Income Tax Accrual	180,641
4	State Income Tax Accrual	61,046
5		
6	<b>Pretax Book Income</b>	<b>1,891,978</b>
7	Patronage distributions	7,447
8	Business meals	442
9	Tangible property deduction	(1,170,765)
10	Excess flowthrough depreciation	82,383
11	Normalized depreciation	(260,794)
12	Proceeds from sale of equipment	(3,261)
13	Cost of removal	(13,233)
14	Loss on disposals of fixed assets	(211,637)
15	Bad debt expense	11,521
16	Deferred debits	(59,479)
16	FAS 106 expense and VEBA funding	(101,669)
17	Misc accrued expenses	(4,906)
18	Pension expense and contributions	(277,513)
20	Accrued bonus	(66)
21	Taxable contributed property	496,837
19	Federal tax revenue adjustment due rate payer	366,000
20	CIAC tax gross-up	33,406
21	State Taxes	(48,569)
22	<b>Federal Taxable Income</b>	<b>\$ 738,122</b>
23		
24	Tax @ 21%	\$ 155,006
25	Federal effect of State PTR	-
26	Provision to Return Adjustments	-
27	FIT Due to Rate Payer (R&M)	-
28	<b>Federal taxes payable</b>	<b>155,006</b>
29		
30	Deferred Federal tax expense	2,285
31	Deferred tax adjustment	-
32	American Flowthrough depreciation	23,350
33	<b>Total deferred Federal taxes</b>	<b>25,635</b>
34		
35	<b>Total Federal book tax expense</b>	<b>180,641</b>
36		
37		
38		
39		

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**F-57 DONATIONS AND GIFTS**

Report for each donation and gift given, the name of recipient, purpose of transaction, account number charged and amount.

Line No.	Name of Recipient (a)	Purpose (b)	Account No. Charged (c)	Amount of Payment (d)
1	Toys for Tots	Donation	426.1	\$ 119.00
2	World Ocean Day	Donation	426.1	\$ 500.00
3	Water is Essential Seminar Sponsorship	Donation	426.1	\$ 250.00
4	Wreaths Across America	Donation	426.1	\$ 250.00
5	Rye Beach Garden Club	Donation	426.1	\$ 250.00
6	Town of Hampton Victory Garden	Donation	426.1	\$ 250.00
7	North Hampton Youth Assoc.	Donation	426.1	450.00
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34		<b>Total</b>		\$ 2,069

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**F-58 DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charges to clearing account to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged to Clearing Accounts (c)	Total (d)
1	<b>Operation</b>			
2	Source of Supply	\$ -		\$ -
3	Pumping Operations	135,672		135,672
4	Water Treatment	25,500		25,500
5	Transmission and Distribution	89,148		89,148
6	Customer Accounts	15,512		15,512
8	Administration and General	391,472		391,472
9	Total Operation	\$ 657,304		\$ 657,304
10	<b>Maintenance</b>			
11	Source of Supply	\$ 6,211		\$ 6,211
12	Pumping	31,591		31,591
13	Water Treatment	11,384		11,384
14	Transmission and Distribution	143,953		143,953
15	Administration and General	-		-
16	Total Maintenance	\$ 193,139		\$ 193,139
17	<b>Total Operation and Maintenance</b>			
18	Source of Supply(Lines 2 and 11)	\$ 6,211		\$ 6,211
19	Pumping(Lines 3 and 12)	167,263		167,263
20	Water Treatment(Lines 4 and 13)	36,884		36,884
21	Transmission and Distribution(Lines 5 & 14)	233,101		233,101
22	Customer Accounts(Line 6)	15,512		15,512
23	Sales(Line7)	-		-
24	Administration and General(Lines 8 and 15)	391,472		391,472
25	Total Operation and Maintenance(Lines 18-24)	\$ 850,443	\$ -	\$ 850,443
26	<b>Utility Plant</b>			
27	Construction(by utility departments)	\$ 88,859	\$ -	\$ 88,859
28	Plant Removal(by utility departments)	\$ -	\$ -	\$ -
29	Other Accounts(Cross company charge)	\$ -	\$ -	\$ -
30	Jobbing	\$ 927	\$ -	\$ 927
31		\$ -		\$ -
32				
33				
34				
35				
36				
37	Total Other Accounts			
38	Total Salaries and Wages	\$ 940,229	\$ -	\$ 940,229

Annual Report of Aquarion Water Company of New Hampshire

Year ended December 31, 2020

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020  
**S-1 REVENUE BY RATES**

1. Report below, for each rate schedule in effect during the year, the thousand gallons sold, revenue, average number of customers, average thousand gallons of sales per customer, and average revenue per thousand gallons sold.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in schedule F-47 "Water Operating Revenues". If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification, the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. Number of customers should be reported on the basis of number of meters, plus number of flate rate amounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters added. The average number of customers means the average of the twelve figures at the close of each month.

Line No.	Number and Title of Rate Schedule (a)	Thousand Gallons Sold (b)	Revenue (c)	Average Number of Customers (d)	Thousand Gals. Sales per Customer (e)	Revenue per Thousand Gals. Sold (f)
1						
2						
3	Unmetered Sales- General		\$ (519)			
4	Unmetered Sales - Hydrant Use		\$ 3,751			
5						
6	Totals, Account 460 Unmetered Sales to General Customers	-	\$ 3,232	0	0	0
7	Residential	486,361	\$4,757,185	8,464	57	9.78
8	Commercial	148,223	\$1,256,326	693	214	8.48
9	Industrial	637	\$6,347	2	319	9.96
10	Public Authority	11,673	\$120,969	63	185	10.36
11						
12	Totals, Account 461 Metered Sales to General Customers	646,894	\$6,140,827	9,222	70	9.49
13	Totals, Account 462 Fire Protection Revenue	0	\$1,290,471	378	0	
14	Totals, Account 466 Sales for Resale					
15	Totals, Account 467 Interdepartmental Sales					
16	TOTALS(Account 460-467)	646,894	\$7,434,530	9,600	67	11.49

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**S-2 WATER PRODUCED AND PURCHASED**

	Total Water Produced (in 1000 gals)	WATER PURCHASED (in 1000 gals)				Total Produced and Purchases (In 1000 gals)
		Name of Seller:	Name of Seller:	Name of Seller:	Name of Seller:	
Jan	47,330					47,330
Feb	44,796					44,796
Mar	46,343					46,343
Apr	46,606					46,606
May	67,806					67,806
Jun	93,939					93,939
Jul	98,455					98,455
Aug	98,692					98,692
Sep	77,528					77,528
Oct	57,594					57,594
Nov	45,149					45,149
Dec	47,626					47,626
<b>TOTAL</b>	<b>771,864</b>	-	-	-	-	<b>771,864</b>

Max. Day Flow (in 1000 gals): 4,265

Date: 6/21/2020

**S-3 SURFACE SUPPLIES, SPRINGS, OTHER SOURCES**

Name/ I.D.	Type	Elev.	Drainage Area (s.q. ml.)	Protective Land Owned (acres)	Treatment	Safe Yield (GPD)	Installed Protection Capacity (GPD)	Total Production For Year (in 1000 gals)
N/A								

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**S-4 WATER TREATMENT FACILITIES**

Name/I.D.	Type	Year Constructed	Rated Capacity (MGD)	Clearwell Elevation	Total Production For Year (in 1000 gals)

**S-5 WELLS**

Name/I.D.	Type	Depth (ft)	Year Installed	Treatment If Separate From Pump Station	Safe Yield (GPD)	Installed (GPD)	HP of Pump	Total Production For Year (gals)
Cable Road, Well 5A	Gravel Pkd	21	1937	A	144,000	144,000	5	19,313,304
Mill Road, Well 6	Gravel Pkd	50	1937	B	432,000	432,000	40	19,087,363
Little River Rd, Well 7	Gravel Pkd	45	1950	C	504,000	504,000	60	98,761,810
Mill Road, Well 8A	Gravel Pkd	44	2002	B	180,000	180,000	15	59,730,121
Mill Road, Well 9	Gravel Pkd	50	1957	B	423,360	423,360	50	139,413,031
Winnicut Rd, Well 10	Gravel Pkd	55	1963	D	504,000	504,000	60	129,053,098
Sicard St, Well 11	Gravel Pkd	63	1966	B	720,000	720,000	75	119,599,827
Winnicut Rd, Well 12	Gravel Pkd	55	1978	D	241,920	241,920	20	36,491,081
Winnicut Rd, Well 13B	Bedrock	703	2005	D	324,000	324,000	60	9,502,555
Route 101D, Well 14	Gravel Pkd	31	1989	C	144,000	144,000	30	1,226,149
Winnicut Rd, Well 16	Gravel Pkd	57	1997	D	348,480	348,480	30	36,577,862
Woods Road, Well 17	Bedrock	456	1998	D	171,360	171,360	20	7,076,537
Woods Road, Well 18	Bedrock	565	1998	D	216,000	216,000	20	16,846,177
Woods Road, Well 19	Bedrock	435	1998	D	288,000	288,000	30	10,217,286
Mill Road, Well 20	Bedrock	600	2002	B	246,240	246,240	40	75,096
Mill Road, Well 21	Bedrock	647	2002	B	273,600	273,600	50	27,283,609
Little River Rd, Well 22*	Bedrock	560	2012	C	1,065,600	1,065,600	100	41,609,094
<b>Total</b>								<b>771,864,000</b>

- Treatment
- A Chlorine & Caustic (at pump station)
  - B Caustic, Chlorine & Phosphate (centralized at Mill Rd)
  - C Chlorine, Caustic & Phosphate (at pump station)
  - D Chlorine & Phosphate (centralized at Winnicut Road)
  - E Chlorine & Phosphate (centralized at Winnicut Road)

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**S-6 PUMP STATION**

Name/I.D.	Area Served	Number of Pumps	HP of Largest Pump	Total Installed Capacity (GPD)	Total pumpage For Year (gals)	Total Atmospheric Storage (gals)	Total Pressure Storage (gals)	Type of Treatment
Cable Road, Well 5A	Rye, NH	1	5	100	19,313,304	0.5 MG	None	A
Mill Road, Booster 1	Hampton, NH	1	15	150	not measured	1.0 MG	None	None
Mill Road, Well 6	Hampton, NH	1	40	300	19,087,363	None	None	B
Little River Rd, Well 7	Hampton, NH	1	60	350	98,761,810	None	None	C
Mill Road, Well 8A	North Hampton, NH	1	15	294	59,730,121	None	None	B
Mill Road, Well 9	Hampton, NH	1	50	125	139,413,031	None	None	B
Winnicut Rd, Well 10	North Hampton, NH	1	60	350	129,053,098	None	None	D
Sicard Rd, Well 11	Hampton, NH	1	75	500	119,599,827	None	None	B
Winnicut Rd, Well 12	North Hampton, NH	1	20	168	36,491,081	None	None	D
Winnicut Rd, Well 13B	North Hampton, NH	1	60	225	9,502,555	None	None	D
Route 101D, Well 14	North Hampton, NH	1	30	100	1,226,149	None	None	C
Winnicut Rd, Well 16	Stratham, NH	1	30	242	36,577,862	None	None	D
Woods Road, Well 17	North Hampton, NH	1	20	119	7,076,537	None	None	D
Woods Road, Well 18	North Hampton, NH	1	20	150	16,846,177	None	None	D
Woods Road, Well 19	North Hampton, NH	1	30	200	10,217,286	None	None	D
Mill Road, Well 20	North Hampton, NH	1	40	175	75,096	None	None	B
Mill Road, Well 21	North Hampton, NH	1	50	190	27,283,609	None	None	B
Little River Rd, Well 22	Hampton, NH	1	100	740	41,609,094	None	None	C
	<b>TOTAL</b>				<b>771,864,000</b>			

Treatment

- A Chlorine & Caustic (at pump station)
- B Caustic, Chlorine & Phosphate (centralized at Mill Rd)
- C Chlorine, Caustic & Phosphate (at pump station)
- D Chlorine & Phosphate (centralized at Winnicut Road)

Annual Report of Aquarion Water Company of New Hampshire

Year ended December 31, 2020

Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

S-7 TANKS, STANDPIPES, RESERVOIRS

(Exclude tanks inside pump stations)

Name/I.D.	Type	Material	Size (gals)	Yr. Installed	Open/Covered	Overflow Elev	Area Served
Exeter Road Tank	Elevated Tank	Steel	750,000	1982	Covered	249	Hampton, N. Hampton, Rye, NH
Glade Path Beach Tank	Elevated Tank	Steel	500,000	1953	Covered	171	Hampton Beach, NH
Jeness Beach, Rye	Standpipe	Steel	500,000	1966	Covered	70	Rye, NH
Mill Road Tank	Standpipe	Steel	1,000,000	2008	Covered	172	Hampton, NH

S-8 ACTIVE SERVICE, METERS AND HYDRANTS

(Include Only Property Owned by the Utility)

	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	12"	Total
Non-Fire Service												0
Fire Service						112	98	147	18		3	378
Meters <sup>1</sup>	8,682		315	65	160							9,222
Hydrants	Public:	495		Private:								495

<sup>1</sup> meters in service as of year end

S-9 NUMBER AND TYPE OF CUSTOMER (active and inactive accounts)

Residential	Commercial	Industrial	Municipal	Total	Year-Round	Seasonal
8,464	693	2	63	9,222	8,458	764

Annual Report of Aquarion Water Company of New Hampshire

Year ended December 31, 2020

## Class A or B Utility

ANY SUBSEQUENT CHANGES SHOULD BE REPORTED TO THIS COMMISSION INFORMATION SHEET 2020

**S-10 TRANSMISSION AND DISTRIBUTION MAINS**

(Length of Mains in Feet)

	Ductile Iron	Cast Iron	PVC	Non-PVC Plastic	Transite	Cement	Galv Steel	Copper	HDPE	Other	Total
3/4"								422			422
1"			702	178				975	133		1,987
2"		7,124	555				2,193	221	4,901	508	15,502
3"			455								455
4"	4,402	2,454			680				3,372	1,443	12,351
6"	19,993	72,400			38,376				104		130,873
8"	173,638	160,674	2,322	972	30,488				2,011	599	370,704
10"		1,096			7,001						8,097
12"	105,383	30,981	1,987		10,213				14,158		162,722
16"	10,270	181	2,936			97			4,039		17,523
20"											-
24"	639								127		766
30"											
36"	363										363
42"											
48"											
Total	314,688	274,909	8,958	1,150	86,758	97	2,193	1,617	28,845	2,550	721,766

**Aquarion Water Company of New Hampshire**  
**Return on Equity for the Twelve Months Ended December 31, 2020**

	<b>December 31, 2020</b>
<b>UTILITY PLANT</b>	
Gross Utility Plant	57,573,255
Accumulated Depreciation	(14,018,441)
Net Utility Plant in Service	43,554,814
 <b>ADDITIONS</b>	
Working Capital Allowance	239,520
Average Materials & Supplies	160,694
Deferred Tank Painting	-
Prepayments	226,563
 <b>DEDUCTIONS</b>	
Contribution in Aid of Construction	(2,422,886)
Customer Advances	(1,032,032)
Deferred Taxes	(3,859,831)
 <b>TOTAL RATE BASE</b>	36,866,842
	<b>Twelve Months Ending December 31, 2020</b>
<b>NET INCOME</b>	<b>1,650,292</b>
ADD: Interest Expense	856,845
LESS: Non-regulated Other Income	(40,039)
ADD: Income Taxes on Non-regulated Other Income	10,844
 <b>UTILITY OPERATING INCOME</b>	<b>2,477,942</b>
 <b>RETURN ON RATE BASE</b>	<b>6.72%</b>

**Aquarion Water Company of New Hampshire**  
**Return on Equity for the Twelve Months Ended December 31, 2020**

	<b>December 31, 2020</b>
<b><u>CAPITAL STRUCTURE</u></b>	<b>Actual Structure</b>
Equity	19,850,776
Long Term Debt	13,900,000
Short Term Debt	2,833,281
Total	36,584,057
Equity %	54.26%
Long Term Debt %	37.99%
Short Term Debt %	7.74%
Total	100.0%
Cost of Long Term Debt	6.14%
Weighted Cost of Long Term Debt	2.33%
Cost of Short Term Debt	0.78%
Weighted Cost of Short Term Debt	0.06%
Return on Rate Base ("RORB")	6.72%
LESS: WACD - Long Term Debt	-2.33%
LESS: WACD - Short Term Debt	-0.06%
Weighted Cost of Equity	4.33%
<b>RETURN ON EQUITY ("ROE")</b>	<b>7.98%</b>

AWC of NH  
Lost Water Report  
2020

Month	Lost Water (Million Gallons)	Lost Water Explanation
JAN	12.49 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
FEB	10.00 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
MAR	11.10 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
Q/1 total	33.59	
<b>Water Consumption vs. Water Production</b>		

Qtr	Consumption	Production	Difference
1st	103	137	34 <sup>B</sup>
2nd	148	208	60 <sup>B</sup>
3rd	256	269	14 <sup>B</sup>
4th	139	148	9 <sup>B</sup>
Total	647	763	116

APRIL	10.72 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
MAY	25.11 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
JUNE	23.89 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
Q/2 total	59.73	
JULY	10.55 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
AUG	7.82 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
SEPT	(4.80) <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
Q/3 total	13.56	
OCT	(5.68) <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
NOV	7.83 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
DEC	6.71 <sup>B</sup>	Leaks; flushing; fire flow tests, public works & fire dept use.
Q/4 total	8.86	

% of unaccounted water<sup>A</sup> 15.2%

TOTAL	115.74	
	647	Billable consumption + Non Billable known water

PRODUCTION (million gallons)							
JAN	47	APR	46	JULY	97	OCT	56
FEB	44	MAY	67	AUGUST	97	NOV	44
MARCH	46	JUN	95	SEPT	76	DEC	47
	137		208		269		148

**EXHIBIT BCO-3**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

PURbase

before March 12, 1993;

2) pursuant to RSA 541-a:22, providing a copy of this order to the town clerk, by first class U.S. Mail, postmarked on or before March 12, 1993;

3) providing a copy of this order to each current District customer *and* each former customer on the Passaconway line who had an individual or shared well installed on his/her property, by

**Page 116**

first class U.S. Mail, postmarked on or before March 12, 1993; and

4) documenting compliance with these notice provisions by filing affidavit(s) with the commission on or before March 29, 1993; and it is

FURTHER ORDERED, that any interested party may file written comments or request an opportunity to be heard in this matter no later than March 29, 1993; and it is

FURTHER ORDERED, that this Order be effective on March 30, 1993 unless the commission provides otherwise in a supplemental order issued prior to the effective date.

By order of the New Hampshire Public Utilities Commission this first day of March, 1993.

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NH.PUC\*03/01/93\*[75014]\*78 NH PUC 117\*EnergyNorth Natural Gas, Inc.

[Go to End of 75014]

## **Re EnergyNorth Natural Gas, Inc.**

DR 91-212  
Order No. 20,776

78 NH PUC 117

New Hampshire Public Utilities Commission

March 1, 1993

Report Addressing Petition to Increase Rates.

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Appearances: McLane, Graf, Raulerson and Middleton by Steven V. Camerino, Esq. on behalf of EnergyNorth Natural Gas, Inc.; Office of Consumer Advocate by Michael W. Holmes, Esq. on behalf of residential ratepayers; and Eugene F. Sullivan, III, Esq. on behalf of the New Hampshire Public Utilities Commission.

BY THE COMMISSION:

REPORT

I. *PROCEDURAL HISTORY*

On January 31, 1992, EnergyNorth Natural Gas, Inc. (ENGI or the Company) filed a request with the New Hampshire Public Utilities Commission (Commission) to increase base rates by \$2,234,813 or 3.2%, pursuant to RSA chapter 378. On February 22, 1992, the Commission issued Order No. 20,402, dated February 27, 1992, suspending the proposed rate increase for investigation pursuant to RSA 378:6. On March 3, 1992, the Company filed a request for temporary rates pursuant to RSA 378:27. On March 19, 1992, the Commission issued an Order of Notice scheduling a hearing on the Company's request for temporary rates and to establish a procedural schedule to govern the Commission's investigation into the Company's requested increase in rates.

On May 13, 1992, the Commission issued Report and Order No. 20,480 denying the Company's request for temporary rates and establishing a procedural schedule. On November 1, 1992, the company placed the requested rate increase into effect, under bond, pursuant to RSA 378:6.

After eight months of investigation, and the filing of testimony by the Parties and the Commission Staff (Staff) the Commission held nine days of public hearings on October 23, 26, 27, 28 and 29, 1992, and December 7, 8, 9 and 21, 1992.

## II. POSITIONS OF THE PARTIES AND STAFF.

The Company's, Staff's, and the Office of Consumer Advocate's (OCA) prefiled testimony brought into issue a number of disagreements over the methodologies for establishing the Company's appropriate revenue requirement. Those issues included: test year methodology, pro forma revenues and costs (280 day service, telephone expenses, Hadco, Londonderry/Derry Line, PUC assessment), affiliate contracts, a consultant contract, attrition allowances ("step adjustments"), capitalization of sales staff salaries, legal fees, vehicle related expenses, luncheon expenses, the booking of certain costs expended in previous years in an attempt to encourage former customers to reactivate service and the cost of capital.

### A. ENGI.

The Company requested that the Commission adopt a modified methodology for computing a gas utility's revenue requirement that included capital additions outside of the twelve month test year and annualized all known and

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measurable changes in expenses in the twelve months following the test year (rate year) as a means of accurately measuring a gas utility's revenue requirement into the future. In support of this position, the Company pointed out that the current methodology historically applied by the Commission and applied by Staff in this case resulted in the Company's filing of three rate cases in four years in order to sustain sufficient earnings. The Company also suggested the use of an attrition allowance, such as a "step adjustment", for the same reason.

In its initial filing and its testimony the Company did not include pro forma revenues for customers that had converted from interruptible service to a new type of service known as "280 day" service. The Company supported its position by pointing out that under the traditional test year methodology applied by the Commission and put forward by Staff in this case, it would be

inappropriate and inconsistent to pro form its revenues outside the twelve month test year.

Following the same reasoning, the Company also did not make a pro forma adjustment to revenues for its Londonderry/Derry line or Hadco.

In its brief, the Company changed its adjustment to the PUC assessment to include the total assessment for the State's 1993 fiscal year (July 1, 1992 through June 30, 1993); i.e., \$208,599. However, the Company's witness previously testified that the assessment expense should be \$196,033 and should be based on accrual accounting.

The Company objected to a revenue adjustment made by Staff that allocated a higher proportion of joint and common affiliate costs to ENGI from its parent company, EnergyNorth, Inc. (ENI). The Company supported its allocation of joint and common costs between itself and its unregulated affiliates based on its experience, annual time surveys and a contract on file with the Commission, which the Company contends allows it to allocate costs between itself and its affiliates in the manner it sees fit if all of the affiliates agree that a modification to a set formula is justified.

The Company also objected to a Staff modification to a consultant contract with the Company's recently retired Chief Executive Officer. The Company justified the expenditure as appropriate to provide for a smooth transition, and to take advantage of the former CEO's significant expertise in the gas industry.

The Company also took issue with a number of expense adjustments to the Company's filing recommended by Staff including sales staff salaries, legal expenses, vehicle expenses and luncheon expenses.

In regard to sales staff salaries, the Company argued that they should be capitalized to reflect the fact that the salesman is not only in charge of obtaining new accounts, but also responsible for the general oversight of the provision of gas to the new customer.

In regard to legal expenses, the Company argued that it should be allowed an expense allowance over and above the salary of its general counsel to reflect certain proceedings such as rulemakings which required the Company to retain outside counsel.

In regard to vehicle expenses, the Company objected to Staff's removal of the cost of providing automobiles to its executive officers and "grossing up" their salaries to reflect the tax consequences of the personal use of a company vehicle. The Company contends that it is part of the overall compensation package it offers to attract and retain qualified management personnel.

In regard to luncheon expenses, the Company explained that although the luncheons were held at the Manchester Country Club the meals were only \$7.00 per person, and the country club provided the Company with a private room giving Company executives time together each week, away from their daily duties, to discuss larger issues.

Another issue raised by Staff was the Company's failure to properly book costs (as agreed in a previous rate proceeding) incurred in attempting to reactivate services. The Company explained that this was an oversight on its part, and that all expenses incurred for this purpose in the future would be booked appropriately.

Finally, the Company contended that it was entitled to a return on equity of 13%. The

Company based its position on the testimony of its expert witness that the "zone of reasonableness" for the Company is between 12% and 13.25%, and that the "particular" risk of this

Page 118

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Company justified a return on equity at the high end of this zone or its requested rate of return on equity of 13%. The Company also contended that exclusive reliance on the DCF method is inappropriate, and relied on several alternative methods in calculating the "zone of reasonableness".

*B. Staff.*

The Staff took the position that there was no need, or justification, to modify the traditional test year methodology in this case or for this particular industry to include "out of time" investments and expenses. Staff came to this conclusion based on the fact that the current methodology properly matches revenues and expenses; whereas, the modifications suggested by the Company would skew the matching formula resulting in unjust rates to consumers. The Staff also objected to the institution of attrition allowances for the same reasons put forth above; because attrition allowances would remove any incentive on the part of the Company to reduce costs in periods of economic downturn, and because the Company was unwilling to accept automatic rate reductions if its returns ever exceeded the established cost of equity.

However, Staff recommended that pro forma adjustments be made to the Company's revenues, outside of the twelve month parameter established in the traditional test year methodology, to reflect certain extraordinary events. Specifically, Staff recommended that a pro forma adjustment be made to include revenues the Company derived outside the test year from 280 day service, Hadco and new customers on the Londonderry/Derry Line. Staff contended revenues from certain customers that had converted from interruptible service to a new service offering, 280 day service, outside the test year should be included in the Company's revenues because the revenues from interruptible service are passed through to customers in biannual cost of gas adjustments while the revenues from 280 day service are retained by the Company and applied to its bottom line, and the total capital cost to serve these customers was in place during the entire test year. Staff contended that additional revenues obtained from a significant customer, Hadco, which was not fully on line in the test year should be included in revenues to balance the fact that the major portion of the capital investment required to serve Hadco was put in place during the test year. Finally, Staff argued that revenues outside the test year from customers being served off the Londonderry/Derry line should be included in the Company's revenue calculation because the line, although greatly underutilized, was fully included in ratebase.

Staff took the position that during the period from July 1, 1992, through September 30, 1992, the Company was not required to pay any assessment because the previous fiscal year had resulted in an overcollection, which is reconciled in the first quarter of the next fiscal year. Staff's adjustment would result in a decrease of \$5,698 to the annual assessment to \$170,860. Staff contended that the Company had inflated the amount of the actual PUC assessment assessed to the Company in the test year, and, therefore, recommended a reduction in this

expense item.

Staff recommended that the allocable joint and common costs assessed to ENGI from its parent, ENI, should be 90%, based on the allocation formula set forth in an affiliates agreement filed with the Commission. Staff further objected to ENGI's interpretation of this agreement in a manner that allowed the affiliates to modify the allocation formula without Commission review, as required under RSA 366:3, Filing of Contracts.

Staff objected to a \$60,000 consulting contract with the Company's former CEO as an unnecessary expense, (due to the fact that the Company employed competent gas procurement personnel).

Staff objected to the capitalization of salesmen's salaries related to serving new customers because the activities of the salesmen relative to the installation of new assets to serve these customers was far too attenuated to justify capitalizing their salaries under the Commission's Chart of Accounts for Gas Utilities.

Staff also objected to a number of expense items included by the Company in the calculation of its revenue deficiency. These items included weekly luncheons for management

Page 119

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personnel at the Manchester Country Club, the provision of automobiles to executive officers and the subsequent "grossing up" of their salaries to compensate them for the tax consequences of the personal use of a Company vehicle, and the cost of retaining outside counsel to represent the Company at a rulemaking hearing because the Company included the salary of its General Counsel in its expenses, and the rulemaking proceeding was a "non-recurring" expense.

Finally, the Staff recommended a return on equity of 10.39% based on the traditional Discounted Cash Flow (DCF) methodology employed by the Commission. This was supported by the use of a risk premium method as a "sanity check", and a review of current capital market conditions.

### C. OCA

The OCA generally supported the position of the Staff, but proffered its own testimony on the issue of cost of capital. The OCA supported a return on equity of 10.2% also based on the DCF methodology with minor variations from Staff to certain inputs into the model.

### III. COMMISSION ANALYSIS.

The issue before the Commission is the establishment of just and reasonable rates for the Company. RSA 378:28. The disputed elements of that issue are sufficiently set forth above. As is generally the case, the Company bears the burden of establishing each of the elements of its requested revenues. RSA 378:8. We will address each of the disputed elements seriatim.

In computing the Company's required revenues we will apply our traditional historical "test year" methodology. That is, we will establish the Company's revenue requirement through an examination of a thirteen point average of the Company's rate base during the twelve month test year with pro rata modifications to operation and maintenance expenses for "known and measurable" changes in the twelve months following the test year. While we acknowledge that

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this methodology is neither statutorily nor constitutionally required (*Cf.*, RSA 378:30-a), and that no methodology for setting rates into the future is perfect, we have found that this methodology has resulted in just and reasonable rates to both utilities and their customers absent extraordinary circumstances. In this particular case we find no such extraordinary circumstances to justify a modification to our traditional methodology.

An attrition allowance, as requested by the Company, is one means by which the Commission deals with extraordinary circumstances to justify a modification to the traditional test year methodology applied by this Commission. For example, in the last rate proceeding involving Northern Utilities, Inc., New Hampshire's only other natural gas local distribution company (LDC), the Commission granted it an annual step adjustment, a type of attrition allowance, to address a multi-million dollar safety program to replace, over the course of the next two to ten years, bare steel distribution mains that are at risk of corrosion failure. The magnitude of these known expenses relative to the book value of the assets of Northern established the extraordinary event justifying a modification to standard test year ratemaking. There is no such "emergency" in this case justifying an attrition allowance. Furthermore, an automatic attrition allowance, absent extraordinary circumstances, would serve as a disincentive to utilities to cut costs or streamline operations prior to seeking rate relief.

Following this reasoning we should not, and will not, make any modifications to the Company's test year revenues for the Londonderry/Derry Line or Hadco.

We have not adopted staff's position relative to annualizing related to the Londonderry/Derry Line, Hadco, or the new 280 day customers. Our reasoning is consistent with our decision to use the matching principles for rate base and the adjustment for known and measurable changes to expenses and revenues in the twelve month period following the end of the test year. Therefore, we have included a net margin of \$98,438 related to 280 day customers who converted from interruptible service. This adjustment is consistent with the testimony of Witness Chicoine (Exhibit 20B).

### Page 120

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The Commission is aware that Staff's testimony would make further adjustments to revenue to annualize changed circumstances and to more fully recognize that the Londonderry/Derry Line is being more fully utilized as the customer base grows. However, in order to remain consistent with our matching principle, we have only accepted an adjustment for increased revenues for test year interruptible customers who converted to 280 day service to reflect only increased revenues from those customers in the twelve months after the test year.

In regard to the PUC assessment the Commission agrees that the expense should be based upon an accrual accounting basis. We have, however, arrived at a different amount based upon our methodology of using only known and measurable changes when comparing test year expenses to the twelve month period immediately following the test year. We have arrived at the amount of \$200,611 for the twelve month period based upon actual costs for nine months ending June 30 and an accrual of one quarter of the 1993 assessment, thus resulting in a pro forma adjustment of \$24,053.

We adopt Staff's calculation of those ENI expenses which should be allocated to ENGI.

PURbase

Under the contract on file with the Commission, ENI's affiliates may have been free to modify the allocations established in the formula contained therein; however, pursuant to RSA 366:3 any such modification had to be filed with the Commission. The Company did not file the modifications with the Commission, and, furthermore, it failed to meet its burden of persuasion in this proceeding that the modifications it did make were just and reasonable.

We reject Staff's position relative to the Company's consulting contract with its former CEO. It is a usual and customary practice for a business entity to retain the consulting services of its former CEO or other critical positions during the transition to a new CEO. Furthermore, the consulting contract negated the need to fill a vacant position in the test year, thereby reducing overall costs.

In regard to the capitalization of sales staff salaries, the evidence in this case did not support the type of relationship between the sales staff and the installation of new assets justifying the capitalization of any portion of their salaries. Thus, these salaries shall be computed, totally, as an expense item.

As Staff pointed out in its testimony and we confirm, the Uniform System of Accounts for Gas Utilities provides an expense account for sales salaries, Account 1786. In calculating the revenue requirement the sales salary expense has been included in pro forma expenses in the amount of \$127,715.

In regard to vehicle expenses, any costs associated with the use of a Company vehicle for on-call safety reasons are appropriate and should be included in rates. However, the grossing up of certain officer salaries to offset the tax consequences of their personal use of a Company vehicle is not an appropriate expense to pass on to ratepayers and will not be considered in the setting of rates.

In regard to weekly officers' luncheons, we find that the expenses requested by the Company, which include the use of a private room to allow for private business discussions, and the cost of the meals (\$7.00) are reasonable.

We will adopt the Company position related to the cost of retaining outside counsel to represent the Company at rulemaking hearings because our dockets contain continuing rulemakings which require company participation.

The last expense item was the so-called \$13,000 known and measurable reduction in telephone expenses. We believe there was a misunderstanding between the Staff and the Company relative to this item, which was clarified in the Company's brief. Although the Company reported a \$13,000 "savings" in telephone expenses, the actual cost of telephone service rose to \$349,000 in the twelve months following the test year. As this is a known and measurable change, the full amount will be included in the computation of a revenue deficiency.

In reviewing the records included in Staff's audit, it was determined that the sales expense to reactivate services was actually booked as an expense in September 1991. Therefore, the costs have already been included in the test year income statement.

Finally, we will address the cost of capital. The only outstanding issue in this area is the rate of return on equity. We adopt Staff's

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recommended 10.39% as the appropriate return on equity.

As was cited and accepted by both Parties and the Staff, a utility is constitutionally entitled to an opportunity to realize a return on its investment equivalent to firms of similar risk and sufficient to attract capital in the prevailing markets, but not so high as to be speculative. *Bluefield Water Works and Improvement v. Public Service Commission*, 26 U.S. 679, 672 (1923); *Federal Power Commission v. Hope*, 320 U.S. 591 (1944).

Initially, we will address the Company's assertion that it is subject to peculiar risks not experienced by similar natural gas LDCs. The Company contends that the Federal Energy Regulatory Commission's Order No. 636 (Order 636), regulatory risk, New Hampshire's weather and the Company's size present particular risks that should be used to adjust its return on equity to the upper end of the "zone of reasonableness".

We are not persuaded that Order 636 subjects the Company to any greater risk than other LDCs by Order 636. In fact, the record evidence establishes that all LDCs will be subject to similar advantages and risks that result from Order 636.

The Company's argument relative to regulatory risk is also unpersuasive. The only evidence presented to the Commission relative to investor perception of regulatory risk was Exhibit 6, which placed New Hampshire squarely in the "middle of the road" relative to investor perceptions of regulatory risk. The suggestion that the Company suffers greater regulatory risk than other New Hampshire utilities, i.e., they are singled out for harsher treatment by the Commission and its Staff, is probably a misperception shared by the other utilities under our regulation. It is without merit.

The Company also contends that its size, relative to the other utilities analyzed in computing a return on equity, makes it a riskier investment. We are not persuaded. The record indicates that the Company has adequate access to the capital markets and its stock is freely traded on the NASDAQ exchange.

Finally, the Company presented evidence that its geographical service area had the highest heating degree days of any of the sample companies used by any of the witnesses in computing a cost of capital. This fact was contested by the OCA. Assuming the Company is correct, higher heating degree days in and of themselves do not constitute a measure of greater risk. It is the volatility of degree days from year to year that affects risk, not the absolute level of degree days. Thus, the record does not support the Company's position.

The next substantive issue of dispute between the experts was the computation of a growth rate for the DCF model. The Company relied solely on earnings projections in its computation of a growth rate, while the OCA and the Staff used weighted combinations of forecasted and historical earnings and dividends to compute a growth rate. The OCA also gave minimal weight to book value in calculating the DCF growth rate. We decline to accept a DCF analysis using only forecasted earnings to compute a growth rate.

All three expert witnesses testified that the DCF methodology relies on projecting dividends into perpetuity to determine a discounted cost of equity for the sample in question. All three experts also testified that dividends are a function of earnings. While the two are equal in the

long run, we believe the so-called long run is beyond the average investor's investment horizon. Thus, retained earnings and a utility's desire to maintain steady dividend growth over time lead us to the conclusion that the use of only earnings forecasts in computing a growth rate do not provide an accurate return on equity. Indeed, the use of any one measure of growth alone excludes information we believe investors consider in making their investment decisions.

Furthermore, using the same "judgment" factor applied by the Company in choosing a methodology for deriving a growth rate, the capital market, we believe both the Staff's and the OCA's return on equity more accurately reflect a just and reasonable rate of return.<sup>1(14)</sup> The Company's requested rate of return on equity is simply not consistent with the current low level of interest rates.

Finally, we see no reason to abandon the DCF method, and continue to view it as the most appropriate method for estimating the rate of return on equity. Other methods may serve as a useful "sanity check", but will not be

**Page 122**

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accepted as a primary method for determining a utility's allowed rate of return. We do not agree that exclusive reliance on the DCF method is inappropriate.

**IV. REVENUE REQUIREMENT**

Based upon the findings in this report, the Company's revenue requirement is calculated as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Rate Base	\$68,515,478	
2 <sup>(15)</sup> Rate of Return		9.83%
Required Net Operating Income	\$6,735,071	
Adjusted Net Operating Income	6,472,948	
Required Increase	262,123	
Tax Effect (x .515152)	135,033	
Required Increase	\$ 397,157	

The following is the pro forma income statement which results from the approved adjustments:

**Page 123**

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

	Test Yr. 12 Mos. Ended	Pro Forma Adj.	Pro Forma Test Yr.
Operating Revenues	9/30/91	5,788,144	65,775,807
Revenues - Firm	59,987,663		

## PURbase

Revenues - Wholesale			
Revenues - Other	1,472,975		1,472,975
Interruptible Revenues	1,931,931		1,931,931
Unbilled Revenues Recoupment			
Unbilled Revenues - Meter	310,144		310,144
Read Cycle (Current)	89,194		89,194
Special Contract	122,744		122,744
Total Revenues	63,914,651	5,788,144	69,702,795
Operating Expenses			
Cost of Gas - Firm	33,058,838	3,169,279	36,228,117
Cost of Gas - Other	1,931,931		1,931,931
Other Production	1,620,490	(39,266)	1,581,224
Distribution	5,309,672	141,917	5,451,589
Customer Accounting	3,871,210	201,657	4,072,867
Sales and New Business	444,106	71,519	515,625
Administrative and General	6,235,935	(112,722)	6,123,213
Interest on Customer Deposits	124,055	(25,804)	98,251
Taxes:			
Federal Income Tax	453,857	849,039	1,302,896
Property and Payroll	2,136,417	(48,612)	2,087,805
State	626,713		626,713
Other	184,380		184,380
Depreciation	3,167,183	135,549	3,302,732
Amortization	193,552	(18,909)	174,643
Total Revenue Deductions	59,358,339	4,323,647	63,681,986
Net Operating Income	4,556,312	1,464,497	6,020,809
Operating Rents - Net	452,050		452,050
Other Utility Income	89		89
Net Gas Operating Income	5,008,451	1,464,497	6,472,948

## Page 124

Because the Company placed its filed rates into effect on November 1, 1992, under bond, a refund will be required to be made for those revenues that have been collected at rates higher than are approved by this report. RSA 378:6 III. The Company shall file compliance tariffs to reflect the allowed increase and a proposed plan for refunds. Due to the fact that a surcharge tariff has been filed to collect rate case expenses in the Company's previous rate filing, docket DR 90-183, effective April 1, 1993, the Commission will allow the Company to offset the refund amount by the outstanding uncollected rate case expenses, \$159,543. In addition, to avoid or reduce another surcharge or to reduce any refund the Company will be required to make, we will allow the Company to offset the refund amount by the amount of rate case expenses incurred in this docket and we would therefore ask the Company to submit an accounting of those rate case expenses as expeditiously as possible.

Based on our review of the record, we find the revenue requirement, the rate of return detailed above, and the rates that derive therefor to be just and reasonable.

Our order will issue accordingly.

Concurring: March 1, 1993

## ORDER

In consideration of the foregoing report which is made a part hereof; it is hereby

PURbase

ORDERED, that EnergyNorth Natural Gas, Inc. is granted a rate increase of \$397,157; and it is

FURTHER ORDERED, that the above granted rate increase be effective for bills rendered on or after the date of this order because the company placed its full rate request into effect, under bond, pursuant to RSA 378:6 III and placing the rates effect on a bills rendered basis is the only manner to equitably compute the customer's refund; and it is

FURTHER ORDERED, that the Company shall also provide us with an accounting of the revenues overcollected under bond compared to the permanent rates granted herein, along with a plan for refunding the overcollection; and it is

FURTHER ORDERED, that EnergyNorth Natural Gas, Inc. file tariff pages reflecting this report and order. Compliance tariffs shall be filed by March 15, 1993 for effect with all bills rendered on or after April 1, 1993.

By order of the Public Utilities Commission of New Hampshire this first day of March, 1993.

#### FOOTNOTES

<sup>1</sup> The following is a calculation of the overall cost of capital:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

	Total	Component Ratio	Cost Rate	Wt'd Avg. Cost of Capital
Common Equity	\$37,145,535	49.33%	10.39%	5.13%
Long Term Debt	\$35,361,660	46.96%	9.55%	4.48%
Short Term Debt	\$2,798,734	3.72%	6.00%	0.22%
Total	\$75,305,929	100.01%		9.83%

This capital structure reflects an adjustment to Staff's calculation by adding the \$935,000 from the so called New Hampshire Supreme Court's take-or-pay decision to retained earnings.

<sup>2</sup> Rate base is calculated as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Gross Plant	\$103,730,024
Less: Construction Work in Progress	183,452
Plant in Service	\$103,546,572
Less: Accumulated Depreciation	28,197,252
Contribution in Aid of Constr.	1,923,855
Capitalized Leases	381,819
Net Plant in Service	73,043,646
Add: Working Capital	(4,528,168)
Rate Base	\$68,515,478

NH.PUC\*03/08/93\*[75015]\*— NH PUC —\*Pennichuck Water Works, Inc.

[Go to End of 75015]

**EXHIBIT BCO-4**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-5

Date of Response: November 12, 2021  
Witness: D. Szabo

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REQUEST: Aquarion witness Donald J. Morrissey states this rate filing is in accordance with Commission Order No. 26,245 dated May 2, 2019 in Docket Nos. DW 18-161 and DW 18-054 which requires a full rate proceeding to be filed no later than 2020 and utilizing the prior year as its test year, although the Company had pursued a delay in the filing but was unsuccessful (p. 5, lines 10-15). In addition, at the time Aquarion filed its November 18, 2020 “Notice of Intent to File Rate Schedules”, the calendar year 2019 test period (and related revenue requirement) were already almost eleven months old, and a potential calendar year 2020 test period (and related revenue requirement) was less than forty-five days away. Address the following:

- a) Explain why it would it not be reasonable to use the more recent calendar year December 31, 2020 financial results (based on the 2020 Annual Reports filed with the Commission) as a revenue requirement in this rate case for establishing going-forward rates to be effective March 31, 2021, including (at the minimum) Operating Revenues of \$7,621,606, O&M Expenses of \$2,994,007, and related thirteen-month average balances for Plant in Service and other rate base components (based on the December 31, 2020 underlying amounts and prior twelve month balances). In addition, December 31, 2020 Other Taxes (such as Property Taxes) would be subject to pro forma adjustments to synchronize with the related underlying Plant in Service and December 31, 2020 Income Taxes would be subject to pro forma adjustments to properly reflect the Tax Cut and Jobs Act (“TCJA”) impact, and the impact of any other changes to the revenue requirement. Provide all reasons why the above would not be reasonable, and provide related documentation and calculations to support Aquarion’s response.
- b) Regarding (a) above, explain why December 31, 2020 Operating Revenues of \$7,621,606 would not be reasonable to use for going-forward revenue requirement amounts in this rate case, given the amounts approximate Aquarion’s 2019 adjusted pro forma Operating Revenues of \$7,616,793 (\$7,226,513 unadjusted per 2019 books) in this rate case. Provide all reasons why December 31, 2020 Operating Revenues are not reasonable for use as normalized/annualized revenues in this rate case, and identify all 2020 Operating Revenue components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized revenues for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-5

Date of Response: November 12, 2021  
Witness: D. Szabo

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Operating Revenues on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.

- c) Regarding (a) above, explain why December 31, 2020 O&M Expenses of \$2,994,007 would not be reasonable to use for going-forward revenue requirement amounts in this rate case, although the amounts are less than Aquarion's 2019 adjusted pro forma O&M Expenses of \$3,281,140 (\$3,346,040 unadjusted per 2019 books) in this rate case. Provide all reasons why December 31, 2020 O&M Expenses are not reasonable for use as normalized/annualized O&M Expenses in this rate case, and identify all 2020 O&M Expense components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized O&M Expenses for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 O&M Expenses on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.
- d) Regarding (a) above, explain why December 31, 2020 Other Taxes of \$884,520 would not be reasonable to use for going-forward revenue requirement amounts in this rate case, although the amounts are less than Aquarion's 2019 adjusted pro forma Other Taxes of \$948,692 (\$753,018 unadjusted per 2019 books) in this rate case. Provide all reasons why December 31, 2020 Other Taxes are not reasonable for use as normalized/annualized Other Taxes in this rate case, and identify all 2020 Other Taxes components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized O&M Expenses for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 Other Taxes on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.
- e) Regarding (a) above, explain why December 31, 2020 Income Taxes of \$241,687 would not be reasonable to use for going-forward revenue requirement amounts in this rate case, although the amounts are more than Aquarion's 2019 adjusted pro forma Income Taxes of \$184,503 (\$209,606 unadjusted per 2019 books) in this rate case. Provide all reasons why December 31, 2020 Income Taxes are not

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-5

Date of Response: November 12, 2021  
Witness: D. Szabo

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reasonable for use as normalized/annualized Income Taxes in this rate case, and identify all 2020 Income Tax components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized Income Taxes for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 Income Taxes on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.

- f) Regarding (a) above, explain why December 31, 2020 Net Plant of \$44,693,779 (adjusted for a thirteen month average) would not be reasonable to use for going-forward revenue requirement amounts in this rate case, although the 2020 adjusted thirteen-month average amounts are likely more than Aquarion's 2019 adjusted pro forma thirteen-month average Net Plant of \$42,462,993 in this rate case. Provide all reasons why the December 31, 2020 Net Plant (adjusted for a thirteen month average) is not reasonable for use as normalized/annualized Net Plant in this rate case, and identify all 2020 Plant components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized Net Plant for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 Net Plant on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.
- g) Regarding (e) above, identify all other December 31, 2020 other Rate Base components (adjusted for a thirteen month average) that would not be reasonable to use for going-forward revenue requirement amounts in this rate case. Provide all reasons why these other Rate Base components (adjusted for a thirteen month average) are not reasonable for use as normalized/annualized other Rate Base components in this rate case, and identify all 2020 other Rate Base components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized other Rate Base components for ratemaking purposes - - and identify adjustments that would be necessary to reflect these amounts on a normalized/annualized basis for going-forward revenue

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-5

Date of Response: November 12, 2021  
Witness: D. Szabo

requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.

- h) Explain why a more recent and updated December 31, 2020 revenue requirement would, or would not, address regulatory lag concerns of Aquarion, or explain if Aquarion is not concerned with regulatory lag in this rate case (and explain why).
- i) Explain why Aquarion's December 31, 2019 adjusted revenue requirement is better at addressing regulatory lag concerns versus a more recent and updated revenue requirement period such as December 31, 2020.
- j) Explain the time period that Aquarion's 2019 adjusted test period is intended to represent for establishing going-forward rates, and explain why Aquarion's 2019 adjusted results are better than 2020 adjusted results in setting rates to be effective March 31, 2021.
- k) Explain why Aquarion's projected pro forma Plant in Service adjustments of \$6,695,500 are more accurate and reasonable than using actual December 31, 2020 Plant in Service amounts for purposes of establishing going-forward rates, and provide documentation and calculations to support Aquarion's response.

**RESPONSE:** Aquarion was required to file a rate case as referenced above based upon the April 15, 2019 settlement in Docket Nos. DW 18-161 and DW 18-054, to which the Town of Hampton is a signatory, and approved in Order No. 26,245 (May 2, 2019) and which required a 2019 test year be used. Moreover, despite the request to delay the case as noted in the referenced section of Mr. Morrissey's testimony, the Towns rejected the delay in filing that would have allowed for the use of a test year later than 2019.

The test year used in this case was, consistent with other filings, adjusted for appropriate known and measurable changes as part of Aquarion's initial filing. Responding to the request would require Aquarion to undertake the onerous task of recreating essentially all of its schedules and other materials assuming 2020 was used as a test year rather than 2019, a position the Towns have already rejected. The use of a 2020 test year would still require identification of and adjustments for known and measurable changes. While Aquarion has, and will, update relevant schedules to account for necessary adjustments identified in

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-5

Date of Response: November 12, 2021  
Witness: D. Szabo

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discovery, it is unreasonable and unduly burdensome to recreate the referenced materials based on a different test year.

**EXHIBIT BCO-5**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-6

Date of Response: November 12, 2021  
Witness: D. Szabo

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**REQUEST:** Aquarion's unadjusted O&M expenses per books (Annual Reports) declined from \$3,346,040 in 2019 to \$2,994,007 in 2020, a reduction of \$352,033. Also, Aquarion proposes a small decrease of \$64,900 in O&M expenses in this rate case, from \$3,346,040 per 2019 books to \$3,281,140 per 2019 pro forma adjusted per rate case. Address the following:

- a) Explain the reason for the significant reduction in O&M expenses from 2019 to 2020 per books by subaccount and type of expense (payroll, pension, outside services, lease/rent, affiliate charges, advertising, etc.). Or explain why there appears to be a significant reduction in expense from 2019 to 2020, but after considering the impact of normalizing and annualizing the related O&M expenses, there is actually little change in O&M expenses from 2019 to 2020, or there is an increase in the O&M expenses for 2020. Provide all supporting documentation and calculations.
- b) Explain why there was a significant actual reduction of \$352,033 in O&M expenses per books from 2019 to 2020, yet Aquarion only reduced per book 2019 O&M expenses by \$64,900 (Schedule No. 1, page 1) in this rate case when adjusting O&M expenses on a going forward basis for ratemaking purposes, and provide supporting documentation and calculations.
- c) Identify all O&M expenses in 2019 and 2020 that are not recurring or are extraordinary and will not fully recur in subsequent years (by account number, description, and vendor if applicable), and provide documentation to show that these amounts are not recurring (by showing that such amounts were not fully incurred in the subsequent year/period). Provide supporting documentation and calculations.
- d) Identify all O&M expense reductions (or contra expenses/credit amounts) in 2019 and 2020 that are not recurring or are extraordinary and will not fully recur in subsequent years (by account number, description, and vendor if applicable), and provide documentation to show that these amounts are not recurring (by showing that such contra expenses/credit amounts were not fully incurred in the subsequent year/period). Provide supporting documentation and calculations.
- e) For each of Aquarion's rate case adjustments to 2019 O&M expenses, provide the adjusted pro forma expense (by account number) and compare this to the actual

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-6

Date of Response: November 12, 2021  
Witness: D. Szabo

amount incurred for this same type of expense (by account number) in 2020, and explain the reason for the subsequent increase or decrease in this O&M expense (and provide supporting documentation and calculations).

- f) Explain all changes in O&M expenses related to legal and non-legal outside services (by account number, description, vendor and related services) from 2019 to 2020, and explain the reason for the change from 2019 to 2020: and i) provide a list of all vendors (and their related expenses by account number) in 2019 that will not be providing services in 2020; ii) provide a list of all new vendors (and their related expenses by account number) in 2020 that did not provide services in 2019; and iii) provide a list of all vendors (and their related expenses by account number) in 2020 that will not be providing services in 2021.
- g) Explain all changes in O&M expenses from 2019 to 2020 related to allocations or direct assignment from affiliates (by account number, description and type of service), and provide supporting documentation and calculations for these related affiliate charges.
- h) Explain all changes in O&M expenses from 2019 to 2020 related to payroll costs (by account number and description), including for straight-time payroll, overtime, incentives, bonus/awards, severance pay, payroll taxes, and other payroll costs, and provide supporting documentation and calculations for these payroll costs. In all cases, provide the total amount of payroll costs (expensed plus capitalized by account number), and show the amount and percent assigned between expensed and capitalized.

## RESPONSE: A

Aquarion was required to file a rate case as referenced above based upon the April 15, 2019 settlement in Docket Nos. DW 18-161 and DW 18-054, to which the Town of Hampton is a signatory, and approved in Order No. 26,245 (May 2, 2019) and which required a 2019 test year be used. Moreover, despite the request to delay the case as noted in the referenced section of Mr. Morrissey's testimony, the Towns rejected the delay in filing that would have allowed for the use of a test year later than 2019.

The test year used in this case was, consistent with other filings, adjusted for appropriate known and measurable changes as part of Aquarion's initial filing.

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-6

Date of Response: November 12, 2021  
Witness: D. Szabo

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Responding to the request would require Aquarion to undertake the onerous task of recreating essentially all of its schedules and other materials assuming 2020 was used as a test year rather than 2019, a position the Towns have already rejected. The use of a 2020 test year would still require identification of and adjustments for known and measurable changes. While Aquarion has, and will, update relevant schedules to account for necessary adjustments identified in discovery, it is unreasonable and unduly burdensome to recreate the referenced materials based on a different test year.

**EXHIBIT BCO-6**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-1

Date of Response: December 14, 2021  
Witness: D. Szabo

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REQUEST: Reference the Town's Request 4-5. Aquarion's Response contained a general objection to the request and did not provide any detailed information and referenced an alleged response to an offer made during a confidential appellate mediation in violation of Supreme Court Rule 12-A (11) and which is therefore inadmissible.<sup>1</sup>

Please provide a response to each of the following items requested in Town Request 4-5 based on Aquarion's Annual Report to the Commission as of December 31, 2020.

(a) [Omitted]

(b) "Provide all reasons why December 31, 2020 Operating Revenues are not reasonable for use as normalized/annualized revenues in this rate case, and identify all 2020 Operating Revenue components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized revenues for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 Operating Revenues on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response."

(c) "Provide all reasons why December 31, 2020 O&M Expenses are not reasonable for use as normalized/annualized O&M Expenses in this rate case, and identify all 2020 O&M Expense components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized O&M Expenses for ratemaking purposes - - and identify adjustments that would be

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<sup>1</sup> Supreme Court Rule 12-A (11) states: "Mediation proceedings and information relating to those proceedings shall be confidential. Information submitted or discussed during mediation shall not be disclosed or used in any subsequent proceeding. Statements made and documents prepared by a party, attorney, or other participant in aid of such proceeding shall be privileged and shall not be disclosed to any court or arbitrator or construed for any purpose as an admission against interest. Mediation proceedings under this rule are deemed settlement conferences consistent with the Rules of Evidence. Parties shall not introduce into evidence, in any subsequent proceeding, the fact that there was a mediation or any other material concerning the conduct of the mediation except as required by the Rules of Professional Conduct or the Mediator Standards of Conduct. Evidence that would otherwise be admissible in another proceeding shall not be rendered inadmissible as a result of its use in mediation."

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-1

Date of Response: December 14, 2021  
Witness: D. Szabo

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necessary to reflect December 31, 2020 O&M Expenses on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.”

(d) “Provide all reasons why December 31, 2020 Other Taxes are not reasonable for use as normalized/annualized Other Taxes in this rate case, and identify all 2020 Other Taxes components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized O&M Expenses for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 Other Taxes on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.”

(e) “Provide all reasons why December 31, 2020 Income Taxes are not reasonable for use as normalized/annualized Income Taxes in this rate case, and identify all 2020 Income Tax components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized Income Taxes for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 Income Taxes on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.”

(f) “Provide all reasons why the December 31, 2020 Net Plant (adjusted for a thirteen month average) is not reasonable for use as normalized/annualized Net Plant in this rate case, and identify all 2020 Plant components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized Net Plant for ratemaking purposes - - and identify adjustments that would be necessary to reflect December 31, 2020 Net Plant on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion's response.”

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-1

Date of Response: December 14, 2021  
Witness: D. Szabo

(g) “Provide all reasons why these other Rate Base components (adjusted for a thirteen month average) are not reasonable for use as normalized/annualized other Rate Base components in this rate case, and identify all 2020 other Rate Base components (by account number and description) that are understated, overstated, reflect nonrecurring or extraordinary amounts, and are not otherwise reasonable or reflective of normalized/annualized other Rate Base components for ratemaking purposes - - and identify adjustments that would be necessary to reflect these amounts on a normalized/annualized basis for going-forward revenue requirement/ratemaking purposes. Provide documentation and calculations to support Aquarion’s response.”

(h) to (k) [Omitted]

**RESPONSE:** In general, the Company points out, as it did in the prior response, that it was required to use 2019 as a test year in this proceeding. Consistent with Commission practice and precedent, that historic test year was adjusted for known and measureable changes following the test year. Rather than rely upon this practice and precedent, and while willfully ignoring the requirement of referenced settlement agreement and related Commission order, the Towns’ request essentially seeks to have the Company recast the calendar year 2020 as the test year. Accordingly, the Towns’ request is inherently unreasonable, and requires extensive additional analysis that is not justified or appropriate. Nevertheless, in the interest of being responsive, the Company provides the following:

(b) As stated in the Company’s response to Joint Town 4-5, the Company was required to use 2019 as the test year in this instant rate proceeding. Therefore, it would not be reasonable to use 2020 Operating Revenues as the basis for calculating normalized/annualized revenues.

In addition, the year 2020 would be more of an anomalous test year due to the COVID pandemic than 2019. Refer to the table below for annual consumptions by customer class for years 2017 through 2020. The 2020 increase in residential consumption and the decrease in consumption by other customer classes were due mostly to businesses and offices closing and people working from home in 2020. The Company observed similar changes in consumption patterns in other states. Therefore, using year 2020 as the basis would skew the real consumption behavior post-COVID shutdown due to the state of emergency.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-1

Date of Response: December 14, 2021  
Witness: D. Szabo

**Annual Consumption by Customer Class in Thousand Gallons**

	Year 2017	Year 2018	Year 2019	Year 2020	Year 2020 vs. Year 2019
Residential	420,987	425,335	409,211	486,364	19%
Commercial	160,534	156,699	159,048	148,223	-7%
Industrial	5,873	5,572	1,186	636	-46%
Public Authority	11,444	12,947	14,155	11,673	-18%
Seasonal	598,838	600,553	583,600	646,896	11%

- (c) As stated in the Company's response to Joint Town 4-5, the Company was required to use 2019 as the test year in this instant rate proceeding. Therefore, it would not be reasonable to use 2020 O&M expenses as the basis for calculating normalized/annualized O&M expenses.

In the spirit of responding to the Town's request, the Company points out that the pro forma O&M expenses as shown in the Company's initial filing show an increase of \$287,133 in 2019 as compared to Year 2020 O&M expenses, as shown in the summary table below:

Accounts and Descriptions	FY 2020	FY 2019	FY 2020 vs. FY 2019	Pro Forma Per Initial Filing	FY 2020 vs. Pro Forma 2019
* Source of Supply	135,075	133,637	1,438	134,969	106
* Pumping	434,065	394,142	39,923	423,804	10,261
* Treatment	184,473	171,854	12,619	191,796	(7,324)
* Transmission and Distribution	483,584	529,529	(45,945)	551,823	(68,239)
* Customer Accounting	191,650	376,031	(184,380)	398,833	(207,182)
* Information Technology	192,457	263,000	(70,543)	182,338	10,120
* Administration and General	1,372,702	1,477,847	(105,145)	1,397,576	(24,874)
** Operating Expenses	2,994,006	3,346,040	(352,034)	3,281,139	(287,133)

The primary drivers contributing to the \$287,133 higher pro forma expenses compared with actual Year 2020 O&M expenses are as follows:

- \$207K Customer accounting – the proforma expense includes \$179,160 associated with customer goodwill credits issued in response to a boil water alert in 2019 (refer to Staff 2-58) and \$23,886 related to customer programs as reported on Schedule M. 2020 expenses are not reasonable for use as normalized/annualized

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-1

Date of Response: December 14, 2021  
Witness: D. Szabo

admin & general O&M expenses because they do not include these costs.

- \$65K other operating expenses (source of supply, pump in, treatment, transmission & distribution) – these costs are primarily comprised of company labor, outside services and materials. The proforma and 2020 company labor both reflect an expense to capital ratio of 89.1%. The proforma wages and benefits reflect annualized wages in effect as of April 2020 as well as a 3% increase effective April 1, 2021. In comparison, the 2020 actual wages as reported in the Annual Report (F-58) reflect only 9 months of the wage increase that was effective on April 1, 2020. Refer also to Schedule C.

Outside services and materials reflect the 2019 test year costs adjusted for known increases to purchased power (refer to Schedule H) and chemicals (refer to Schedule G). No other adjustments were made to 2019 test year costs. For all other outside services and material 2020 costs are not reasonable for use as normalized/annualized O&M Expenses because during the Pandemic many of the outside service activities were curtailed thereby understating 2020 expense.

- \$25K Admin & General – 2020 expenses are not reasonable for use as normalized/annualized admin & general O&M expenses because they fail to address the following:

\$	143,534	Amort of TCJA (schedule K )
	(24,967)	Amort of merger expenses (Schedule X )
	(27,151)	Amort of rate case expenses (Schedule L )
	17,004	Change to self insured liability
	9,345	Change to internal legal
	(39,360)	Medical costs correction <sup>(1)</sup>
	(89,217)	Higher wages and associated benefits
	(14,059)	Next Gen environmental champion award (audit issue #8)
\$	(24,871)	

<sup>(1)</sup> During the 2021 renewal process, it was discovered that Tufts has been charging rates in 2020 8.8% below the agreed upon rates for 2020. Tufts accepted that this was their mistake and did not attempt to recoup the difference.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-1

Date of Response: December 14, 2021  
Witness: D. Szabo

- (d) As stated in the Company's response to Joint Town 4-5, the Company was required to use 2019 as the test year in this instant rate proceeding. Taxes are primarily composed of payroll taxes and property taxes. Please refer to the table below for detailed accounts of Other Taxes and the comparison:

Accounts and Descriptions	FY 2020	FY 2019	FY 2020 vs. FY 2019	Pro Forma Per Initial Filing	FY 2020 vs. Pro Forma 2019
408001 Payroll Taxes	64,162	60,856	3,306	73,008	(8,846)
408004 Property Taxes - Utility	808,154	677,193	130,961	860,716	(52,561)
408011 PR OH - PR Taxes	18,886	21,792	(2,906)	21,792	(2,906)
408500 PR OH - Cap PR Taxes	(6,682)	(6,824)	142	(6,824)	142
* Taxes Other Than Income	884,520	753,018	131,503	948,692	(64,171)

Pro forma payroll taxes were calculated using the pro forma payroll expenses and the existing payroll tax rates (refer to Schedule S). To use the 2020 actual payroll taxes would simply be erroneous. The 2020 actual property tax reflects estimates and an adjustment to record approximately \$25K of property tax understated in 2019. Whereas pro forma property taxes reported on Schedule T were based on the actual property tax bills the Company received for the year 2020 plus the estimated property tax expense for the pro forma plant additions based on actual mill rates (refer to Schedule T).

- (e) As stated in the Company's response to Joint Town 4-5, the Company was required to use 2019 as the test year in this instant rate proceeding. Income Taxes are calculated based upon taxable income and tax rates. All the adjustments and revisions discussed in (b) through (d) above will flow through the calculation of Income Taxes. It would be erroneous to simply use 2020 Income Taxes as normalized/annualized Income Taxes. Please refer to Schedules V and W for the calculation of state income taxes and federal income taxes.
- (f) As stated above, the Company was required to use 2019 as the test year in this instant rate proceeding. Therefore, the Company used net plant as of 12/31/2019, but included four major capital projects that were used and useful in year 2020 as pro forma additions in its initial filing. The year end 2020 net plant balance would include all plant additions that were used and useful as of end of the year 2020 and would contradict using 2019 as the test year. During the December 6, 2021 technical session, the DOE requested that the Company move the pro forma plant additions to the Step Adjustment indicating its understanding of how post-test year additions should be addressed.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-1

Date of Response: December 14, 2021  
Witness: D. Szabo

(g) As stated in the Company's response to Joint Town 4-5, the Company was required to use 2019 as the test year in this instant rate proceeding. Refer to (f) above. Also, refer to table below for a comparison of rate base as of end of the years 2020 and 2019. As shown in the table, net plant constitutes the majority of the increase in rate base.

	<b>December 31, 2020</b>	<b>December 31, 2019</b>	<b>Change</b>
<b>UTILITY PLANT</b>			
Gross Utility Plant	57,573,255	49,337,847	8,235,408
Accumulated Depreciation	<u>(14,018,441)</u>	<u>(13,570,454)</u>	<u>(447,987)</u>
Net Utility Plant in Service	43,554,814	35,767,393	7,787,421
<b>ADDITIONS</b>			
Working Capital Allowance	239,520	267,683	(28,163)
Average Materials & Supplies	160,694	157,782	2,912
Deferred Tank Painting	-	17,699	(17,699)
Prepayments	226,563	166,585	59,978
<b>DEDUCTIONS</b>			
Contribution in Aid of Construction	(2,422,886)	(2,412,894)	(9,992)
Customer Advances	(1,032,032)	(727,819)	(304,213)
Deferred Taxes	(3,859,831)	(3,821,719)	(38,112)
<b>TOTAL RATE BASE</b>	<u><u>36,866,842</u></u>	<u><u>29,414,710</u></u>	<u><u>7,452,132</u></u>

**EXHIBIT BCO-7**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-2

Date of Response: December 14, 2021  
Witness: D. Szabo

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**REQUEST:** Reference the Town's Request 4-6. Aquarion's Response contained a general objection to the request and did not provide any detailed information and referenced an alleged response to an offer made during a confidential appellate mediation in violation of Supreme Court Rule 12-A (11) and which is therefore inadmissible.<sup>1</sup>

Please provide a response to each of the following items requested in Town Request 4-6 based on Aquarion's Annual Report to the Commission as of December 31, 2020, as follows:

Aquarion's unadjusted O&M expenses per books (Annual Reports) declined from \$3,346,040 in 2019 to \$2,994,007 in 2020, a reduction of \$352,033. Also, Aquarion proposes a small decrease of \$64,900 in O&M expenses in this rate case, from \$3,346,040 per 2019 books to \$3,281,140 per 2019 pro forma adjusted per rate case. Address the following:

- a) Explain the reason for the significant reduction in O&M expenses from 2019 to 2020 per books by subaccount and type of expense (payroll, pension, outside services, lease/rent, affiliate charges, advertising, etc.). Or explain why there appears to be a significant reduction in expense from 2019 to 2020, but after considering the impact of normalizing and annualizing the related O&M expenses, there is actually little change in O&M expenses from 2019 to 2020, or there is an increase in the O&M expenses for 2020. Provide all supporting documentation and calculations.
- b) Explain why there was a significant actual reduction of \$352,033 in O&M expenses per books from 2019 to 2020, yet Aquarion only reduced per book 2019 O&M expenses by \$64,900 (Schedule No. 1, page 1) in this rate case when adjusting O&M expenses on a going forward basis for ratemaking purposes, and provide supporting documentation and calculations.
- c) Identify all O&M expenses in 2019 and 2020 that are not recurring or are extraordinary and will not fully recur in subsequent years (by account

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<sup>1</sup> See Footnote 1, above.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-2

Date of Response: December 14, 2021  
Witness: D. Szabo

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- number, description, and vendor if applicable), and provide documentation to show that these amounts are not recurring (by showing that such amounts were not fully incurred in the subsequent year/period). Provide supporting documentation and calculations.
- d) Identify all O&M expense reductions (or contra expenses/credit amounts) in 2019 and 2020 that are not recurring or are extraordinary and will not fully recur in subsequent years (by account number, description, and vendor if applicable), and provide documentation to show that these amounts are not recurring (by showing that such contra expenses/credit amounts were not fully incurred in the subsequent year/period). Provide supporting documentation and calculations.
- e) For each of Aquarion's rate case adjustments to 2019 O&M expenses, provide the adjusted pro forma expense (by account number) and compare this to the actual amount incurred for this same type of expense (by account number) in 2020, and explain the reason for the subsequent increase or decrease in this O&M expense (and provide supporting documentation and calculations).
- f) Explain all changes in O&M expenses related to legal and non-legal outside services (by account number, description, vendor and related services) from 2019 to 2020, and explain the reason for the change from 2019 to 2020; and i) provide a list of all vendors (and their related expenses by account number) in 2019 that will not be providing services in 2020; ii) provide a list of all new vendors (and their related expenses by account number) in 2020 that did not provide services in 2019; and iii) provide a list of all vendors (and their related expenses by account number) in 2020 that will not be providing services in 2021.
- g) Explain all changes in O&M expenses from 2019 to 2020 related to allocations or direct assignment from affiliates (by account number, description and type of service), and provide supporting documentation and calculations for these related affiliate charges.
- h) Explain all changes in O&M expenses from 2019 to 2020 related to payroll costs (by account number and description), including for straight-time payroll, overtime, incentives, bonus/awards, severance pay, payroll

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-2

Date of Response: December 14, 2021  
Witness: D. Szabo

taxes, and other payroll costs, and provide supporting documentation and calculations for these payroll costs. In all cases, provide the total amount of payroll costs (expensed plus capitalized by account number), and show the amount and percent assigned between expensed and capitalized.

## RESPONSE:

- (a), (b) Please refer to Company response to Joint Town TS 3-1 (c) which provides the comparison between reported O&M expenses for 2019 and 2020 and the comparison between normalized/annualized 2019 and reported 2020 by subaccounts and type of expenses.
- (c) Refer to Company response to Staff 1-3 regarding year 2019. The Company has not identified any non-recurring, one time, transactions or expenses in 2020 that fits the definition of “non-recurring, one-time transactions” as defined in the Company’s response to Staff 1-3. Accordingly, there are no adjustments to be made to account for those events.
- (d) Refer to (c) above and response to Joint Town TS 3-1 which details adjustments required to normalize/annualize 2019 and 2020 O&M expenses.
- (e) Refer to Company response to Joint Town TS 3-1 (c).
- (f) Please refer to Joint Town TS 3-2 Attachment 1 for outside services, legal and non-legal, included in O&M expenses for year 2019. This report was generated from the Company’s BOBJ system, a data warehouse where data from the SAP system was downloaded into. However, the Company realized that data for years 2020 and 2021 was not copied into the BOBJ system. The Company has put in a request to its IT consulting firm and reports for years 2020 and 2021 will be provided subsequently.

Refer to the Company’s response to Energy TS 2-8 for legal expenses for 2019 and 2020 by vendor, amount and account. The Company switched legal services from external to Eversource in year 2020.

The Company switched public relations service from external to internal in 2021.

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: December 7, 2021  
Request No.: Joint Town TS 3-2

Date of Response: December 14, 2021  
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Please note that there may still be services provided by external vendors that were not included in the report in Joint Town TS 3-2 Attachment 1. The Company provides water services to its customers through either internal or external resources in the best cost-effective manner. The selection of vendors are based on the Company's Procurement Policies and Procedures. Contracts over \$5,000 require bidding.

- (g) Please refer to Company response to Joint Town 4-38 and Joint Town 4-38 Attachment 1.
- (h) Please refer to Company response to Joint Town 4-8 and Joint Town 4-8 Attachment 1. Refer also to Schedule C.

Account	Account Description	Vendor	Vendor Name	Document TXT	\$
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	760.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	400.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	770.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	733.70
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	360.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	770.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	464.92
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	830.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	470.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	546.26
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	896.50
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	5641-12210	1,230.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	5640-02112	953.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	1,235.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	1,725.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	784.42
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	712.50
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	1,147.50
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	433.30
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	326.70
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	695.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	900.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	690.00
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	902.50
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	685.30
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	296.80
603002	Outside Services - SOS Operation	303346	GEOSPHERE ENVIRONMENTAL	#	2,386.02
612002	Maint of Reservoirs O/S Services	100945	BCK EXCAVATION, LLC.	#	345.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	8023	3,250.00
612002	Maint of Reservoirs O/S Services	305477	SUNBELT RENTALS, INC.	#	221.54
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	8349	1,260.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	8723	1,090.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	9144	610.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	9144	650.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	9493	1,095.00
612002	Maint of Reservoirs O/S Services	100945	BCK EXCAVATION, LLC.	#	675.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	9767	600.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	9821	1,200.00
612002	Maint of Reservoirs O/S Services	101341	CHARLES LAMIE JR	10050	825.00
612002	Maint of Reservoirs O/S Services	305408	KNOWLES TREE SERVICE, INC.	13562	1,000.00
612002	Maint of Reservoirs O/S Services	303346	GEOSPHERE ENVIRONMENTAL	#	4,501.00
612002	Maint of Reservoirs O/S Services	303346	GEOSPHERE ENVIRONMENTAL	#	1,593.50
612002	Maint of Reservoirs O/S Services	303346	GEOSPHERE ENVIRONMENTAL	#	4,992.10
612002	Maint of Reservoirs O/S Services	303346	GEOSPHERE ENVIRONMENTAL	#	10,172.00
612002	Maint of Reservoirs O/S Services	303346	GEOSPHERE ENVIRONMENTAL	#	484.00
614002	Maintenance of Wells O/S Services	303480	RICHARDSON ELECTRICAL CO INC	#	315.00
632002	Maint of Power Prod O/S Services	305876	J & D POWER EQUIPMENT, INC.	24681	622.19
632002	Maint of Power Prod O/S Services	303805	PURCHASING CARD AWC CT	GLENN DODDS	328.50
632002	Maint of Power Prod O/S Services	303805	PURCHASING CARD AWC CT	GLENN DODDS	328.50
632002	Maint of Power Prod O/S Services	305876	J & D POWER EQUIPMENT, INC.	26047	609.50
632002	Maint of Power Prod O/S Services	305876	J & D POWER EQUIPMENT, INC.	26302	618.00
642202	Contract Lab Work	303346	GEOSPHERE ENVIRONMENTAL	#	955.24
642202	Contract Lab Work	303346	GEOSPHERE ENVIRONMENTAL	#	1,012.10
642202	Contract Lab Work	303346	GEOSPHERE ENVIRONMENTAL	#	1,323.14
642202	Contract Lab Work	303346	GEOSPHERE ENVIRONMENTAL	#	2,308.16
643002	Outside Serv - Treat	303346	GEOSPHERE ENVIRONMENTAL	#	1,252.36
643002	Outside Serv - Treat	303346	GEOSPHERE ENVIRONMENTAL	#	741.87
643002	Outside Serv - Treat	303346	GEOSPHERE ENVIRONMENTAL	#	3,085.00
643002	Outside Serv - Treat	303346	GEOSPHERE ENVIRONMENTAL	#	1,374.20
643002	Outside Serv - Treat	303346	GEOSPHERE ENVIRONMENTAL	#	582.50
662002	T&D Lines Outside Services	303539	TOWN OF HAMPTON	11572	2,239.48
662002	T&D Lines Outside Services	303538	TOWN OF NORTH HAMPTON	19-1-DV	3,462.25
662002	T&D Lines Outside Services	303538	TOWN OF NORTH HAMPTON	#	2,107.00
662002	T&D Lines Outside Services	303538	TOWN OF NORTH HAMPTON	#	321.50
662002	T&D Lines Outside Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
662002	T&D Lines Outside Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,402.00
662002	T&D Lines Outside Services	303578	WHITE'S WELDING CO INC	#	162.00
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	199922	504.00
665002	Outside Services - T&D Operation	100945	BCK EXCAVATION, LLC.	#	360.00
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	420.00
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	162.50
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	48.00
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	18.00

Account	Account Description	Vendor	Vendor Name	Document TXT	\$
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	36.00
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	36.00
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	336.00
665002	Outside Services - T&D Operation	303327	EASTERN ANALYTICAL, INC.	#	280.00
665002	Outside Services - T&D Operation	306489	JAMCO EXCAVATORS LLC	1011	3,535.00
665002	Outside Services - T&D Operation	100690	NEXT GENERATION STRATEGIES, LLC.	20060125	15,792.25
665002	Outside Services - T&D Operation	303805	PURCHASING CARD AWC CT	MARK C ROSSO	294.29
665002	Outside Services - T&D Operation	303805	PURCHASING CARD AWC CT	MARK C ROSSO	643.08
665002	Outside Services - T&D Operation	303805	PURCHASING CARD AWC CT	MARK C ROSSO	643.08
665002	Outside Services - T&D Operation	100690	NEXT GENERATION STRATEGIES, LLC.	20060132	10,939.50
665002	Outside Services - T&D Operation	303268	BENCH MARK COMMUNICATIONS INC	4548	459.60
665002	Outside Services - T&D Operation	303855	One Time Vendor	#	2,662.00
665002	Outside Services - T&D Operation	303539	TOWN OF HAMPTON	43565	4,000.00
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	429.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	218.57
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	303805	PURCHASING CARD AWC CT	DONNA HARDARDT	77.69
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
671002	Mnt Struct Serv - T&	302912	DIG SAFE SYSTEM INC	#	488.67
672002	Maint of Tanks O/S Services	306532	KELLER AMERICA INC	82841	12.88
672002	Maint of Tanks O/S Services	302912	DIG SAFE SYSTEM INC	#	488.67
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1102	990.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1102	1,720.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1102	1,720.00
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	1358	1,725.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,670.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,573.36
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	2,380.00
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	1,725.00
673002	Maint of Mains O/S Services	303538	TOWN OF NORTH HAMPTON	#	405.50
673002	Maint of Mains O/S Services	303539	TOWN OF HAMPTON	#	366.05
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	325.00
673002	Maint of Mains O/S Services	303539	TOWN OF HAMPTON	#	467.95
673002	Maint of Mains O/S Services	303539	TOWN OF HAMPTON	#	668.50
673002	Maint of Mains O/S Services	303805	PURCHASING CARD AWC CT	MICHAEL BERNIER	174.90
673002	Maint of Mains O/S Services	304349	GREENLAND POLICE DEPARTMENT	#	324.00
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	2,670.00
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	217.50
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	2,932.50
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	3,970.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,530.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,120.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	437.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	272.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,311.83
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,087.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,421.25
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,423.17
673002	Maint of Mains O/S Services	303539	TOWN OF HAMPTON	#	669.15
673002	Maint of Mains O/S Services	303805	PURCHASING CARD AWC CT	MICHAEL BERNIER	192.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	437.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	717.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,220.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	932.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	875.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	272.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	243.75
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	645.00
673002	Maint of Mains O/S Services	303539	TOWN OF HAMPTON	#	149.84
673002	Maint of Mains O/S Services	303539	TOWN OF HAMPTON	#	934.17
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	545.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	875.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,080.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	967.50
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	690.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	690.00
673002	Maint of Mains O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,070.00

Account	Account Description	Vendor	Vendor Name	Document TXT	\$
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	295.00
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	750.00
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	250.00
673002	Maint of Mains O/S Services	305723	JCR CONSTRUCTION COMPANY, INC.	11693	1,984.20
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	250.00
673002	Maint of Mains O/S Services	100945	BCK EXCAVATION, LLC.	#	340.00
673002	Maint of Mains O/S Services	303578	WHITE'S WELDING CO INC	#	15.00
673002	Maint of Mains O/S Services	101494	SCOTT BLOOD EXCAVATION LLC	43785	750.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1102	1,620.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1102	860.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1102	1,620.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1102	760.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,075.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,720.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,290.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	860.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	860.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,965.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,325.00
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	267.40
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	900.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	675.00
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	367.50
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	995.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,020.00
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	240.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	270.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	540.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	473.75
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	523.75
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	523.75
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,075.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	645.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	932.72
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	860.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	860.00
675002	Maint of Services O/S Services	304667	ROCKINGHAM COUNTY SHERIFF'S DEPT	#	374.00
675002	Maint of Services O/S Services	304349	GREENLAND POLICE DEPARTMENT	#	324.00
675002	Maint of Services O/S Services	101363	HAMPTON CONCRETE CONSTRUCTION LLC	#	320.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	1,170.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	243.84
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	256.25
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	875.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	305.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	231.16
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	710.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	256.25
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	710.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	243.75
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	437.50
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	860.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	900.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	900.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	330.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	545.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,712.72
675002	Maint of Services O/S Services	303855	One Time Vendor	#	150.00
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	297.40
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	460.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,612.50
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,207.50
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	900.00
675002	Maint of Services O/S Services	303449	NORTH HAMPTON POLICE DEPARTMENT	#	435.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1184	920.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1184	920.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1184	1,265.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	1184	632.50
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	900.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	700.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	675.00

Account	Account Description	Vendor	Vendor Name	Document TXT	\$
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	240.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	225.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	950.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	460.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	488.75
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,092.50
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	460.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	945.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	1,150.00
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	338.20
675002	Maint of Services O/S Services	303458	EVERSOURCE	#	303.00
675002	Maint of Services O/S Services	303458	EVERSOURCE	#	(303.00)
675002	Maint of Services O/S Services	303449	NORTH HAMPTON POLICE DEPARTMENT	#	303.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,437.50
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,610.00
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	446.91
675002	Maint of Services O/S Services	303539	TOWN OF HAMPTON	#	380.84
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	230.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	2,715.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	945.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	690.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,175.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	690.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	460.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	690.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	690.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	345.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	345.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	690.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	295.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	750.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	250.00
675002	Maint of Services O/S Services	303578	WHITE'S WELDING CO INC	#	189.00
675002	Maint of Services O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	215.00
675002	Maint of Services O/S Services	303578	WHITE'S WELDING CO INC	#	189.00
675002	Maint of Services O/S Services	303247	ARNY'S PLUMBING AND HEATING	#	45.00
675002	Maint of Services O/S Services	303082	POLLARD WATER	140861	34.15
675002	Maint of Services O/S Services	303578	WHITE'S WELDING CO INC	#	264.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	250.00
675002	Maint of Services O/S Services	306700	APH - ARAKELIAN PLUMBING & HEATING	#	248.00
675002	Maint of Services O/S Services	303578	WHITE'S WELDING CO INC	#	207.00
675002	Maint of Services O/S Services	100945	BCK EXCAVATION, LLC.	#	340.00
675002	Maint of Services O/S Services	305641	F. W. WEBB COMPANY	#	223.68
675002	Maint of Services O/S Services	305641	F. W. WEBB COMPANY	#	14.27
676002	Maint of Meters O/S Services	303479	REGAN SUPPLY AND TESTING SERVICE	7176	2,850.00
676002	Maint of Meters O/S Services	303578	WHITE'S WELDING CO INC	#	40.00
676002	Maint of Meters O/S Services	303479	REGAN SUPPLY AND TESTING SERVICE	7176	950.00
677002	Maint of Hydrants O/S Services	304072	EJ PRESCOTT	#	23.73
677002	Maint of Hydrants O/S Services	304072	EJ PRESCOTT	#	17.00
677002	Maint of Hydrants O/S Services	304072	EJ PRESCOTT	#	22.02
678002	Maint of Valves O/S Services	303539	TOWN OF HAMPTON	#	594.80
678002	Maint of Valves O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,720.00
678002	Maint of Valves O/S Services	303539	TOWN OF HAMPTON	#	450.00
678002	Maint of Valves O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	1,840.00
678002	Maint of Valves O/S Services	303456	ROBERT PIKE CONSTRUCTION INC	#	920.00
678002	Maint of Valves O/S Services	304487	NORTHLAND INDUSTRIAL TRUCK CO	754410	1,594.69
678002	Maint of Valves O/S Services	304429	E.H. WACHS COMPANY	#	184.65
903202	Bill Printing Services	305564	MPX	#	20.07
903202	Bill Printing Services	305564	MPX	#	1,309.63
903202	Bill Printing Services	305564	MPX	#	18.68
903202	Bill Printing Services	305564	MPX	#	1,496.81
903202	Bill Printing Services	305564	MPX	#	1,161.00
903202	Bill Printing Services	305564	MPX	#	16.95
903202	Bill Printing Services	305564	MPX	#	15.74
903202	Bill Printing Services	305564	MPX	#	1,284.74
903202	Bill Printing Services	305564	MPX	#	23.87
903202	Bill Printing Services	305564	MPX	#	2,635.89
903202	Bill Printing Services	305564	MPX	#	2,178.34

Account	Account Description	Vendor	Vendor Name	Document TXT	\$
903202	Bill Printing Services	305564	MPX	#	23.01
903202	Bill Printing Services	305564	MPX	#	30.79
903202	Bill Printing Services	305564	MPX	#	1,943.36
903202	Bill Printing Services	305564	MPX	#	2,193.96
903202	Bill Printing Services	305564	MPX	#	24.22
903202	Bill Printing Services	305564	MPX	#	22.49
903202	Bill Printing Services	305564	MPX	#	1,821.36
903202	Bill Printing Services	305564	MPX	#	26.82
903202	Bill Printing Services	305564	MPX	#	1,842.69
903202	Bill Printing Services	305564	MPX	#	26.30
903202	Bill Printing Services	305564	MPX	#	1,779.44
903202	Bill Printing Services	305564	MPX	#	1,506.14
903202	Bill Printing Services	305564	MPX	#	21.97
903202	Bill Printing Services	305564	MPX	#	1,291.90
903202	Bill Printing Services	305564	MPX	#	525.20
923000	Outside Services	304930	RESULTS ENGINEERING	#	765.00
923002	Outside Services	303805	PURCHASING CARD AWC CT	GLENN DODDS	43.24
923002	Outside Services	303805	PURCHASING CARD AWC CT	GLENN DODDS	200.00
923002	Outside Services	301116	WEX BANK	#	163.85
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	5,599.66
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	1,072.50
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	110.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	2,897.80
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	825.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	2,392.50
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	1,485.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	1,705.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	3,520.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	2,777.50
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	1,347.50
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	330.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	1,485.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	3,767.50
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	385.00
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	2,502.50
923202	Outside Services - Legal	101177	NH BROWN LAW, PLLC	#	3,437.50
923202	Outside Services - Legal	305565	ROCKINGHAM COUNTY REGISTRY OF DEEDS	#	440.00
923202	Outside Services - Legal	305565	ROCKINGHAM COUNTY REGISTRY OF DEEDS	#	275.00
923203	Outside Services - Pension	303422	UNITIL	#	74.33
923203	Outside Services - Pension	303422	UNITIL	#	206.84
923203	Outside Services - Pension	303422	UNITIL	#	(206.84)
923203	Outside Services - Pension	303422	UNITIL	#	(74.33)
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	159.03
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	484.60
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	258.98
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	298.68
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	306.99
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	291.95
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	368.76
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	421.23
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	223.95
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	4548	337.58
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	273.77
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	457.00
923208	Outside Services	303268	BENCH MARK COMMUNICATIONS INC	#	306.50
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	4,821.50
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	5,152.25
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	6,327.50
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	6,000.00
923214	Outside Services-CC	300249	AD-MERICA	#	674.72
923214	Outside Services-CC	300249	AD-MERICA	#	145.93
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	14,058.75
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	(14,058.75)
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	14,058.75
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	8,261.00
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	5,620.50
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	831.25
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	3,192.50
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	1,765.00
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	1,707.00
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	3,000.00
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	350.00
923214	Outside Services-CC	100690	NEXT GENERATION STRATEGIES, LLC.	#	2,977.50





**EXHIBIT BCO-8**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-10

Date of Response: November 2, 2021  
Witness: D.Szabo

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**REQUEST:** A review of Aquarion’s Annual Reports from 2013 to 2020 shows the amount of dividends paid each year, per the table below. Average dividends of \$992,913 was paid from 2013 to 2017, and then dividends stopped being paid. Aquarion’s response to Joint Towns of Hampton and North Hampton DR 1-2, states that the Company has historically maintained a relatively low level of short term debt (\$0 from 2014-2017, \$300,000 at 2018, and \$1.2 million at end of 2019), but prior to the end of 2020, Aquarion had \$4.4 million of short term intercompany debt (an increase of \$3.2 million over the prior year). Thus, Aquarion’s parent elected to transfer \$1.6 million of the inter-company debit to capital contributions (an increase of 64.5% in Paid in Capital) to achieve a more reasonable level of inter-company debt of \$2.8 million at December 31, 2020 (\$4.4 million less \$1.6 million transfer). Address the following:

- a) Explain how the paper transaction described above actually caused an increase in Aquarion’s cost of capital, by shifting the lower “cost” of intercompany short term debt (on \$1.6 million) to a higher “cost” of equity (Paid in Capital), and provide all documentation that shows Aquarion’s true cost of capital and financing actually increased via this transaction.
- b) Provide a copy of Board of Direct Minutes and other documents that authorized the shift from intercompany short term debt to Paid in Capital, and which also explained the rationale for this transaction.
- c) Explain if Eversource/parent has previously shifted short-term debt to Paid in Capital for Aquarion, and provide the date of the transaction, the reason for the transaction, and provide authorization for the transaction.
- d) Explain if Eversource/parent has previously shifted intercompany short-term debt to Paid in Capital for another affiliate from 2016 to 2020, and cite to and explain this transaction (and identify the affiliate and related amounts shifted from short term debt to Paid in Capital).
- e) Explain why the amount of intercompany short term debt increased significantly from \$1.2 million at 2019 to \$4.4 million prior to the end of 2020, and explain and how this increased level of intercompany short term debt was used by Aquarion (explain and provide all uses of these funds, such as capital expenditures, operating expenses, dividends, and other uses).

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-10

Date of Response: November 2, 2021  
Witness: D.Szabo

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## RESPONSE:

- a) The \$1.6m capital contribution increased equity and reduced short-term debt so that the Company's capital structure remained at a reasonable level and in line with industry range.
- b) Please refer to Joint Town 4-10 Attachment 1 for the Board of Directors Minutes that authorized the capital contribution. There are no other documents.
- c) This is the first capital contribution since Aquarion was acquired by Eversource in 2018, and the first since Aquarion Water Company acquired the Company in 2002. The Company has been able to adequately reduce its short-term debt in the past by reducing dividend payments alone.
- d) Yes, AWC-CT has received capital contributions of \$8.8m in 2018, \$35m in 2019 and \$15m in 2020). The contributions were made to reduce short-term debt.
- e) The main driver of the \$3.2 million increase in short-term debt from \$1.2 million in 2019 to \$4.4 million in 2020 has been capital expenditures. The Company's capital expenditures were \$5.3 million while the net cash provided from operations was \$2.1 million. The short-term debt increase was mitigated by suspending dividend payments.

**CONSENT TO ACTION IN LIEU OF A MEETING  
OF THE BOARD OF DIRECTORS  
OF  
AQUARION WATER COMPANY**

The undersigned, being all of the directors (the “**Board**”) of Aquarion Water Company, a Connecticut corporation (the “**Company**”), acting pursuant to the Company’s By-Laws and the Section 33-749 of the Connecticut Business Corporation Act, which allows actions to be taken with the same force and effect as if they had been unanimously adopted at a duly convened meeting of the Board.

**WHEREAS**, the Company is the sole shareholder of Aquarion Water Company of New Hampshire (“**AWC-NH**”); and

**WHEREAS**, the Company proposes to contribute \$1,600,000 to AWC-NH;

**NOW, THEREFORE, BE IT**

**RESOLVED:** That the Company be, and hereby is, authorized to provide a capital contribution to AWC-NH in the amount of \$1,600,000;  
and further

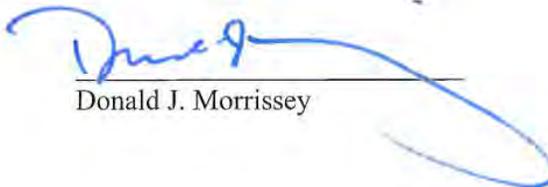
**RESOLVED:** That any and all prior actions of any officer of the Company in connection with the matters contemplated by the foregoing resolution are approved, ratified and adopted in all respects as fully as if such actions had been presented to the Board for its approval prior to such actions being taken;  
and further

**RESOLVED:** That any officer of the Company and such other employees of the Company as any one of them shall designate be, and each of them hereby is, authorized, empowered and directed, in the name and on behalf of the Company, as applicable, to take such additional action and to execute and deliver such additional agreements, documents and instruments, and do and perform all such acts and things as any of them may deem necessary or advisable to implement the provisions of the resolutions listed above, and the intent and purpose of the resolutions adopted hereby and related hereto, and to carry out the terms of the aforesaid agreements and the execution and delivery of such agreements, documents and instruments;  
and further

**RESOLVED:** That this consent be kept with the records of the Company with the records of meetings of the Board.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the undersigned have executed this consent as of the 30th day of December, 2020 and hereby waive all notice of a meeting and the holding of a meeting to act upon the foregoing resolutions.



Donald J. Morrissey



John P. Walsh

**EXHIBIT BCO-9**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-17

Date of Response: November 12, 2021  
Witness: D. Szabo

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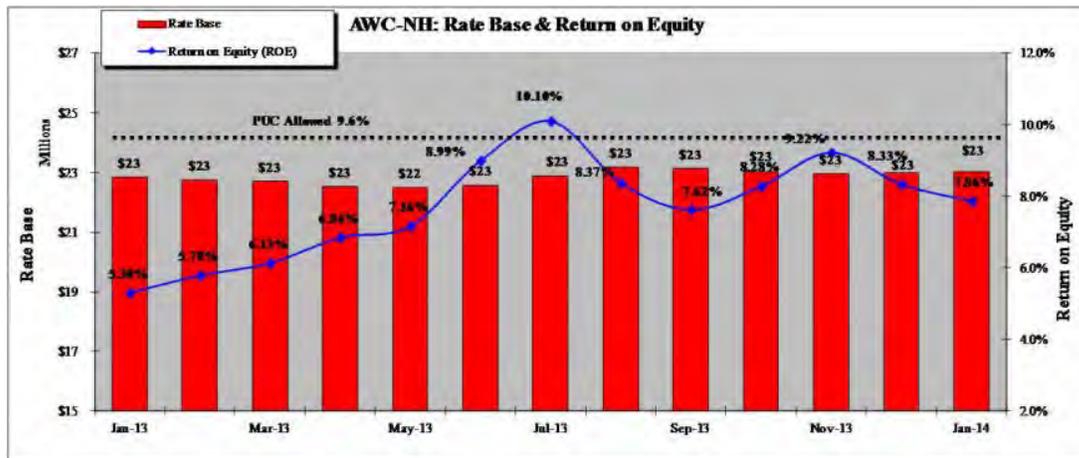
**REQUEST:** Provide a copy of all Aquarion internal management reports that calculate the Company's revenue requirement, earned return on equity, earned return on rate base, and other ratemaking or revenue requirement-related statistics and information. Provide this information on a monthly basis (or for each period the information is prepared) for the calendar years 2014 through 2021 year-to-date.

**RESPONSE:** Please refer to Joint Town 4-17 Attachment 1 for the monthly Aquarion internal management reports related to the Aquarion Water Company of New Hampshire from 2014 through year-to-date 2021. These comprehensive monthly reports provide a month and year-to-date comparison of actual financial performance as compared to budget and prior year. They also provide capital expenditures for the month and year-to-date periods as compared to budget and prior year and explanations for the variances.

Please note that the Company does not calculate revenue requirement or revenue requirement-related statistics and information outside of a rate case.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**January 31, 2014**  
 (Dollars in thousands)

Month					Year To Date			
2014	Budget	2013	Variance 14 vs Budg		2014	Budget	2013	Variance 14 vs Budg
\$508	\$504	\$462	\$4	<b>Revenue</b>	\$508	\$504	\$462	\$4
69	73	77	4	Labor	69	73	77	4
63	59	56	(4)	Other Taxes	63	59	56	(4)
19	18	24	(1)	Purchased Power	19	18	24	(1)
16	16	12	-	Pension	16	16	12	-
17	17	17	-	Retiree Medical	17	17	17	-
14	15	17	1	Medical	14	15	17	1
3	2	2	(1)	Chemicals	3	2	2	(1)
2	4	5	2	Main Break Costs	2	4	5	2
133	138	114	5	All other - operating expenses	133	138	114	5
336	342	324	6	<b>Total Expenses, net of other income</b>	336	342	324	6
\$172	\$162	\$138	\$10	<b>EBITDA</b>	\$172	\$162	\$138	\$10
79	80	86	1	Depreciation and Amortization	79	80	86	1
-	-	-	-	AFUDC	-	-	-	-
\$93	\$82	\$52	\$11	<b>EBIT</b>	\$93	\$82	\$52	\$11
65	65	69	-	Interest - Operating Company	65	65	69	-
65	65	69	-	Total Interest	65	65	69	-
\$28	\$17	(\$17)	\$11	<b>EBT</b>	\$28	\$17	(\$17)	\$11
8	5	(6)	(3)	Income Taxes	8	5	(6)	(3)
\$20	\$12	(\$11)	\$8	<b>Net Income</b>	\$20	\$12	(\$11)	\$8



**Return on Equity**

- January NH ROE is 7.86%, target for the month was 9.05%. ROE reflects higher than budgeted equity percentage of total capitalization.

**Regulatory Facts:**

On May 14, 2012, AWC-NH filed its rate application with the NH PUC for a \$1,100, or 18.3%, increase in annual water service revenues. On September 18, 2012, the NH PUC approved a temporary rate increase of 8.8%, retroactive back to July 1, 2012. On June 6, 2013, a final decision was issued with an increase of \$925K, or 15.3%, retroactive back to July 1, 2012.

On January 17, 2013, in compliance with the established requirements set forth by the NH PUC water infrastructure and conservation adjustment ("WICA"), AWC-NH received permission to increase the surcharge to 5.27% for all services rendered on or after January 1, 2013. This cumulative surcharge reflects \$2,492 of WICA related capital investment. Effective with the June 6, 2013 rate case decision, the WICA surcharge was reset to 0% and revenue amounts were incorporated into base rates.

**Revenues**

- January Revenues are favorable by \$4K.

**Expenses**

- January Labor is favorable by \$4K. Variance is due to 23 actual days worked vs. 25 days in the budget.
- January Other Taxes are unfavorable by \$4K. Variance is due to actual bills received are higher than budget.
- January All Other Operating Expenses are favorable by \$5K. Variance is due to lower Maintenance costs offset by higher Consulting and Legal expenses.

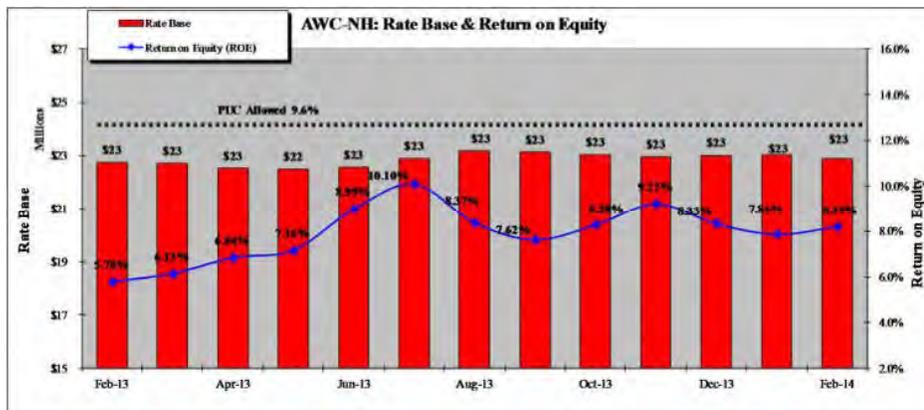
**Capital Expenditures  
 Comparison to Budget  
 January 31, 2014  
 (Dollars in thousands)**

<u>2014</u>	<u>Month Budget</u>	<u>2013</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2014</u>	<u>YTD Budget</u>	<u>2013</u>	<u>Variance</u>
5	-	1	(5)	Mains	5	-	1	(5)
-	-	-	-	Dams	-	-	-	-
4	-	3	(4)	Transmission & Distribution	4	-	3	(4)
3	8	7	5	IT	3	8	7	5
10	6	7	(4)	Meters	10	6	7	(4)
-	-	19	-	Source of Supply	-	-	19	-
-	-	1	-	Pumping	-	-	1	-
-	-	-	-	Treatment	-	-	-	-
4	3	2	(1)	General Plant	4	3	2	(1)
<b>26</b>	<b>17</b>	<b>40</b>	<b>(9)</b>		<b>26</b>	<b>17</b>	<b>40</b>	<b>(9)</b>

- **Mains** - The variance is primarily due to the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to new service connections. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring project. Year-end actuals are expected to meet targets.
- **Meters** – Meter replacements for the month of January were higher than anticipated. Year-end actuals are expected to meet targets.
- **Source of Supply** – Year-end actuals are expected to meet targets.
- **Pumping** – Year-end actuals are expected to meet target.
- **Treatment** – Year-end actuals are expected to meet targets.
- **General & Other** - The variance is primarily due to Mill Road Booster Telemetry project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
 Financial Results  
 February 28, 2014  
 (Dollars in thousands)**

Month				Year To Date				
2014	Budget	2013	Variance 14 vs Budg	2014	Budget	2013	Variance 14 vs Budg	
\$492	\$494	\$449	(\$2)	<b>Revenue</b>	\$1,000	\$998	\$911	\$2
53	60	65	7	Labor	122	133	142	11
61	58	54	(3)	Other Taxes	124	117	110	(7)
19	17	19	(2)	Purchased Power	38	35	43	(3)
(5)	5	12	10	Pension	11	11	24	-
(16)	1	18	17	Retiree Medical	1	1	35	-
15	15	17	-	Medical	29	30	34	1
2	2	3	-	Chemicals	5	4	5	(1)
10	3	1	(7)	Main Break Costs	12	7	6	(5)
117	144	101	27	All other - operating expenses	250	284	215	34
256	305	290	49	<b>Total Expenses, net of other income</b>	592	622	614	30
\$236	\$189	\$159	\$47	<b>EBITDA</b>	\$408	\$376	\$297	\$32
80	79	86	(1)	Depreciation and Amortization	159	159	172	-
-	-	-	-	AFUDC	-	-	-	-
\$156	\$110	\$73	\$46	<b>EBIT</b>	\$249	\$217	\$125	\$32
63	65	68	2	Interest - Operating Company	128	130	137	2
63	65	68	2	Total Interest	128	130	137	2
\$93	\$45	\$5	\$48	<b>EBT</b>	\$121	\$87	(\$12)	\$34
25	11	1	(14)	Income Taxes	33	24	(5)	(9)
\$68	\$34	\$4	\$34	<b>Net Income</b>	\$88	\$63	(\$7)	\$25



**Return on Equity**

- February NH ROE is 8.19%, target for the month was 8.17%.

**Regulatory Facts:**

On May 14, 2012, AWC-NH filed its rate application with the NH PUC for a \$1,100, or 18.3%, increase in annual water service revenues. On September 18, 2012, the NH PUC approved a temporary rate increase of 8.8%, retroactive back to July 1, 2012. On June 6, 2013, a final decision was issued with an increase of \$925K, or 15.2%, retroactive back to July 1, 2012. On January 17, 2013, in compliance with the established requirements set forth by the NH PUC water infrastructure and conservation adjustment ("WICA"), AWC-NH received permission to increase the surcharge to 5.27% for all services rendered on or after January 1, 2013. This cumulative surcharge reflects \$2,492 of WICA related capital investment. Effective with the June 6, 2013 rate case decision, the WICA surcharge was reset to 0% and revenue amounts were incorporated into base rates.

**Revenues**

- February Revenues were unfavorable by \$2K and YTD Revenues are favorable by \$2K. February and YTD Revenues as well as budgeted consumption are on target.

**Expenses**

- February Labor is favorable by \$7K and YTD Labor is favorable by \$11K. Variances are due to more capitalized labor.
- February Other Taxes are unfavorable by \$3K and YTD are unfavorable by \$7K. Variances are due to actual bills received are higher than budget.
- February Pension was favorable by \$10K and February Retiree Medical was favorable by \$17K. A true up was done based on revised expense numbers from the actuary.
- February Main Break Costs are unfavorable by \$7K and YTD are unfavorable by \$5K. Variances are mainly due to budget spread.
- February All Other Operating Expenses are favorable by \$27K. Variance is due to lower Maintenance costs and higher Jobbing. YTD All Other Operating Expenses are favorable by \$34K. YTD variance is due to lower Maintenance costs - \$24K. We are behind mainly due to the weather. February snowfall was two feet higher than average.

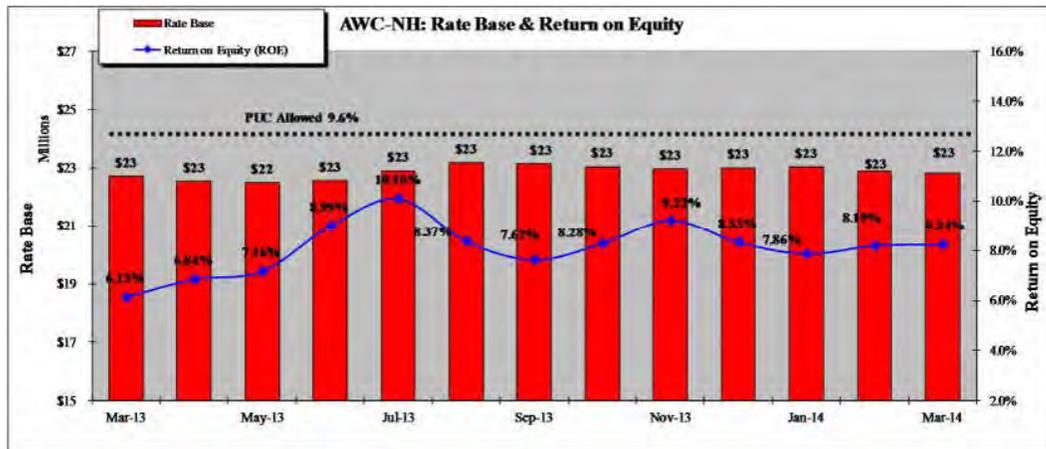
**Capital Expenditures  
 Comparison to Budget  
 February 28, 2014  
 (Dollars in thousands)**

<u>2014</u>	<u>Month</u> <u>Budget</u>	<u>2013</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2014</u>	<u>YTD</u> <u>Budget</u>	<u>2013</u>	<u>Variance</u>
8	21	-	13	Mains	13	21	1	8
-	-	-	-	Dams	-	-	-	-
-	-	-	-	Transmission & Distribution	4	-	3	(4)
12	14	5	2	IT	15	22	12	7
9	6	19	(3)	Meters	19	12	26	(7)
-	-	(19)	-	Source of Supply	-	-	-	-
-	10	-	10	Pumping	-	10	1	10
1	4	1	3	Treatment	1	4	1	3
5	3	1	(2)	General Plant	9	6	3	(3)
<b>35</b>	<b>58</b>	<b>7</b>	<b>23</b>		<b>61</b>	<b>75</b>	<b>47</b>	<b>14</b>

- **Mains** - The variance is primarily due to the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance through February is primarily due to New Service Connections. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through February. Year-end actuals are expected to meet targets.
- **Source of Supply** – Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to the Mill Road Booster Telemetry project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**March 31, 2014**  
**(Dollars in thousands)**

Month									Year To Date				
2014	Budget	2013	Variance 14 vs Budg						2014	Budget	2013	Variance 14 vs Budg	
<b>\$514</b>	<b>\$527</b>	<b>\$458</b>	<b>(\$13)</b>	<b>Revenue</b>						<b>\$1,514</b>	<b>\$1,525</b>	<b>\$1,369</b>	<b>(\$11)</b>
56	62	61	6	Labor						178	195	203	17
61	58	50	(3)	Other Taxes						185	175	160	(10)
19	18	24	(1)	Purchased Power						57	53	67	(4)
6	6	12	-	Pension						17	17	36	-
-	-	17	-	Retiree Medical						1	1	52	-
14	15	17	1	Medical						43	45	51	2
2	2	2	-	Chemicals						7	6	7	(1)
5	11	2	6	Main Break Costs						17	18	8	1
135	147	111	12	All other - operating expenses						385	431	326	46
298	319	296	21	<b>Total Expenses, net of other income</b>						890	941	910	51
<b>\$216</b>	<b>\$208</b>	<b>\$162</b>	<b>\$8</b>	<b>EBITDA</b>						<b>\$624</b>	<b>\$584</b>	<b>\$459</b>	<b>\$40</b>
79	79	86	-	Depreciation and Amortization						238	238	258	-
-	-	-	-	AFUDC						-	-	-	-
<b>\$137</b>	<b>\$129</b>	<b>\$76</b>	<b>\$8</b>	<b>EBIT</b>						<b>\$386</b>	<b>\$346</b>	<b>\$201</b>	<b>\$40</b>
64	64	68	-	Interest - Operating Company						192	194	205	2
64	64	68	-	Total Interest						192	194	205	2
<b>\$73</b>	<b>\$65</b>	<b>\$8</b>	<b>\$8</b>	<b>EBT</b>						<b>\$194</b>	<b>\$152</b>	<b>(\$4)</b>	<b>\$42</b>
21	17	4	(4)	Income Taxes						54	41	(1)	(13)
<b>\$52</b>	<b>\$48</b>	<b>\$4</b>	<b>\$4</b>	<b>Net Income</b>						<b>\$140</b>	<b>\$111</b>	<b>(\$3)</b>	<b>\$29</b>



**Return on Equity**  
 March NH ROE is 8.24%, target for the month was 8.53%.

**Regulatory Facts:**

On May 14, 2012, AWC-NH filed its rate application with the NH PUC for a \$1,100, or 18.3% increase in annual water service revenues. On September 18, 2012, the NH PUC approved a temporary rate increase of 8.8%, retroactive back to July 1, 2012. On June 28, 2013, a final decision was issued with an increase of \$925K, or 15.2%, retroactive back to July 1, 2012. On January 17, 2013, in compliance with the established requirements set forth by the NH PUC water infrastructure and conservation adjustment ("WICA"), AWC-NH received permission to increase the surcharge to 5.27% for all services rendered on or after January 1, 2013. This cumulative surcharge reflects \$2,492 of WICA related capital investment. Effective with the June 28, 2013 rate case decision, the WICA surcharge was reset to 0% and revenue amounts were incorporated into base rates. Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations ("TPR") issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.

**Revenues**

- March Revenues are unfavorable by \$13K and YTD Revenues are unfavorable by \$11K. March and YTD Revenues variance driven by consumer volume.

**Expenses**

- March Labor is favorable by \$6K and YTD Labor is favorable by \$17K. Variances are due to more capitalized labor.
- March Other Taxes are unfavorable by \$3K and YTD are unfavorable by \$10K. Variances are due to actual bills received are higher than budget.
- March Main Break Costs are unfavorable by \$6K and YTD are favorable by \$1K. MTD variance is mainly due to budget spread.
- March All Other Operating Expenses are favorable by \$12K. Variance is due to lower Maintenance costs. YTD All Other Operating Expenses are favorable by \$46K. YTD variance is due to more SCADA charges are being capitalized and lower Maintenance costs. We are behind on Maintenance costs mainly due to the weather.

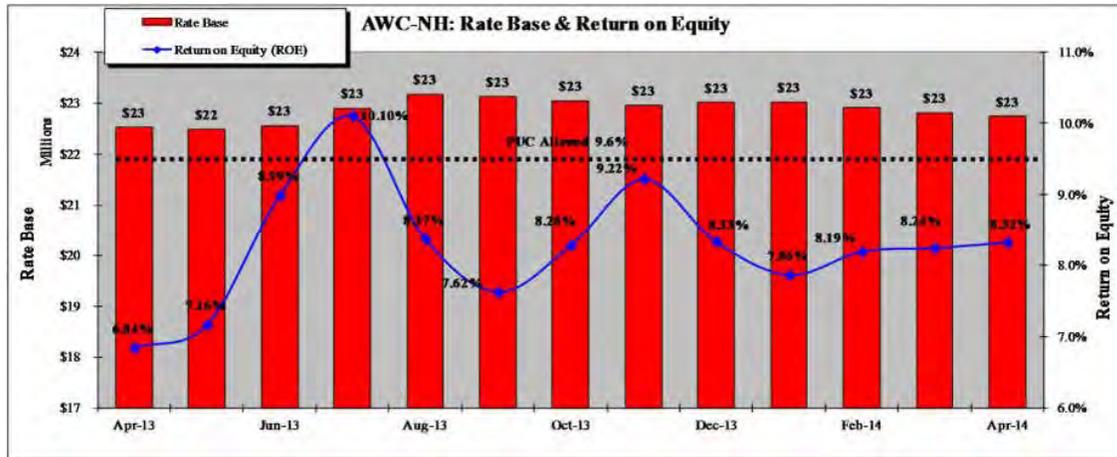
**Capital Expenditures  
 Comparison to Budget  
 March 31, 2014  
 (Dollars in thousands)**

<u>2014</u>	<u>Month Budget</u>	<u>2013</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2014</u>	<u>YTD Budget</u>	<u>2013</u>	<u>Variance</u>
6	50	18	44	Mains	19	71	19	52
-	-	-	-	Dams	-	-	-	-
-	52	-	52	Transmission & Distribution	4	52	3	48
19	43	12	24	IT	34	65	24	31
14	5	16	(9)	Meters	33	17	42	(16)
1	8	-	7	Source of Supply	1	8	-	7
1	-	1	(1)	Pumping	1	10	2	9
1	4	1	3	Treatment	2	8	2	6
3	3	4	-	General Plant	12	9	7	(3)
<b>45</b>	<b>165</b>	<b>52</b>	<b>120</b>		<b>106</b>	<b>240</b>	<b>99</b>	<b>134</b>

- **Mains** - The variance is primarily due to the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance due to the Exeter Road Tank Mixer, Glade Path Tank Mixer and the Jenness Tank Mixer projects. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through March. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to the Mill Road Booster Telemetry project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
April 30, 2014  
(Dollars in thousands)**

Month					Year To Date			
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$541	\$576	\$515	(\$35)	<b>Revenue</b>	\$2,055	\$2,101	\$1,884	(\$46)
62	61	60	(1)	Labor	240	256	263	16
53	58	52	5	Other Taxes	238	233	212	(5)
17	17	16	-	Purchased Power	74	70	83	(4)
6	6	12	-	Pension	23	23	48	-
1	1	17	-	Retiree Medical	2	2	69	-
15	15	18	-	Medical	58	60	69	2
2	2	2	-	Chemicals	9	8	9	(1)
8	4	3	(4)	Main Break Costs	25	22	11	(3)
139	135	127	(4)	All other - operating expenses	524	566	453	42
303	299	307	(4)	<b>Total Expenses, net of other income</b>	1,193	1,240	1,217	47
\$238	\$277	\$208	(\$39)	<b>EBITDA</b>	\$862	\$861	\$667	\$1
80	79	85	(1)	Depreciation and Amortization	318	317	343	(1)
-	-	-	-	AFUDC	-	-	-	-
\$158	\$198	\$123	(\$40)	<b>EBIT</b>	\$544	\$544	\$324	\$0
64	65	68	1	Interest - Operating Company	256	259	273	3
64	65	68	1	Total Interest	256	259	273	3
\$94	\$133	\$55	(\$39)	<b>EBT</b>	\$288	\$285	\$51	\$3
24	36	22	12	Income Taxes	78	77	21	(1)
\$70	\$97	\$33	(\$27)	<b>Net Income</b>	\$210	\$208	\$30	\$2



Return on Equity

- April NH ROE is 8.32%, target for the month was 9.0%.

Regulatory Facts:

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

Revenues

- April Revenues are unfavorable by \$35K and YTD Revenues are unfavorable by \$46K. MTD results are due to lower than budgeted consumption as well as \$7K of delayed budgeted WICA. YTD Revenue variance driven by lower consumer volume.

Expenses

- April Labor is unfavorable by \$1K and YTD Labor is favorable by \$16K. YTD variance is due to more capitalized labor.
- April Other Taxes are favorable by \$5K and YTD are unfavorable by \$5K. MTD variance is due to a true up of the State property tax bill. YTD variance is due to actual town bills received are higher than budget.
- April Main Break Costs are unfavorable by \$4K and YTD are unfavorable by \$3K. Variances are due to one large main break in April.
- April All Other Operating Expenses are unfavorable by \$4K. Variance is mainly due to Customer Service Expenses. YTD All Other Operating Expenses are favorable by \$42K. YTD variance is due to more SCADA charges are being capitalized and lower Maintenance costs. We are behind on Maintenance costs mainly due to the weather.

DW 20-184  
 Joint Town 4-17 Attachment 1  
 Page 8 of 186

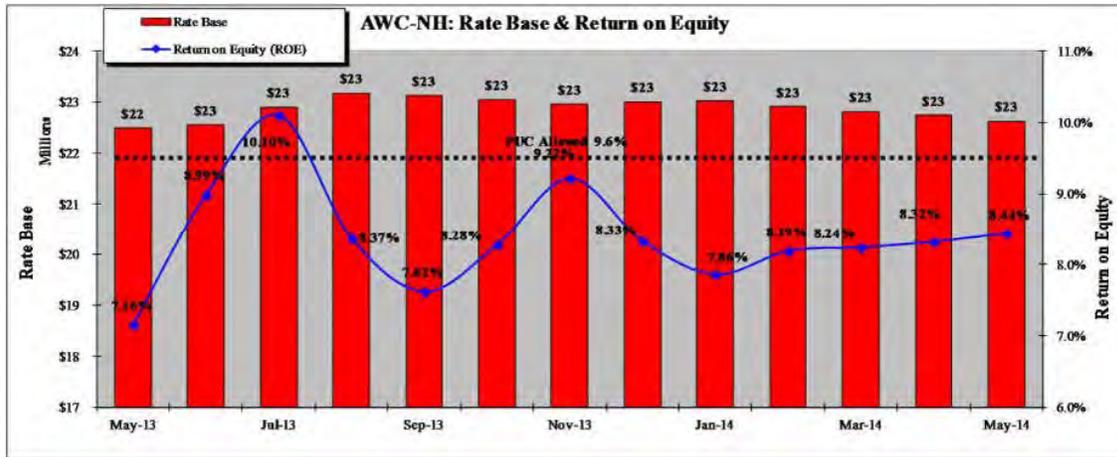
**Capital Expenditures  
 Comparison to Budget  
 April 30, 2014  
 (Dollars in thousands)**

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2014</u>	<u>Budget</u>	<u>2013</u>	<u>Variance</u>		<u>2014</u>	<u>Budget</u>	<u>2013</u>	<u>Variance</u>
10	59	8	49	Mains	29	130	27	101
13	68	6	55	Transmission & Distribution	17	120	9	103
6	14	9	8	IT	40	79	33	39
9	6	20	(3)	Meters	42	23	62	(19)
-	-	-	-	Source of Supply	1	8	-	7
1	10	10	9	Pumping	2	20	12	18
-	4	-	4	Treatment	2	12	2	10
-	3	29	3	General Plant	12	12	36	-
<b>39</b>	<b>164</b>	<b>82</b>	<b>125</b>		<b>145</b>	<b>404</b>	<b>181</b>	<b>259</b>

- **Mains** - The variance is primarily due to the delayed start of the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **T&D** – The variance due to the Exeter Road Tank Mixer, Glade Path Tank Mixer and the Jenness Tank Mixer projects. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through April. Year-end actuals are expected to meet targets.
- **SoS** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – General & Other was on target through April. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
May 31, 2014  
(Dollars in thousands)**

Month					Year To Date			
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$716	\$759	\$665	(\$43)	<b>Revenue</b>	\$2,771	\$2,860	\$2,549	(\$89)
77	61	67	(16)	Labor	317	317	330	-
62	58	53	(4)	Other Taxes	300	291	265	(9)
17	19	19	2	Purchased Power	91	89	102	(2)
5	5	12	-	Pension	28	28	60	-
-	-	17	-	Retiree Medical	2	2	86	-
14	15	17	1	Medical	72	75	86	3
2	3	3	1	Chemicals	11	11	12	-
8	4	4	(4)	Main Break Costs	33	26	15	(7)
133	142	20	9	All other - operating expenses	657	708	473	51
318	307	212	(11)	<b>Total Expenses, net of other income</b>	1,511	1,547	1,429	36
\$398	\$452	\$453	(\$54)	<b>EBITDA</b>	\$1,260	\$1,313	\$1,120	(\$53)
79	80	86	1	Depreciation and Amortization	397	397	429	-
-	-	-	-	AFUDC	-	-	-	-
\$319	\$372	\$367	(\$53)	<b>EBIT</b>	\$863	\$916	\$691	(\$53)
64	65	63	1	Interest - Operating Company	320	324	336	4
64	65	63	1	Total Interest	320	324	336	4
\$255	\$307	\$304	(\$52)	<b>EBT</b>	\$543	\$592	\$355	(\$49)
71	86	126	15	Income Taxes	149	163	147	14
\$184	\$221	\$178	(\$37)	<b>Net Income</b>	\$394	\$429	\$208	(\$35)



Return on Equity

- May NH ROE is 8.44%, target for the month was 10.03%. Variance is due to lower Utility Operating Income.

Regulatory Facts:

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

Revenues

- May Revenues are unfavorable by \$43K and YTD Revenues are unfavorable by \$89K. MTD and YTD results are due to lower than budgeted consumption and a late start to seasonal volumes. YTD variance to billed volume is 8 MG unfavorable once corrected for bill timing.

Expenses

- May Labor is unfavorable by \$16K and YTD Labor is on target. MTD variance is due to an employee retiring and receiving banked sick time payout. YTD is on target because there has been more capitalized labor which offset the banked sick time payout.
- May Other Taxes are unfavorable by \$4K and YTD are unfavorable by \$9K. MTD and YTD variances are due to actual town bills received are higher than budget.
- May Main Break Costs are unfavorable by \$4K and YTD are unfavorable by \$7K. Variances are due to above average costs to repair three of the main breaks.
- May All Other Operating Expenses are favorable by \$9K. Variance is mainly due to Water Quality Reports budgeted in May but will not be sent out until June. YTD All Other Operating Expenses are favorable by \$51K. YTD variance is due to lower Maintenance and Operating costs. We are behind on Maintenance costs mainly due to the weather.

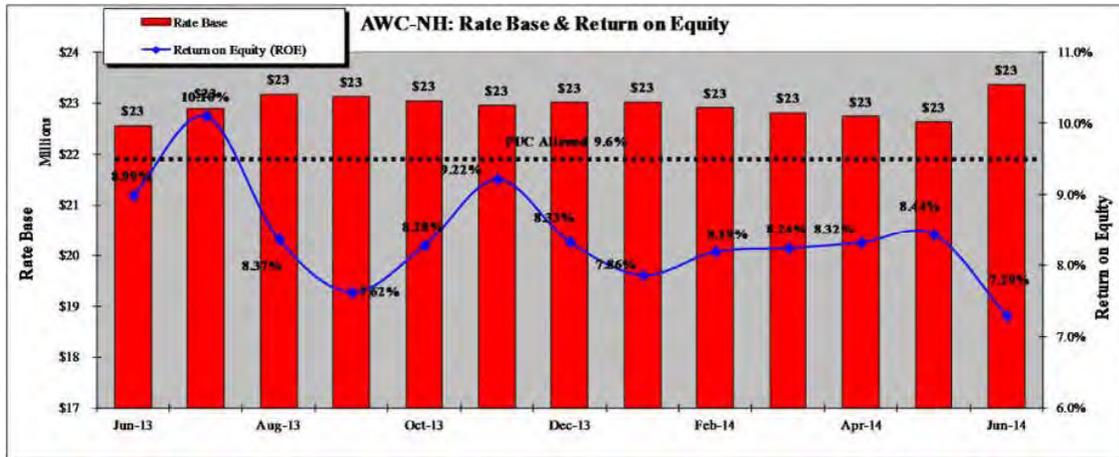
**Capital Expenditures  
 Comparison to Budget  
 May 31, 2014  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
101	213	107	112	Mains	130	343	134	213
31	42	23	11	Transmission & Distribution	48	162	32	114
-	14	19	14	IT	40	93	52	53
16	6	32	(10)	Meters	58	29	94	(29)
4	-	-	(4)	Source of Supply	5	8	-	3
3	-	32	(3)	Pumping	5	20	44	15
-	4	-	4	Treatment	2	16	2	14
-	3	3	3	General Plant	12	15	39	3
<b>155</b>	<b>282</b>	<b>216</b>	<b>127</b>		<b>300</b>	<b>686</b>	<b>397</b>	<b>386</b>

- **Mains** - The variance is primarily due to the delayed start of the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance due to the Exeter Road Tank Mixer, Glade Path Tank Mixer and the Jenness Tank Mixer projects. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through May1. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
June 30, 2014  
(Dollars in thousands)**

Month				Year To Date				
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$752	\$816	\$885	(\$64)	<b>Revenue</b>	\$3,523	\$3,676	\$3,434	(\$153)
58	57	58	(1)	Labor	375	374	388	(1)
54	58	57	4	Other Taxes	354	349	322	(5)
16	21	19	5	Purchased Power	107	110	121	3
6	6	12	-	Pension	34	34	72	-
-	-	18	-	Retiree Medical	2	2	104	-
14	15	17	1	Medical	86	90	103	4
4	2	3	(2)	Chemicals	15	13	15	(2)
9	7	9	(2)	Main Break Costs	42	33	24	(9)
117	134	112	17	All other - operating expenses	774	842	585	68
278	300	305	22	<b>Total Expenses, net of other income</b>	1,789	1,847	1,734	58
\$474	\$516	\$580	(\$42)	<b>EBITDA</b>	\$1,734	\$1,829	\$1,700	(\$95)
79	79	86	-	Depreciation and Amortization	476	476	515	-
-	-	-	-	AFUDC	-	-	-	-
\$395	\$437	\$494	(\$42)	<b>EBIT</b>	\$1,258	\$1,353	\$1,185	(\$95)
63	66	68	3	Interest - Operating Company	383	390	404	7
63	66	68	3	Total Interest	383	390	404	7
\$332	\$371	\$426	(\$39)	<b>EBT</b>	\$875	\$963	\$781	(\$88)
90	101	178	11	Income Taxes	239	264	325	25
\$242	\$270	\$248	(\$28)	<b>Net Income</b>	\$636	\$699	\$456	(\$63)



**Return on Equity**

- June NH ROE is 7.29%, target for the month was 10.41%. Variance is due to lower Utility Operating Income.

**Regulatory Facts:**

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

**Revenues**

- June Revenues are unfavorable by \$64K and YTD Revenues are unfavorable by \$153K. MTD and YTD results are due to lower than budgeted consumption and a late start to seasonal volumes. Month and YTD results are also impacted unfavorably by 9K WICA variance. YTD variance to billed volume is 10 MG unfavorable once corrected for bill timing.

**Expenses**

- June Other Taxes are favorable by \$4K and YTD are unfavorable by \$5K. MTD variance is due to a true up for bills received in June. YTD variances are due to actual town bills received prior to June were higher than budget.
- June Main Break Costs are unfavorable by \$2K and YTD are unfavorable by \$9K. MTD variances are due to previous main break costs including paving hitting in June. YTD variance due to above average costs to repair three of the main breaks.
- June All Other Operating Expenses are favorable by \$17K. Variance is mainly due to a tax refund from the Town of Hampton. YTD All Other Operating Expenses are favorable by \$68K. YTD variance is due to lower Maintenance and Operating costs - \$25K, Allocations - \$17K and the tax refund - \$20K.

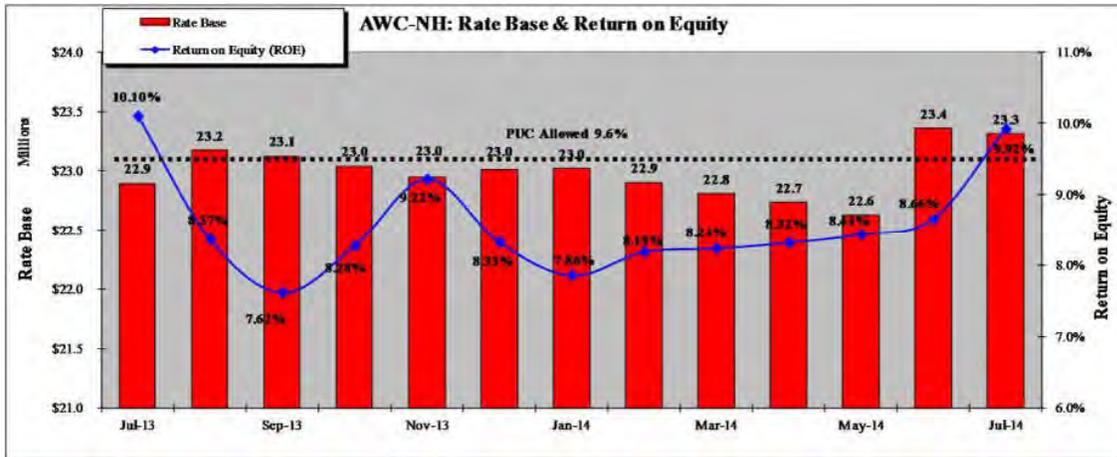
**Capital Expenditures  
 Comparison to Budget  
 June 30, 2014  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
398	226	237	(172)	Mains	528	569	371	41
19	34	19	15	Transmission & Distribution	67	196	51	129
7	14	12	7	IT	47	107	64	60
19	6	16	(13)	Meters	77	35	110	(42)
23	8	-	(15)	Source of Supply	28	16	-	(12)
2	10	5	8	Pumping	7	30	49	23
-	4	-	4	Treatment	2	20	2	18
1	3	8	2	General Plant	13	18	47	5
<b>469</b>	<b>305</b>	<b>297</b>	<b>(164)</b>		<b>769</b>	<b>991</b>	<b>694</b>	<b>222</b>

- **Mains** - The variance is primarily due to the delayed start of the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance due to the Exeter Road Tank Mixer, Glade Path Tank Mixer and the Jenness Tank Mixer projects. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring and NH Fleet GPS Replacement projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through June. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to be higher than targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
July 31, 2014  
(Dollars in thousands)**

Month					Year To Date			
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$758	\$797	\$977	(\$39)	<b>Revenue</b>	<b>\$4,281</b>	<b>\$4,473</b>	<b>\$4,411</b>	<b>(\$192)</b>
67	67	63	-	Labor	442	441	451	(1)
59	60	57	1	Other Taxes	413	409	379	(4)
23	27	22	4	Purchased Power	130	137	143	7
6	6	13	-	Pension	40	40	85	-
1	1	17	-	Retiree Medical	3	3	121	-
13	15	17	2	Medical	99	105	120	6
4	4	3	-	Chemicals	19	17	18	(2)
6	2	3	(4)	Main Break Costs	48	35	27	(13)
153	136	196	(17)	All other - operating expenses	927	978	781	51
332	318	391	(14)	<b>Total Expenses, net of other income</b>	<b>2,121</b>	<b>2,165</b>	<b>2,125</b>	<b>44</b>
<b>\$426</b>	<b>\$479</b>	<b>\$586</b>	<b>(\$53)</b>	<b>EBITDA</b>	<b>\$2,160</b>	<b>\$2,308</b>	<b>\$2,286</b>	<b>(\$148)</b>
79	80	86	1	Depreciation and Amortization	555	556	601	1
-	-	-	-	AFUDC	-	-	-	-
<b>\$347</b>	<b>\$399</b>	<b>\$500</b>	<b>(\$52)</b>	<b>EBIT</b>	<b>\$1,605</b>	<b>\$1,752</b>	<b>\$1,685</b>	<b>(\$147)</b>
65	67	69	2	Interest - Operating Company	448	457	473	9
65	67	69	2	Total Interest	448	457	473	9
<b>\$282</b>	<b>\$332</b>	<b>\$431</b>	<b>(\$50)</b>	<b>EBT</b>	<b>\$1,157</b>	<b>\$1,295</b>	<b>\$1,212</b>	<b>(\$138)</b>
77	90	220	13	Income Taxes	316	354	545	38
<b>\$205</b>	<b>\$242</b>	<b>\$211</b>	<b>(\$37)</b>	<b>Net Income</b>	<b>\$841</b>	<b>\$941</b>	<b>\$667</b>	<b>(\$100)</b>



**Return on Equity**

- July NH ROE is 9.92%, target for the month was 11.00%. Variance is due to lower Utility Operating Income.

**Regulatory Facts:**

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

**Revenues**

- MTD and YTD Revenues are unfavorable by \$39K and \$192K, respectively. MTD and YTD results are due to lower than budgeted consumption and a late start to seasonal volumes. Month and YTD results are also impacted unfavorably by \$6K WICA variance. YTD variance to billed volume is 12.5 MG unfavorable once corrected for bill timing.

**Expenses**

- MTD and YTD Purchased Power Expenses are favorable by \$4K and \$7K, respectively. Variances are due to demand being less than what was budgeted.
- MTD and YTD Main Break Expenses are unfavorable by \$4K and \$13K, respectively. Variances are due to above average costs to repair several of the main breaks.
- July All Other Operating Expenses are unfavorable by \$17K. Variance is mainly due to Maintenance (\$5K), Other Consulting (\$8K) and Environmental Champion Award Winners (\$4K). YTD All Other Operating Expenses are favorable by \$51K. YTD variance is due to lower Maintenance and Operating costs (\$21K), Allocations (\$14K), Postage and Bill Processing (\$10K) and the Hampton tax refund (\$20K), partially offset by Other Consulting (\$23K).

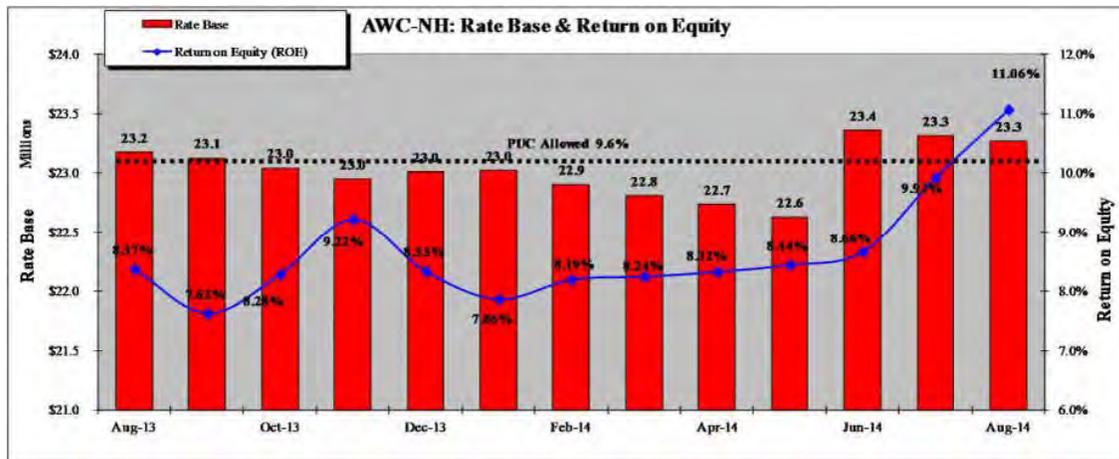
**Capital Expenditures  
 Comparison to Budget  
 July 31, 2014  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
71	69	148	(2)	Mains	599	638	519	39
18	21	17	3	Transmission & Distribution	85	217	68	132
5	11	1	6	IT	52	118	65	66
12	6	9	(6)	Meters	89	41	119	(48)
(9)	-	-	9	Source of Supply	19	16	-	(3)
17	-	6	(17)	Pumping	24	30	55	6
1	4	4	3	Treatment	3	24	6	21
4	3	5	(1)	General Plant	17	21	52	4
<b>119</b>	<b>114</b>	<b>190</b>	<b>(5)</b>		<b>888</b>	<b>1,105</b>	<b>884</b>	<b>217</b>

- **Mains** - The variance is primarily due to the delayed start of the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance due to the Exeter Road Tank Mixer, Glade Path Tank Mixer and the Jenness Tank Mixer projects. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring and NH Fleet GPS Replacement projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through June. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to be higher than targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
August 2014  
(Dollars in thousands)**

Month					Year To Date			
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$722	\$698	\$767	\$24	<b>Revenue</b>	\$5,003	\$5,171	\$5,178	(\$168)
61	59	75	(2)	Labor	503	500	526	(3)
58	58	58	-	Other Taxes	471	467	437	(4)
23	26	24	3	Purchased Power	153	163	167	10
5	5	12	-	Pension	45	45	97	-
-	-	17	-	Retiree Medical	3	3	138	-
14	15	18	1	Medical	113	120	138	7
3	3	3	-	Chemicals	22	20	21	(2)
14	4	6	(10)	Main Break Costs	62	39	33	(23)
150	151	119	1	All other - operating expenses	1,077	1,129	900	52
328	321	332	(7)	<b>Total Expenses, net of other income</b>	2,449	2,486	2,457	37
\$394	\$377	\$435	\$17	<b>EBITDA</b>	\$2,554	\$2,685	\$2,721	(\$131)
80	79	86	(1)	Depreciation and Amortization	635	635	687	-
-	-	-	-	AFUDC	-	-	-	-
\$314	\$298	\$349	\$16	<b>EBIT</b>	\$1,919	\$2,050	\$2,034	(\$131)
63	68	71	5	Interest - Operating Company	511	525	544	14
63	68	71	5	Total Interest	511	525	544	14
\$251	\$230	\$278	\$21	<b>EBT</b>	\$1,408	\$1,525	\$1,490	(\$117)
69	62	73	(7)	Income Taxes	385	416	618	31
\$182	\$168	\$205	\$14	<b>Net Income</b>	\$1,023	\$1,109	\$872	(\$86)



**Return on Equity**

- August NH ROE is 11.06%, target for the month was 10.77%.

**Regulatory Facts:**

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

**Revenues**

- MTD Revenues are favorable by \$24K and YTD Revenues are unfavorable by \$168K. MTD results are favorable due to dry August weather and billed volume slightly over budget, once corrected for bill timing. YTD results due to less than budgeted consumption caused by a late start to seasonal weather. YTD variance to billed volume is 12 MG unfavorable once corrected for bill timing.

**Expenses**

- MTD and YTD Purchased Power Expenses are favorable by \$3K and \$10K, respectively. Variances are due to the use of more efficient wells.
- MTD and YTD Medical Expenses are favorable by \$1K and \$7K, respectively. Variances are due to lower than budgeted premiums and an employee with family coverage who retired in June was replaced with a single coverage person in August.
- MTD and YTD Main Break Expenses are unfavorable by \$10K and \$23K, respectively. Variances are due to above average costs to repair several of the main breaks.
- MTD and YTD All Other Operating Expenses are favorable by \$1K and \$52K, respectively. YTD variance is due to lower Maintenance and Operating costs \$21K, Allocations \$14K, Postage and Bill Processing \$10K and the Hampton tax refund \$20K, partially offset by Other Consulting \$25K.

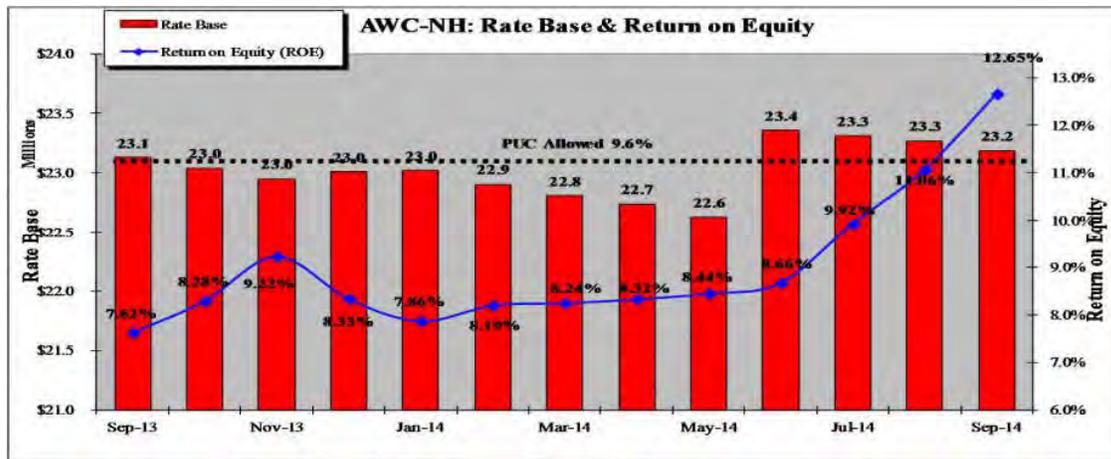
**Capital Expenditures  
 Comparison to Budget  
 August 2014  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
11	20	148		9 Mains	610	658	667	48
13	16	19		3 Transmission & Distribution	98	233	87	135
11	3	5		(8) IT	63	121	70	58
4	6	4		2 Meters	93	47	123	(46)
1	-	-		(1) Source of Supply	20	16	-	(4)
-	10	1		10 Pumping	24	40	56	16
-	4	-		4 Treatment	3	28	6	25
-	3	6		3 General Plant	17	24	58	7
<b>40</b>	<b>62</b>	<b>183</b>	<b>22</b>		<b>928</b>	<b>1,167</b>	<b>1,067</b>	<b>239</b>
-	-	-	-	WICA Eligible Capex Spend	-	-	-	-

- **Mains** - The variance is primarily due to the delayed start of the Ocean Boulevard Main Replacement project. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance due to the Exeter Road Tank Mixer, Glade Path Tank Mixer, Jenness Tank Mixer projects as well as lower than anticipated Hydrant and Valve Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring and NH Fleet GPS Replacement projects. Year-end actuals are expected to be slightly lower than targets.
- **Meters** – Meter Replacement/Installations were higher than anticipated through August. Year-end actuals are expected to be slightly higher than targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to be higher than targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
September 2014  
(Dollars in thousands)**

Month					Year To Date			
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$696	\$619	\$563	\$77	<b>Revenue</b>	\$5,699	\$5,790	\$5,741	(\$91)
63	58	66	(5)	Labor	566	558	592	(8)
58	58	57	-	Other Taxes	529	525	494	(4)
19	21	21	2	Purchased Power	172	184	188	12
6	6	12	-	Pension	51	51	109	-
-	-	17	-	Retiree Medical	3	3	155	-
12	15	17	3	Medical	125	135	155	10
3	3	3	-	Chemicals	25	23	24	(2)
-	1	9	1	Main Break Costs	62	40	42	(22)
136	148	149	12	All other - operating expenses	1,213	1,277	1,049	64
297	310	351	13	<b>Total Expenses, net of other income</b>	2,746	2,796	2,808	50
<b>\$399</b>	<b>\$309</b>	<b>\$212</b>	<b>\$90</b>	<b>EBITDA</b>	<b>\$2,953</b>	<b>\$2,994</b>	<b>\$2,933</b>	<b>(\$41)</b>
79	80	85	1	Depreciation and Amortization	714	715	772	1
-	-	-	-	AFUDC	-	-	-	-
<b>\$320</b>	<b>\$229</b>	<b>\$127</b>	<b>\$91</b>	<b>EBIT</b>	<b>\$2,239</b>	<b>\$2,279</b>	<b>\$2,161</b>	<b>(\$40)</b>
67	67	69	-	Interest - Operating Company	578	592	613	14
67	67	69	-	Total Interest	578	592	613	14
<b>\$253</b>	<b>\$162</b>	<b>\$58</b>	<b>\$91</b>	<b>EBT</b>	<b>\$1,661</b>	<b>\$1,687</b>	<b>\$1,548</b>	<b>(\$26)</b>
69	45	25	(24)	Income Taxes	454	461	643	7
<b>\$184</b>	<b>\$117</b>	<b>\$33</b>	<b>\$67</b>	<b>Net Income</b>	<b>\$1,207</b>	<b>\$1,226</b>	<b>\$905</b>	<b>(\$19)</b>



**Return on Equity**

- September NH ROE is 12.65%, target for the month was 10.16%. Variance is due to higher Utility Operating Income.

**Regulatory Facts:**

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

**Revenues**

- MTD Revenues are favorable by \$77K and YTD Revenues are unfavorable by \$91K. MTD results are favorable due to dry fall weather and billed volume slightly over budget, once corrected for bill timing. YTD results due to less than budgeted consumption caused by a late start to seasonal weather.

**Expenses**

- MTD and YTD Purchased Power Expenses are favorable by \$2K and \$12K, respectively. Variances are due to the use of more efficient wells.
- MTD and YTD Medical Expenses are favorable by \$3K and \$10K, respectively. Variances are due to lower than budgeted premiums and an employee with family coverage who retired in June was replaced by someone who opted out of the plan.
- YTD Main Break Expenses are unfavorable by \$22K. Variance is due to above average costs to repair several of the main breaks.
- MTD and YTD All Other Operating Expenses are favorable by \$12K and \$64K, respectively. MTD variance is due to lower Maintenance costs \$13K, Allocations \$5K, Transportation \$2K and Postage and Bill Processing Fees \$2K partially offset by higher Other Consulting \$13K. YTD variance is due to lower Maintenance and Operating costs \$34K, Allocations \$19K, Postage and Bill Processing \$12K and the Hampton tax refund \$20K, partially offset by Other Consulting \$38K.

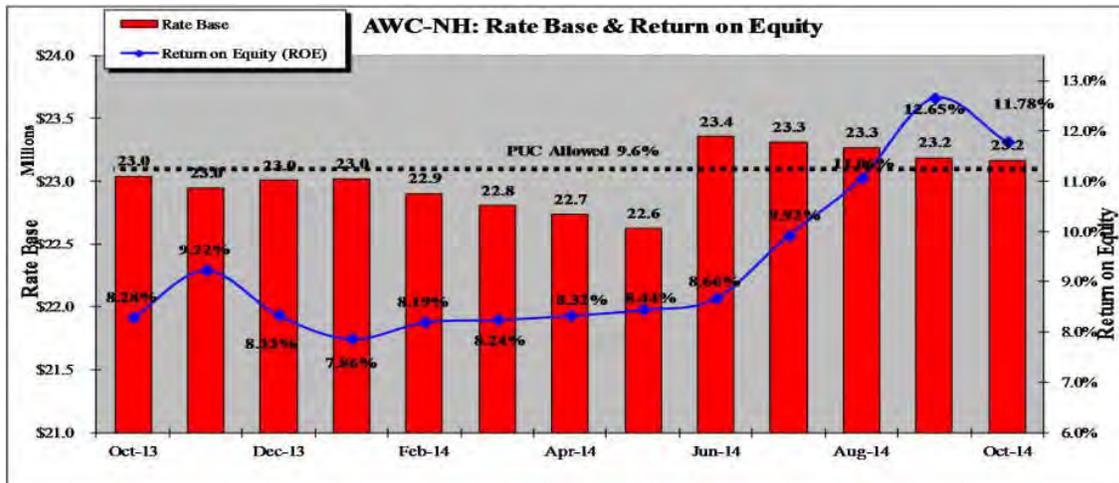
**Capital Expenditures  
 Comparison to Budget  
 September 2014  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
32	28	15	(4)	Mains	642	686	682	44
21	19	17	(2)	Transmission & Distribution	119	252	104	133
4	3	10	(1)	IT	67	124	80	57
6	5	1	(1)	Meters	99	52	124	(47)
-	8	-	8	Source of Supply	20	24	-	4
-	-	-	-	Pumping	24	40	56	16
-	4	-	4	Treatment	3	32	6	29
16	3	2	(13)	General Plant	33	27	60	(6)
<b>79</b>	<b>70</b>	<b>45</b>	<b>(9)</b>		<b>1,007</b>	<b>1,237</b>	<b>1,112</b>	<b>230</b>

- **Mains** - Mains are on target through September. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance due the Exeter Road Tank Mixer, Glade Path Tank Mixer, Jenness Tank Mixer projects as well as lower than anticipated Hydrant and Valve Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring and NH Fleet GPS Replacement projects. Year-end actuals are expected to on target.
- **Meters** – Meter Replacement/Installations were higher than anticipated through September. Year-end actuals are expected to be higher than targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to be on target.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring projects. Year-end actuals are expected to be slightly higher than targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
October 2014  
(Dollars in thousands)**

Month				Year To Date				
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$613	\$561	\$597	\$52	<b>Revenue</b>	\$6,312	\$6,351	\$6,338	(\$39)
69	74	64	5	Labor	635	632	656	(3)
59	59	58	-	Other Taxes	588	584	552	(4)
16	16	13	-	Purchased Power	188	200	201	12
6	6	12	-	Pension	57	57	121	-
1	1	18	-	Retiree Medical	4	4	173	-
13	16	18	3	Medical	138	151	173	13
2	2	2	-	Chemicals	27	25	26	(2)
1	-	(2)	(1)	Main Break Costs	63	40	40	(23)
218	122	128	(96)	All other - operating expenses	1,431	1,399	1,177	(32)
385	296	311	(89)	<b>Total Expenses, net of other income</b>	3,131	3,092	3,119	(39)
\$228	\$265	\$286	(\$37)	<b>EBITDA</b>	\$3,181	\$3,259	\$3,219	(\$78)
80	79	59	(1)	Depreciation and Amortization	794	794	831	-
-	-	-	-	AFUDC	-	-	-	-
\$148	\$186	\$227	(\$38)	<b>EBIT</b>	\$2,387	\$2,465	\$2,388	(\$78)
67	66	68	(1)	Interest - Operating Company	645	658	681	13
67	66	68	(1)	Total Interest	645	658	681	13
\$81	\$120	\$159	(\$39)	<b>EBT</b>	\$1,742	\$1,807	\$1,707	(\$65)
22	33	66	11	Income Taxes	476	494	709	18
\$59	\$87	\$93	(\$28)	<b>Net Income</b>	\$1,266	\$1,313	\$998	(\$47)



**Return on Equity**

- October NH ROE is 11.78 %, target for the month was 8.63%. Variance is due to higher Utility Operating Income.

**Regulatory Facts:**

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

**Revenues**

- MTD Revenues are favorable by \$52K and YTD Revenues are unfavorable by \$39K. Billed consumption is unfavorable 4 MG, but favorable 1 MG once corrected by bill timing. YTD volume is 17 MG unfavorable once adjusted for bill timing. YTD results due to less budgeted consumption caused by a late start to seasonal weather.

**Expenses**

- MTD Labor is favorable by \$5K and YTD is unfavorable by \$3K. MTD variances is due to budget spread.
- YTD Purchased Power Expenses are favorable by \$12K. Variances are due to the use of more efficient wells.
- MTD and YTD Medical Expenses are favorable by \$3K and \$13K, respectively. Variances are due to lower than budgeted premiums and an employee with family coverage who retired in June was replaced by someone who opted out of the plan.
- MTD and YTD Main Break Expenses are unfavorable by \$1K and \$23K respectively. YTD variance is due to above average costs to repair several of the main breaks.
- MTD and YTD All Other Operating Expenses are unfavorable by \$96K and \$32K respectively.. MTD variance is due to catching up on Maintenance costs \$24K, Regulatory Expense \$18K (due to late start in expensing the \$226K rate case expense) and Customer Service Expenses \$54K. YTD variance is due to Customer Service expenses \$55K, Other Consulting \$44K and Regulatory Expense \$19K partially offset by the Hampton tax refund \$20K, Operating Expenses \$14K, Postage & Bill Processing \$12K, Allocations \$12K and Lab Costs \$8K.

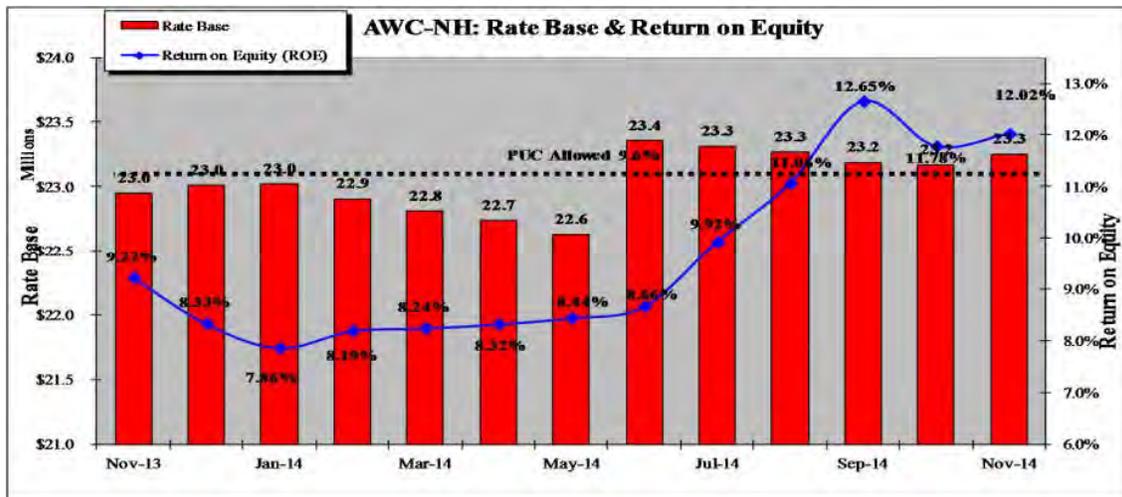
**Capital Expenditures  
 Comparison to Budget  
 October 2014  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
120	150	5	30	Mains	762	836	687	74
52	20	15	(32)	Transmission & Distribution	171	272	119	101
13	3	3	(10)	IT	80	127	83	47
5	6	1	1	Meters	104	58	125	(46)
(2)	-	17	2	Source of Supply	18	24	17	6
1	10	-	9	Pumping	25	50	56	25
-	4	-	4	Treatment	3	36	6	33
4	3	5	(1)	General Plant	37	30	65	(7)
<b>193</b>	<b>196</b>	<b>46</b>	<b>3</b>		<b>1,200</b>	<b>1,433</b>	<b>1,158</b>	<b>233</b>

- **Mains** - The variance is primarily due to the Ocean Blvd Main Replacement project. Year-end actuals are expected to be slightly lower than targets.
- **Transmission & Distribution** – The variance due the Exeter Road Tank Mixer, Glade Path Tank Mixer, Jenness Tank Mixer projects as well as lower than anticipated Hydrant and Valve Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring and NH Fleet GPS Replacement projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meter Replacement/Installations were higher than anticipated through October. Year-end actuals are expected to be higher than targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to be lower than targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring projects. Year-end actuals are expected to be slightly higher than targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
November 2014  
(Dollars in thousands)**

Month					Year To Date			
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$557	\$491	\$541	\$66	<b>Revenue</b>	\$6,869	\$6,842	\$6,879	\$27
66	63	59	(3)	Labor	701	695	715	(6)
58	58	57	-	Other Taxes	646	642	609	(4)
9	16	9	7	Purchased Power	197	216	210	19
5	5	28	-	Pension	62	62	149	-
-	-	33	-	Retiree Medical	4	4	206	-
13	15	15	2	Medical	151	166	188	15
3	2	3	(1)	Chemicals	30	27	29	(3)
14	2	3	(12)	Main Break Costs	77	42	43	(35)
106	126	127	20	All other - operating expenses	1,537	1,525	1,304	(12)
274	287	334	13	<b>Total Expenses, net of other income</b>	3,405	3,379	3,453	(26)
<b>\$283</b>	<b>\$204</b>	<b>\$207</b>	<b>\$79</b>	<b>EBITDA</b>	<b>\$3,464</b>	<b>\$3,463</b>	<b>\$3,426</b>	<b>\$1</b>
79	79	58	-	Depreciation and Amortization	873	873	889	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$204</b>	<b>\$125</b>	<b>\$149</b>	<b>\$79</b>	<b>EBIT</b>	<b>\$2,591</b>	<b>\$2,590</b>	<b>\$2,537</b>	<b>\$1</b>
66	66	68	-	Interest - Operating Company	711	724	749	13
66	66	68	-	Total Interest	711	724	749	13
<b>\$138</b>	<b>\$59</b>	<b>\$81</b>	<b>\$79</b>	<b>EBT</b>	<b>\$1,880</b>	<b>\$1,866</b>	<b>\$1,788</b>	<b>\$14</b>
38	16	34	(22)	Income Taxes	514	510	743	(4)
<b>\$100</b>	<b>\$43</b>	<b>\$47</b>	<b>\$57</b>	<b>Net Income</b>	<b>\$1,366</b>	<b>\$1,356</b>	<b>\$1,045</b>	<b>\$10</b>



**Return on Equity**

- November NH ROE is 12.02 %, target for the month was 7.33%. Variance is due to higher Utility Operating Income.

**Regulatory Facts:**

- On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the Tangible Property Regulations (“TPR”). The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers.

**Revenues**

- MTD Revenues are favorable by \$66K and YTD Revenues are favorable by \$27K. Billed consumption is favorable 8 MG MTD, but unfavorable 14.9 MG YTD. YTD results due to less than budgeted consumption offset by favorable Fire revenues of \$46K and “Other” \$14K.

**Expenses**

- MTD Labor is unfavorable by \$3K and YTD is unfavorable by \$6K. Variances are due to the reclass of standby pay from Other Fringe Benefits.
- MTD and YTD Purchased Power Expenses are favorable by \$7K and \$19K, respectively. Variances are due to the use of more efficient wells.
- MTD and YTD Medical Expenses are favorable by \$2K and \$15K, respectively. Variances are due to lower than budgeted premiums and an employee with family coverage who retired in June was replaced by someone who opted out of the plan.
- MTD and YTD Main Break Expenses are unfavorable by \$12K and \$35K respectively. MTD variance is due to true up on paving, YTD variance is due to above average costs to repair several of the main breaks.
- MTD All Other Operating Expenses are favorable by \$20K and YTD are unfavorable by \$12K. MTD variance is due to lower Maintenance costs. YTD variance is due to higher Customer Service expenses and Other Consulting partially offset by lower Operating, Maintenance, Postage & Bill Processing and the Hampton tax refund.

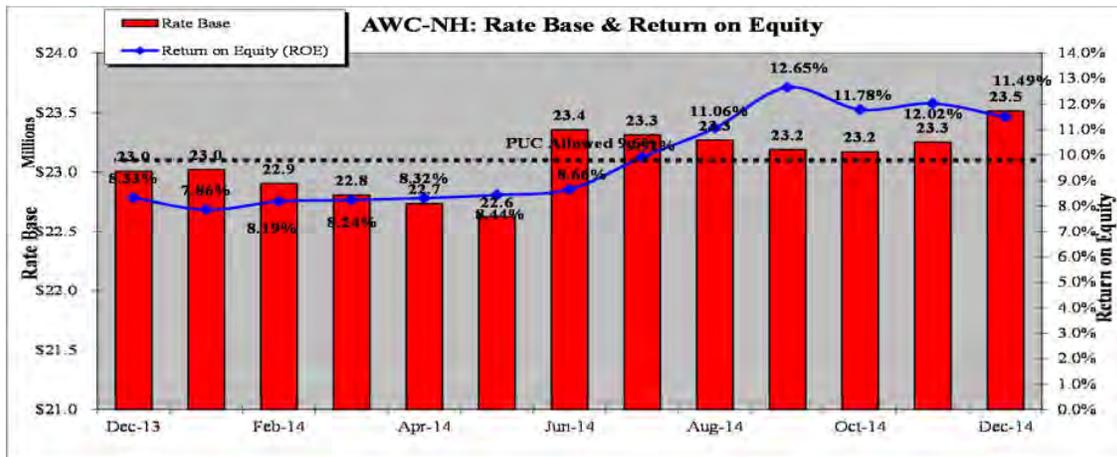
**Capital Expenditures  
 Comparison to Budget  
 November 2014  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
18	20	16	2	Mains	780	856	703	76
31	4	7	(27)	Transmission & Distribution	202	276	126	74
8	3	-	(5)	IT	88	130	83	42
3	6	1	3	Meters	107	64	126	(43)
-	-	-	-	Source of Supply	18	24	17	6
-	-	12	-	Pumping	25	50	68	25
-	4	-	4	Treatment	3	40	6	37
33	3	22	(30)	General Plant	70	33	87	(37)
<b>93</b>	<b>40</b>	<b>58</b>	<b>(53)</b>		<b>1,293</b>	<b>1,473</b>	<b>1,216</b>	<b>180</b>

- **Mains** - The variance is primarily due to the Ocean Blvd Main Replacement project. Year-end actuals are expected to be slightly lower than targets.
- **Transmission & Distribution** – The variance due the Exeter Road Tank Mixer, Glade Path Tank Mixer, Jenness Tank Mixer projects as well as lower than anticipated Hydrant and Valve Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring and NH Fleet GPS Replacement projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meter Replacement/Installations were higher than anticipated through October. Year-end actuals are expected to be higher than targets.
- **Source of Supply** – The variance was primarily due to miscellaneous Well Recurring projects. Year-end actuals are expected to be slightly lower than targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to be lower than targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring projects. Year-end actuals are expected to be slightly higher than targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
December 2014  
(Dollars in thousands)**

Month				Year To Date				
2014	Budget	2013	Budget Variance		2014	Budget	2013	Budget Variance
\$483	\$499	\$522	(\$16)	<b>Revenue</b>	\$7,352	\$7,341	\$7,401	\$11
65	73	63	8	Labor	766	768	778	2
58	59	69	1	Other Taxes	704	701	678	(3)
15	15	17	-	Purchased Power	212	231	227	19
102	6	12	(96)	Pension	164	68	161	(96)
(1)	1	17	2	Retiree Medical	3	5	223	2
13	14	17	1	Medical	164	180	205	16
2	2	2	-	Chemicals	32	29	31	(3)
2	2	6	-	Main Break Costs	79	44	49	(35)
98	125	107	27	All other - operating expenses	1,635	1,650	1,411	15
354	297	310	(57)	<b>Total Expenses, net of other income</b>	3,759	3,676	3,763	(83)
\$129	\$202	\$212	(\$73)	<b>EBITDA</b>	\$3,593	\$3,665	\$3,638	(\$72)
85	79	34	(6)	Depreciation and Amortization	958	952	923	(6)
-	-	-	-	AFUDC	-	-	-	-
\$44	\$123	\$178	(\$79)	<b>EBIT</b>	\$2,635	\$2,713	\$2,715	(\$78)
66	64	68	(2)	Interest - Operating Company	777	788	817	11
66	64	68	(2)	Total Interest	777	788	817	11
(\$22)	\$59	\$110	(\$81)	<b>EBT</b>	\$1,858	\$1,925	\$1,898	(\$67)
(44)	16	(662)	60	Income Taxes	470	526	81	56
\$22	\$43	\$772	(\$21)	<b>Net Income</b>	\$1,388	\$1,399	\$1,817	(\$11)



**Return on Equity**

- December NH ROE is 11.49 %, target for the month was 12.19%.

**Regulatory Facts:**

- Effective with the tax year ended 12/31/13, AWC-NH adopted, for tax purposes, the final Tangible Property Regulations (“TPR”) issued by the IRS in September 2013. On March 17, 2014, AWC-NH filed a petition for the limited purpose of approving a settlement agreement that would implement a 4% rate reduction effective 1/1/15 for a period of three years as a result of the TPR. The petition would return \$905K to the rate payer.
- On January 31, 2014, the Company filed for a WICA surcharge of 1.37% with implementation delayed until January 1, 2015 to coincide with rate reductions associated with TPR credits to be passed onto customers. PUC approval was received on May 23. On October 29, the Company filed for an annual WICA surcharge of \$176K, or 2.54%, also with implementation on January 1, 2015. A PUC staff recommendation letter supported the Company’s filing.

**Revenues**

- MTD Revenues were unfavorable by \$16K and favorable YTD by \$11K. MTD is unfavorable due to volume. YTD favorable due to higher service charges (\$65K) and higher Other revenues (\$15K), partially offset by lower volume (\$35K) and lower seasonal (\$34K).

**Expenses**

- MTD Labor is favorable by \$8K and YTD is favorable by \$2K. MTD variance is due budget spread – 23 actual days vs. 25 budget and less overtime for the month.
- MTD Purchased Power Expenses are on target and YTD are favorable by \$19K. YTD variance due to the use of more efficient wells.
- MTD and YTD Pension Expenses are unfavorable \$96K. Variances are due to \$98K terminated vested cash-out charge and \$2K favorable Pension true-up.
- MTD and YTD Medical Expenses are favorable by \$1K and \$16K, respectively. Variances are due to lower than budgeted premiums and an employee with family coverage who retired in June was replaced by someone who opted out of the plan.
- MTD Main Break Expenses are on target and YTD are unfavorable by \$35K. YTD variance is due to above average costs to repair several of the main breaks.
- MTD and YTD All Other Operating Expenses are favorable by \$27K and \$15K, respectively. MTD variance is due to CoBank patronage \$39K partially offset by Other Consulting \$18K. YTD variance is due to lower Operating, Maintenance, Postage & Bill Processing, Allocations, Hampton tax refund and the CoBank patronage partially offset by higher Customer Service Expenses, Other Consulting and Rate Case Expenses.

**Capital Expenditures  
 Comparison to Budget  
 December 2014  
 (Dollars in thousands)**

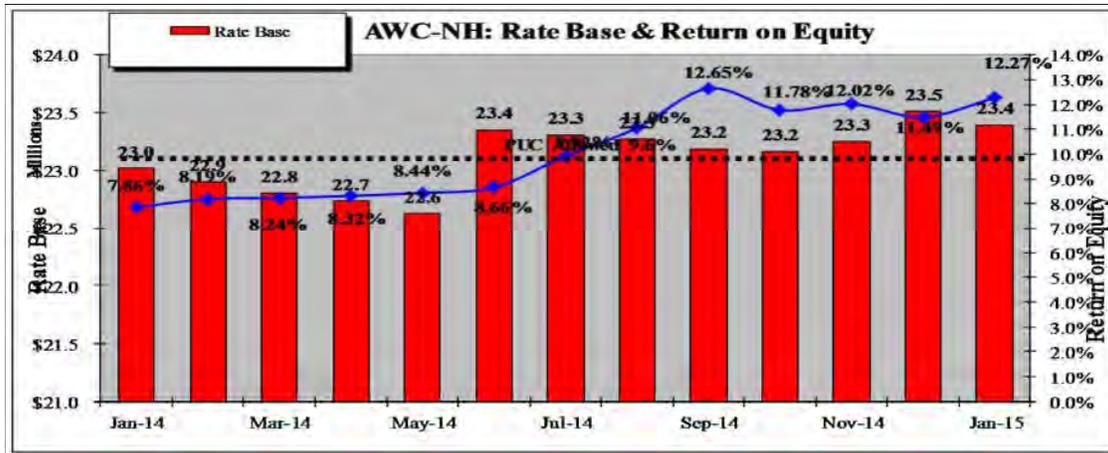
Month				AWC-NH	Year To Date			
2014	Budget	2013	Variance		2014	Budget	2013	Variance
14	7	47	(7)	Mains	794	863	750	69
56	3	9	(53)	Transmission & Distribution	258	279	135	21
5	3	-	(2)	IT	93	133	83	40
1	6	7	5	Meters	108	70	133	(38)
-	2	(70)	2	Source of Supply	18	26	(53)	8
18	1	42	(17)	Pumping	43	51	110	8
-	2	(24)	2	Treatment	3	42	(18)	39
6	3	43	(3)	General Plant	76	36	130	(40)
<b>100</b>	<b>27</b>	<b>54</b>	<b>(73)</b>		<b>1,393</b>	<b>1,500</b>	<b>1,270</b>	<b>107</b>

-	-	-	-	WICA Eligible Capex Spend	-	-	-	-
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- **Mains - Mains** were lower than budget for year-end 2014, primarily due to the Ocean Blvd Main Replacement project.
- **Transmission & Distribution – Transmission & Distribution** was on target for 2014.
- **IT – IT** was lower than budget for year-end 2014, primarily due to the SCADA Recurring and NH Fleet GPS Replacement projects.
- **Meters – Meter** Replacement/Installations were higher than budget for year-end 2014.
- **Source of Supply – Source of Supply** was slightly under budget for year-end 2014, primarily due to miscellaneous Well Recurring projects.
- **Pumping - Pumping** was on target for year-end 2014.
- **Treatment – Treatment** was lower than budget for year-end 2014, primarily due to miscellaneous Treatment Recurring projects.
- **General & other – General & other** were over budget for year-end 2014, primarily due to miscellaneous General Recurring projects.

**Aquarion Water Company of New Hampshire  
Financial Results  
January 2015  
(Dollars in thousands)**

Month					Year To Date			
2015	Budget	2014	Budget Variance		2015	Budget	204	Budget Variance
\$550	\$534	\$508	\$16	<b>Revenue</b>	\$550	\$534	\$508	\$16
66	60	69	(6)	Labor	66	60	69	(6)
55	61	63	6	Other Taxes	55	61	63	6
17	18	19	1	Purchased Power	17	18	19	1
8	8	16	-	Pension	8	8	16	-
1	1	17	-	Retiree Medical	1	1	17	-
14	17	14	3	Medical	14	17	14	3
1	2	3	1	Chemicals	1	2	3	1
5	9	2	4	Main Break Costs	5	9	2	4
102	123	133	21	All other - operating expenses	102	123	133	21
269	299	336	30	<b>Total Expenses, net of other income</b>	269	299	336	30
\$281	\$235	\$172	\$46	<b>EBITDA</b>	\$281	\$235	\$172	\$46
81	80	79	(1)	Depreciation and Amortization	81	80	79	(1)
-	-	-	-	AFUDC	-	-	-	-
\$200	\$155	\$93	\$45	<b>EBIT</b>	\$200	\$155	\$93	\$45
67	67	65	-	Interest - Operating Company	67	67	65	-
67	67	65	-	Total Interest	67	67	65	-
\$133	\$88	\$28	\$45	<b>EBT</b>	\$133	\$88	\$28	\$45
30	20	8	(10)	Income Taxes	30	20	8	(10)
\$103	\$68	\$20	\$35	<b>Net Income</b>	\$103	\$68	\$20	\$35



**Return on Equity**

- January NH ROE is 12.27 %, target for the month was 10.03%. Variance is due to higher utility operating income.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers in January is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

**Revenues**

- January Revenues were favorable by \$16K. Variance is due to favorable billed volume.

**Expenses**

- January Labor is unfavorable by \$6K. Variance is due budget spread – 22 actual days vs. 20 budget.
- January Other Taxes are favorable by \$6K. Variance is due do lower property tax bills received than budget.
- January Main Break Expenses are favorable by \$4K. Variance is due to one main break vs. two budgeted for the month.
- January All Other Expenses are favorable by \$21K. Variance is mainly due to lower Maintenance and Operating Expenses \$12K. Behind on maintenance due to weather.

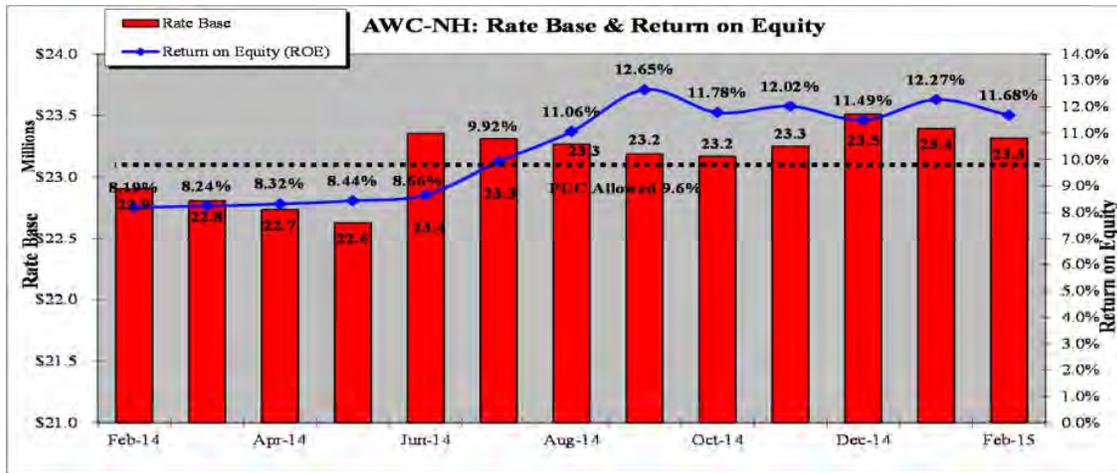
**Capital Expenditures  
 Comparison to Budget  
 January 2015  
 (Dollars in thousands)**

<u>Month</u>					<u>Year To Date</u>			
<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>
-	-	5	-	Mains	-	-	5	-
3	3	4	-	Transmission & Distribution	3	3	4	-
2	1	3	(1)	IT	2	1	3	(1)
4	-	10	(4)	Meters	4	-	10	(4)
-	-	-	-	Source of Supply	-	-	-	-
-	1	-	1	Pumping	-	1	-	1
-	1	-	1	Treatment	-	1	-	1
-	3	4	3	General Plant	-	3	4	3
<b>9</b>	<b>9</b>	<b>26</b>	<b>-</b>		<b>9</b>	<b>9</b>	<b>26</b>	<b>-</b>
-	-	-	-	WICA Eligible Capex Spend	-	-	-	-

- **Mains** - Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is on target for January. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Hardware Recurring. Year-end actuals are expected to meet targets.
- **Meters** – **Meter** Replacements for the month of January were higher than anticipated. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
February 2015  
(Dollars in thousands)**

Month					Year To Date			
2015	Budget	2014	Budget Variance		2015	Budget	2014	Budget Variance
<b>\$487</b>	<b>\$487</b>	<b>\$492</b>	<b>\$0</b>	<b>Revenue</b>	<b>\$1,037</b>	<b>\$1,021</b>	<b>\$1,000</b>	<b>\$16</b>
65	61	53	(4)	Labor	131	121	122	(10)
55	60	61	5	Other Taxes	110	121	124	11
19	18	19	(1)	Purchased Power	36	36	38	-
22	22	(5)	-	Pension	30	30	11	-
21	21	(16)	-	Retiree Medical	22	22	1	-
17	17	15	-	Medical	31	34	29	3
2	2	2	-	Chemicals	3	4	5	1
1	5	10	4	Main Break Costs	6	14	12	8
112	120	117	8	All other - operating expenses	214	243	250	29
314	326	256	12	<b>Total Expenses, net of other income</b>	<b>583</b>	<b>625</b>	<b>592</b>	<b>42</b>
<b>\$173</b>	<b>\$161</b>	<b>\$236</b>	<b>\$12</b>	<b>EBITDA</b>	<b>\$454</b>	<b>\$396</b>	<b>\$408</b>	<b>\$58</b>
79	80	80	1	Depreciation and Amortization	160	160	159	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$94</b>	<b>\$81</b>	<b>\$156</b>	<b>\$13</b>	<b>EBIT</b>	<b>\$294</b>	<b>\$236</b>	<b>\$249</b>	<b>\$58</b>
65	66	63	1	Interest - Operating Company	132	133	128	1
65	66	63	1	Total Interest	132	133	128	1
<b>\$29</b>	<b>\$15</b>	<b>\$93</b>	<b>\$14</b>	<b>EBT</b>	<b>\$162</b>	<b>\$103</b>	<b>\$121</b>	<b>\$59</b>
5	1	25	(4)	Income Taxes	35	21	33	(14)
<b>\$24</b>	<b>\$14</b>	<b>\$68</b>	<b>\$10</b>	<b>Net Income</b>	<b>\$127</b>	<b>\$82</b>	<b>\$88</b>	<b>\$45</b>



**Return on Equity**

- February NH ROE is 11.68 %, target for the month was 9.73%. Variance is due to higher utility operating income.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

**Revenues**

- February Revenues are on target. YTD Revenues are favorable \$16K. Billed consumption is unfavorable 1 MG but favorable 4 MG YTD. YTD results due to small increase in billed volume.

**Expenses**

- MTD and YTD Labor is unfavorable by \$4K and \$10K, respectively. Variances are due to more overtime and budget spread.
- MTD and YTD Other Taxes are favorable by \$5K and \$11K, respectively. Variance is due do lower property tax bills received than budget.
- MTD and YTD Main Break Expenses are favorable by \$4K and \$8K, respectively. Variances are due to fewer main breaks. YTD there was one main breaks vs. budget of three.
- MTD and YTD All Other Expenses are favorable by \$8K and \$29K, respectively. Variances are mainly due to lower Maintenance and Operating Expenses. Behind on maintenance due to weather.

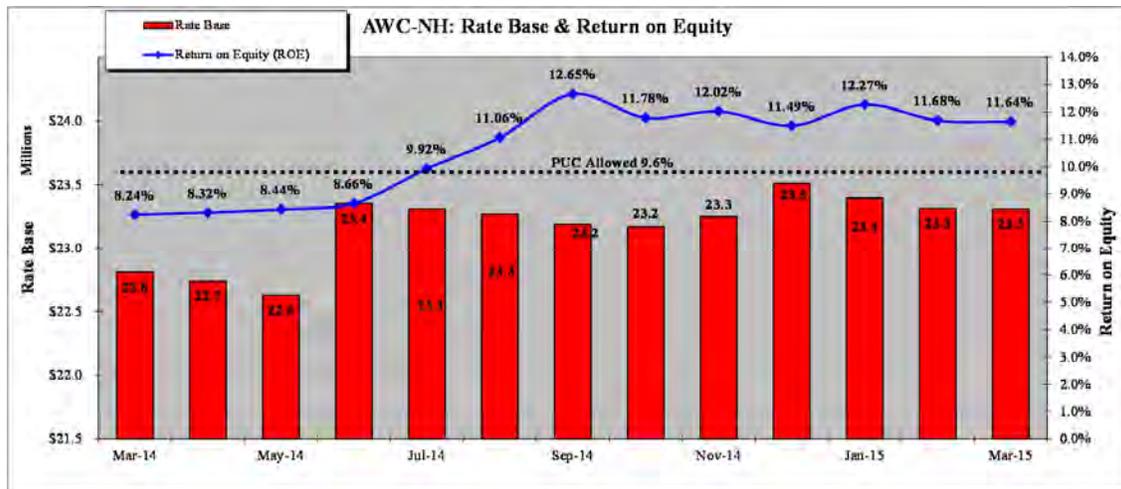
**Capital Expenditures  
 Comparison to Budget  
 February 2015  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2015	Budget	2014	Variance		2015	Budget	2014	Variance
7	-	8	(7)	Mains	7	-	13	(7)
6	3	-	(3)	Transmission & Distribution	9	6	4	(3)
13	2	12	(11)	IT	15	3	15	(12)
4	2	9	(2)	Meters	8	2	19	(6)
(8)	-	-	8	Source of Supply	(8)	-	-	8
-	2	-	2	Pumping	-	3	-	3
-	1	1	1	Treatment	-	2	1	2
-	1	5	1	General Plant	-	4	9	4
<b>22</b>	<b>11</b>	<b>35</b>	<b>(11)</b>		<b>31</b>	<b>20</b>	<b>61</b>	<b>(11)</b>
-	-	-	-	WICA Eligible Capex Spend	-	-	-	-

- **Mains** - The variance is primarily due to the Ocean Boulevard Main Replacement project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance through February is primarily due to New Service Connections. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through February. Year-end actuals are expected to meet targets.
- **Source of Supply** – Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to the Mill Road Booster Telemetry project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
March 31, 2015  
(Dollars in thousands)**

Month					Year To Date			
2015	Budget	2014	Budget Variance		2015	Budget	204	Budget Variance
\$517	\$521	\$514	(\$4)	<b>Revenue</b>	\$1,554	\$1,542	\$1,514	\$12
63	73	56	10	Labor	194	194	178	-
55	62	61	7	Other Taxes	165	183	185	18
22	18	19	(4)	Purchased Power	58	54	57	(4)
10	10	6	-	Pension	40	40	17	-
10	10	-	-	Retiree Medical	32	32	1	-
17	16	14	(1)	Medical	48	50	43	2
1	1	2	-	Chemicals	4	5	7	1
1	10	5	9	Main Break Costs	7	24	17	17
125	141	135	16	All other - operating expenses	339	384	385	45
304	341	298	37	<b>Total Expenses, net of other income</b>	887	966	890	79
\$213	\$180	\$216	\$33	<b>EBITDA</b>	\$667	\$576	\$624	\$91
81	81	79	-	Depreciation and Amortization	241	241	238	-
-	-	-	-	AFUDC	-	-	-	-
\$132	\$99	\$137	\$33	<b>EBIT</b>	\$426	\$335	\$386	\$91
66	65	64	(1)	Interest - Operating Company	198	198	192	-
66	65	64	(1)	Total Interest	198	198	192	-
\$66	\$34	\$73	\$32	<b>EBT</b>	\$228	\$137	\$194	\$91
13	9	21	(4)	Income Taxes	48	30	54	(18)
\$53	\$25	\$52	\$28	<b>Net Income</b>	\$180	\$107	\$140	\$73



**Return on Equity**

- March NH ROE is 11.64 %, target for the month was 9.66%. Variance is due to higher utility operating income.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

**Revenues**

- March Revenues are unfavorable by \$4K and YTD Revenues are favorable by \$12K. Billed consumption is unfavorable 1 MG but favorable 3 MG YTD. YTD results due to small increase in billed volume.

**Expenses**

- MTD Labor is favorable \$10K and YTD Labor is on target. MTD variance is due to 22 days in actual vs. 25 days in budget.
- MTD and YTD Other Taxes are favorable by \$7K and \$18K, respectively. Variance is due to lower property tax bills received than budget.
- MTD and YTD Main Break Expenses are favorable by \$9K and \$17K, respectively. Variances are due to fewer expense main breaks. YTD there have been two vs. five budgeted.
- MTD and YTD All Other Expenses are favorable by \$16K and \$45K, respectively. Variances are mainly due to lower Maintenance and Operating Expenses. Behind on maintenance due to weather and well testing budgeted for March will be done in April.

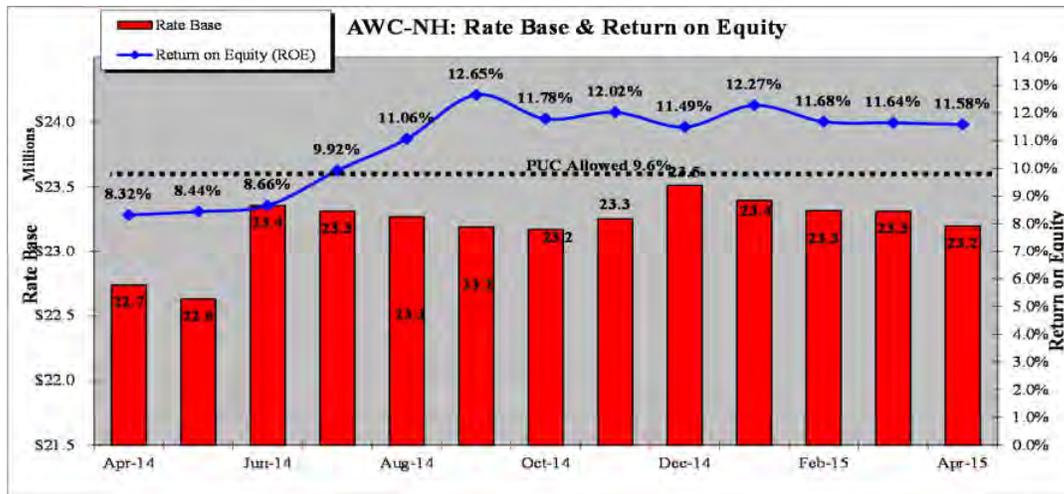
**Capital Expenditures  
 Comparison to Budget  
 March 31, 2015  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2015	Budget	2014	Variance		2015	Budget	2014	Variance
27	-	6	(27)	Mains	34	-	19	(34)
4	3	-	(1)	Transmission & Distribution	13	9	4	(4)
7	2	19	(5)	IT	22	5	34	(17)
4	5	14	1	Meters	12	7	33	(5)
-	-	1	-	Source of Supply	(8)	-	1	8
-	2	1	2	Pumping	-	5	1	5
-	2	1	2	Treatment	-	4	2	4
3	27	3	24	General Plant	3	31	12	28
<b>45</b>	<b>41</b>	<b>45</b>	<b>(4)</b>		<b>76</b>	<b>61</b>	<b>106</b>	<b>(15)</b>
-	-	-	-	WICA Eligible Capex Spend	-	-	-	-

- **Mains** - The variance is primarily due to various 2014 carryover Main Replacement projects. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to New & Replacement Service Connections. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring Hardware project. Year-end actuals are expected to be slightly higher than targets.
- **Meters** – Meter Replacements were slightly higher than anticipated through March. Year-end actuals are expected to meet targets.
- **Source of Supply** – Variance is primarily due to a reclass for the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to Fleet Replacements and miscellaneous General/Other recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
April 30, 2015  
(Dollars in thousands)**

Month				Year To Date				
2015	Budget	2014	Budget Variance		2015	Budget	2014	Budget Variance
\$544	\$515	\$541	\$29	<b>Revenue</b>	\$2,098	\$2,057	\$2,055	\$41
67	60	62	(7)	Labor	261	254	240	(7)
55	61	53	6	Other Taxes	220	244	238	24
17	17	17	-	Purchased Power	75	71	74	(4)
13	13	6	-	Pension	53	53	23	-
11	11	1	-	Retiree Medical	43	43	2	-
15	17	15	2	Medical	63	67	58	4
3	2	2	(1)	Chemicals	7	7	9	-
2	4	8	2	Main Break Costs	9	28	25	19
132	122	139	(10)	All other - operating expenses	471	506	524	35
315	307	303	(8)	<b>Total Expenses, net of other income</b>	1,202	1,273	1,193	71
\$229	\$208	\$238	\$21	<b>EBITDA</b>	\$896	\$784	\$862	\$112
80	80	80	-	Depreciation and Amortization	321	321	318	-
-	-	-	-	AFUDC	-	-	-	-
\$149	\$128	\$158	\$21	<b>EBIT</b>	\$575	\$463	\$544	\$112
70	71	70	1	Interest - External debt	279	280	279	1
(4)	(4)	(6)	-	Interest - Intero debt	(15)	(15)	(23)	-
66	67	64	1	Total Interest	264	265	256	1
\$83	\$61	\$94	\$22	<b>EBT</b>	\$311	\$198	\$288	\$113
17	13	24	(4)	Income Taxes	65	43	78	(22)
\$66	\$48	\$70	\$18	<b>Net Income</b>	\$246	\$155	\$210	\$91



**Return on Equity**

- April NH ROE is 11.58%, target for the month was 9.37%. Variance is due to higher utility operating income.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

**Revenues**

- MTD Revenues are favorable by \$29K and YTD Revenues are favorable by \$41K. Billed consumption is favorable 3MG for the month and 6MG YTD. YTD results are impacted by unusually warm mid April temperatures.

**Expenses**

- MTD and YTD Labor are unfavorable by \$7K. MTD variance due to 22 actual days vs. 20 days budgeted. YTD variance is due to more payroll charged to expense vs. capital.
- MTD and YTD Other Taxes are favorable by \$6K and \$24K, respectively. Variance is due to lower property tax bills received than budget.
- MTD and YTD Main Break Expenses are favorable by \$2K and \$19K, respectively. Variances are due to fewer main breaks. YTD there have been two vs. six budgeted.
- MTD All Other Expenses are unfavorable by \$10K and YTD All Other Expenses are favorable \$35K. MTD variance is mainly due to leak concessions. YTD variance is mainly due to timing on maintenance due to weather \$17K and better transportation costs due to gas prices \$7K.

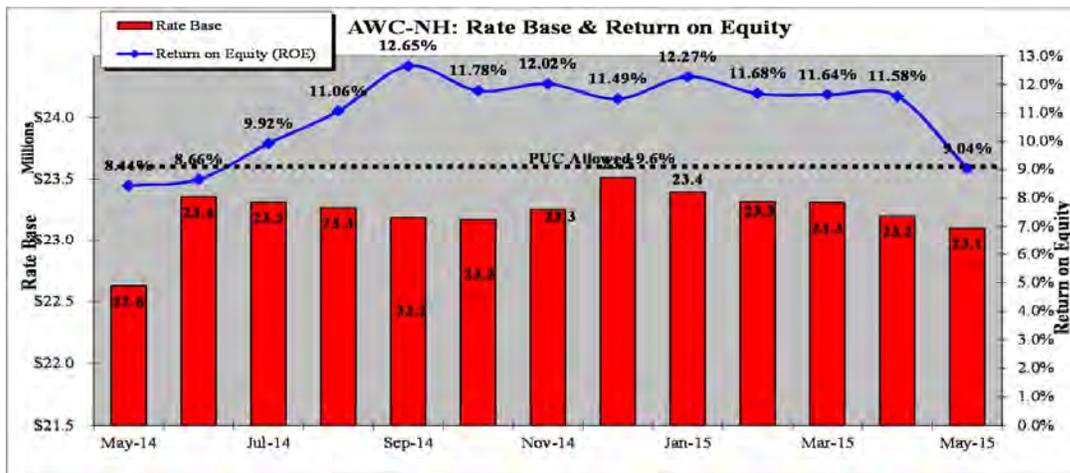
**Capital Expenditures  
 Comparison to Budget  
 April 30, 2015  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2015	Budget	2014	Variance		2015	Budget	2014	Variance
-	208	10	208	Mains	34	208	29	174
10	16	13	6	Transmission & Distribution	23	25	17	2
-	9	6	9	IT	22	14	40	(8)
5	14	9	9	Meters	17	21	42	4
-	-	-	-	Source of Supply	(8)	-	1	8
-	3	1	3	Pumping	-	8	2	8
-	2	-	2	Treatment	-	6	2	6
-	12	-	12	General Plant	3	43	12	40
<b>15</b>	<b>264</b>	<b>39</b>	<b>249</b>		<b>91</b>	<b>325</b>	<b>145</b>	<b>234</b>

- **Mains** - The variance is primarily due to Tide Mill PRV Upgrade (on hold) and various Main Replacement projects, which had a delayed start. Year-end actuals are expected to be slightly lower than targets.
- **Transmission & Distribution** – T&D is on target through April. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to the SCADA Recurring Hardware project. Year-end actuals are expected to be slightly higher than targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through April. Year-end actuals are expected to meet targets.
- **Source of Supply** – Variance is primarily due to a reclass for the Well 22 project early in the year. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to Fleet Replacements and miscellaneous General/Other recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
May 31, 2015  
(Dollars in thousands)**

Month					Year To Date			
2015	Budget	2014	Budget Variance		2015	Budget	2014	Budget Variance
<b>\$316</b>	<b>\$682</b>	<b>\$716</b>	<b>(\$366)</b>	<b>Revenue</b>	<b>\$2,414</b>	<b>\$2,739</b>	<b>\$2,771</b>	<b>(\$325)</b>
55	60	77	5	Labor	316	314	317	(2)
55	61	62	6	Other Taxes	275	305	300	30
17	19	17	2	Purchased Power	92	90	91	(2)
13	13	5	-	Pension	66	66	28	-
11	11	-	-	Retiree Medical	54	54	2	-
15	17	14	2	Medical	78	84	72	6
4	2	2	(2)	Chemicals	11	9	11	(2)
2	5	8	3	Main Break Costs	11	33	33	22
132	127	133	(5)	All other - operating expenses	603	633	657	30
304	315	318	11	<b>Total Expenses, net of other income</b>	<b>1,506</b>	<b>1,588</b>	<b>1,511</b>	<b>82</b>
<b>\$12</b>	<b>\$367</b>	<b>\$398</b>	<b>(\$355)</b>	<b>EBITDA</b>	<b>\$908</b>	<b>\$1,151</b>	<b>\$1,260</b>	<b>(\$243)</b>
81	80	79	(1)	Depreciation and Amortization	402	401	397	(1)
-	-	-	-	AFUDC	-	-	-	-
<b>(\$69)</b>	<b>\$287</b>	<b>\$319</b>	<b>(\$356)</b>	<b>EBIT</b>	<b>\$506</b>	<b>\$750</b>	<b>\$863</b>	<b>(\$244)</b>
71	70	71	(1)	Interest - External debt	350	350	350	-
(5)	(4)	(7)	1	Interest - Intercob debt	(20)	(19)	(30)	1
66	66	64	-	Total Interest	330	331	320	1
<b>(\$135)</b>	<b>\$221</b>	<b>\$255</b>	<b>(\$356)</b>	<b>EBT</b>	<b>\$176</b>	<b>\$419</b>	<b>\$543</b>	<b>(\$243)</b>
(27)	46	71	73	Income Taxes	38	89	149	51
<b>(\$108)</b>	<b>\$175</b>	<b>\$184</b>	<b>(\$283)</b>	<b>Net Income</b>	<b>\$138</b>	<b>\$330</b>	<b>\$394</b>	<b>(\$192)</b>



**Return on Equity**

- May NH ROE is 9.04%, target for the month was 8.78%.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

**Revenues**

- MTD Revenues are unfavorable by \$366K and YTD Revenues are unfavorable by \$325K. Variances are caused by a one time adjustment to correct prepaid fixed service charges. The unbilled was adjusted downward \$224K, and the billed prepaid charges were \$207K. Billed consumption is favorable 0.4 MG for the month and 6MG YTD. YTD results are impacted by unusually dry May conditions and should continue to improve June results.

**Expenses**

- MTD Labor is favorable by \$5K and YTD Labor is unfavorable \$2K. MTD variance due to higher capitalized labor.
- MTD and YTD Other Taxes are favorable by \$6K and \$30K, respectively. Variance is due to lower property tax bills received than budget.
- MTD and YTD Main Break Expenses are favorable by \$3K and \$22K, respectively. Variances are due to fewer main breaks. YTD there have been two vs. seven budgeted.
- MTD All Other Expenses are unfavorable by \$5K and YTD All Other Expenses are favorable \$30K. MTD variance is mainly due to catching up on Maintenance partially off set by Capitalized Fringe Benefits. YTD variance is mainly due to Transportation, Allocations and timing on Maintenance.

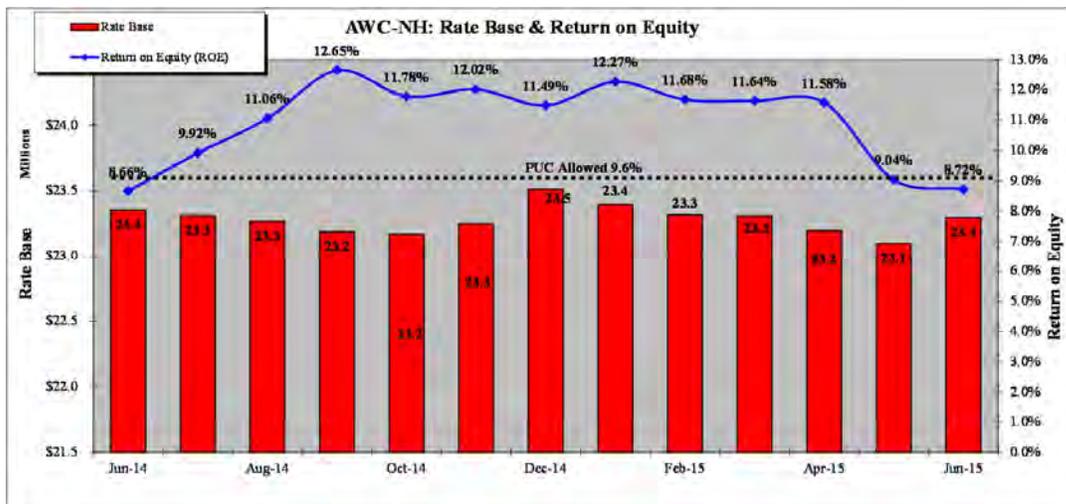
**Capital Expenditures  
 Comparison to Budget  
 May 31, 2015  
 (Dollars in thousands)**

<b>Month</b>				<b>Year To Date</b>				
<b>2015</b>	<b>Budget</b>	<b>2014</b>	<b>Variance</b>	<b>AWC-NH</b>	<b>2015</b>	<b>Budget</b>	<b>2014</b>	<b>Variance</b>
165	322	101	157	Mains	199	530	130	331
25	28	31	3	Transmission & Distribution	48	53	48	5
6	16	-	10	IT	28	30	40	2
7	9	16	2	Meters	24	30	58	6
7	12	4	5	Source of Supply	(1)	12	5	13
8	5	3	(3)	Pumping	8	13	5	5
2	6	-	4	Treatment	2	12	2	10
8	9	-	1	General Plant	11	52	12	41
<b>228</b>	<b>407</b>	<b>155</b>	<b>179</b>		<b>319</b>	<b>732</b>	<b>300</b>	<b>413</b>

- **Mains** - The variance is primarily due to Kings Highway, Ross Ave, Cable Road Main Replacements and Tide Mill PRV Upgrade (on hold) projects. Year-end actuals are expected to be slightly lower than targets.
- **Transmission & Distribution** – T&D is on target through May. Year-end actuals are expected to meet targets.
- **IT** – IT is on target through May. Year-end actuals are expected to be slightly higher than targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through May. Year-end actuals are expected to meet targets.
- **Source of Supply** – Variance is primarily due to a reclass for the Well 22 project early in the year. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to Fleet Replacements and miscellaneous General/Other recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**June 30, 2015**  
(Dollars in thousands)

Month				Year To Date				
2015	Budget	2014	Budget Variance		2015	Budget	204	Budget Variance
<b>\$703</b>	<b>\$690</b>	<b>\$752</b>	<b>\$13</b>	<b>Revenue</b>	<b>\$3,117</b>	<b>\$3,429</b>	<b>\$3,523</b>	<b>(\$312)</b>
57	59	58	2	Labor	373	373	375	-
63	61	54	(2)	Other Taxes	338	366	354	28
17	20	16	3	Purchased Power	109	110	107	1
13	14	6	1	Pension	79	80	34	1
11	10	-	(1)	Retiree Medical	65	64	2	(1)
15	17	14	2	Medical	93	101	86	8
3	2	4	(1)	Chemicals	14	11	15	(3)
3	5	9	2	Main Break Costs	14	38	42	24
138	146	117	8	All other - operating expenses	741	779	774	38
320	334	278	14	<b>Total Expenses, net of other income</b>	<b>1,826</b>	<b>1,922</b>	<b>1,789</b>	<b>96</b>
<b>\$383</b>	<b>\$356</b>	<b>\$474</b>	<b>\$27</b>	<b>EBITDA</b>	<b>\$1,291</b>	<b>\$1,507</b>	<b>\$1,734</b>	<b>(\$216)</b>
80	81	79	1	Depreciation and Amortization	482	482	476	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$303</b>	<b>\$275</b>	<b>\$395</b>	<b>\$28</b>	<b>EBIT</b>	<b>\$809</b>	<b>\$1,025</b>	<b>\$1,258</b>	<b>(\$216)</b>
70	69	63	(1)	Interest - External debt	420	419	413	(1)
(4)	(3)	-	1	Interest - Intero debt	(24)	(22)	(30)	2
66	66	63	-	Total Interest	396	397	383	1
<b>\$237</b>	<b>\$209</b>	<b>\$332</b>	<b>\$28</b>	<b>EBT</b>	<b>\$413</b>	<b>\$628</b>	<b>\$875</b>	<b>(\$215)</b>
48	44	90	(4)	Income Taxes	86	133	239	47
<b>\$189</b>	<b>\$165</b>	<b>\$242</b>	<b>\$24</b>	<b>Net Income</b>	<b>\$327</b>	<b>\$495</b>	<b>\$636</b>	<b>(\$168)</b>



Return on Equity

- June NH ROE is 8.72%, target for the month was 8.39%.

Regulatory Facts:

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

Revenues

- MTD Revenues are favorable by \$13K and YTD Revenues are unfavorable by \$312K. Billed volume is favorable 6MG for the month and 12MG YTD. Increased production in May is flowing through consumption.

Expenses

- MTD Other Taxes are unfavorable by \$2K and YTD Other Taxes are favorable by \$28K. MTD variance is due to a true up of property tax bills paid in June and YTD variance is due to property tax bills were lower than budget for the first half of the year.
- MTD and YTD Medical are favorable by \$2K and \$8K, respectively. A person included in the budget has retired.
- MTD and YTD Main Break Expenses are favorable by \$2K and \$24K, respectively. Variances are due to fewer main breaks. YTD there have been four vs. eight budgeted.
- MTD and YTD All Other Expenses are favorable by \$8K and \$38K, respectively. YTD variance is mainly due to lower Transportation & Other Consulting and higher Jobbing.

**Capital Expenditures  
Comparison to Budget  
June 30, 2015  
(Dollars in thousands)**

DW 20-184  
Joint Town 4-17 Attachment 1  
Page 36 of 186

Month				AWC-NH	Year To Date			
2015	Budget	2014	Variance		2015	Budget	2014	Variance
41	221	398	180	Mains	240	751	\$ 528	511
28	32	19	4	Transmission & Distribution	76	85	67	9
16	18	7	2	IT	44	48	47	4
11	3	19	(8)	Meters	35	33	77	(2)
5	13	23	8	Source of Supply	4	25	28	21
3	6	2	3	Pumping	11	19	7	8
2	5	-	3	Treatment	4	17	2	13
8	4	1	(4)	General Plant	19	56	13	37
<b>114</b>	<b>302</b>	<b>469</b>	<b>188</b>		<b>433</b>	<b>1,034</b>	<b>769</b>	<b>601</b>

• **Mains** - The variance is primarily due to Kings Highway, Ross Ave, Cable Road Main Replacements and Tide Mill PRV Upgrade (on hold) projects. Year-end actuals are expected to be on target.

• **Transmission & Distribution** – The variance is primarily due to the Recurring Boosters, Tank & Control Valve project. Year-end actuals are expected to meet targets.

• **IT** – IT is on target through June. Year-end actuals are expected to be on target.

• **Meters** – Meter Replacements were higher lower than anticipated through June. Year-end actuals are expected to meet targets.

• **Source of Supply** – Variance is primarily due to the Master Plan Update & Hydraulic Modeling project. Year-end actuals are expected to meet targets.

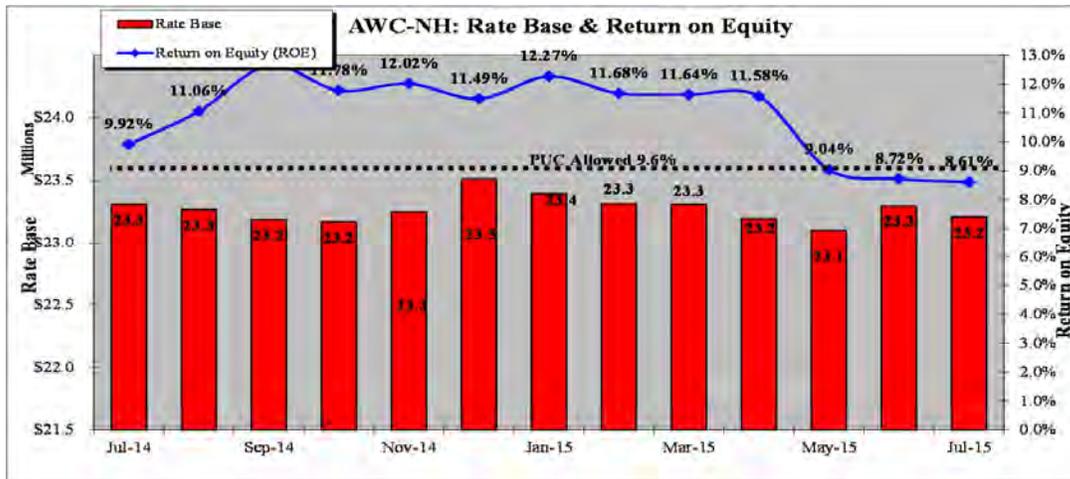
• **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.

• **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.

• **General & Other** – The variance was primarily due to Fleet Replacements project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
July 31, 2015  
(Dollars in thousands)**

Month				Year To Date				
2015	Budget	2014	Budget Variance		2015	Budget	204	Budget Variance
\$742	\$737	\$758	\$5	<b>Revenue</b>	\$3,859	\$4,166	\$4,281	(\$307)
71	73	67	2	Labor	444	446	442	2
61	61	59	-	Other Taxes	399	427	413	28
19	25	23	6	Purchased Power	128	135	130	7
14	13	6	(1)	Pension	93	93	40	-
10	11	1	1	Retiree Medical	75	75	3	-
15	16	13	1	Medical	108	117	99	9
3	4	4	1	Chemicals	17	15	19	(2)
4	5	6	1	Main Break Costs	18	43	48	25
119	134	153	15	All other - operating expenses	860	913	927	53
316	342	332	26	<b>Total Expenses, net of other income</b>	2,142	2,264	2,121	122
\$426	\$395	\$426	\$31	<b>EBITDA</b>	\$1,717	\$1,902	\$2,160	(\$185)
80	80	79	-	Depreciation and Amortization	562	562	555	-
-	-	-	-	AFUDC	-	-	-	-
\$346	\$315	\$347	\$31	<b>EBIT</b>	\$1,155	\$1,340	\$1,605	(\$185)
70	69	77	(1)	Interest - External debt	490	488	490	(2)
(4)	(3)	(12)	1	Interest - Intercio debt	(28)	(25)	(42)	3
66	66	65	-	Total Interest	462	463	448	1
\$280	\$249	\$282	\$31	<b>EBT</b>	\$693	\$877	\$1,157	(\$184)
58	53	77	(5)	Income Taxes	144	186	316	42
\$222	\$196	\$205	\$26	<b>Net Income</b>	\$549	\$691	\$841	(\$142)



Return on Equity

- July NH ROE is 8.61%, target for the month was 8.17%.

Regulatory Facts

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

Revenues

- MTD Revenues are favorable by \$5K and YTD Revenues are unfavorable by \$307K. YTD variance is caused by a one time adjustment to correct prepaid fixed service charges \$400K offset by favorable consumption. Billed consumption is unfavorable 0.6 MG for the month and 11.7 MG YTD.

Expenses

- MTD Other Taxes are on target and YTD Other Taxes are favorable by \$28K. YTD variance is due to property tax bills were lower than budget for the first half of the year.
- MTD and YTD Power are favorable by \$6K and \$7K, respectively. Demand was lower than budget.
- MTD and YTD Medical are favorable by \$1K and \$9K, respectively. A person included in the budget has retired.
- MTD and YTD Main Break Expenses are favorable by \$1K and \$25K, respectively. Variances are due to fewer main breaks.
- MTD and YTD All Other Expenses are favorable by \$15K and \$53K, respectively. MTD and YTD variances are mainly due to lower Transportation, Other Consulting and Postage & Bill Processing Fees.

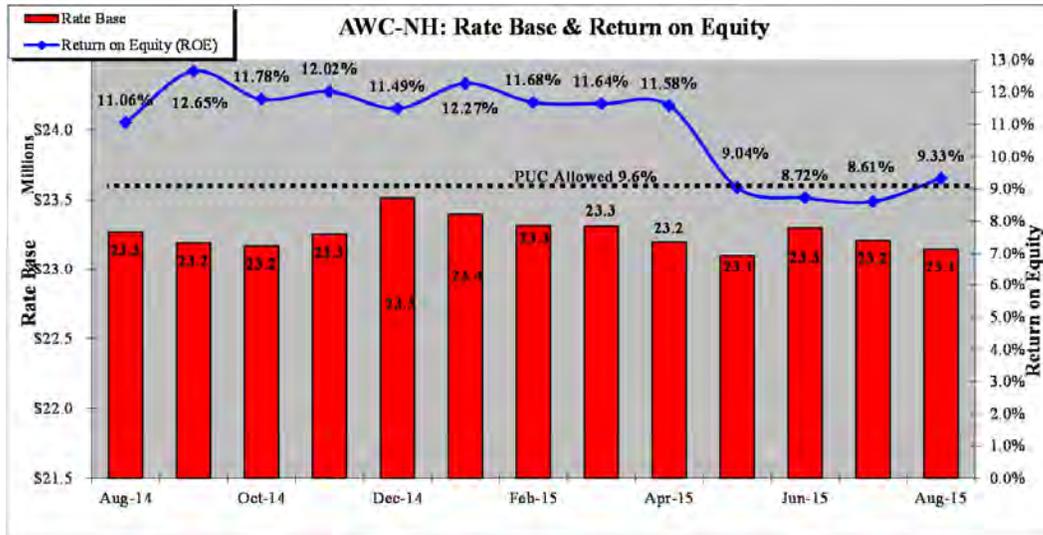
**Capital Expenditures  
 Comparison to Budget  
 July 31, 2015  
 (Dollars in thousands)**

Month				Year To Date				
<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>	<b>AWC-NH</b>	<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>
46	145	71	99	Mains	286	896	\$ 599	610
14	28	18	14	Transmission & Distribution	90	113	85	23
14	14	5	-	IT	58	62	52	4
18	2	12	(16)	Meters	53	35	89	(18)
1	12	(9)	11	Source of Supply	5	37	19	32
2	3	17	1	Pumping	13	22	24	9
5	3	1	(2)	Treatment	9	20	3	11
6	2	4	(4)	General Plant	25	58	17	33
<b>106</b>	<b>209</b>	<b>119</b>	<b>103</b>		<b>539</b>	<b>1,243</b>	<b>888</b>	<b>704</b>

- **Mains** - The variance is primarily due to Kings Highway, Ross Ave, Cable Road Main Replacements and Tide Mill PRV Upgrade (on hold) projects. Year-end actuals are expected to be on target.
- **Transmission & Distribution** – The variance is primarily due to the Recurring Boosters, Tank & Control Valve project. Year-end actuals are expected to meet targets.
- **IT** – IT is on target through July. Year-end actuals are expected to be on target.
- **Meters** – Meter Replacements were higher lower than anticipated through July. Year-end actuals are expected to meet targets.
- **Source of Supply** – Variance is primarily due to the Master Plan Update & Hydraulic Modeling project. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to Fleet Replacements project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
August 31, 2015  
(Dollars in thousands)**

Month				Year To Date				
2015	Budget	2014	Budget Variance		2015	Budget	204	Budget Variance
\$792	\$757	\$722	\$35	<b>Revenue</b>	\$4,651	\$4,923	\$5,003	(\$272)
57	61	61	4	Labor	501	507	503	6
59	61	58	2	Other Taxes	458	488	471	30
24	24	23	-	Purchased Power	152	159	153	7
13	13	5	-	Pension	106	106	45	-
11	11	-	-	Retiree Medical	86	86	3	-
15	17	14	2	Medical	123	134	113	11
5	3	3	(2)	Chemicals	22	18	22	(4)
1	9	14	8	Main Break Costs	19	52	62	33
108	127	150	19	All other - operating expenses	968	1,040	1,077	72
293	326	328	33	<b>Total Expenses, net of other income</b>	2,435	2,590	2,449	155
\$499	\$431	\$394	\$68	<b>EBITDA</b>	\$2,216	\$2,333	\$2,554	(\$117)
81	81	80	-	Depreciation and Amortization	643	643	635	-
-	-	-	-	AFUDC	-	-	-	-
\$418	\$350	\$314	\$68	<b>EBIT</b>	\$1,573	\$1,690	\$1,919	(\$117)
71	69	70	(2)	Interest - External debt	561	557	560	(4)
(5)	(3)	(7)	2	Interest - Intercob debt	(33)	(28)	(49)	5
66	66	63	-	Total Interest	528	529	511	1
\$352	\$284	\$251	\$68	<b>EBT</b>	\$1,045	\$1,161	\$1,408	(\$116)
74	60	69	(14)	Income Taxes	218	246	385	28
\$278	\$224	\$182	\$54	<b>Net Income</b>	\$827	\$915	\$1,023	(\$88)



**Return on Equity**

- August NH ROE is 9.33%, target for the month was 8.24%. Variance is mainly due to higher utility operating income.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers is a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved.

**Revenues**

- MTD Revenues are favorable by \$35K and YTD Revenues are unfavorable by \$272K. YTD variance is caused by a one time adjustment to correct deferred service revenues \$431K, partially offset by favorable consumption. Billed consumption is favorable 5.4 MG for the month and 17.0 MG YTD.

**Expenses**

- MTD and YTD Other Taxes are favorable by \$2 and \$30K, respectively. YTD variance is due to property tax bills were lower than budget for the first half of the year.
- MTD and YTD Medical are favorable by \$2K and \$11K, respectively. A person included in the budget has retired.
- MTD and YTD Main Break Expenses are favorable by \$8K and \$33K, respectively. Variances are due to fewer main breaks.
- MTD and YTD All Other Expenses are favorable by \$19K and \$72K, respectively. MTD and YTD variances are mainly due to lower Transportation, Other Consulting, Jobbing and Postage & Bill Processing Fees.

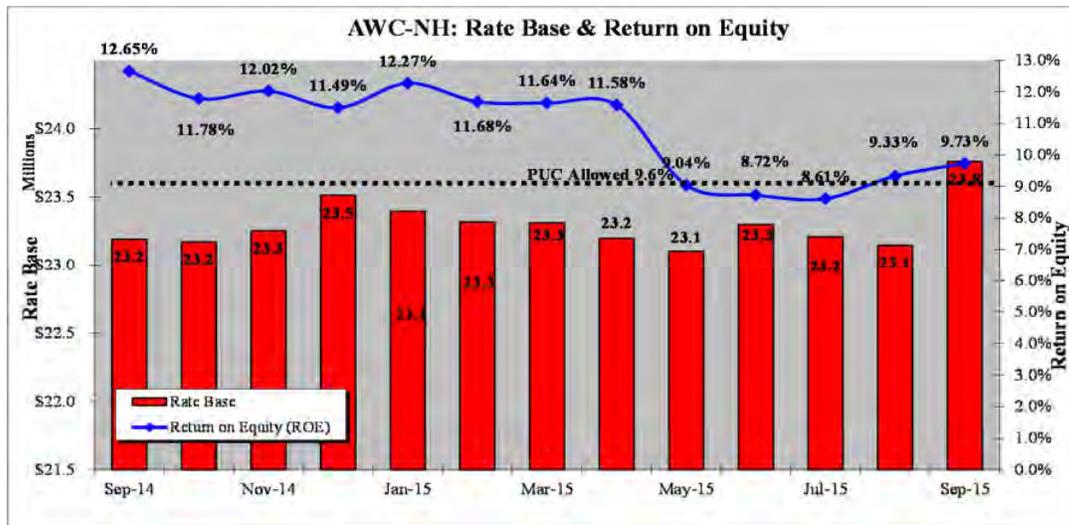
**Capital Expenditures  
 Comparison to Budget  
 August 31, 2015  
 (Dollars in thousands)**

<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>
(8)	33	11	41	Mains	278	929	\$ 610	651
15	21	13	6	Transmission & Distribution	105	134	98	29
10	12	11	2	IT	68	74	63	6
14	2	4	(12)	Meters	67	37	93	(30)
3	12	1	9	Source of Supply	8	49	20	41
-	2	-	2	Pumping	13	24	24	11
5	2	-	(3)	Treatment	14	22	3	8
2	2	-	-	General Plant	27	60	17	33
<b>41</b>	<b>86</b>	<b>40</b>	<b>45</b>		<b>580</b>	<b>1,329</b>	<b>928</b>	<b>749</b>

- **Mains** - The variance is primarily due to Tide Mill PRV Upgrade (on hold), Kings Highway, Ross Ave, and Cable Road Main Replacements projects. Year-end actuals are expected to be on target.
- **Transmission & Distribution** – The variance is primarily due to the Recurring Boosters, Tank & Control Valve project. Year-end actuals are expected to meet targets.
- **IT** – IT is on target through August. Year-end actuals are expected to be on target.
- **Meters** – Meter Replacements were higher than anticipated through August. Year-end actuals are expected to meet targets.
- **Source of Supply** – Variance is primarily due to the Master Plan Update & Hydraulic Modeling project. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to Fleet Replacements project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
September 30, 2015  
(Dollars in thousands)**

Month				Year To Date				
2015	Budget	2014	Budget Variance		2015	Budget	204	Budget Variance
\$775	\$727	\$696	\$48	<b>Revenue</b>	\$5,426	\$5,650	\$5,699	(\$224)
64	59	63	(5)	Labor	565	566	566	1
60	61	58	1	Other Taxes	518	549	529	31
21	20	19	(1)	Purchased Power	173	179	172	6
13	13	6	-	Pension	119	119	51	-
11	11	-	-	Retiree Medical	97	97	3	-
15	17	12	2	Medical	138	151	125	13
5	2	3	(3)	Chemicals	27	20	25	(7)
12	-	-	(12)	Main Break Costs	31	52	62	21
89	123	136	34	All other - operating expenses	1,057	1,163	1,213	106
290	306	297	16	<b>Total Expenses, net of other income</b>	2,725	2,896	2,746	171
\$485	\$421	\$399	\$64	<b>EBITDA</b>	\$2,701	\$2,754	\$2,953	(\$53)
80	81	79	1	Depreciation and Amortization	723	724	714	1
-	-	-	-	AFUDC	-	-	-	-
\$405	\$340	\$320	\$65	<b>EBIT</b>	\$1,978	\$2,030	\$2,239	(\$52)
70	70	70	-	Interest - External debt	631	627	630	(4)
(5)	(3)	(3)	2	Interest - Intero debt	(38)	(31)	(52)	7
65	67	67	2	Total Interest	593	596	578	3
\$340	\$273	\$253	\$67	<b>EBT</b>	\$1,385	\$1,434	\$1,661	(\$49)
73	58	69	(15)	Income Taxes	291	304	454	13
\$267	\$215	\$184	\$52	<b>Net Income</b>	\$1,094	\$1,130	\$1,207	(\$36)



Return on Equity

- September NH ROE is 9.73%, target for the month was 8.84%. Variance is mainly due to higher utility operating income.

Regulatory Facts:

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers was a reduction to their water bill. The Company's projects for 2015 and 2016 were also approved.

Revenues

- MTD Revenues are favorable by \$48K and YTD Revenues are unfavorable by \$224K. YTD variance is caused by a one time adjustment to correct deferred service revenues \$431K, partially offset by favorable consumption \$134K, WICA \$18K, and \$39K Fire. Billed consumption is favorable 5.2 MG for the month and 22.2 MG YTD.

Expenses

- MTD and YTD Other Taxes are favorable by \$1 and \$31K, respectively. YTD variance due to property tax bills lower than budget for the first half of the year.
- MTD and YTD Medical are favorable by \$2K and \$13K, respectively. One employee included in the budget has retired.
- MTD Main Break Expenses are unfavorable by \$12K and YTD Main Breaks are favorable by \$21K. MTD variance is due to paving and other restoration work for earlier main breaks. YTD variance is due to fewer main breaks.
- MTD and YTD All Other Expenses are favorable by \$34K and \$106K, respectively. MTD and YTD variances are mainly due to lower Transportation, Other Consulting, Jobbing and Postage & Bill Processing Fees.

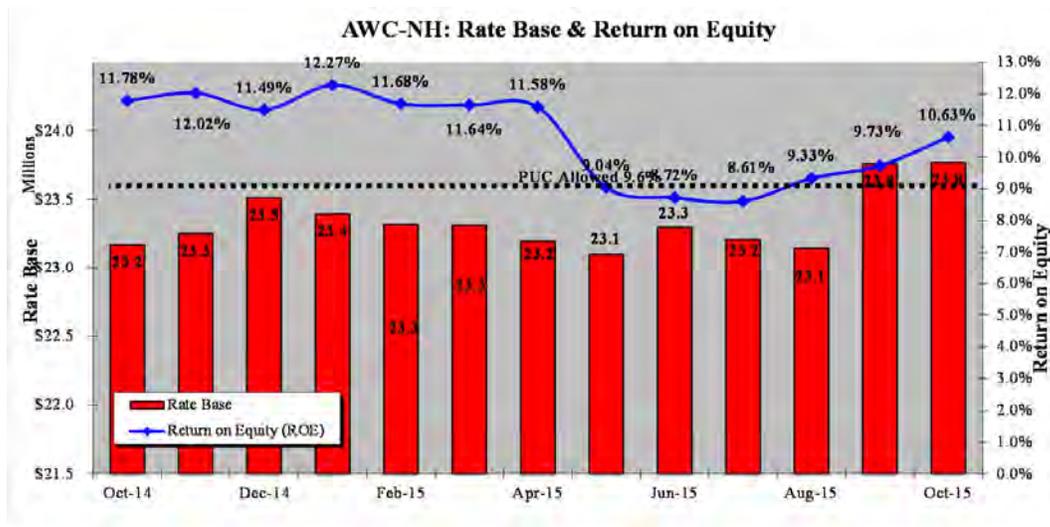
**Capital Expenditures  
 Comparison to Budget  
 September 30, 2015  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2015	Budget	2014	Variance		2015	Budget	2014	Variance
342	-	32	(342)	Mains	620	929	\$ 642	309
19	27	22	8	Transmission & Distribution	124	161	120	37
2	14	4	12	IT	70	88	67	18
6	2	6	(4)	Meters	73	39	99	(34)
35	-	-	(35)	Source of Supply	43	49	20	6
-	3	-	3	Pumping	13	27	24	14
-	3	-	3	Treatment	14	25	3	11
8	2	16	(6)	General Plant	35	62	33	27
<b>412</b>	<b>51</b>	<b>80</b>	<b>(361)</b>		<b>992</b>	<b>1,380</b>	<b>1,008</b>	<b>388</b>

- **Mains** - The variance is primarily due to Tide Mill PRV Upgrade (on hold), Kings Highway, Ross Ave, and Cable Road Main Replacements projects. Year-end actuals are expected to be on slightly lower than target.
- **Transmission & Distribution** – The variance is primarily due to the Recurring Boosters, Tank & Control Valve and Exeter Road Tank Painting (capital improvements) projects. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the SCADA Software Programming project. Year-end actuals are expected to be on target.
- **Meters** – Meter Replacements were higher than anticipated through September. Year-end actuals are expected to be slightly higher than targets.
- **Source of Supply** – Variance is primarily due to the Master Plan Update & Hydraulic Modeling project. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to Fleet Replacements project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
October 31, 2015  
(Dollars in thousands)**

Month					Year To Date			
2015	Budget	2014	Budget Variance		2015	Budget	2014	Budget Variance
\$639	\$582	\$613	\$57	<b>Revenue</b>	\$6,065	\$6,232	\$6,312	(\$167)
63	75	69	12	Labor	628	641	635	13
64	62	59	(2)	Other Taxes	582	611	588	29
19	17	16	(2)	Purchased Power	192	196	188	4
13	14	6	1	Pension	132	133	57	1
11	11	1	-	Retiree Medical	108	108	4	-
15	17	13	2	Medical	153	168	138	15
2	2	2	-	Chemicals	29	22	27	(7)
-	5	1	5	Main Break Costs	31	57	63	26
102	126	218	24	All other - operating expenses	1,159	1,289	1,431	130
289	329	385	40	<b>Total Expenses, net of other income</b>	3,014	3,225	3,131	211
\$350	\$253	\$228	\$97	<b>EBITDA</b>	\$3,051	\$3,007	\$3,181	\$44
80	80	80	-	Depreciation and Amortization	803	804	794	1
-	-	-	-	AFUDC	-	-	-	-
\$270	\$173	\$148	\$97	<b>EBIT</b>	\$2,248	\$2,203	\$2,387	\$45
70	70	15	-	Interest - External debt	701	697	645	(4)
(4)	(3)	52	1	Interest - Intercob debt	(42)	(34)	-	8
66	67	67	1	Total Interest	659	663	645	4
\$204	\$106	\$81	\$98	<b>EBT</b>	\$1,589	\$1,540	\$1,742	\$49
28	23	22	(5)	Income Taxes	319	327	476	8
\$176	\$83	\$59	\$93	<b>Net Income</b>	\$1,270	\$1,213	\$1,266	\$57



**Return on Equity**

- October NH ROE is 10.63%, target for the month was 9.70%. Variance is mainly due to higher utility operating income.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers was a reduction to their water bill. The Company’s projects for 2015 and 2016 were also approved. On October 30, 2015, we filed with the PUC to increase the WICA surcharge to 3.97% with an effective date of January 1, 2016.

**Revenues**

- MTD Revenues are favorable by \$57K and YTD Revenues are unfavorable by \$167K. YTD variance is caused by a one time adjustment to correct deferred service revenues \$431K, partially offset by favorable consumption \$154K, WICA \$20K, and \$72K Fire. Billed consumption is favorable 1.2 MG for the month and 23.4 MG YTD.

**Expenses**

- MTD and YTD Labor is favorable by \$12K and \$13K, respectively. Variances are due to budget spread.
- MTD Other Taxes are unfavorable by \$3K and YTD Other Taxes are favorable by \$29K. YTD variance due to property tax bills lower than budget for the first half of the year.
- MTD and YTD Medical are favorable by \$2K and \$15K, respectively. One employee included in the budget has retired.
- MTD and YTD Main Break Expenses are favorable by \$5K and \$26K, respectively. Variances are due to fewer main breaks.
- MTD and YTD All Other Expenses are favorable by \$24K and \$130K, respectively. MTD and YTD variances are mainly due to lower Transportation, Other Consulting, Jobbing and Postage & Bill Processing Fees.

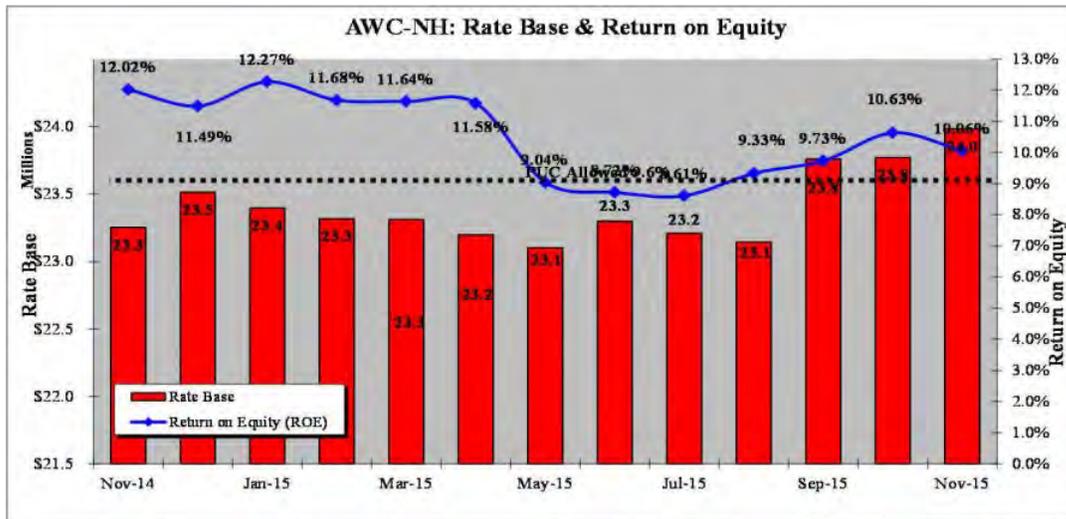
**Capital Expenditures  
 Comparison to Budget  
 October 31, 2015  
 (Dollars in thousands)**

<u>Month</u>					<u>Year To Date</u>			
<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2015</u>	<u>Budget</u>	<u>2014</u>	<u>Variance</u>
(10)	2	120	12	Mains	610	931	\$ 762	321
40	29	52	(11)	Transmission & Distribution	164	190	172	26
10	7	13	(3)	IT	80	95	80	15
4	3	5	(1)	Meters	77	42	104	(35)
9	1	(2)	(8)	Source of Supply	52	50	18	(2)
1	5	1	4	Pumping	14	32	25	18
-	5	-	5	Treatment	14	30	3	16
120	4	4	(116)	General Plant	155	66	37	(89)
<b>174</b>	<b>56</b>	<b>193</b>	<b>(118)</b>		<b>1,166</b>	<b>1,436</b>	<b>1,201</b>	<b>270</b>

- **Mains** - The variance is primarily due to Tide Mill PRV Upgrade (on hold), Kings Highway and Ross Ave Main Replacements projects. Year-end actuals are expected to be on slightly lower than target.
- **Transmission & Distribution** – The variance is primarily due to the Recurring Boosters, Tank & Control Valve and Exeter Road Tank Painting (capital improvements) projects offset slightly by higher than anticipated Services Replacements. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the SCADA Software Programming project. Year-end actuals are expected to be on target.
- **Meters** – Meter Replacements were higher than anticipated through October. Year-end actuals are expected to be slightly higher than targets.
- **Source of Supply** – Variance is primarily due to the Master Plan Update & Hydraulic Modeling project. Year-end actuals are expected to meet targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to purchase of a Backhoe. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
November 30, 2015  
(Dollars in thousands)**

Month					Year To Date			
2015	Budget	2014	Budget Variance		2015	Budget	2014	Budget Variance
\$529	\$490	\$557	\$39	<b>Revenue</b>	\$6,594	\$6,722	\$6,869	(\$128)
62	61	66	(1)	Labor	690	702	701	12
64	61	58	(3)	Other Taxes	646	672	646	26
12	16	9	4	Purchased Power	204	212	197	8
14	13	5	(1)	Pension	146	146	62	-
10	10	-	-	Retiree Medical	118	118	4	-
15	16	13	1	Medical	168	184	151	16
-	2	3	2	Chemicals	29	24	30	(5)
(3)	5	14	8	Main Break Costs	28	62	77	34
103	129	106	26	All other - operating expenses	1,262	1,418	1,537	156
277	313	274	36	<b>Total Expenses, net of other income</b>	3,291	3,538	3,405	247
\$252	\$177	\$283	\$75	<b>EBITDA</b>	\$3,303	\$3,184	\$3,464	\$119
81	80	79	(1)	Depreciation and Amortization	884	884	873	-
-	-	-	-	AFUDC	-	-	-	-
\$171	\$97	\$204	\$74	<b>EBIT</b>	\$2,419	\$2,300	\$2,591	\$119
69	71	14	2	Interest - External debt	770	768	711	(2)
(5)	(3)	52	2	Interest - Interco debt	(47)	(37)	-	10
64	68	66	4	Total Interest	723	731	711	8
\$107	\$29	\$138	\$78	<b>EBT</b>	\$1,696	\$1,569	\$1,880	\$127
39	6	38	(33)	Income Taxes	358	333	514	(25)
\$68	\$23	\$100	\$45	<b>Net Income</b>	\$1,338	\$1,236	\$1,366	\$102



**Return on Equity**

- November NH ROE is 10.06%, target for the month was 9.97%. Variance is mainly due to higher utility operating income.

**Regulatory Facts:**

- WICA – October 29, 2014 AWC NH filed for an annual WICA surcharge of \$176K, or 2.54%. The surcharge was approved by the PUC on January 12, 2015 effective back to January 1. The implementation occurred concurrently with the implementation of the 2014 WICA and the TPR surcredits. The net impact to customers was a reduction to their water bill. On October 30, 2015 AWC NH filed with the PUC to increase the WICA surcharge to 3.97% (an increase of 1.43%) with an effective date of January 1, 2016.

**Revenues**

- MTD Revenues are favorable by \$39K and YTD Revenues are unfavorable by \$128K. YTD variance is caused by a one time adjustment to correct deferred service revenues \$43K, partially offset by favorable consumption \$189K, WICA \$22K, and \$51K Fire. Billed consumption is favorable 5.2MG for the month and 28.6MG YTD.

**Expenses**

- MTD Labor is unfavorable by \$1K and YTD Labor is favorable by \$12K. YTD variance is due to budget spread.
- MTD Other Taxes are unfavorable by \$3K and YTD Other Taxes are favorable by \$26K. YTD variance due to property tax bills lower than budget for the first half of the year.
- MTD and YTD Medical are favorable by \$1K and \$16K, respectively. One employee included in the budget has retired.
- MTD and YTD Main Break Expenses are favorable by \$8K and \$34K, respectively. Variances are due to fewer main breaks.
- MTD and YTD All Other Expenses are favorable by \$26K and \$156K, respectively. MTD and YTD variances are mainly due to lower Transportation, Other Consulting, Jobbing and Postage & Bill Processing Fees.

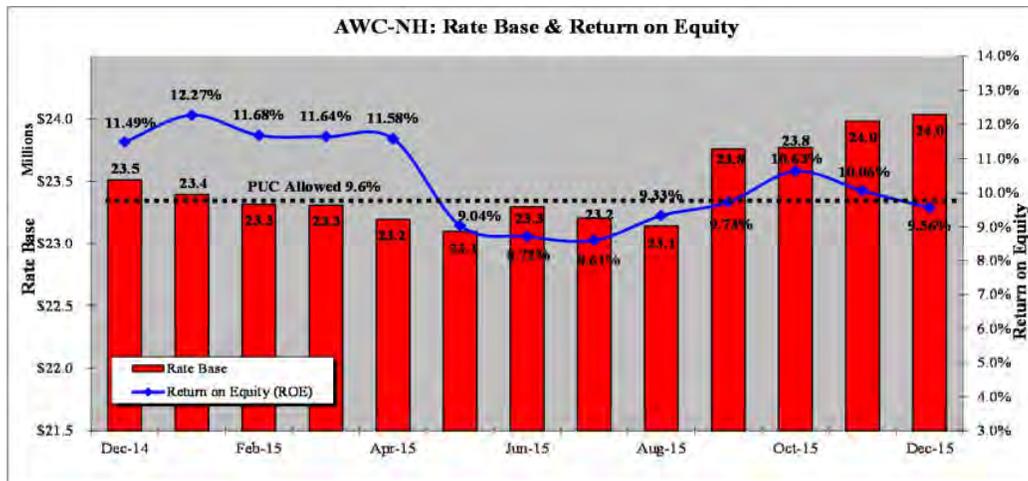
**Capital Expenditures  
 Comparison to Budget  
 November 30, 2015  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2015	Budget	2014	Variance		2015	Budget	2014	Variance
-	6	18	6	Mains	610	937	\$ 780	327
36	31	31	(5)	Transmission & Distribution	200	221	203	21
1	5	8	4	IT	81	100	88	19
3	2	3	(1)	Meters	80	44	107	(36)
43	-	-	(43)	Source of Supply	95	50	18	(45)
12	7	-	(5)	Pumping	26	39	25	13
-	6	-	6	Treatment	14	36	3	22
28	5	33	(23)	General Plant	183	71	70	(112)
<b>123</b>	<b>62</b>	<b>93</b>	<b>(61)</b>		<b>1,289</b>	<b>1,498</b>	<b>1,294</b>	<b>209</b>

- **Mains** - The variance is primarily due to Tide Mill PRV Upgrade (on hold), Kings Highway and Ross Ave Main Replacements projects. Year-end actuals are expected to be on slightly lower than target.
- **Transmission & Distribution** – T&D is on target through November. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the SCADA Software Programming project. Year-end actuals are expected to be on target.
- **Meters** – Meter Replacements were higher than anticipated through November. Year-end actuals are expected to be slightly higher than targets.
- **Source of Supply** – Variance is primarily due to various Well Redevelopment projects. Year-end actuals are expected to be slightly higher than targets.
- **Pumping** - Variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – Variance is primarily due to miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was primarily due to purchase of a Backhoe. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**December 31, 2015**  
(Dollars in thousands)

Month					Year To Date			
2015	Budget	2014	Budget Variance		2015	Budget	204	Budget Variance
\$541	\$507	\$483	\$34	<b>Revenue</b>	\$7,135	\$7,229	\$7,352	(\$94)
71	77	65	6	Labor	761	779	766	18
76	61	58	(15)	Other Taxes	722	733	704	11
13	16	15	3	Purchased Power	217	228	212	11
34	13	102	(21)	Pension	180	159	164	(21)
8	11	(1)	3	Retiree Medical	126	129	3	3
16	17	13	1	Medical	184	201	164	17
2	2	2	-	Chemicals	31	26	32	(5)
-	4	2	4	Main Break Costs	28	66	79	38
91	135	98	44	All other - operating expenses	1,353	1,553	1,635	200
311	336	354	25	<b>Total Expenses, net of other income</b>	3,602	3,874	3,759	272
\$230	\$171	\$129	\$59	<b>EBITDA</b>	\$3,533	\$3,355	\$3,593	\$178
70	81	85	11	Depreciation and Amortization	954	965	958	11
-	-	-	-	AFUDC	-	-	-	-
\$160	\$90	\$44	\$70	<b>EBIT</b>	\$2,579	\$2,390	\$2,635	\$189
70	69	70	(1)	Interest - External debt	840	837	840	(3)
(4)	(3)	(4)	1	Interest - Intero debt	(51)	(40)	(63)	11
66	66	66	-	Total Interest	789	797	777	8
\$94	\$24	(\$22)	\$70	<b>EBT</b>	\$1,790	\$1,593	\$1,858	\$197
217	5	(44)	(212)	Income Taxes	575	338	470	(237)
<b>(\$123)</b>	<b>\$19</b>	<b>\$22</b>	<b>(\$142)</b>	<b>Net Income</b>	<b>\$1,215</b>	<b>\$1,255</b>	<b>\$1,388</b>	<b>(\$40)</b>



Return on Equity

- December NH ROE is 9.55%, target for the month was 10.38%. Variance is mainly due to lower than budgeted earnings on a trailing 12 month basis.

Regulatory Facts:

- WICA – On October 30, 2015 AWC NH filed with the PUC to increase the WICA surcharge to 3.97% (an increase of 1.43%) with an effective date of January 1, 2016. Technical session held on December 15, 2015. The PUC released its draft decision on January 7, 2016 approving a surcharge of 3.99% (after adjustments to calculations recommended by staff). We expect a final decision by January 26<sup>th</sup>.

Revenues

- MTD Revenues are favorable by \$34K and YTD Revenues are unfavorable by \$94K. YTD variance is caused by a one time adjustment to correct deferred service revenues \$430K, partially offset by favorable consumption \$192K, WICA \$22K, Fire \$57K and \$40K in increased service charges. Billed consumption is favorable 2.1MG for the month and 30.7MG YTD.

Expenses

- MTD Labor is favorable by \$6K and YTD is favorable by \$18K. YTD variance is mainly due to less inter-company charges.
- MTD Other Taxes are unfavorable by \$15K and YTD are favorable by \$11K. MTD variance due to property tax true up done in December.
- MTD and YTD Pension expenses are unfavorable by \$21K. A true up was done based on final expense numbers from the actuary.
- MTD and YTD Medical are favorable by \$1K and \$17K, respectively. One employee included in the budget has retired.
- MTD and YTD Main Break Expenses are favorable by \$4K and \$38K, respectively. Variances are due to fewer main breaks.
- MTD and YTD All Other Expenses are favorable by \$45K and \$201K, respectively. MTD variance is due to CoBank Patronage \$41K. YTD variance is due to CoBank Patronage, Other Consulting \$87K, Jobbing \$13K and Postage & Bill Processing Fees \$44K.

**Capital Expenditures  
Comparison to Budget  
December 31, 2015  
(Dollars in thousands)**

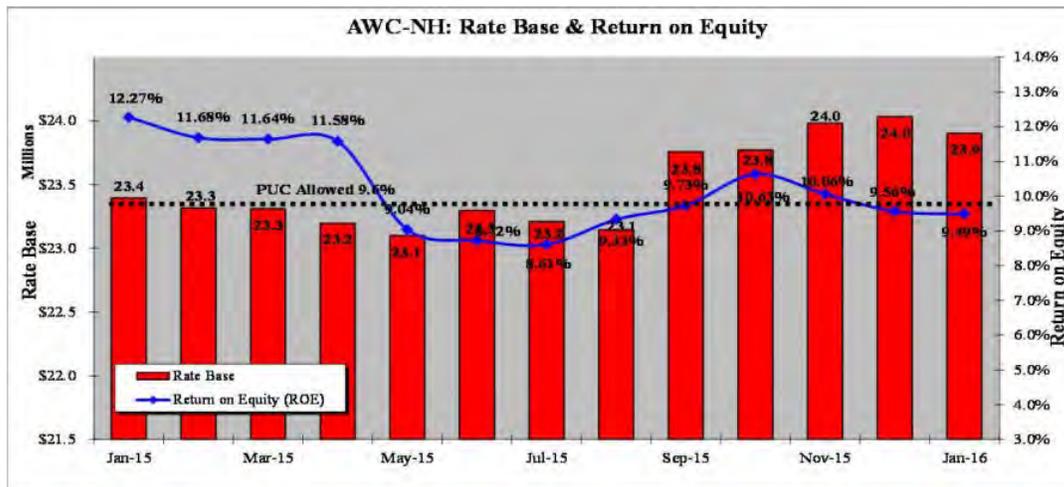
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Joint Town 4-17 Attachment 1  
Page 48 of 186

Month				AWC-NH	Year To Date			
2015	Budget	2014	Variance		2015	Budget	2014	Variance
-	1	14	1	Mains	610	938	\$ 794	328
22	25	55	3	Transmission & Distribution	222	246	258	24
-	5	5	5	IT	81	105	93	24
1	2	1	1	Meters	81	46	108	(35)
71	-	-	(71)	Source of Supply	166	50	18	(116)
-	6	18	6	Pumping	26	45	43	19
-	6	-	6	Treatment	14	42	3	28
4	5	6	1	General Plant	187	76	76	(111)
<b>98</b>	<b>50</b>	<b>99</b>	<b>(48)</b>		<b>1,387</b>	<b>1,548</b>	<b>1,393</b>	<b>161</b>

- **Mains** - The variance for 2015 was primarily due to Tide Mill PRV Upgrade (on hold), Kings Highway and Ross Ave Main Replacements projects.
- **Transmission & Distribution** – T&D was on target for 2015.
- **IT** – The variance was primarily due to the SCADA Software Programming project.
- **Meters** – Meter Replacements were higher than anticipated for 2015.
- **Source of Supply** – The variance for 2015 was primarily due to various Well Redevelopment projects.
- **Treatment** – The variance for 2015 was primarily due to miscellaneous Treatment Recurring projects.
- **General & Other** – The variance for 2015 was primarily due to purchase of a Backhoe as well as higher than anticipated General Recurring projects.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**January 31, 2016**  
(Dollars in thousands)

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$520	\$548	\$550	(\$28)	<b>Revenue</b>	\$520	\$548	\$550	(\$28)
65	66	66	1	Labor	65	66	66	1
64	62	55	(2)	Other Taxes	64	62	55	(2)
14	16	17	2	Purchased Power	14	16	17	2
13	13	8	-	Pension	13	13	8	-
11	11	1	-	Retiree Medical	11	11	1	-
16	17	14	1	Medical	16	17	14	1
2	2	1	-	Chemicals	2	2	1	-
3	3	5	-	Main Break Costs	3	3	5	-
103	123	102	20	All other - operating expenses	103	123	102	20
291	313	269	22	<b>Total Expenses, net of other income</b>	291	313	269	22
\$229	\$235	\$281	(\$6)	<b>EBITDA</b>	\$229	\$235	\$281	(\$6)
82	83	81	1	Depreciation and Amortization	82	83	81	1
-	-	-	-	AFUDC	-	-	-	-
\$147	\$152	\$200	(\$5)	<b>EBIT</b>	\$147	\$152	\$200	(\$5)
71	70	12	(1)	Interest - External debt	71	70	71	(1)
(4)	(3)	55	1	Interest - Interco debt	(4)	(3)	(4)	1
67	67	67	-	Total Interest	67	67	67	-
\$80	\$85	\$133	(\$5)	<b>EBT</b>	\$80	\$85	\$133	(\$5)
(9)	21	30	30	Income Taxes	(9)	21	30	30
\$89	\$64	\$103	\$25	<b>Net Income</b>	\$89	\$64	\$103	\$25



Return on Equity

- January NH ROE is 9.49%, target for the month was 10.26%. Variance due primarily to lower than budgeted earnings on a trailing 12 month basis.

Regulatory Facts:

- WICA – On October 30, 2015 AWC NH filed with the PUC to increase the WICA surcharge to 3.97% (an increase of 1.43%) with an effective date of January 1, 2016. Final decision issued (and bills were released) on January 26, 2016 approving a surcharge of 3.99% (after adjustments by staff), with an effective date of January 1, 2016.

Revenues

- January Revenues are unfavorable by \$28K. Billed consumption is unfavorable 4MG due to bill timing. Both revenue and billed volume are expected to recover.

Expenses

- January All Other Expenses are favorable by \$20K. Variance is due to lower Maintenance, Postage & Bill Processing and Telecommunications expenses.

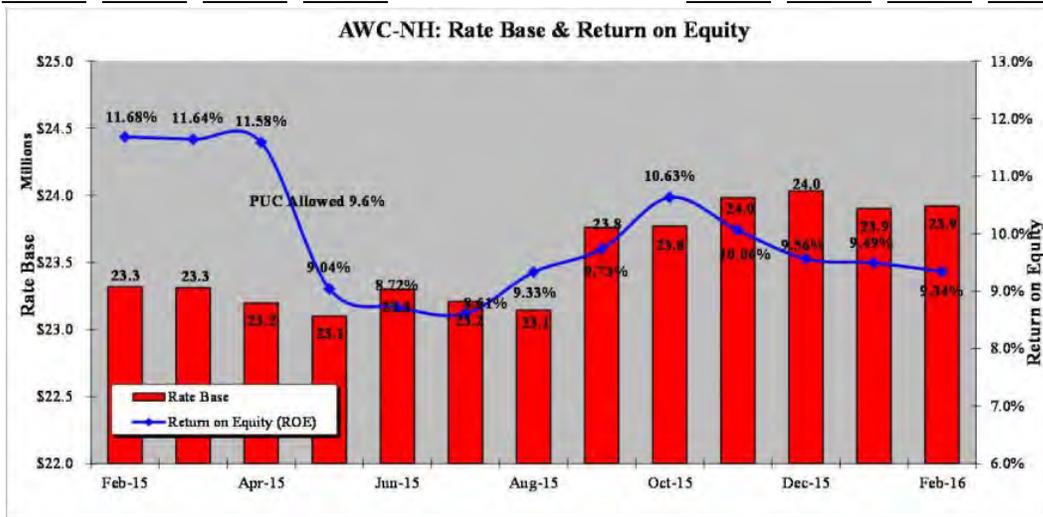
**Capital Expenditures  
 Comparison to Budget  
 January 31, 2016  
 (Dollars in thousands)**

Month				Year To Date				
<u>2016</u>	<u>Budget</u>	<u>2015</u>	<u>Variance</u>		<u>2016</u>	<u>Budget</u>	<u>2015</u>	<u>Variance</u>
-	12	-	12	<b>AWC-NH</b>	-	12	-	12
2	4	3	2	Mains	-	4	3	2
-	39	1	39	Transmission & Distribution	2	39	1	39
1	11	4	10	IT	-	11	4	10
8	11	-	3	Meters	1	11	-	3
4	-	-	(4)	Source of Supply	8	-	-	(4)
-	-	-	-	Pumping	4	-	-	-
-	3	-	3	Treatment	-	3	-	3
-	-	-	-	General Plant	-	-	-	-
<b>15</b>	<b>80</b>	<b>8</b>	<b>65</b>		<b>15</b>	<b>80</b>	<b>8</b>	<b>65</b>

- **Mains** - Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to slightly lower than anticipated Service Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control and Monthly Billing Conversion projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements for the month of January were lower than anticipated. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** –Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**February 29, 2016**  
(Dollars in thousands)

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$484	\$504	\$487	(\$20)	Revenue	\$1,004	\$1,052	\$1,037	(\$48)
66	65	65	(1)	Labor	131	131	131	-
63	63	55	-	Other Taxes	127	125	110	(2)
16	16	19	-	Purchased Power	30	32	36	2
18	18	22	-	Pension	31	31	30	-
5	5	21	-	Retiree Medical	16	16	22	-
16	16	17	-	Medical	32	33	31	1
1	1	2	-	Chemicals	3	3	3	-
5	4	1	(1)	Main Break Costs	8	7	6	(1)
104	138	112	34	All other - operating expenses	207	261	214	54
294	326	314	32	<b>Total Expenses, net of other income</b>	585	639	583	54
\$190	\$178	\$173	\$12	<b>EBITDA</b>	\$419	\$413	\$454	\$6
83	82	79	(1)	Depreciation and Amortization	165	165	160	-
-	-	-	-	AFUDC	-	-	-	-
\$107	\$96	\$94	\$11	<b>EBIT</b>	\$254	\$248	\$294	\$6
69	70	68	1	Interest - External debt	140	140	139	-
(4)	(3)	(3)	1	Interest - Intercor debt	(8)	(6)	(7)	2
65	67	65	2	Total Interest	132	134	132	2
\$42	\$29	\$29	\$13	<b>EBT</b>	\$122	\$114	\$162	\$8
9	8	5	(1)	Income Taxes	-	29	35	29
\$33	\$21	\$24	\$12	<b>Net Income</b>	\$122	\$85	\$127	\$37



**Return on Equity**

- February NH ROE is 9.34%, target for the month was 9.45%. Variance due primarily (-27 bps) to lower than budgeted earnings (on a 12 month rolling basis) and (-10 bps) higher weighted average cost of debt offset by a lower than budgeted rate base (34 bps).

**Regulatory Facts:**

- WICA – On October 30, 2015 AWC NH filed with the PUC to increase the WICA surcharge to 3.97% (an increase of 1.43%) with an effective date of January 1, 2016. Final decision issued (and bills were released) on January 26, 2016 approving a surcharge of 3.99% (after adjustments by staff), with an effective date of January 1, 2016.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). Data requests were filed on February 12<sup>th</sup>. The Town of Hampton filed for intervention on February 11<sup>th</sup>. NH PUC granted the Town’s petition and has scheduled a hearing for April 7<sup>th</sup> in Concord, NH.

**Revenues**

- MTD and YTD Revenues are unfavorable by \$20K and \$48K, respectively. Billed consumption is unfavorable 3MG due to bill timing. Both revenue and billed volume are expected to recover.

**Expenses**

- MTD and YTD All Other Expenses are favorable by \$34K and \$54K, respectively. Variances are due to lower operating, maintenance and postage & bill processing expenses.

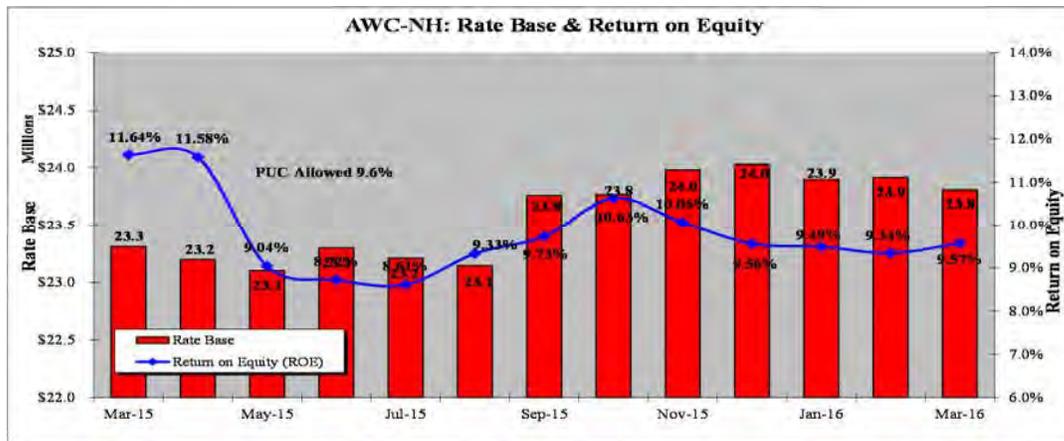
**Capital Expenditures  
 Comparison to Budget  
 February 29, 2016  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
-	32	7	32	Mains	-	44	7	44
1	4	6	3	Transmission & Distribution	3	8	9	5
-	38	14	38	IT	-	77	15	77
11	13	4	2	Meters	12	24	8	12
-	280	(8)	280	Source of Supply	8	291	(8)	283
14	-	-	(14)	Pumping	18	-	-	(18)
-	-	-	-	Treatment	-	-	-	-
-	1	-	1	General Plant	-	4	-	4
<b>26</b>	<b>368</b>	<b>23</b>	<b>342</b>		<b>41</b>	<b>448</b>	<b>31</b>	<b>407</b>

- **Mains** – Main Replacements were lower than targets through February. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to slightly lower than anticipated Hydrant and Service Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control and Monthly Billing Conversion projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through February. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**March 31, 2016**  
(Dollars in thousands)

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$557	\$541	\$517	\$16	<b>Revenue</b>	\$1,561	\$1,593	\$1,554	(\$32)
71	69	63	(2)	Labor	202	200	194	(2)
67	63	55	(4)	Other Taxes	194	188	165	(6)
17	17	22	-	Purchased Power	47	49	58	2
16	15	10	(1)	Pension	47	46	40	(1)
7	7	10	-	Retiree Medical	23	23	32	-
16	17	17	1	Medical	48	50	48	2
2	2	1	-	Chemicals	5	5	4	-
-	8	1	8	Main Break Costs	8	15	7	7
136	155	125	19	All other - operating expenses	343	416	339	73
332	353	304	21	<b>Total Expenses, net of other income</b>	917	992	887	75
\$225	\$188	\$213	\$37	<b>EBITDA</b>	\$644	\$601	\$667	\$43
83	83	81	-	Depreciation and Amortization	248	248	241	-
-	-	-	-	AFUDC	-	-	-	-
\$142	\$105	\$132	\$37	<b>EBIT</b>	\$396	\$353	\$426	\$43
71	71	70	-	Interest - External debt	211	210	209	(1)
(5)	(4)	(4)	1	Interest - Interco debt	(13)	(10)	(11)	3
66	67	66	1	Total Interest	198	200	198	2
\$76	\$38	\$66	\$38	<b>EBT</b>	\$198	\$153	\$228	\$45
17	7	13	(10)	Income Taxes	17	28	48	11
\$59	\$31	\$53	\$28	<b>Net Income</b>	\$181	\$125	\$180	\$56



**Return on Equity**

- March NH ROE is 9.57%, target for the month was 9.43%. Variance due primarily (41 bps) to a lower than budgeted rate base offset by (-16 bps) higher weighted average cost of debt and (-4bps) to a lower than budgeted earnings (on a 12 month rolling basis).

**Regulatory Facts:**

- WICA – On October 30, 2015 AWC NH filed with the PUC to increase the WICA surcharge to 3.97% (an increase of 1.43%) with an effective date of January 1, 2016. Final decision issued (and bills were released) on January 26, 2016 approving a surcharge of 3.99% (after adjustments by staff), with an effective date of January 1, 2016.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). A prehearing conference and technical session were held on April 7<sup>th</sup> in Concord, NH. Data requests, testimony and hearings will be held in May and June.

**Revenues**

- MTD Revenues are favorable by \$16K and YTD Revenues are unfavorable by \$32K due to decreased production. Billed consumption is unfavorable 1.5 MG for the month and 6 MG YTD. Production is unfavorable 5MG for the month and 15.5 MG YTD.

**Expenses**

- MTD and YTD Other Taxes are unfavorable by \$4K and \$6K, respectively. Variances are due to higher property taxes than budgeted and a true up of NH State property taxes.
- MTD and YTD Main Break Costs are favorable by \$8K and \$7K, respectively. Variances are due to fewer main breaks. There were two main breaks YTD vs. six budgeted.
- MTD and YTD All Other Expenses are favorable by \$19K and \$73K, respectively. Variances are due to lower operating, maintenance, postage & bill processing (due to delay in monthly billing) and other consulting.

**Capital Expenditures  
 Comparison to Budget  
 March 31, 2016  
 (Dollars in thousands)**

<b>Month</b>			
<b>2016</b>	<b>Budget</b>	<b>2015</b>	<b>Variance</b>
34	33	27	(1)
8	2	4	(6)
-	38	7	38
31	19	4	(12)
(30)	9	-	39
(1)	-	-	1
-	-	-	-
1	4	3	3
<b>43</b>	<b>105</b>	<b>45</b>	<b>62</b>

**AWC-NH**

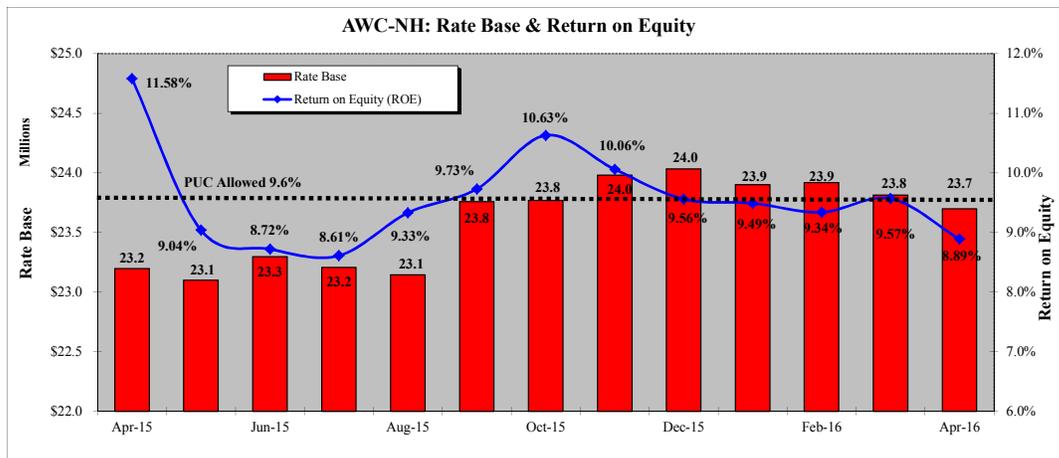
Mains
Transmission & Distribution
IT
Meters
Source of Supply
Pumping
Treatment
General Plant

<b>Year To Date</b>				
<b>2016</b>	<b>Budget</b>	<b>2015</b>	<b>Variance</b>	
34	77	34	43	\$
11	10	13	(1)	
-	115	22	115	
43	43	12	-	
(22)	300	(8)	322	
17	-	-	(17)	
-	-	-	-	
1	8	3	7	
<b>84</b>	<b>553</b>	<b>76</b>	<b>469</b>	

- **Mains** – Main Replacements were lower than targets through March. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D was on target through March. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control and Monthly Billing Conversion projects. Year-end actuals are expected to lower than targets.
- **Meters** – Meter were on target through March. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**April 30, 2016**  
**(Dollars in thousands)**

Month				Year To Date				
2016	Budget	2015	Budget Variance	2016	Budget	2015	Budget Variance	
<b>\$505</b>	<b>\$532</b>	<b>\$544</b>	<b>(\$27)</b>	<b>Revenue</b>	<b>\$2,066</b>	<b>\$2,125</b>	<b>\$2,098</b>	<b>(\$29)</b>
63	65	67	2	Labor	265	265	261	-
64	63	55	(1)	Other Taxes	258	251	220	(7)
11	15	17	4	Purchased Power	58	64	75	6
15	16	13	1	Pension	62	62	53	-
8	8	11	-	Retiree Medical	31	31	43	-
16	16	15	-	Medical	64	66	63	2
1	2	3	1	Chemicals	6	7	7	1
6	4	2	(2)	Main Break Costs	14	19	9	5
140	124	132	(16)	All other - operating expenses	483	540	471	57
324	313	315	(11)	<b>Total Expenses, net of other income</b>	<b>1,241</b>	<b>1,305</b>	<b>1,202</b>	<b>64</b>
<b>\$181</b>	<b>\$219</b>	<b>\$229</b>	<b>(\$38)</b>	<b>EBITDA</b>	<b>\$825</b>	<b>\$820</b>	<b>\$896</b>	<b>\$5</b>
83	82	80	(1)	Depreciation and Amortization	331	330	321	(1)
-	-	-	-	AFUDC	-	-	-	-
<b>\$98</b>	<b>\$137</b>	<b>\$149</b>	<b>(\$39)</b>	<b>EBIT</b>	<b>\$494</b>	<b>\$490</b>	<b>\$575</b>	<b>\$4</b>
69	71	70	2	Interest - External debt	280	281	279	1
(4)	(3)	(4)	1	Interest - Interco debt	(17)	(13)	(15)	4
65	68	66	3	Total Interest	263	268	264	5
<b>\$33</b>	<b>\$69</b>	<b>\$83</b>	<b>(\$36)</b>	<b>EBT</b>	<b>\$231</b>	<b>\$222</b>	<b>\$311</b>	<b>\$9</b>
42	14	17	(28)	Income Taxes	59	42	65	(17)
<b>(\$9)</b>	<b>\$55</b>	<b>\$66</b>	<b>(\$64)</b>	<b>Net Income</b>	<b>\$172</b>	<b>\$180</b>	<b>\$246</b>	<b>(\$8)</b>



**Return on Equity**

- April NH ROE is 8.89%, target for the month was 9.17%. Variance due primarily (69 bps) to a lower budgeted rate base offset by (-28 bps) higher weighted average cost of debt and (-57 bps) to a lower than budgeted earnings (on a 12 month rolling basis).

**Regulatory Facts:**

- WICA – On October 30, 2015 AWC NH filed with the PUC to increase the WICA surcharge to 3.97% (an increase of 1.43%) with an effective date of January 1, 2016. Final decision issued on January 26, 2016 approving a surcharge of 3.99% (after adjustments by staff), with an effective date of January 1, 2016.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). A prehearing conference and technical session were held on April 7<sup>th</sup> in Concord, NH. An additional technical session was held on May 10<sup>th</sup>. An evidentiary hearing will be held on June 27<sup>th</sup>.

**Revenues**

- MTD Revenues are unfavorable by \$27K and YTD Revenues are unfavorable by \$59K due to decreased demands. Billed consumption is unfavorable 2.9 MG for the month and 8.8 MG YTD. Production is unfavorable 2.7 MG for the month and 18.3 MG YTD.

**Expenses**

- MTD and YTD Other Taxes are unfavorable by \$1K and \$7K, respectively. Variances are due to higher property taxes than budgeted.
- MTD Main Break Costs are unfavorable by \$2K and YTD Main Break Costs are favorable by \$5K. YTD variance is due to fewer main breaks. There were three main breaks YTD vs. eight budgeted.
- MTD All Other Expenses are unfavorable by \$16K and YTD All Other Expenses are favorable by \$57K. MTD variance is due to catching up on Maintenance and Other Consulting costs. YTD variance is due to lower Operating, Postage & Bill processing (due to delay in monthly billing) and Transportation.

**Capital Expenditures  
Comparison to Budget  
April 30, 2016  
(Dollars in thousands)**

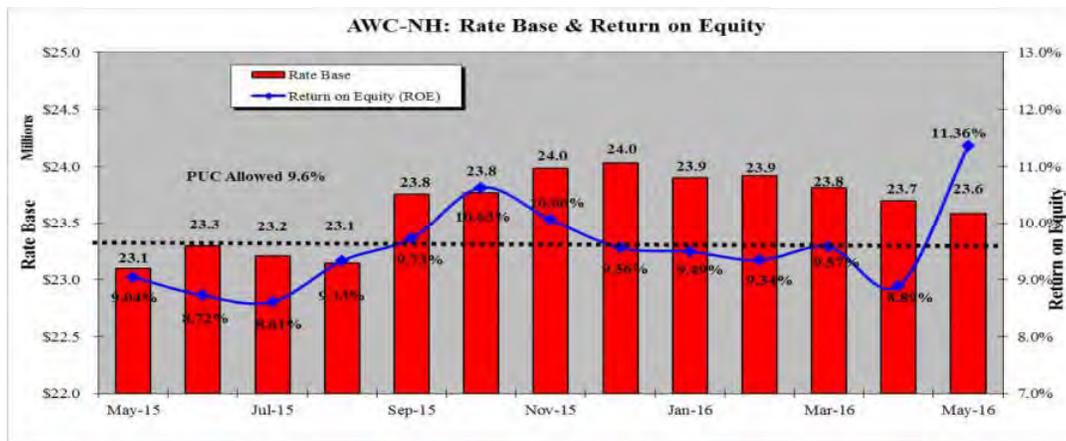
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 56 of 186

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
30	158	11	128	Mains	64	235	\$ 45	171
11	5	13	(6)	Transmission & Distribution	22	15	26	(7)
-	-	5	-	IT	-	115	27	115
17	15	9	(2)	Meters	60	58	21	(2)
-	-	-	-	Source of Supply	(22)	300	(8)	322
-	-	1	-	Pumping	17	-	1	(17)
-	-	-	-	Treatment	-	-	-	-
4	8	-	4	General Plant	5	16	3	11
<b>62</b>	<b>186</b>	<b>39</b>	<b>124</b>		<b>146</b>	<b>739</b>	<b>115</b>	<b>593</b>

- **Mains** – The variance is primarily due to Towle Farm Road and other miscellaneous main replacement projects. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to New & Periodic Meters. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meter were on target through April. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**May 31, 2016**  
(Dollars in thousands)

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$692	\$702	\$316	(\$10)	<b>Revenue</b>	\$2,758	\$2,827	\$2,414	(\$69)
54	70	55	16	Labor	319	335	316	16
63	63	55	-	Other Taxes	321	314	275	(7)
15	17	17	2	Purchased Power	73	81	92	8
16	15	13	(1)	Pension	78	77	66	(1)
8	8	11	-	Retiree Medical	39	39	54	-
16	17	15	1	Medical	80	83	78	3
3	2	4	(1)	Chemicals	9	9	11	-
3	8	2	5	Main Break Costs	17	27	11	10
123	134	132	11	All other - operating expenses	606	674	603	68
301	334	304	33	<b>Total Expenses, net of other income</b>	1,542	1,639	1,506	97
\$391	\$368	\$12	\$23	<b>EBITDA</b>	\$1,216	\$1,188	\$908	\$28
82	84	81	2	Depreciation and Amortization	413	414	402	1
-	-	-	-	AFUDC	-	-	-	-
\$309	\$284	(\$69)	\$25	<b>EBIT</b>	\$803	\$774	\$506	\$29
70	69	71	(1)	Interest - External debt	350	350	350	-
(4)	(3)	(5)	1	Interest - Interco debt	(21)	(16)	(20)	5
66	66	66	-	Total Interest	329	334	330	5
\$243	\$218	(\$135)	\$25	<b>EBT</b>	\$474	\$440	\$176	\$34
60	39	(27)	(21)	Income Taxes	119	81	38	(38)
\$183	\$179	(\$108)	\$4	<b>Net Income</b>	\$355	\$359	\$138	(\$4)



**Return on Equity**

- May NH ROE is 11.37%, target for the month was 8.99%. Variance due primarily (82bps) to a lower than budgeted rate base and higher (195 bps) than budgeted earnings (on a 12 month rolling basis) offset by (-32 bps) higher weighted average cost of debt.

**Regulatory Facts:**

- WICA – On October 30, 2015 AWC NH filed with the PUC to increase the WICA surcharge to 3.97% (an increase of 1.43%) with an effective date of January 1, 2016. Final decision issued on January 26, 2016 approving a surcharge of 3.99% (after adjustments by staff), with an effective date of January 1, 2016.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). A prehearing conference and technical session were held on April 7<sup>th</sup> in Concord, NH. An additional technical session was held on May 10<sup>th</sup>. An evidentiary hearing will be held on June 27<sup>th</sup>.

**Revenues**

- MTD Revenues are unfavorable by \$10K and YTD Revenues are unfavorable by \$69K due to decreased demand. Billed consumption is favorable 0.1 MG for the month and 8.8 MG YTD. Production is favorable 1.4MG for the month and 16.9 MG YTD.

**Expenses**

- MTD and YTD Labor are favorable by \$16K. Variances are due to an adjustment to move labor charged to expense to capital and less overtime.
- MTD Other Taxes are on target and YTD Other Taxes are unfavorable by \$7K. YTD variance is due to higher property taxes than budgeted.
- MTD and YTD Main Break Costs are favorable by \$5K and \$10K, respectively. YTD variance is due to fewer main breaks (5 actual vs. 10 actual).
- MTD and YTD All Other Expenses are favorable by \$11K and \$68K, respectively. YTD variance is due to lower Maintenance, Operating Expenses, Postage & Bill processing (due to delay in monthly billing) and Transportation.

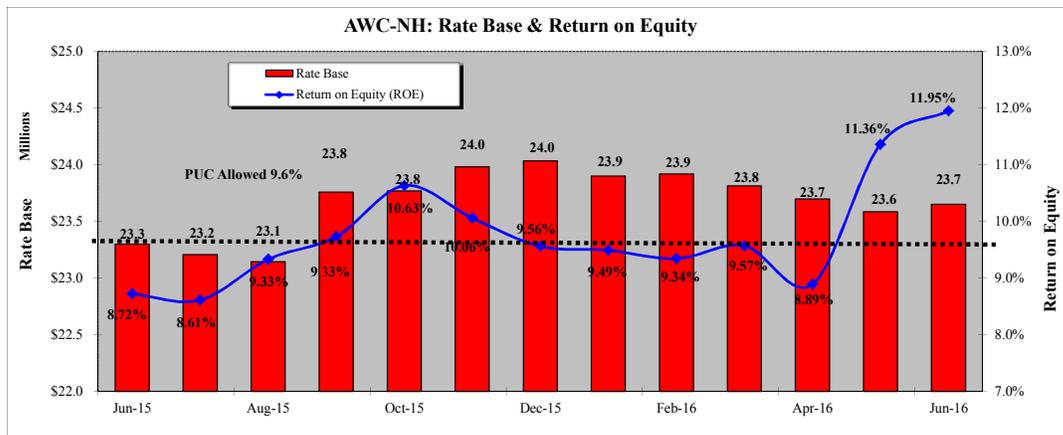
**Capital Expenditures  
 Comparison to Budget  
 May 31, 2016  
 (Dollars in thousands)**

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2016</u>	<u>Budget</u>	<u>2015</u>	<u>Variance</u>		<u>2016</u>	<u>Budget</u>	<u>2015</u>	<u>Variance</u>
354	213	165	(141)	Mains	418	448	\$ 199	30
-	-	-	-	Dams	-	-	-	-
7	13	25	6	Transmission & Distribution	29	28	48	(1)
-	-	6	-	IT	-	115	28	115
11	15	7	4	Meters	71	73	24	2
-	-	7	-	Source of Supply	(22)	300	(1)	322
13	-	7	(13)	Pumping	30	-	8	(30)
-	-	2	-	Treatment	-	-	2	-
2	15	8	13	General Plant	7	31	11	24
<b>387</b>	<b>256</b>	<b>227</b>	<b>(131)</b>		<b>533</b>	<b>995</b>	<b>319</b>	<b>462</b>

- **Mains** – Mains were slightly lower than target through May. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is on target through May. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. Year-end actuals are expected to lower than targets.
- **Meters** – Meter were slightly lower than target through May. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be slightly higher targets.
- **Treatment** –Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring which holds total recurring budget for NH but actual costs will be applied to other categories. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
June 30, 2016  
(Dollars in thousands)**

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$764	\$711	\$703	\$53	<b>Revenue</b>	\$3,522	\$3,538	\$3,117	(\$16)
62	69	57	7	Labor	381	404	373	23
61	62	63	1	Other Taxes	382	376	338	(6)
18	20	17	2	Purchased Power	91	101	109	10
15	16	13	1	Pension	93	93	79	-
8	7	11	(1)	Retiree Medical	47	46	65	(1)
15	16	15	1	Medical	95	99	93	4
3	2	3	(1)	Chemicals	12	11	14	(1)
2	4	3	2	Main Break Costs	19	31	14	12
124	135	138	11	All other - operating expenses	730	809	741	79
308	331	320	23	<b>Total Expenses, net of other income</b>	1,850	1,970	1,826	120
\$456	\$380	\$383	\$76	<b>EBITDA</b>	\$1,672	\$1,568	\$1,291	\$104
83	82	80	(1)	Depreciation and Amortization	496	496	482	-
-	-	-	-	AFUDC	-	-	-	-
\$373	\$298	\$303	\$75	<b>EBIT</b>	\$1,176	\$1,072	\$809	\$104
71	71	46	-	Interest - External debt	421	421	396	-
(5)	(3)	20	2	Interest - Intero debt	(26)	(19)	-	7
66	68	66	2	Total Interest	395	402	396	7
\$307	\$230	\$237	\$77	<b>EBT</b>	\$781	\$670	\$413	\$111
79	43	48	(36)	Income Taxes	198	124	86	(74)
\$228	\$187	\$189	\$41	<b>Net Income</b>	\$583	\$546	\$327	\$37



**Return on Equity**

- June NH ROE is 11.95%, target for the month was 8.65%. Variance due primarily (93bps) to a lower than budgeted rate base and higher (265 bps) than budgeted earnings (on a 12 month rolling basis) offset by (-26 bps) higher weighted average cost of debt.

**Regulatory Facts:**

- WICA – Final decision issued on January 26, 2016 approving a surcharge of 3.99%, with an effective date of January 1, 2016.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). The Company reached a settlement with PUC Staff, the OCA and the Town of Hampton and presented the settlement to the Commission at a hearing on June 27<sup>th</sup>. A decision from the PUC is expected in the next few weeks.

**Revenues**

- MTD Revenues are favorable by \$53K and YTD Revenues are unfavorable by \$16K. Billed consumption is on target for the month and favorable 8.8 MG YTD. Billed volume is expected to continue to improve. Production was 15.6MG favorable for the month due to dry weather and unfavorable 1.3MG YTD.

**Expenses**

- MTD and YTD Labor are favorable by \$7K and \$23K, respectively. Variances are due to more labor to capital and less overtime.
- MTD and YTD Purchased Power are favorable by \$2K and \$10K, respectively. Variances are due to 50% of production came from the three largest and most efficient wells.
- MTD and YTD Main Break Costs are favorable by \$2K and \$12K, respectively. YTD variance is due to fewer main breaks (6 actual vs. 12 budget).
- MTD and YTD All Other Expenses are favorable by \$11K and \$79K, respectively. YTD variance is due to lower Maintenance, Operating Expenses, Postage & Bill processing (due to delay in monthly billing) and Transportation.

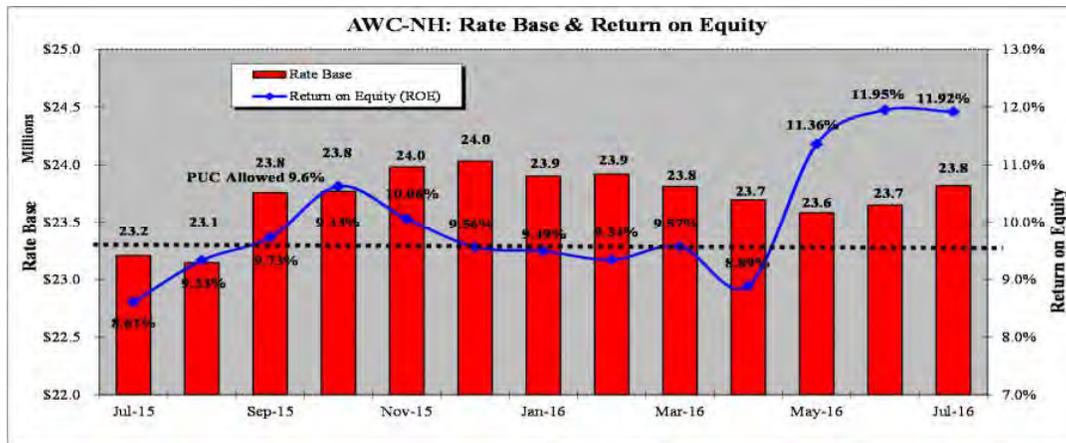
**Capital Expenditures  
 Comparison to Budget  
 June 30, 2016  
 (Dollars in thousands)**

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2016</u>	<u>Budget</u>	<u>2015</u>	<u>Variance</u>		<u>2016</u>	<u>Budget</u>	<u>2015</u>	<u>Variance</u>
10	177	41	167	Mains	428	625	\$ 240	197
-	-	-	-	Dams	-	-	-	-
20	14	27	(6)	Transmission & Distribution	49	42	75	(7)
5	-	16	(5)	IT	5	115	44	110
20	18	11	(2)	Meters	91	91	35	-
-	-	5	-	Source of Supply	(22)	300	4	322
14	-	3	(14)	Pumping	44	-	11	(44)
-	139	2	139	Treatment	-	139	4	139
2	9	8	7	General Plant	9	40	19	31
<b>71</b>	<b>357</b>	<b>113</b>	<b>286</b>		<b>604</b>	<b>1,352</b>	<b>432</b>	<b>748</b>

- **Mains** – Mains were slightly lower than target through June. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is on target through June. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters were on target through June. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be higher targets.
- **Treatment** – The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring which holds total recurring budget for NH but actual costs will be applied to other categories. Year-end actuals are expected to be lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**July 31, 2016**  
(Dollars in thousands)

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$793	\$755	\$742	\$38	<b>Revenue</b>	\$4,315	\$4,293	\$3,859	\$22
60	67	71	7	Labor	441	471	444	30
62	63	61	1	Other Taxes	444	439	399	(5)
22	24	19	2	Purchased Power	113	125	128	12
13	15	14	2	Pension	106	108	93	2
7	8	10	1	Retiree Medical	54	54	75	-
16	17	15	1	Medical	111	116	108	5
4	3	3	(1)	Chemicals	16	14	17	(2)
(1)	1	4	2	Main Break Costs	18	32	18	14
103	118	119	15	All other - operating expenses	833	927	860	94
286	316	316	30	<b>Total Expenses, net of other income</b>	2,136	2,286	2,142	150
\$507	\$439	\$426	\$68	<b>EBITDA</b>	\$2,179	\$2,007	\$1,717	\$172
83	83	80	-	Depreciation and Amortization	579	579	562	-
-	-	-	-	AFUDC	-	-	-	-
\$424	\$356	\$346	\$68	<b>EBIT</b>	\$1,600	\$1,428	\$1,155	\$172
69	70	70	1	Interest - External debt	490	491	490	1
(4)	(3)	(4)	1	Interest - Interco debt	(30)	(22)	(28)	8
65	67	66	2	Total Interest	460	469	462	9
\$359	\$289	\$280	\$70	<b>EBT</b>	\$1,140	\$959	\$693	\$181
91	54	58	(37)	Income Taxes	289	178	144	(111)
\$268	\$235	\$222	\$33	<b>Net Income</b>	\$851	\$781	\$549	\$70



**Return on Equity**

- July NH ROE is 11.92%, target for the month was 8.68%. Variance due primarily (106 bps) to a lower than budgeted rate base and higher (272 bps) than budgeted earnings (on a 12 month rolling basis) offset by (-44 bps) higher weighted average cost of debt.

**Regulatory Facts:**

- WICA – Final decision issued on January 26, 2016 approving a surcharge of 3.99%, with an effective date of January 1, 2016.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). The Company reached a settlement with PUC Staff, the OCA and the Town of Hampton and presented the settlement to the Commission at a hearing on June 27<sup>th</sup>. A decision from the PUC adopting the settlement was issued on July 27<sup>th</sup>. The conversion is expected to occur on September 1<sup>st</sup>.

**Revenues**

- MTD and YTD Revenues are favorable by \$38K and \$22K, respectively. Billed consumption is favorable 2MG for the month and unfavorable 6.8MG YTD. Billed volume is expected to continue to improve. Production was 3MG favorable for the month and 2MG favorable YTD due to dry weather causing increased demands.

**Expenses**

- MTD and YTD Labor are favorable by \$7K and \$30K, respectively. Variances are due to more labor to capital and less overtime.
- MTD and YTD Purchased Power are favorable by \$2K and \$12K, respectively. Variances are due to 50% of production coming from the three largest and most efficient wells.
- MTD and YTD Main Break Costs are favorable by \$2K and \$14K, respectively. YTD variance is due to fewer main breaks (7 actual vs. 14 budget).
- MTD and YTD All Other Expenses are favorable by \$15K and \$94K, respectively. YTD variance is due to lower Maintenance, Operating Expenses, Postage & Bill processing (due to delay in monthly billing) and Transportation.

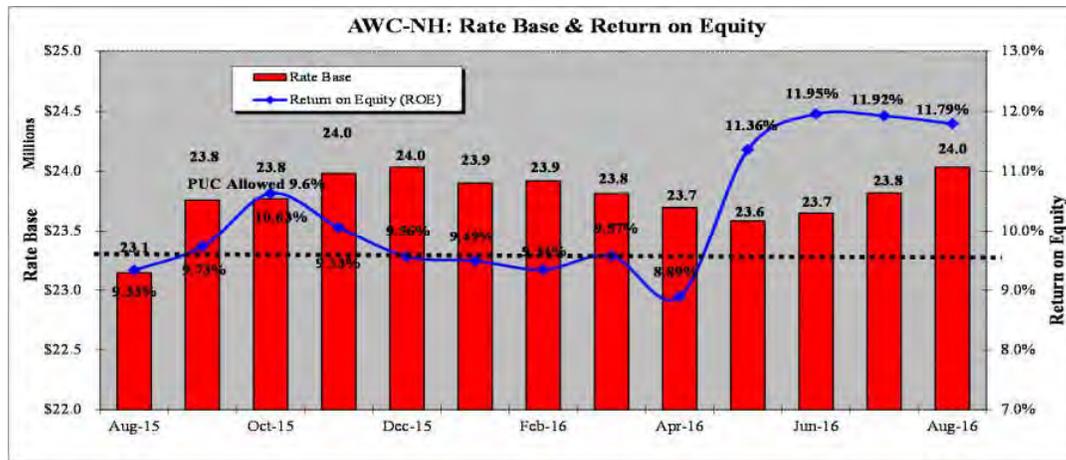
**Capital Expenditures  
 Comparison to Budget  
 July 31, 2016  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
373	111	46	(262)	Mains	801	735	\$ 286	(66)
-	-	-	-	Dams	-	-	-	-
14	13	15	(1)	Transmission & Distribution	63	55	90	(8)
1	-	14	(1)	IT	6	115	58	109
8	12	18	4	Meters	99	103	53	4
15	-	1	(15)	Source of Supply	(7)	300	5	307
3	-	2	(3)	Pumping	47	-	13	(47)
-	218	5	218	Treatment	-	357	9	357
-	6	6	6	General Plant	9	46	25	37
<b>414</b>	<b>360</b>	<b>107</b>	<b>(54)</b>		<b>1,018</b>	<b>1,711</b>	<b>539</b>	<b>693</b>

- **Mains** – Mains were slightly lower than target through July. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is slightly higher than target through July. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters were on target through July. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be higher targets.
- **Treatment** – The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring which holds total recurring budget for NH but actual costs will be applied to other categories. Year-end actuals are expected to be lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**August 31, 2016**  
(Dollars in thousands)

Month				Year To Date				
2016	Budget	2015	Budget Variance	2016	Budget	2015	Budget Variance	
<b>\$826</b>	<b>\$781</b>	<b>\$792</b>	<b>\$45</b>	<b>Revenue</b>	<b>\$5,141</b>	<b>\$5,074</b>	<b>\$4,651</b>	<b>\$67</b>
67	71	57	4	Labor	508	542	501	34
61	63	59	2	Other Taxes	505	502	458	(3)
22	24	24	2	Purchased Power	135	149	152	14
13	16	13	3	Pension	119	124	106	5
8	8	11	-	Retiree Medical	62	62	86	-
16	16	15	-	Medical	127	132	123	5
4	2	5	(2)	Chemicals	20	16	22	(4)
9	7	1	(2)	Main Break Costs	27	39	19	12
128	126	108	(2)	All other - operating expenses	961	1,053	968	92
328	333	293	5	<b>Total Expenses, net of other income</b>	<b>2,464</b>	<b>2,619</b>	<b>2,435</b>	<b>155</b>
<b>\$498</b>	<b>\$448</b>	<b>\$499</b>	<b>\$50</b>	<b>EBITDA</b>	<b>\$2,677</b>	<b>\$2,455</b>	<b>\$2,216</b>	<b>\$222</b>
82	82	81	-	Depreciation and Amortization	661	661	643	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$416</b>	<b>\$366</b>	<b>\$418</b>	<b>\$50</b>	<b>EBIT</b>	<b>\$2,016</b>	<b>\$1,794</b>	<b>\$1,573</b>	<b>\$222</b>
71	70	71	(1)	Interest - External debt	561	561	561	-
(4)	(3)	(5)	1	Interest - Intero debt	(34)	(25)	(33)	9
67	67	66	-	Total Interest	527	536	528	9
<b>\$349</b>	<b>\$299</b>	<b>\$352</b>	<b>\$50</b>	<b>EBT</b>	<b>\$1,489</b>	<b>\$1,258</b>	<b>\$1,045</b>	<b>\$231</b>
88	54	74	(34)	Income Taxes	377	232	218	(145)
<b>\$261</b>	<b>\$245</b>	<b>\$278</b>	<b>\$16</b>	<b>Net Income</b>	<b>\$1,112</b>	<b>\$1,026</b>	<b>\$827</b>	<b>\$86</b>



**Return on Equity**

- August NH ROE is 11.79%, target for the month was 8.99%. Variance due primarily (96 bps) to a lower than budgeted rate base and higher (201 bps) than budgeted earnings (on a 12 month rolling basis) offset by (-14 bps) higher weighted average cost of debt. The WACD is due to a variance in the amount of anticipated intercompany borrowings.

**Regulatory Facts:**

- WICA – Final decision issued on January 26, 2016 approving a surcharge of 3.99%, with an effective date of January 1, 2016.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). The Company reached a settlement with PUC Staff, the OCA and the Town of Hampton and presented the settlement to the Commission at a hearing on June 27<sup>th</sup>. A decision from the PUC adopting the settlement was issued on July 27<sup>th</sup>. The conversion occurred on September 1<sup>st</sup>.

**Revenues**

- MTD and YTD Revenues are favorable by \$45K and \$67K, respectively. Billed consumption is favorable 1.6MG for the month and unfavorable 5.2MG YTD. Current month results were impacted unfavorably 5MG due to bill timing. Billed volume is expected to continue to improve. Production was 8MG unfavorable for the month and 7MG YTD due to implementation of water restrictions.

**Expenses**

- MTD and YTD Labor are favorable by \$4K and \$34K, respectively. Variances are due to more labor to capital and less overtime.
- MTD and YTD Purchased Power are favorable by \$2K and \$14K, respectively. Variances are due to 50% of production came from the three largest and most efficient wells.
- MTD Main Break Costs are unfavorable by \$2K and YTD Main Break Costs are favorable by \$12K. YTD variance is due to fewer main breaks (9 actual vs. 16 budget).
- MTD All Other Expenses are unfavorable by \$2K and YTD All Other Expenses are favorable by \$92K. YTD variance is due to lower Maintenance, Operating Expenses, Postage & Bill processing (due to delay in monthly billing) and Transportation.

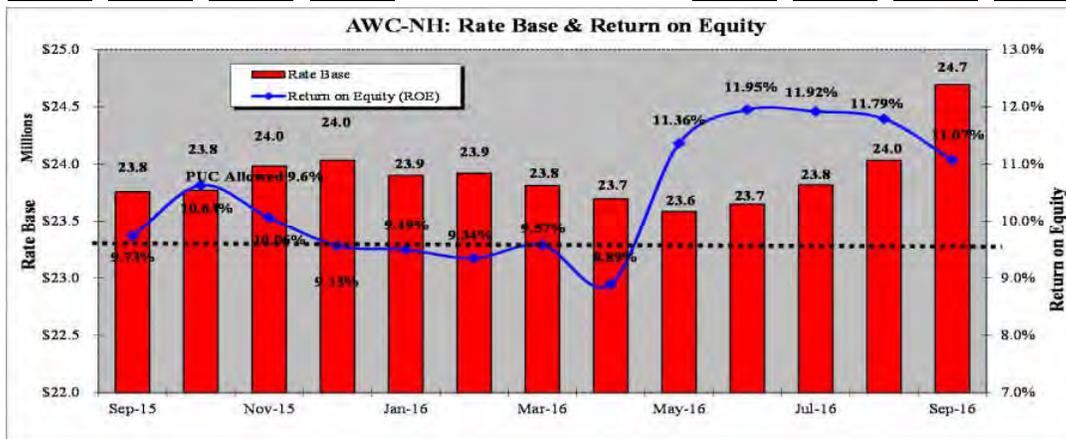
**Capital Expenditures  
 Comparison to Budget  
 August 31, 2016  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
400	-	(8)	(400)	Mains	1,201	735	\$ 278	(466)
-	-	-	-	Dams	-	-	-	-
8	11	15	3	Transmission & Distribution	71	66	105	(5)
3	-	10	(3)	IT	9	115	68	106
6	9	14	3	Meters	105	112	67	7
-	-	3	-	Source of Supply	(7)	300	8	307
7	-	-	(7)	Pumping	54	-	13	(54)
7	193	5	186	Treatment	7	550	14	543
-	5	2	5	General Plant	9	51	27	42
<b>431</b>	<b>218</b>	<b>41</b>	<b>(213)</b>		<b>1,449</b>	<b>1,929</b>	<b>580</b>	<b>480</b>

- **Mains** – The variance was primarily due to the Kings Hwy and Towle Farm Road main replacements. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is slightly higher than target through August. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters were on target through August. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be higher targets.
- **Treatment** – The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. NH Recurring capital was budgeted under General/other, but actual costs will be applied to other categories. Year-end actuals are expected to be lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**September 30, 2016**  
(Dollars in thousands)

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$687	\$744	\$775	(\$57)	<b>Revenue</b>	\$5,828	\$5,818	\$5,426	\$10
65	67	64	2	Labor	573	609	565	36
63	63	60	-	Other Taxes	568	565	518	(3)
20	18	21	(2)	Purchased Power	155	167	173	12
13	15	13	2	Pension	132	139	119	7
7	8	11	1	Retiree Medical	69	70	97	1
16	17	15	1	Medical	143	149	138	6
2	3	5	1	Chemicals	22	19	27	(3)
-	-	12	-	Main Break Costs	27	39	31	12
113	135	89	22	All other - operating expenses	1,074	1,188	1,057	114
299	326	290	27	<b>Total Expenses, net of other income</b>	2,763	2,945	2,725	182
\$388	\$418	\$485	(\$30)	<b>EBITDA</b>	\$3,065	\$2,873	\$2,701	\$192
84	83	80	(1)	Depreciation and Amortization	745	744	723	(1)
-	-	-	-	AFUDC	-	-	-	-
\$304	\$335	\$405	(\$31)	<b>EBIT</b>	\$2,320	\$2,129	\$1,978	\$191
69	70	70	1	Interest - External debt	630	631	631	1
(4)	(3)	(5)	1	Interest - Intero debt	(38)	(28)	(38)	10
65	67	65	2	Total Interest	592	603	593	11
\$239	\$268	\$340	(\$29)	<b>EBT</b>	\$1,728	\$1,526	\$1,385	\$202
61	50	73	(11)	Income Taxes	438	282	291	(156)
\$178	\$218	\$267	(\$40)	<b>Net Income</b>	\$1,290	\$1,244	\$1,094	\$46



**Return on Equity**

- September NH ROE is 11.07%, target for the month was 9.70%. Variance due primarily (43 bps) to a lower than budgeted rate base and higher (107 bps) than budgeted earnings (on a 12 month rolling basis) offset by (-10 bps) higher weighted average cost of debt. The WACD is due to a variance in the amount of anticipated intercompany borrowings.

**Regulatory Facts:**

- WICA – On October 14, 2016 AWC of NH filed its annual WICA requesting a cumulative surcharge of 5.72% (\$397K of revenue), a 1.73% increase (\$120K). A final decision is expected in January of 2017.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). The Company reached a settlement with PUC Staff, the OCA and the Town of Hampton and presented the settlement to the Commission at a hearing on June 27<sup>th</sup>. A decision from the PUC adopting the settlement was issued on July 27<sup>th</sup>. The conversion occurred on September 1<sup>st</sup>.

**Revenues**

- MTD Revenues are unfavorable by \$57K and YTD Revenues are favorable \$10K. Billed consumption is favorable 44.2 MG for the month and 38.9 MG YTD. Current consumption is impacted 53MG due to the shift from quarterly to monthly billing. Billed volume is expected to continue to decline due to the implementation of water restrictions caused by drought conditions. Production was 6MG unfavorable for the month and 13MG YTD due to these restrictions.

**Expenses**

- MTD and YTD Labor are favorable by \$2K and \$36K, respectively. Variances are due to more labor to capital and less overtime.
- MTD Purchased Power is unfavorable by \$2K and YTD Purchased Power is favorable by \$12K. YTD variance is due to 50% of production coming from the three largest and most efficient wells.
- MTD Main Break Costs are on target and YTD Main Break Costs are favorable by \$12K. YTD variance is due to fewer main breaks (9 actual vs. 18 budget).
- MTD and YTD All Other Expenses are favorable by \$22K and \$114, respectively. Variance is due to lower Maintenance, Operating Expenses, Postage & Bill processing (due to delay in monthly billing) and Transportation.

**Capital Expenditures  
Comparison to Budget  
September 30, 2016  
(Dollars in thousands)**

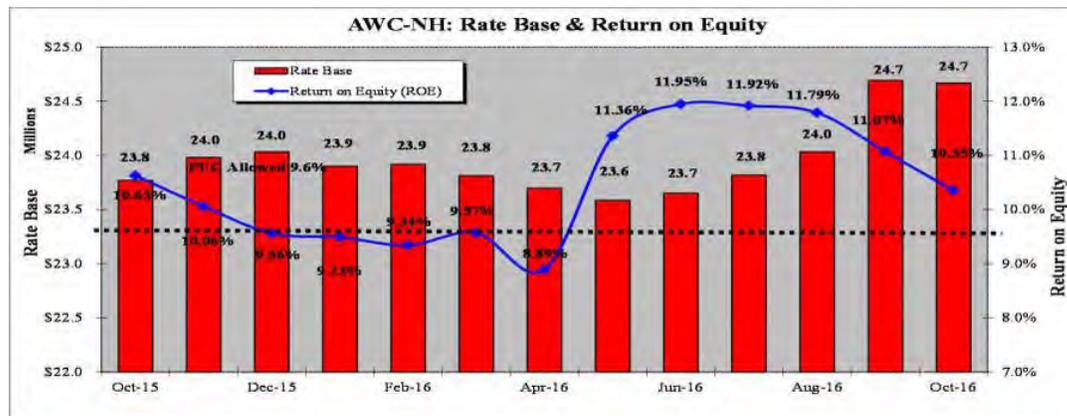
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 66 of 186

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
293	-	342	(293)	Mains	1,494	735	\$ 620	(759)
-	-	-	-	Dams	-	-	-	-
17	11	19	(6)	Transmission & Distribution	88	77	124	(11)
-	-	2	-	IT	9	115	70	106
8	6	6	(2)	Meters	113	118	73	5
143	-	35	(143)	Source of Supply	136	300	43	164
-	-	-	-	Pumping	54	-	13	(54)
-	-	-	-	Treatment	7	550	14	543
(4)	9	7	13	General Plant	5	60	34	55
<b>457</b>	<b>26</b>	<b>411</b>	<b>(431)</b>		<b>1,906</b>	<b>1,955</b>	<b>991</b>	<b>49</b>

- **Mains** – The variance was primarily due to the Kings Hwy and Towle Farm Road main replacements. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is slightly higher than target through September, primarily due to higher New Services. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. The Monthly billing Conversion project has been moved to CT. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters were on target through September. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be higher targets.
- **Treatment** – The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. NH Recurring capital was budgeted under General/other, but actual costs will be applied to other categories. Year-end actuals are expected to be lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**October 31, 2016**  
(Dollars in thousands)

Month				Year To Date				
2016	Budget	2015	Budget Variance	2016	Budget	2015	Budget Variance	
\$566	\$601	\$639	(\$35)	<b>Revenue</b>	\$6,394	\$6,419	\$6,065	(\$25)
57	65	63	8	Labor	630	674	628	44
62	63	64	1	Other Taxes	630	628	582	(2)
12	15	19	3	Purchased Power	167	182	192	15
12	16	13	4	Pension	144	155	132	11
8	7	11	(1)	Retiree Medical	77	77	108	-
15	16	15	1	Medical	158	165	153	7
2	2	2	-	Chemicals	24	21	29	(3)
3	2	-	(1)	Main Break Costs	30	41	31	11
103	108	102	5	All other - operating expenses	1,177	1,296	1,159	119
274	294	289	20	<b>Total Expenses, net of other income</b>	3,037	3,239	3,014	202
\$292	\$307	\$350	(\$15)	<b>EBITDA</b>	\$3,357	\$3,180	\$3,051	\$177
82	83	80	1	Depreciation and Amortization	827	827	803	-
-	-	-	-	AFUDC	-	-	-	-
\$210	\$224	\$270	(\$14)	<b>EBIT</b>	\$2,530	\$2,353	\$2,248	\$177
71	67	66	(4)	Interest - External debt	701	698	697	(3)
(3)	-	-	3	Interest - Intercor debt	(41)	(28)	(38)	13
68	67	66	(1)	Total Interest	660	670	659	10
\$142	\$157	\$204	(\$15)	<b>EBT</b>	\$1,870	\$1,683	\$1,589	\$187
36	28	28	(8)	Income Taxes	474	310	319	(164)
\$106	\$129	\$176	(\$23)	<b>Net Income</b>	\$1,396	\$1,373	\$1,270	\$23



**Return on Equity**

- October NH ROE is 10.35%, target for the month was 10.63%. Variance due primarily (51 bps) to a lower than budgeted rate base, more than offset by lower (-57 bps) than budgeted earnings (on a 12 month rolling basis) and (-16 bps) higher weighted average cost of debt. The WACD is due to a variance in the amount of anticipated intercompany borrowings.

**Regulatory Facts:**

- WICA – On October 14, 2016 AWC of NH filed its annual WICA requesting a cumulative surcharge of 5.72% (\$397K of revenue), a 1.73% increase (\$120K). A final decision is expected in January of 2017.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). The Company reached a settlement with PUC Staff, the OCA and the Town of Hampton and presented the settlement to the Commission at a hearing on June 27<sup>th</sup>. A decision from the PUC adopting the settlement was issued on July 27<sup>th</sup>. The conversion occurred on September 1<sup>st</sup>.

**Revenues**

- MTD and YTD Revenues are unfavorable by \$35K and \$25K, respectively. Billed consumption is unfavorable 8 MG for the month and favorable 30.9 MG YTD. Current consumption is impacted favorably 53MG due to the shift from quarterly to monthly billing. Billed volume is expected to continue to decline due to the implementation of water restrictions caused by drought conditions. Production was 4MG unfavorable for the month and 17MG YTD due to these restrictions.

**Expenses**

- MTD and YTD Labor are favorable by \$8K and \$44K, respectively. Variances are due to more labor to capital and less overtime.
- MTD and YTD Purchased Power are favorable by \$3K and \$15K, respectively. YTD variance is due to 50% of production coming from the three largest and most efficient wells.
- MTD Main Break Costs are unfavorable by \$1K and YTD Main Break Costs are favorable by \$11K. YTD variance is due to fewer main breaks (10 actual vs. 20 budget).
- MTD and YTD All Other Expenses are favorable by \$5K and \$119, respectively. YTD variance is due to lower Maintenance and Operating Expenses, Postage & Bill processing (due to delay in monthly billing) and Transportation.

DW 20-184  
 Joint Town 4-17 Attachment 1  
 Page 68 of 186

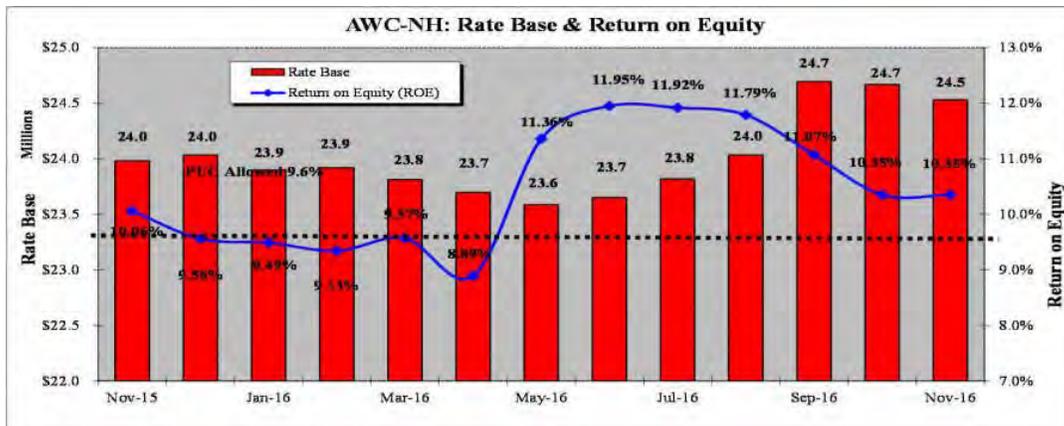
**Capital Expenditures  
 Comparison to Budget  
 October 31, 2016  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
1	450	(10)	449	Mains	1,495	1,185	\$ 610	(310)
-	-	-	-	Dams	-	-	-	-
21	12	40	(9)	Transmission & Distribution	109	89	164	(20)
3	-	9	(3)	IT	12	115	79	103
5	6	4	1	Meters	118	124	77	6
13	-	9	(13)	Source of Supply	149	300	52	151
-	-	1	-	Pumping	54	-	14	(54)
4	(450)	1	(454)	Treatment	11	100	15	89
-	11	121	11	General Plant	5	71	155	66
<b>47</b>	<b>29</b>	<b>175</b>	<b>(18)</b>		<b>1,953</b>	<b>1,984</b>	<b>1,166</b>	<b>31</b>

- **Mains** – The variance was primarily due to Kings Highway and Ross Avenue main extensions. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – T&D is slightly higher than target through October, primarily due to higher New Services. Year-end actuals are expected to be slightly higher than targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. The Monthly billing Conversion project has been moved to CT. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters were slightly lower than target through October. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be higher targets.
- **Treatment** – The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. NH Recurring capital was budgeted under General/other, but actual costs will be applied to other categories. Year-end actuals are expected to be lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**November 30, 2016**  
**(Dollars in thousands)**

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
\$538	\$507	\$529	\$31	<b>Revenue</b>	\$6,932	\$6,926	\$6,594	\$6
69	67	62	(2)	Labor	699	741	690	42
62	63	64	1	Other Taxes	692	691	646	(1)
15	14	12	(1)	Purchased Power	182	196	204	14
13	15	14	2	Pension	157	170	146	13
7	8	10	1	Retiree Medical	84	85	118	1
16	17	15	1	Medical	174	182	168	8
3	1	-	(2)	Chemicals	27	22	29	(5)
7	3	(3)	(4)	Main Break Costs	37	44	28	7
131	137	103	6	All other - operating expenses	1,308	1,433	1,262	125
323	325	277	2	<b>Total Expenses, net of other income</b>	3,360	3,564	3,291	204
\$215	\$182	\$252	\$33	<b>EBITDA</b>	\$3,572	\$3,362	\$3,303	\$210
83	87	81	4	Depreciation and Amortization	910	914	884	4
-	-	-	-	AFUDC	-	-	-	-
\$132	\$95	\$171	\$37	<b>EBIT</b>	\$2,662	\$2,448	\$2,419	\$214
70	70	69	-	Interest - External debt	771	771	770	-
(4)	(3)	(5)	1	Interest - Interco debt	(45)	(34)	(47)	11
66	67	64	1	Total Interest	726	737	723	11
\$66	\$28	\$107	\$38	<b>EBT</b>	\$1,936	\$1,711	\$1,696	\$225
10	6	39	(4)	Income Taxes	484	316	358	(168)
\$56	\$22	\$68	\$34	<b>Net Income</b>	\$1,452	\$1,395	\$1,338	\$57



**Return on Equity**

- November NH ROE is 10.35%, target for the month was 10.64%. Variance due primarily to (-82 bps) lower than budgeted earnings (on a 12 month rolling basis) offset by (56bps) a lower than budgeted rate base.

**Regulatory Facts:**

- WICA – On October 14, 2016 AWC of NH filed its annual WICA requesting a cumulative surcharge of 5.72% (\$397K of revenue), a 1.73% increase (\$120K). A final decision is expected in January of 2017.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). The Company reached a settlement with PUC Staff, the OCA and the Town of Hampton and presented the settlement to the Commission at a hearing on June 27<sup>th</sup>. A decision from the PUC adopting the settlement was issued on July 27<sup>th</sup>. The conversion occurred on September 1<sup>st</sup>.

**Revenues**

- MTD and YTD Revenues are favorable by \$31K and \$6K, respectively. Billed consumption is unfavorable 4MG for the month and favorable 34.9MG YTD. Current consumption is impacted favorably 24MG due to the shift from quarterly to monthly billing. Billed volume is expected to continue to decline due to the implementation of water restrictions caused by drought conditions. Production was 1MG unfavorable for the month and 18MG YTD due to these restrictions and declining NRW.

**Expenses**

- MTD Labor is unfavorable by \$2K and YTD Labor is favorable by \$42K. YTD variance is due to more labor to capital and less overtime.
- MTD Purchased Power is unfavorable by \$1K and YTD Purchased Power is favorable by \$14K. YTD variance is due to 50% of production coming from the three largest and most efficient wells.
- MTD and YTD All Other Expenses are favorable by \$6K and \$125K, respectively. YTD variance is due to lower Maintenance and Operating Expenses, Postage & Bill processing (due to delay in monthly billing) and Transportation.

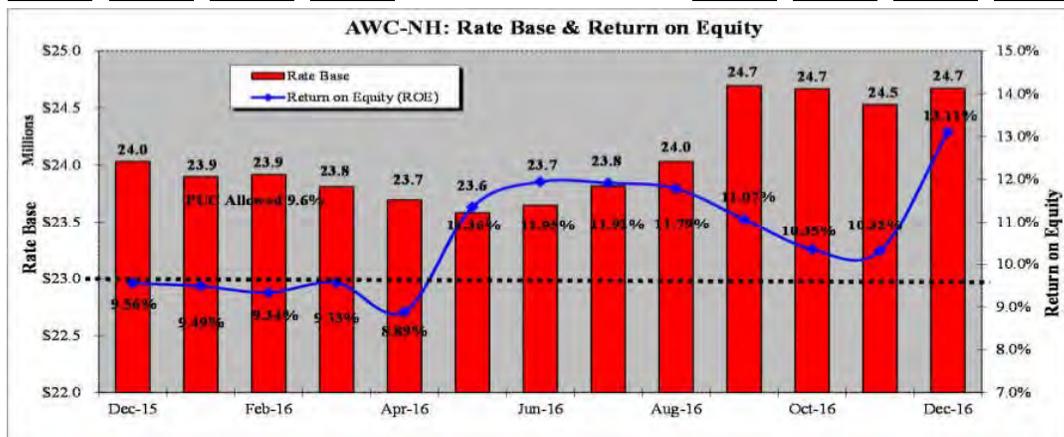
**Capital Expenditures  
 Comparison to Budget  
 November 30, 2016  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
24	-	-	(24)	Mains	1,519	1,185	\$ 610	(334)
-	-	-	-	Dams	-	-	-	-
22	10	36	(12)	Transmission & Distribution	131	99	200	(32)
-	-	1	-	IT	12	115	80	103
4	5	3	1	Meters	122	129	80	7
4	-	43	(4)	Source of Supply	153	300	95	147
-	-	12	-	Pumping	54	-	26	(54)
2	-	-	(2)	Treatment	13	100	15	87
1	6	28	5	General Plant	6	77	183	71
<b>57</b>	<b>21</b>	<b>123</b>	<b>(36)</b>		<b>2,010</b>	<b>2,005</b>	<b>1,289</b>	<b>(5)</b>

- **Mains** – Mains are higher than budgeted through November. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – T&D is slightly higher than target through November, primarily due to higher New Services. Year-end actuals are expected to be slightly higher than targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. The Monthly billing Conversion project has been moved to CT. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters are on target through November. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance due to miscellaneous Pumping Recurring. Year-end actuals are expected to be higher targets.
- **Treatment** – The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. NH Recurring capital was budgeted under General/other, but actual costs will be applied to other categories. Year-end actuals are expected to be lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**December 31, 2016**  
(Dollars in thousands)

Month					Year To Date			
2016	Budget	2015	Budget Variance		2016	Budget	2015	Budget Variance
<b>\$530</b>	<b>\$524</b>	<b>\$541</b>	<b>\$6</b>	<b>Revenue</b>	<b>\$7,462</b>	<b>\$7,450</b>	<b>\$7,135</b>	<b>\$12</b>
116	69	71	(47)	Labor	815	810	761	(5)
74	63	76	(11)	Other Taxes	766	754	722	(12)
16	15	13	(1)	Purchased Power	198	211	217	13
13	16	34	3	Pension	170	186	180	16
8	8	8	-	Retiree Medical	92	93	126	1
16	16	16	-	Medical	190	198	184	8
2	2	2	-	Chemicals	29	24	31	(5)
10	5	-	(5)	Main Break Costs	47	49	28	2
125	129	91	4	All other - operating expenses	1,433	1,562	1,353	129
<b>380</b>	<b>323</b>	<b>311</b>	<b>(57)</b>	<b>Total Expenses, net of other income</b>	<b>3,740</b>	<b>3,887</b>	<b>3,602</b>	<b>147</b>
<b>\$150</b>	<b>\$201</b>	<b>\$230</b>	<b>(\$51)</b>	<b>EBITDA</b>	<b>\$3,722</b>	<b>\$3,563</b>	<b>\$3,533</b>	<b>\$159</b>
69	83	70	14	Depreciation and Amortization	979	997	954	18
-	-	-	-	AFUDC	-	-	-	-
<b>\$81</b>	<b>\$118</b>	<b>\$160</b>	<b>(\$37)</b>	<b>EBIT</b>	<b>\$2,743</b>	<b>\$2,566</b>	<b>\$2,579</b>	<b>\$177</b>
72	71	70	(1)	Interest - External debt	843	842	840	(1)
(3)	(3)	(4)	-	Interest - Intero debt	(48)	(37)	(51)	11
69	68	66	(1)	Total Interest	795	805	789	10
<b>\$12</b>	<b>\$50</b>	<b>\$94</b>	<b>(\$38)</b>	<b>EBT</b>	<b>\$1,948</b>	<b>\$1,761</b>	<b>\$1,790</b>	<b>\$187</b>
(202)	9	217	211	Income Taxes	282	325	575	43
<b>\$214</b>	<b>\$41</b>	<b>(\$123)</b>	<b>\$173</b>	<b>Net Income</b>	<b>\$1,666</b>	<b>\$1,436</b>	<b>\$1,215</b>	<b>\$230</b>



**Return on Equity**

- December NH ROE is 13.11%, compared to a target of 11.53%. Variance due primarily to (173 bps) higher than budgeted earnings and (43 pbs) lower than budgeted rate base offset by (-29 pbs) higher weighted cost of debt and (-24 pbs) associated with the higher equity ratio in the cap structure. The higher than anticipated earnings were mostly due to lower income taxes.

**Regulatory Facts:**

- WICA – On October 14, 2016 AWC of NH filed its annual WICA requesting a cumulative surcharge of 5.72% (\$397K of revenue) which was subsequently revised to 5.69% (\$395K of revenue) a 1.70% increase (\$119K). A final decision approving the full 5.6% surcharge was received on January 13, 2017, effective as of January 1, 2017.
- Monthly Billing – On January 22, 2016, AWC of NH filed a petition with the NH PUC requesting to change all customers from quarterly to monthly billing (except public fire) and to change from billing service charges from in-advance to in-arrears (except seasonals). The Company reached a settlement with PUC Staff, the OCA and the Town of Hampton and presented the settlement to the Commission at a hearing on June 27<sup>th</sup>. A decision from the PUC adopting the settlement was issued on July 27<sup>th</sup>. The conversion occurred on September 1<sup>st</sup>.

**Revenues**

- Results impacted favorably for the month, \$10K due to antenna rental. YTD results impacted favorably by private fire \$10K, public fire \$5K and antenna \$15K, offset by unfavorable seasonal connections \$3K, seasonal fixed charges \$4K and late payment fees \$10K.

**Expenses**

- MTD and YTD Labor are unfavorable by \$47K and \$5K, respectively. MTD variance is due to additional labor cross charged by CT employees. YTD variance is due to additional labor cross charged by CT employees offset by more labor to capital and less overtime.
- MTD Purchased Power is unfavorable by \$1K and YTD Purchased Power is favorable by \$13K. YTD variance is due to 50% of production coming from the three largest and most efficient wells.
- MTD and YTD Pension are unfavorable by \$3K and \$16K, respectively. Variances are based on final expense numbers from the actuary.
- MTD and YTD All Other Expenses are favorable by \$4K and \$129K, respectively. MTD variance is due to CoBank Patronage \$41K off set by higher Allocated Fringe Benefits - due to higher Labor \$35K. YTD variance is due to lower Maintenance and Operating Expenses, Postage & Bill processing (due to delay in monthly billing), Transportation and CoBank Patronage offset by higher Allocated Fringe Benefits.

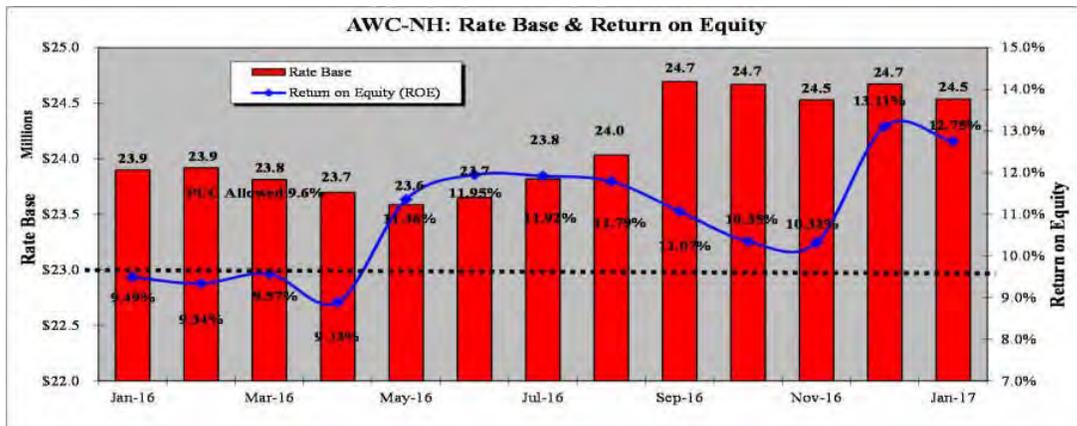
**Capital Expenditures  
 Comparison to Budget  
 December 31, 2016  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2016	Budget	2015	Variance		2016	Budget	2015	Variance
19	-	-	(19)	Mains	1,538	1,185	\$ 610	(353)
-	-	-	-	Dams	-	-	-	-
25	7	22	(18)	Transmission & Distribution	156	106	222	(50)
-	-	-	-	IT	12	115	80	103
4	6	1	2	Meters	126	135	81	9
35	-	71	(35)	Source of Supply	188	300	166	112
-	-	-	-	Pumping	54	-	26	(54)
19	-	(1)	(19)	Treatment	32	100	14	68
(1)	5	4	6	General Plant	5	82	187	77
<b>101</b>	<b>18</b>	<b>97</b>	<b>(83)</b>		<b>2,111</b>	<b>2,023</b>	<b>1,386</b>	<b>(88)</b>

- **Mains** –The variance was primarily due to Kings Highway and Ross Avenue. Year-end actuals were higher than targets.
- **Transmission & Distribution** – The variance was primarily due to higher New Services and Valve Replacements. Year-end actuals were higher than targets.
- **IT** – The variance was due to the Monthly Billing Conversion and SCADA Automated Control projects. The Monthly billing Conversion project was moved to CT. Year-end actuals were lower than targets.
- **Meters** – Year-end were slightly lower than targets.
- **Source of Supply** – The variance was primarily due to the Dalton Property Purchase project. Year-end actuals were lower than targets.
- **Pumping** – The variance due to miscellaneous Pumping Recurring.
- **Treatment** –The variance was primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals were lower targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. NH Recurring capital was budgeted under General/other, but actual costs were applied to other categories. Year-end actuals were lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**January 31, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
<b>\$542</b>	<b>\$543</b>	<b>\$520</b>	<b>(\$1)</b>	<b>Revenue</b>	<b>\$542</b>	<b>\$543</b>	<b>\$520</b>	<b>(\$1)</b>
64	65	65	1	Labor	64	65	65	1
65	65	64	-	Other Taxes	65	65	64	-
19	16	14	(3)	Purchased Power	19	16	14	(3)
16	15	13	(1)	Pension	16	15	13	(1)
8	8	11	-	Retiree Medical	8	8	11	-
15	17	16	2	Medical	15	17	16	2
2	2	2	-	Chemicals	2	2	2	-
4	4	3	-	Main Break Costs	4	4	3	-
99	119	103	20	All other - operating expenses	99	119	103	20
292	311	291	19	<b>Total Expenses, net of other income</b>	292	311	291	19
<b>\$250</b>	<b>\$232</b>	<b>\$229</b>	<b>\$18</b>	<b>EBITDA</b>	<b>\$250</b>	<b>\$232</b>	<b>\$229</b>	<b>\$18</b>
85	85	82	-	Depreciation and Amortization	85	85	82	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$165</b>	<b>\$147</b>	<b>\$147</b>	<b>\$18</b>	<b>EBIT</b>	<b>\$165</b>	<b>\$147</b>	<b>\$147</b>	<b>\$18</b>
71	71	71	-	Interest - External debt	71	71	71	-
(4)	(4)	(4)	-	Interest - Interco debt	(4)	(4)	(4)	-
67	67	67	-	Total Interest	67	67	67	-
<b>\$98</b>	<b>\$80</b>	<b>\$80</b>	<b>\$18</b>	<b>EBT</b>	<b>\$98</b>	<b>\$80</b>	<b>\$80</b>	<b>\$18</b>
24	19	(9)	(5)	Income Taxes	24	19	(9)	(5)
<b>\$74</b>	<b>\$61</b>	<b>\$89</b>	<b>\$13</b>	<b>Net Income</b>	<b>\$74</b>	<b>\$61</b>	<b>\$89</b>	<b>\$13</b>



**Return on Equity**

- January NH ROE is 12.75%, compared to a target of 12.00%. Variance due primarily to (171 bps) higher than budgeted earnings (on a 12 month rolling basis) offset by (-44 bps) higher than budgeted rate base, (-23 bps) higher weighted cost of debt and (-22bps) associated with the higher equity ratio in the cap structure.

**Regulatory Facts:**

- WICA – On October 14, 2016 AWC of NH filed its annual WICA requesting a cumulative surcharge of 5.72% (\$397K of revenue) which was subsequently revised to 5.69% (\$395K of revenue) a 1.70% increase (\$119K). A final decision approving the full 5.69% surcharge was received on January 13, 2017, effective as of January 1, 2017.

**Revenues**

- Results close to target. Revenue unfavorable \$1K. Billed consumption is also close to target with a favorable variance of 1.9MG.

**Expenses**

- January All Other Expenses are favorable by \$20K. Variance is due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks, service lines, hydrants and leak detection. Offsetting these expenses is lower Jobbing Revenue due to delays in backflow testing.

**Capital Expenditures  
Comparison to Budget  
January 31, 2017  
(Dollars in thousands)**

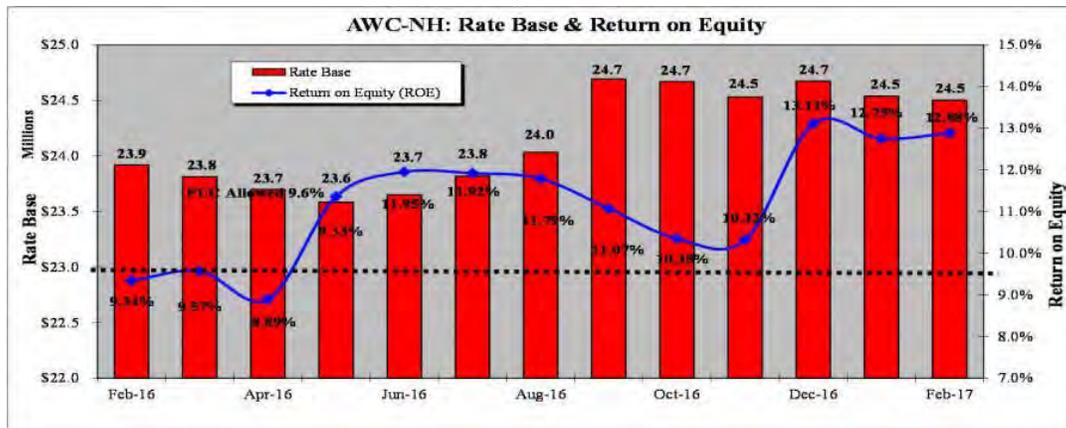
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 74 of 186

Month				AWC-NH	Year To Date			
2017	Budget	2016	Variance		2017	Budget	2016	Variance
(19)	19	-	38	Mains	(19)	19	\$ -	38
-	-	-	-	Dams	-	-	-	-
6	-	2	(6)	Transmission & Distribution	6	-	2	(6)
-	7	-	7	IT	-	7	-	7
2	17	1	15	Meters	2	17	1	15
4	12	8	8	Source of Supply	4	12	8	8
-	-	4	-	Pumping	-	-	4	-
-	2	-	2	Treatment	-	2	-	2
6	2	-	(4)	General Plant	6	2	-	(4)
<b>(1)</b>	<b>59</b>	<b>15</b>	<b>60</b>		<b>(1)</b>	<b>59</b>	<b>15</b>	<b>60</b>

- **Mains** – Variance is primarily due to Main Replacements. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to Service and Hydrant Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automation & Control project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements for the month of January were lower than anticipated. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 Geosphere project. Year-end actuals are expected to meet targets.
- **Pumping** – Year-end actuals are expected to meet targets.
- **Treatment** – Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**February 28, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$465	\$500	\$484	(\$35)	<b>Revenue</b>	\$1,007	\$1,043	\$1,004	(\$36)
66	61	66	(5)	Labor	130	126	131	(4)
64	64	63	-	Other Taxes	129	129	127	-
16	17	16	1	Purchased Power	35	33	30	(2)
11	12	18	1	Pension	27	27	31	-
5	4	5	(1)	Retiree Medical	13	12	16	(1)
16	16	16	-	Medical	31	33	32	2
2	1	1	(1)	Chemicals	4	3	3	(1)
2	2	5	-	Main Break Costs	6	6	8	-
92	119	104	27	All other - operating expenses	191	238	207	47
274	296	294	22	<b>Total Expenses, net of other income</b>	566	607	585	41
\$191	\$204	\$190	(\$13)	<b>EBITDA</b>	\$441	\$436	\$419	\$5
86	86	83	-	Depreciation and Amortization	171	171	165	-
-	-	-	-	AFUDC	-	-	-	-
\$105	\$118	\$107	(\$13)	<b>EBIT</b>	\$270	\$265	\$254	\$5
68	69	69	1	Interest - External debt	139	140	140	1
(4)	(4)	(4)	-	Interest - Interco debt	(8)	(8)	(8)	-
64	65	65	1	Total Interest	131	132	132	1
\$41	\$53	\$42	(\$12)	<b>EBT</b>	\$139	\$133	\$122	\$6
9	13	9	4	Income Taxes	33	32	-	(1)
\$32	\$40	\$33	(\$8)	<b>Net Income</b>	\$106	\$101	\$122	\$5



**Return on Equity**

- February NH ROE is 12.88%, compared to a target of 11.64%. Variance due primarily to (163 bps) higher than budgeted earnings (on a 12 month rolling basis) and (15bps) lower weighted cost of debt offset by (-44 bps) higher than budgeted rate base and (-4 bps) associated with the higher equity ratio in the cap structure.

**Regulatory Facts:**

- WICA – On October 14, 2016 AWC of NH filed its annual WICA requesting a cumulative surcharge of 5.72% (\$397K of revenue) which was subsequently revised to 5.69% (\$395K of revenue) a 1.70% increase (\$119K). A final decision approving the full 5.69% surcharge was received on January 13, 2017, effective as of January 1, 2017.

**Revenues**

- MTD and YTD Revenues are unfavorable by \$35K and \$36K, respectively. YTD Revenues are expected to recover. Billed consumption for the month was unfavorable 1MG and is favorable 1MG YTD. Production is unfavorable 7MG for the month and 10.7MG YTD.

**Expenses**

- MTD and YTD Labor are unfavorable by \$5K and \$4K, respectively. Variances are due to less labor going to capital.
- MTD and YTD All Other Expenses are favorable by \$27K and \$47K, respectively. Variance is due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks, service lines, hydrants and leak detection.

**Capital Expenditures  
Comparison to Budget  
February 28, 2017  
(Dollars in thousands)**

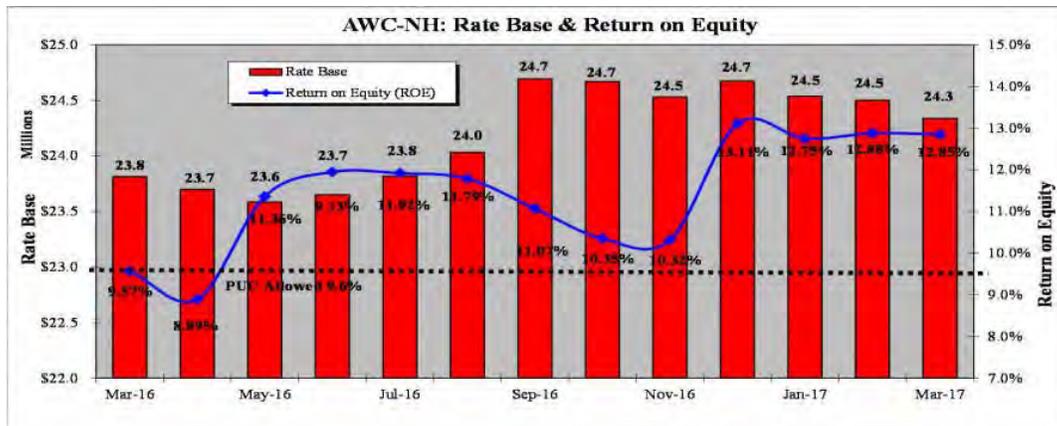
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 76 of 186

Month				AWC-NH	Year To Date			
2017	Budget	2016	Variance		2017	Budget	2016	Variance
42	13	-	(29)	Mains	23	32	\$ -	9
-	-	-	-	Dams	-	-	-	-
7	-	1	(7)	Transmission & Distribution	13	-	3	(13)
-	6	-	6	IT	-	13	-	13
4	17	11	13	Meters	6	34	12	28
18	28	-	10	Source of Supply	22	40	8	18
-	7	14	7	Pumping	-	7	18	7
5	10	-	5	Treatment	5	12	-	7
33	5	-	(28)	General Plant	39	7	-	(32)
<b>109</b>	<b>86</b>	<b>26</b>	<b>(23)</b>		<b>108</b>	<b>145</b>	<b>41</b>	<b>37</b>

- **Mains** - The variance was primarily due to lower than anticipated Main Replacements and Capitalized Main Break projects. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance was primarily due to higher than anticipated Hydrant Replacements. Year-end actuals are expected to meet targets.
- **IT** – IT was on target through February. Year-end actuals are expected to meet targets.
- **Meters** – Meters were slightly higher than budget through February. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance was primarily due to the Hingham Water System Fire Flow Mapping. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet target.
- **Treatment** – The variance was primarily due to miscellaneous Treatment Recurring projects and Hingham VFDs. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**March 31, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$526	\$545	\$557	(\$19)	<b>Revenue</b>	\$1,533	\$1,588	\$1,561	(\$55)
69	66	71	(3)	Labor	199	192	202	(7)
66	65	67	(1)	Other Taxes	195	194	194	(1)
19	17	17	(2)	Purchased Power	54	50	47	(4)
13	12	16	(1)	Pension	40	39	47	(1)
6	7	7	1	Retiree Medical	19	19	23	-
15	17	16	2	Medical	46	50	48	4
1	2	2	1	Chemicals	5	5	5	-
2	6	-	4	Main Break Costs	8	12	8	4
114	137	136	23	All other - operating expenses	305	375	343	70
305	329	332	24	<b>Total Expenses, net of other income</b>	871	936	917	65
\$221	\$216	\$225	\$5	<b>EBITDA</b>	\$662	\$652	\$644	\$10
84	85	83	1	Depreciation and Amortization	255	256	248	1
-	-	-	-	AFUDC	-	-	-	-
\$137	\$131	\$142	\$6	<b>EBIT</b>	\$407	\$396	\$396	\$11
71	70	58	(1)	Interest - External debt	210	210	198	-
(4)	(4)	8	-	Interest - Intero debt	(12)	(12)	-	-
67	66	66	(1)	Total Interest	198	198	198	-
\$70	\$65	\$76	\$5	<b>EBT</b>	\$209	\$198	\$198	\$11
16	16	17	-	Income Taxes	49	48	17	(1)
\$54	\$49	\$59	\$5	<b>Net Income</b>	\$160	\$150	\$181	\$10



Return on Equity

- March NH ROE is 12.85%, compared to a target of 11.62%. Variance due primarily to (169 bps) higher than budgeted earnings (on a 12 month rolling basis) offset by (-31 bps) higher than budgeted rate base and (-14 bps) associated with the higher equity ratio in the capital structure.

Regulatory Facts:

- WICA – Final decision on January 13, 2017 approving a surcharge of 5.69%, with an effective date of January 1, 2017.

Revenues

- MTD and YTD Revenues are unfavorable by \$19K and \$55K, respectively. Billed consumption for the month was unfavorable 1MG and on target YTD. Production is unfavorable 8MG for the month and 18 MG YTD.

Expenses

- MTD and YTD Labor are unfavorable by \$3K and \$7K, respectively. Variances are due to less labor going to capital and more overtime.
- MTD and YTD All Other Expenses are favorable by \$23K and \$70K, respectively. Variance is due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks, service lines, hydrants and leak detection.

**Capital Expenditures  
Comparison to Budget  
March 31, 2017  
(Dollars in thousands)**

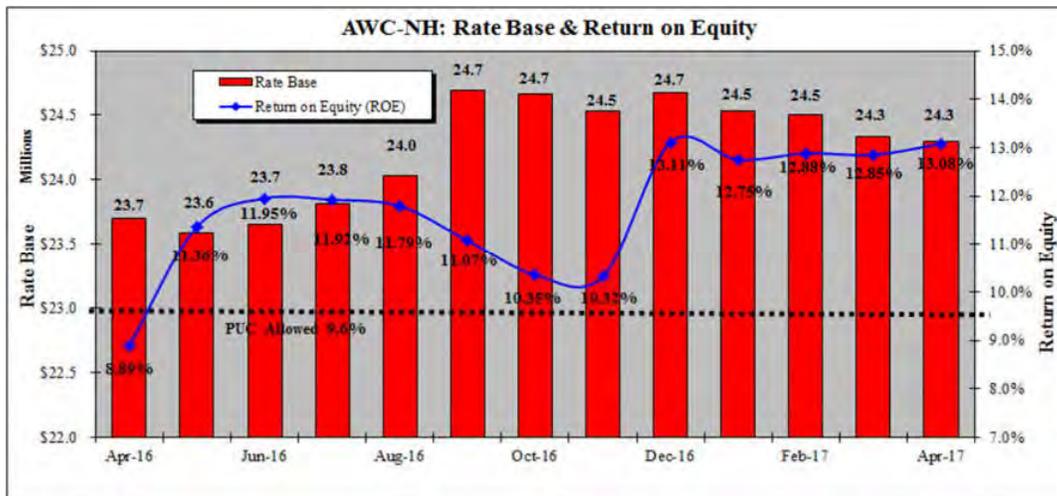
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 78 of 186

Month				AWC-NH	Year To Date			
2017	Budget	2016	Variance		2017	Budget	2016	Variance
(3)	9	34	12	Mains	20	41	\$ 34	21
-	-	-	-	Dams	-	-	-	-
12	5	8	(7)	Transmission & Distribution	25	5	11	(20)
-	14	-	14	IT	-	27	-	27
2	19	31	17	Meters	8	53	43	45
15	45	(30)	30	Source of Supply	37	85	(22)	48
-	11	-	11	Pumping	-	18	18	18
3	29	-	26	Treatment	8	41	-	33
3	36	1	33	General Plant	42	43	1	1
<b>32</b>	<b>168</b>	<b>44</b>	<b>136</b>		<b>140</b>	<b>313</b>	<b>85</b>	<b>173</b>

- **Mains** – The variance is primarily due to Main Replacements and T&D recurring. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to Exeter Road Tank Improvements and slightly lower than anticipated Hydrant and Service Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through March. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to Well 22 – Geosphere and Recurring SOS projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to Mill Rd Centralized Treatment and slightly lower than expected Treatment recurring. Year-end actuals are expected to meet targets.
- **General & Other** – General & Other was on target through March. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
April 30, 2017  
(Dollars in thousands)**

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
<b>\$514</b>	<b>\$533</b>	<b>\$505</b>	<b>(\$19)</b>	<b>Revenue</b>	<b>\$2,047</b>	<b>\$2,121</b>	<b>\$2,066</b>	<b>(\$74)</b>
63	60	63	(3)	Labor	262	252	265	(10)
65	64	64	(1)	Other Taxes	260	258	258	(2)
18	16	11	(2)	Purchased Power	72	66	58	(6)
13	14	15	1	Pension	53	53	62	-
6	6	8	-	Retiree Medical	25	25	31	-
15	17	16	2	Medical	61	67	64	6
2	2	1	-	Chemicals	7	7	6	-
2	7	6	5	Main Break Costs	10	19	14	9
122	143	140	21	All other - operating expenses	427	518	483	91
<b>306</b>	<b>329</b>	<b>324</b>	<b>23</b>	<b>Total Expenses, net of other income</b>	<b>1,177</b>	<b>1,265</b>	<b>1,241</b>	<b>88</b>
<b>\$208</b>	<b>\$204</b>	<b>\$181</b>	<b>\$4</b>	<b>EBITDA</b>	<b>\$870</b>	<b>\$856</b>	<b>\$825</b>	<b>\$14</b>
86	85	83	(1)	Depreciation and Amortization	341	341	331	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$122</b>	<b>\$119</b>	<b>\$98</b>	<b>\$3</b>	<b>EBIT</b>	<b>\$529</b>	<b>\$515</b>	<b>\$494</b>	<b>\$14</b>
69	70	66	1	Interest - External debt	279	280	276	1
(5)	(4)	(1)	1	Interest - Intero debt	(17)	(16)	(13)	1
64	66	65	2	Total Interest	262	264	263	2
<b>\$58</b>	<b>\$53</b>	<b>\$33</b>	<b>\$5</b>	<b>EBT</b>	<b>\$267</b>	<b>\$251</b>	<b>\$231</b>	<b>\$16</b>
43	12	42	(31)	Income Taxes	92	60	59	(32)
<b>\$15</b>	<b>\$41</b>	<b>(\$9)</b>	<b>(\$26)</b>	<b>Net Income</b>	<b>\$175</b>	<b>\$191</b>	<b>\$172</b>	<b>(\$16)</b>



**Return on Equity**

- April NH ROE is 13.08%, compared to a target of 11.84%. Variance due primarily to (148 bps) higher than budgeted earnings (on a 12 month rolling basis) offset by (-17 bps) associated with the higher equity ratio in the cap structure and (-6 bps) higher weighted cost of debt.

**Regulatory Facts:**

- WICA – Final decision on January 13, 2017 approving a surcharge of 5.69%, with an effective date of January 1, 2017.

**Revenues**

- MTD and YTD Revenues are unfavorable by \$19K and \$74K, respectively, and are expected to recover. Billed consumption for the month was unfavorable 4.5 MG and 4.8 MG YTD. Production is unfavorable 3 MG for the month and 21 MG YTD.

**Expenses**

- MTD and YTD Labor are unfavorable by \$3K and \$10K, respectively. Variances are due to less labor going to capital and more overtime.
- MTD and YTD Purchased Power are unfavorable by \$2K and \$6K, respectively. Variances are due to larger volume pumped from less efficient bedrock wells.
- MTD and YTD Main Break Costs are favorable by \$5K and \$9K, respectively. Variances are due to less expense related main breaks (YTD actual 3 vs 5 budget).
- MTD and YTD All Other Expenses are favorable by \$21K and \$91K, respectively. Variance is due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks, wells, service lines and hydrants.

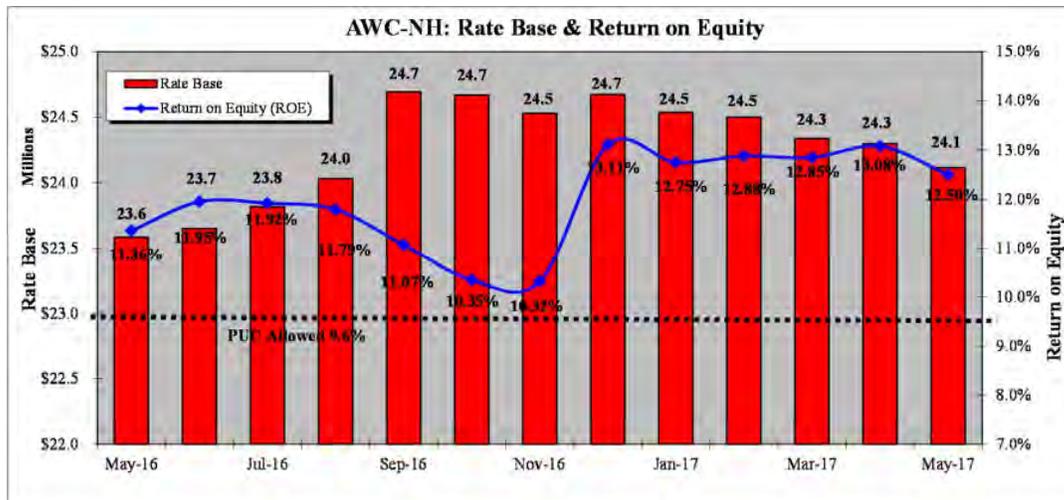
**Capital Expenditures  
 Comparison to Budget  
 April 30, 2017  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2017</b>	<b>Budget</b>	<b>2016</b>	<b>Variance</b>		<b>2017</b>	<b>Budget</b>	<b>2016</b>	<b>Variance</b>
24	139	29	115	Mains	43	180	\$ 63	137
-	-	-	-	Dams	-	-	-	-
(3)	23	11	26	Transmission & Distribution	22	28	22	6
-	22	-	22	IT	-	49	-	49
2	17	18	15	Meters	10	70	60	60
3	105	-	102	Source of Supply	41	190	(22)	149
-	10	-	10	Pumping	-	28	18	28
5	29	-	24	Treatment	13	70	-	57
1	5	4	4	General Plant	43	48	5	5
<b>32</b>	<b>350</b>	<b>62</b>	<b>318</b>		<b>172</b>	<b>663</b>	<b>146</b>	<b>491</b>

- **Mains** – The variance is primarily due to Towle Farm Road and other miscellaneous main replacement projects. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is on target through April. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control project. Year-end actuals are expected to meet targets.
- **Meters** – Meter were lower then target through April. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Rye Water District Interconnection and Well 7/22 Improvement projects. Year-end actuals are expected to be slightly below targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & other** – General & Other is on target through April. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**May 31, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$632	\$694	\$692	(\$62)	<b>Revenue</b>	\$2,679	\$2,815	\$2,758	(\$136)
64	69	54	5	Labor	326	321	319	(5)
64	65	63	1	Other Taxes	324	323	321	(1)
13	18	15	5	Purchased Power	85	84	73	(1)
14	14	16	-	Pension	67	67	78	-
7	7	8	-	Retiree Medical	32	32	39	-
16	17	16	1	Medical	77	84	80	7
2	2	3	-	Chemicals	9	9	9	-
1	10	3	9	Main Break Costs	11	29	17	18
137	136	123	(1)	All other - operating expenses	564	654	606	90
318	338	301	20	<b>Total Expenses, net of other income</b>	1,495	1,603	1,542	108
\$314	\$356	\$391	(\$42)	<b>EBITDA</b>	\$1,184	\$1,212	\$1,216	(\$28)
85	85	82	-	Depreciation and Amortization	426	426	413	-
-	-	-	-	AFUDC	-	-	-	-
\$229	\$271	\$309	(\$42)	<b>EBIT</b>	\$758	\$786	\$803	(\$28)
71	71	74	-	Interest - External debt	350	351	350	1
(5)	(3)	(8)	2	Interest - Interco debt	(22)	(19)	(21)	3
66	68	66	2	Total Interest	328	332	329	4
\$163	\$203	\$243	(\$40)	<b>EBT</b>	\$430	\$454	\$474	(\$24)
57	48	60	(9)	Income Taxes	149	108	119	(41)
\$106	\$155	\$183	(\$49)	<b>Net Income</b>	\$281	\$346	\$355	(\$65)



**Return on Equity**

- May NH ROE is 12.50%, compared to a target of 11.56%. Variance due primarily to higher than budgeted earnings (on a 12 month rolling basis) (108 bps) and lower than budgeted rate base (46 bps) offset by a higher weighted cost of debt (-30 bps) associated with the higher equity ratio in the cap structure (-24 bps).

**Revenues**

- MTD and YTD Revenues are unfavorable by \$62K and \$136K, respectively, driven by reduced demand caused by cooler than normal temperatures and above average rainfall. Billed consumption for the month was unfavorable 10MG and 15MG YTD. Production is unfavorable 7MG for the month and 29MG YTD.

**Expenses**

- MTD Labor is favorable by \$5K and YTD is unfavorable by \$5K. Variances are due to more labor going to capital in May, but still behind on YTD labor going to capital.
- MTD Purchased Power is favorable \$5K and YTD is unfavorable by \$1K. MTD variance is due to lower production.
- MTD and YTD Main Break Costs are favorable by \$9K and \$18K, respectively. Variances are due to lower than anticipated expense main breaks (3 actual vs. 7 budget).
- MTD All Other Expenses are unfavorable by \$1K and YTD are favorable by \$90K. YTD variance is due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks, wells, service lines and hydrants.

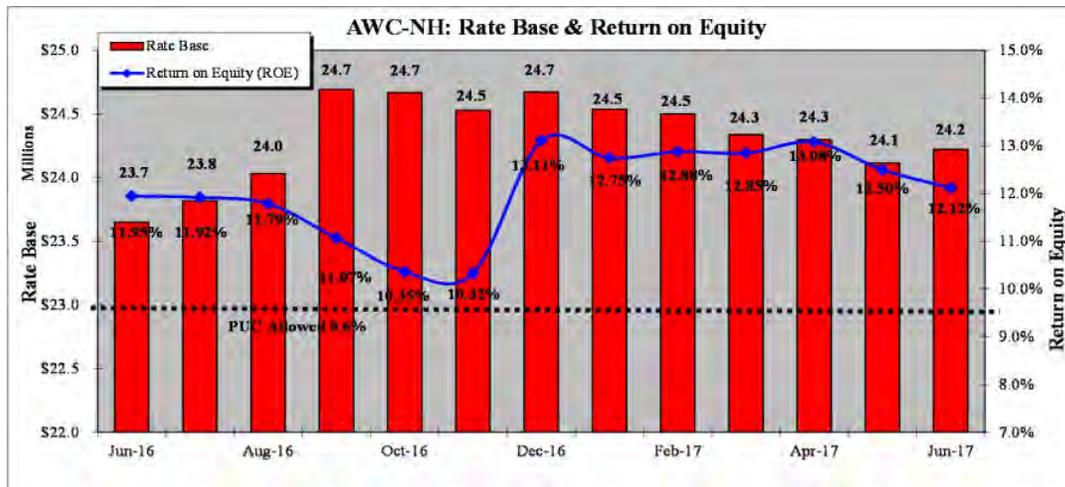
**Capital Expenditures  
 Comparison to Budget  
 May 31, 2017  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2017</b>	<b>Budget</b>	<b>2016</b>	<b>Variance</b>		<b>2017</b>	<b>Budget</b>	<b>2016</b>	<b>Variance</b>
199	249	354	50	Mains	242	429	\$ 417	187
-	-	-	-	Dams	-	-	-	-
10	23	7	13	Transmission & Distribution	32	51	29	19
-	67	-	67	IT	-	116	-	116
12	18	11	6	Meters	22	88	71	66
14	94	-	80	Source of Supply	55	284	(22)	229
11	12	13	1	Pumping	11	40	31	29
36	17	-	(19)	Treatment	49	87	-	38
8	4	2	(4)	General Plant	51	52	7	1
<b>290</b>	<b>484</b>	<b>387</b>	<b>194</b>		<b>462</b>	<b>1,147</b>	<b>533</b>	<b>685</b>

- **Mains** – The variance is primarily due to Lafayette Road and Mill River Road main replacement projects. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – Variance is primarily due to lower New Service and Hydrant Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control project. Year-end actuals are expected to meet targets.
- **Meters** – Meter were lower then target through May. Year-end actuals are expected to be slightly lower than targets.
- **Source of Supply** – The variance is primarily due to the Rye Water District Interconnection and Well 7/22 Improvement projects. Year-end actuals are expected to be slightly below targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & other** – General & other is on target through May. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**June 30, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$719	\$742	\$764	(\$23)	<b>Revenue</b>	\$3,398	\$3,557	\$3,522	(\$159)
66	67	62	1	Labor	392	388	381	(4)
57	64	61	7	Other Taxes	381	387	382	6
16	21	18	5	Purchased Power	101	105	91	4
13	13	15	-	Pension	80	80	93	-
6	6	8	-	Retiree Medical	38	38	47	-
14	16	15	2	Medical	91	100	95	9
4	2	3	(2)	Chemicals	13	11	12	(2)
1	6	2	5	Main Break Costs	12	35	19	23
134	137	124	3	All other - operating expenses	698	791	730	93
311	332	308	21	<b>Total Expenses, net of other income</b>	1,806	1,935	1,850	129
\$408	\$410	\$456	(\$2)	<b>EBITDA</b>	\$1,592	\$1,622	\$1,672	(\$30)
86	85	83	(1)	Depreciation and Amortization	512	511	496	(1)
-	-	-	-	AFUDC	-	-	-	-
\$322	\$325	\$373	(\$3)	<b>EBIT</b>	\$1,080	\$1,111	\$1,176	(\$31)
70	70	71	-	Interest - External debt	420	421	421	1
(5)	(3)	(5)	2	Interest - Intero debt	(27)	(22)	(26)	5
65	67	66	2	Total Interest	393	399	395	6
\$257	\$258	\$307	(\$1)	<b>EBT</b>	\$687	\$712	\$781	(\$25)
89	63	79	(26)	Income Taxes	238	171	198	(67)
\$168	\$195	\$228	(\$27)	<b>Net Income</b>	\$449	\$541	\$583	(\$92)



Return on Equity

- June NH ROE is 12.12%, compared to a target of 11.20%. Variance due primarily to higher than budgeted earnings (on a 12 month rolling basis) (73 bps) and unfavorable rate base (47 bps) offset by a higher weighted cost of debt (-16 bps) and higher equity ratio in the cap structure (-21 bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$23K and \$159K, respectively, driven by reduced demand caused by above average rainfall. Billed consumption for the month was unfavorable 10MG and 22MG YTD.

Expenses

- MTD and YTD Other Taxes are favorable by \$7K and \$6K, respectively. Variances are due to a \$6K true up done in June.
- MTD and YTD Purchased Power are favorable by \$5K and \$4K, respectively. Variances are due to lower production.
- MTD and YTD Main Break Costs are favorable by \$5K and \$23K, respectively. Variances are due to lower than anticipated expense main breaks ( MTD 0 actual vs. 1 budget and YTD 4 actual vs. 8 budget).
- MTD and YTD All Other Expenses are favorable by \$3K and \$93K, respectively. Variances are due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks, wells, service lines and hydrants.

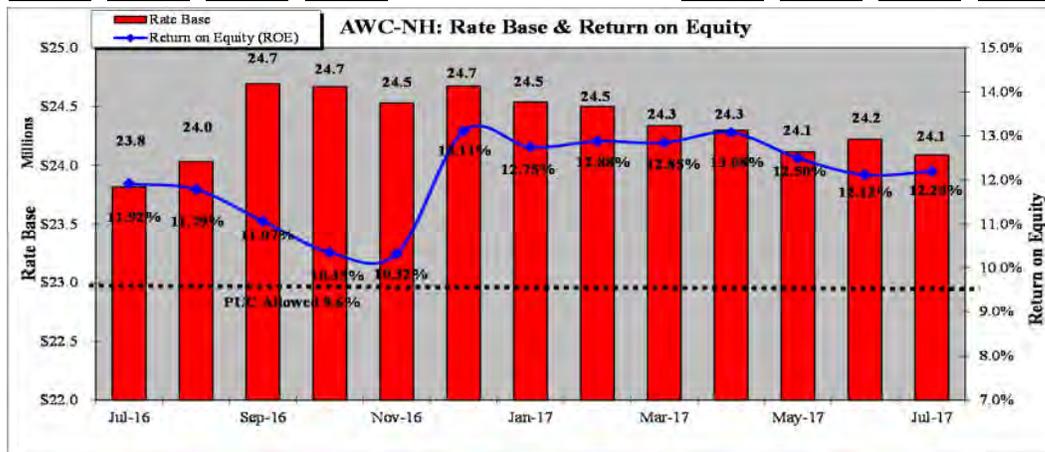
**Capital Expenditures  
 Comparison to Budget  
 June 30, 2017  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>		<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>
195	188	11	(7)	Mains	437	617	\$ 428	180
-	-	-	-	Dams	-	-	-	-
17	19	20	2	Transmission & Distribution	49	70	49	21
-	62	5	62	IT	-	178	5	178
18	17	20	(1)	Meters	40	105	91	65
70	28	-	(42)	Source of Supply	125	312	(22)	187
-	-	14	-	Pumping	11	40	45	29
9	2	-	(7)	Treatment	58	89	-	31
(2)	-	2	2	General Plant	49	52	9	3
<b>307</b>	<b>316</b>	<b>72</b>	<b>9</b>		<b>769</b>	<b>1,463</b>	<b>605</b>	<b>694</b>

- **Mains** – The variance is primarily due to the Lafayette Main Replacement and Mill Road Booster Main Replacement projects... Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is due to lower Hydrant and Service Replacements. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automation & Control project, which has been postponed. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters were lower then targets through June. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Rye Water District Interconnection, Well 22 – Geosphere and miscellaneous SOS Recurring projects. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** –The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**July 31, 2017**  
(Dollars in thousands)

Month				Year To Date				
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$860	\$865	\$793	(\$5)	<b>Revenue</b>	\$4,258	\$4,422	\$4,315	(\$164)
62	66	60	4	Labor	454	454	441	-
63	65	62	2	Other Taxes	444	452	444	8
18	26	22	8	Purchased Power	119	131	113	12
13	13	13	-	Pension	93	93	106	-
6	6	7	-	Retiree Medical	44	44	54	-
16	17	16	1	Medical	107	117	111	10
5	3	4	(2)	Chemicals	18	14	16	(4)
4	2	(1)	(2)	Main Break Costs	16	37	18	21
115	135	103	20	All other - operating expenses	813	926	833	113
302	333	286	31	<b>Total Expenses, net of other income</b>	2,108	2,268	2,136	160
\$558	\$532	\$507	\$26	<b>EBITDA</b>	\$2,150	\$2,154	\$2,179	(\$4)
85	86	83	1	Depreciation and Amortization	597	597	579	-
-	-	-	-	AFUDC	-	-	-	-
\$473	\$446	\$424	\$27	<b>EBIT</b>	\$1,553	\$1,557	\$1,600	(\$4)
69	70	39	1	Interest - External debt	489	491	460	2
(4)	(3)	26	1	Interest - Intercob debt	(31)	(25)	-	6
65	67	65	2	Total Interest	458	466	460	8
\$408	\$379	\$359	\$29	<b>EBT</b>	\$1,095	\$1,091	\$1,140	\$4
141	90	91	(51)	Income Taxes	379	261	289	(118)
\$267	\$289	\$268	(\$22)	<b>Net Income</b>	\$716	\$830	\$851	(\$114)



**Return on Equity**

- July NH ROE is 12.20%, compared to a target of 11.23%. Variance due primarily to favorable UOI to budget (on a 12 month rolling basis) (53 bps) and unfavorable rate base (60 bps) offset by a higher equity ratio in the cap structure (-13 bps).

**Revenues**

- MTD and YTD Revenues are unfavorable by \$5K and \$164K, respectively, driven by reduced demand. Billed consumption for the month was unfavorable 3MG and 24MG YTD.

**Expenses**

- MTD and YTD Other Taxes are favorable by \$2K and \$8K, respectively. YTD variance is due to a \$6K true up of property taxes done in June.
- MTD and YTD Purchased Power are favorable by \$8K and \$12K, respectively. Variances are due to lower production and using more efficient sand and gravel wells.
- MTD Main Break costs are unfavorable by \$2K and YTD are favorable by \$21K. YTD variance is due to lower than anticipated expense main breaks (YTD 5 actual vs. 9 budget).
- MTD and YTD All Other Expenses are favorable by \$20K and \$113K, respectively. Variances are due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks, wells and service lines, partially offset by a \$20K write off from the preliminary survey account and a delay in cross connection testing \$19K.

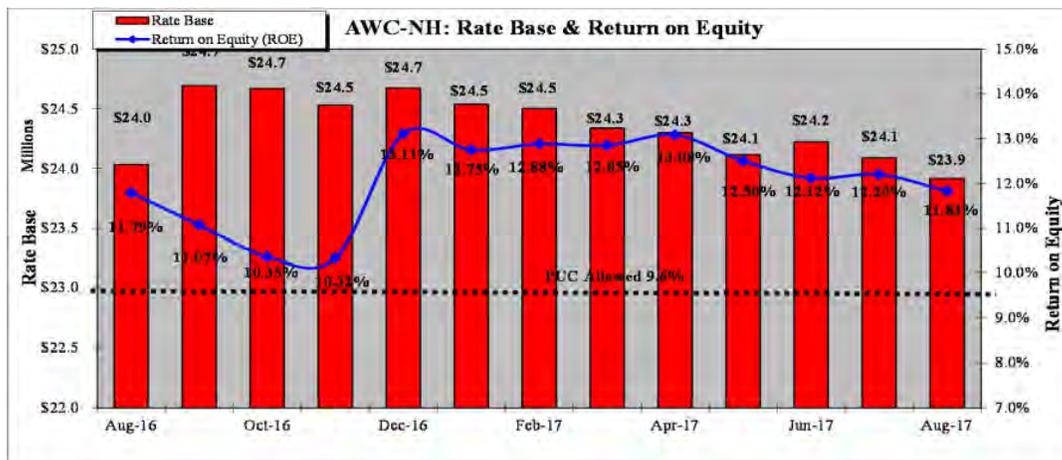
**Capital Expenditures  
 Comparison to Budget  
 July 31, 2017  
 (Dollars in thousands)**

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>		<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>
121	8	373	(113)	Mains	558	625	\$ 801	67
-	-	-	-	Dams	-	-	-	-
7	23	14	16	Transmission & Distribution	56	93	63	37
-	6	1	6	IT	-	184	6	184
14	18	8	4	Meters	54	123	99	69
2	14	15	12	Source of Supply	127	326	(7)	199
-	-	2	-	Pumping	11	40	47	29
70	6	-	(64)	Treatment	128	95	-	(33)
4	-	-	(4)	General Plant	53	52	9	(1)
<b>218</b>	<b>75</b>	<b>413</b>	<b>(143)</b>		<b>987</b>	<b>1,538</b>	<b>1,018</b>	<b>551</b>

- **Mains** – Mains were slightly lower than target through July, primarily due to the Mill Road Booster Main Replacement project. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance is primarily due to lower New Service connections. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters were on target through July. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well7/Well 22 Improvements and Rye Interconnection projects. Year-end actuals are expected to be slightly lower than targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be higher targets.
- **General & Other** – The variance was due to miscellaneous General Recurring which holds total recurring budget for NH but actual costs will be applied to other categories. Year-

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**August 31, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$857	\$829	\$826	\$28	<b>Revenue</b>	\$5,115	\$5,251	\$5,141	(\$136)
106	68	67	(38)	Labor	560	522	508	(38)
66	65	61	(1)	Other Taxes	510	517	505	7
21	24	22	3	Purchased Power	140	155	135	15
14	14	13	-	Pension	107	107	119	-
7	7	8	-	Retiree Medical	51	51	62	-
15	17	16	2	Medical	122	134	127	12
5	3	4	(2)	Chemicals	23	17	20	(6)
17	6	9	(11)	Main Break Costs	33	43	27	10
122	124	128	2	All other - operating expenses	935	1,050	961	115
373	328	328	(45)	<b>Total Expenses, net of other income</b>	2,481	2,596	2,464	115
\$484	\$501	\$498	(\$17)	<b>EBITDA</b>	\$2,634	\$2,655	\$2,677	(\$21)
84	85	82	1	Depreciation and Amortization	681	682	661	1
-	-	-	-	AFUDC	-	-	-	-
\$400	\$416	\$416	(\$16)	<b>EBIT</b>	\$1,953	\$1,973	\$2,016	(\$20)
72	70	71	(2)	Interest - External debt	561	561	561	-
(5)	(4)	(4)	1	Interest - Interco debt	(36)	(29)	(34)	7
67	66	67	(1)	Total Interest	525	532	527	7
\$333	\$350	\$349	(\$17)	<b>EBT</b>	\$1,428	\$1,441	\$1,489	(\$13)
115	84	88	(31)	Income Taxes	494	345	377	(149)
\$218	\$266	\$261	(\$48)	<b>Net Income</b>	\$934	\$1,096	\$1,112	(\$162)



**Return on Equity**

- August NH ROE is 11.83%, compared to a target of 11.10%. Variance due primarily to favorable UOI to budget (on a 12 month rolling basis) (13 bps) and unfavorable rate base (63 bps).

**Revenues**

- MTD Revenues are favorable by \$28K and YTD are unfavorable by \$136K driven by reduced demand. Billed consumption for the month was favorable 5.5MG and unfavorable 18.8MG YTD.

**Expenses**

- MTD and YTD Labor are unfavorable by \$38K. Variance is due to a severance/vacation payout of \$35K.
- MTD Other Taxes are unfavorable by \$1K and YTD are favorable by \$7K. YTD variance is due to favorable property taxes.
- MTD and YTD Purchased Power are favorable by \$3K and \$15K, respectively. YTD variance is due to lower production and use of more efficient sand and gravel wells.
- MTD Main Break costs are unfavorable by \$11K and YTD are favorable by \$10K. MTD variance is due to more expense main breaks (3 actual vs. 1 budget) and higher costs per main break than anticipated. YTD variance is due to fewer expense main breaks (YTD 8 actual vs. 10 budget).
- MTD and YTD All Other Expenses are favorable by \$2K and \$115K, respectively. Variances are due to lower Operating and Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks and service lines, partially offset by a \$20K write off from the preliminary survey account.

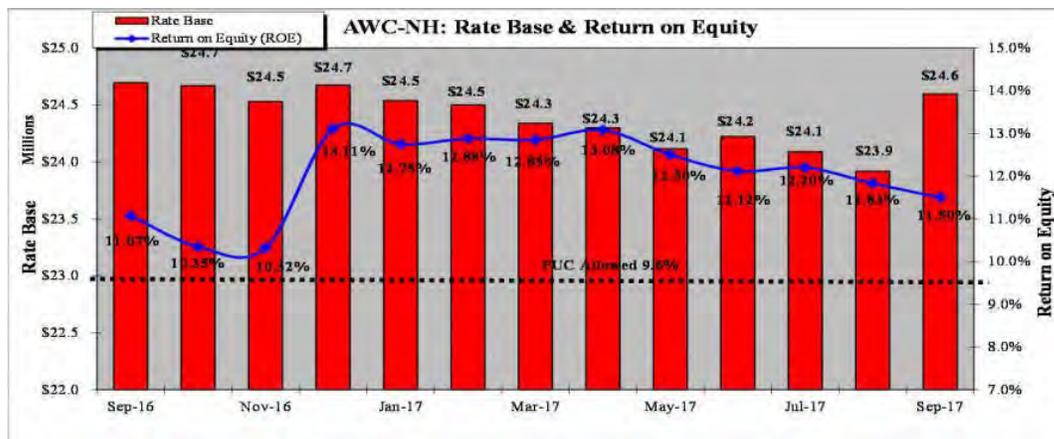
**Capital Expenditures  
 Comparison to Budget  
 August 31, 2017  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2017	Budget	2016	Variance		2017	Budget	2016	Variance
(83)	6	400	89	Mains	475	631	\$ 1,201	156
-	-	-	-	Dams	-	-	-	-
7	25	8	18	Transmission & Distribution	63	118	71	55
-	-	3	-	IT	-	184	9	184
20	17	6	(3)	Meters	74	140	105	66
8	10	-	2	Source of Supply	135	336	(7)	201
-	-	7	-	Pumping	11	40	54	29
84	4	7	(80)	Treatment	212	99	7	(113)
-	4	-	4	General Plant	53	56	9	3
<b>36</b>	<b>66</b>	<b>431</b>	<b>30</b>		<b>1,023</b>	<b>1,604</b>	<b>1,449</b>	<b>581</b>

- **Mains** – The variance is primarily due to the Mill Road Booster Main Replacement project. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance is primarily due to lower New Service connections. Year-end actuals are expected to meet targets.
- **IT** – The variance is due to the SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters lower then target through August. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Rye Interconnection projects Year-end actuals are expected to be lower then targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** –The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be higher targets.
- **General & Other** – The variance was due to miscellaneous General Recurring which holds total recurring budget for NH but actual costs will be applied to other categories. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**September 30, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$756	\$707	\$687	\$49	<b>Revenue</b>	\$5,871	\$5,958	\$5,828	(\$87)
61	63	65	2	Labor	621	585	573	(36)
63	64	63	1	Other Taxes	573	581	568	8
21	20	20	(1)	Purchased Power	161	175	155	14
13	13	13	-	Pension	120	120	132	-
6	6	7	-	Retiree Medical	57	57	69	-
16	17	16	1	Medical	138	151	143	13
4	3	2	(1)	Chemicals	27	20	22	(7)
3	1	-	(2)	Main Break Costs	36	44	27	8
141	123	113	(18)	All other - operating expenses	1,076	1,173	1,074	97
328	310	299	(18)	<b>Total Expenses, net of other income</b>	2,809	2,906	2,763	97
\$428	\$397	\$388	\$31	<b>EBITDA</b>	\$3,062	\$3,052	\$3,065	\$10
86	85	84	(1)	Depreciation and Amortization	767	767	745	-
-	-	-	-	AFUDC	-	-	-	-
\$342	\$312	\$304	\$30	<b>EBIT</b>	\$2,295	\$2,285	\$2,320	\$10
69	70	69	1	Interest - External debt	630	631	630	1
(5)	(4)	(4)	1	Interest - Interco debt	(41)	(33)	(38)	8
64	66	65	2	Total Interest	589	598	592	9
\$278	\$246	\$239	\$32	<b>EBT</b>	\$1,706	\$1,687	\$1,728	\$19
97	59	61	(38)	Income Taxes	591	404	438	(187)
\$181	\$187	\$178	(\$6)	<b>Net Income</b>	\$1,115	\$1,283	\$1,290	(\$168)



**Return on Equity**

- September NH ROE is 11.50%, compared to a target of 11.44%. Variance due primarily to lower than budgeted rate base (6bps).

**Revenues**

- MTD Revenues are favorable by \$49K and YTD are unfavorable by \$87K. Billed consumption for the month was favorable 12MG and unfavorable 7MG YTD. Monthly results are due to unusually warm weather 5 degrees above NOAA normal.

**Expenses**

- YTD Labor is unfavorable by \$36K. Variance is due to a severance/vacation payout of \$35K.
- YTD Other Taxes are favorable by \$8K. Variance is due to favorable property taxes.
- YTD Purchased Power is favorable by \$14K. Variance is due to lower production and using more efficient sand and gravel wells.
- YTD Medical is favorable by \$13K. Variance is due to lower than budgeted premiums.
- YTD Main Break costs are favorable by \$8K. Variance is due to fewer expense main breaks (YTD 8 actual vs. 11 budget).
- MTD All Other Expenses are unfavorable by \$18K and YTD are favorable by \$97K. MTD variance is due to higher Operating Expense due to well 6 PFC issue. YTD variance is due to lower Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks and service lines and lower Postage & Bill Processing Fees, partially offset by a \$20K write off from the preliminary survey account.

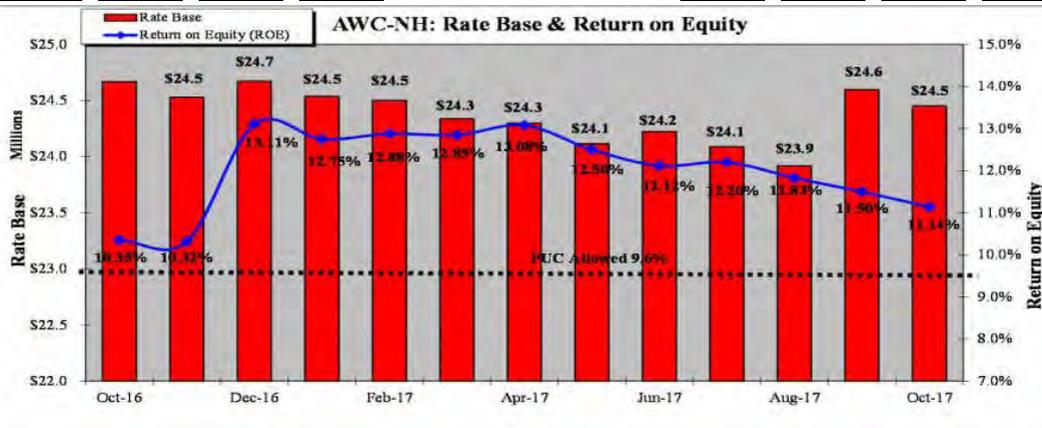
**Capital Expenditures  
 Comparison to Budget  
 September 30, 2017  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2017	Budget	2016	Variance		2017	Budget	2016	Variance
403	-	293	(403)	Mains	878	631	\$ 1,494	(247)
-	-	-	-	Dams	-	-	-	-
8	27	17	19	Transmission & Distribution	71	145	88	74
-	-	-	-	IT	-	184	9	184
16	19	8	3	Meters	90	159	113	69
3	48	143	45	Source of Supply	138	384	136	246
-	-	-	-	Pumping	11	40	54	29
11	29	-	18	Treatment	223	128	7	(95)
-	-	(3)	-	General Plant	53	56	5	3
<b>441</b>	<b>123</b>	<b>458</b>	<b>(318)</b>		<b>1,464</b>	<b>1,727</b>	<b>1,906</b>	<b>263</b>

- **Mains** – The variance is primarily due to the Lafayette Main Replacement project. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to lower New Service connections. Year-end actuals are expected to be higher targets.
- **IT** – The variance is due to the SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters lower then target through September. Year-end actuals are expected to be slightly lower than targets.
- **Source of Supply** – The variance is primarily due to the Rye Interconnection, Well 22 Geosphere and Well 7/Well22 Improvement projects Year-end actuals are expected to be lower then targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be lower than targets.
- **Treatment** –The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be higher targets.
- **General & Other** – The variance was due to miscellaneous General Recurring which holds total recurring budget for NH but actual costs will be applied to other

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**October 31, 2017**  
(Dollars in thousands)

Month				Year To Date				
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$622	\$616	\$566	\$6	<b>Revenue</b>	\$6,493	\$6,574	\$6,394	(\$81)
63	65	57	2	Labor	684	650	630	(34)
62	65	62	3	Other Taxes	635	646	630	11
17	15	12	(2)	Purchased Power	178	190	167	12
13	13	12	-	Pension	133	133	144	-
6	6	8	-	Retiree Medical	63	63	77	-
15	16	15	1	Medical	153	167	158	14
5	2	2	(3)	Chemicals	32	22	24	(10)
6	2	3	(4)	Main Break Costs	42	46	30	4
181	133	103	(48)	All other - operating expenses	1,257	1,306	1,177	49
368	317	274	(51)	<b>Total Expenses, net of other income</b>	3,177	3,223	3,037	46
\$254	\$299	\$292	(\$45)	<b>EBITDA</b>	\$3,316	\$3,351	\$3,357	(\$35)
85	86	82	1	Depreciation and Amortization	852	853	827	1
-	-	-	-	AFUDC	-	-	-	-
\$169	\$213	\$210	(\$44)	<b>EBIT</b>	\$2,464	\$2,498	\$2,530	(\$34)
71	70	71	(1)	Interest - External debt	701	701	701	-
(4)	(4)	(3)	-	Interest - Interco debt	(45)	(37)	(41)	8
67	66	68	(1)	Total Interest	656	664	660	8
\$102	\$147	\$142	(\$45)	<b>EBT</b>	\$1,808	\$1,834	\$1,870	(\$26)
33	35	36	2	Income Taxes	624	439	474	(185)
\$69	\$112	\$106	(\$43)	<b>Net Income</b>	\$1,184	\$1,395	\$1,396	(\$211)



**Return on Equity**

- October NH ROE is 11.14%, compared to a target of 11.62%. Variance due primarily to an unfavorable Utility Operating Income to budget (on a 12 month rolling basis) (-68 bps), a higher equity ratio in the cap structure (-22 bps), and a higher weighted cost of debt (-11 bps) offset by a lower than budgeted rate base (53 bps).

**Revenues**

- MTD Revenues are favorable by \$6K and YTD are unfavorable by \$81K. Billed consumption for the month was favorable 2MG and unfavorable 9MG YTD.

**Expenses**

- YTD Labor is unfavorable by \$34K. Variance is due to a severance/vacation payout of \$35K.
- YTD Other Taxes are favorable by \$11K. Variance is due to favorable property taxes.
- YTD Purchased Power is favorable by \$12K. Variance is due to lower production and using more efficient sand and gravel wells.
- YTD Medical is favorable by \$14K. Variance is due to lower than budgeted premiums.
- MTD All Other Expenses are unfavorable by \$48K and YTD are favorable by \$49K. MTD variance is due to higher Operating Expense due to well 6 PFC issue and leak detection work, also higher public affairs consulting. YTD variance is due to lower Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks and service lines and lower Postage & Bill Processing Fees, offset by a \$20K write off from the preliminary survey account and higher Operating and Consulting costs.

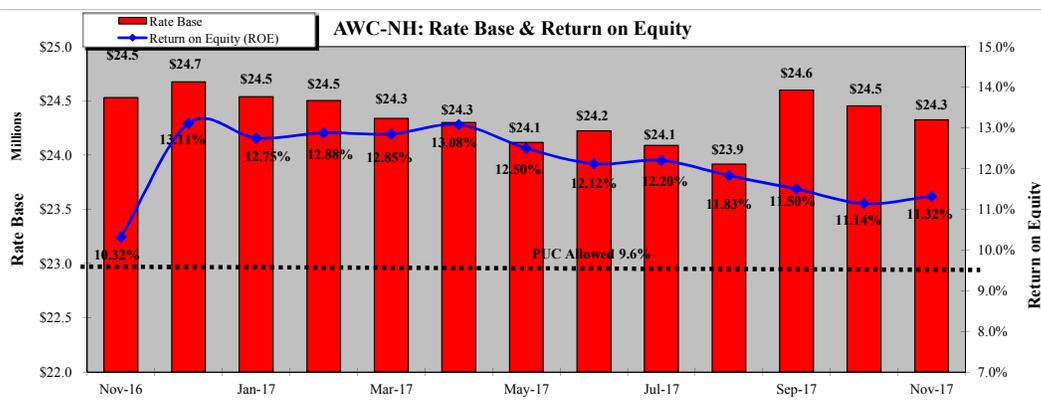
**Capital Expenditures  
 Comparison to Budget  
 October 31, 2017  
 (Dollars in thousands)**

<u>Month</u>				<u>Year To Date</u>				
<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>
25	-	(1)	(25)	Mains	903	631	\$ 1,495	(272)
-	-	-	-	Dams	-	-	-	-
11	33	21	22	Transmission & Distribution	82	178	109	96
-	-	3	-	IT	-	184	12	184
8	16	5	8	Meters	98	175	118	77
64	342	13	278	Source of Supply	202	726	149	524
13	10	-	(3)	Pumping	24	50	54	26
27	22	4	(5)	Treatment	250	150	11	(100)
-	-	1	-	General Plant	53	56	5	3
<b>148</b>	<b>423</b>	<b>46</b>	<b>275</b>		<b>1,612</b>	<b>2,150</b>	<b>1,953</b>	<b>538</b>

- **Mains** – The variance is primarily due to the Lafayette Main Replacement project. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to lower Service connections and Hydrant replacements. Year-end actuals are expected to be lower targets.
- **IT** – The variance is due to the SCADA Automated Control projects. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters lower then target through October. Year-end actuals are expected to be slightly lower than targets.
- **Source of Supply** – The variance is primarily due to the Rye Interconnection, Well 22 Geosphere and Well 7/Well22 Improvement projects Year-end actuals are expected to be lower then targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to be lower than targets.
- **Treatment** –The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be higher targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**November 30, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$522	\$514	\$538	\$8	<b>Revenue</b>	\$7,015	\$7,088	\$6,932	(\$73)
68	64	69	(4)	Labor	752	714	699	(38)
64	64	62	-	Other Taxes	699	710	692	11
12	15	15	3	Purchased Power	190	205	182	15
(12)	14	13	26	Pension	121	147	157	26
(30)	7	7	37	Retiree Medical	33	70	84	37
15	17	16	2	Medical	168	184	174	16
-	1	3	1	Chemicals	32	23	27	(9)
10	2	7	(8)	Main Break Costs	52	48	37	(4)
125	133	131	8	All other - operating expenses	1,382	1,439	1,308	57
252	317	323	65	<b>Total Expenses, net of other income</b>	3,429	3,540	3,360	111
\$270	\$197	\$215	\$73	<b>EBITDA</b>	\$3,586	\$3,548	\$3,572	\$38
22	84	83	62	Depreciation and Amortization	874	937	910	63
-	-	-	-	AFUDC	-	-	-	-
\$248	\$113	\$132	\$135	<b>EBIT</b>	\$2,712	\$2,611	\$2,662	\$101
69	71	69	2	Interest - External debt	770	772	770	2
(5)	(3)	(3)	2	Interest - Intercro debt	(50)	(40)	(44)	10
64	68	66	4	Total Interest	720	732	726	12
\$184	\$45	\$66	\$139	<b>EBT</b>	\$1,992	\$1,879	\$1,936	\$113
69	11	10	(58)	Income Taxes	693	450	484	(243)
\$115	\$34	\$56	\$81	<b>Net Income</b>	\$1,299	\$1,429	\$1,452	(\$130)



Return on Equity

- November NH ROE is 11.32%, compared to a target of 11.25%. Variance due primarily to a lower than budgeted rate base (97 bps) offset by an unfavorable Utility Operating Income to budget (on a 12 month rolling basis) (-34bps), a higher equity ration in the cap structure (-28 bps), and a higher weighted cost of debt (-25 bps).

Revenues

- MTD Revenues are favorable by \$8K and YTD are unfavorable by \$73K. Billed consumption for the month was unfavorable 7MG and unfavorable 16MG YTD.

Expenses

- YTD Labor is unfavorable by \$38K. Variance is due to employee turnover.
- YTD Other Taxes are favorable by \$11K. Variance is due to favorable property taxes.
- YTD Purchased Power is favorable by \$15K. Variance is due to lower production and using more efficient sand and gravel wells.
- MTD and YTD Pension are favorable \$26K. Variances are based on final expense numbers from the actuary.
- MTD and YTD Retiree Medical are favorable by \$37K. Variances are based on final expense numbers from the actuary.
- YTD Medical is favorable by \$16K. Variance is due to lower than budgeted premiums.
- MTD All Other Expenses are favorable by \$8K and YTD are favorable by \$57K. YTD variance is due to lower Maintenance Expenses, due to delays in maintenance activities for SCADA, tanks and service lines and lower Postage & Bill Processing Fees, offset by a \$20K write off from the preliminary survey account and higher public affairs consulting costs.

DW 20-184  
 Joint Town 4-17 Attachment 1  
 Page 94 of 186

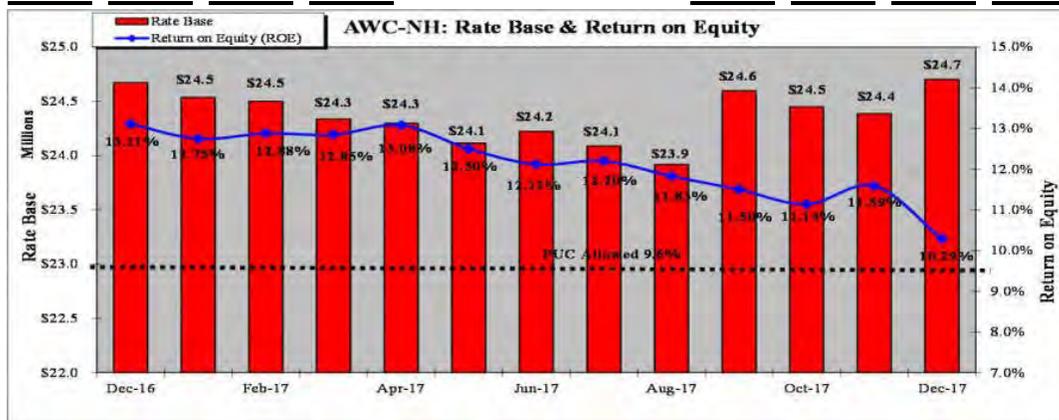
**Capital Expenditures  
 Comparison to Budget  
 November 30, 2017  
 (Dollars in thousands)**

Month				Year To Date				
<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>
12	6	24	(6)	Mains	914	637	\$ 1,519	(277)
-	-	-	-	Dams	-	-	-	-
8	17	22	9	Transmission & Distribution	90	195	131	105
-	-	-	-	IT	-	184	12	184
3	18	4	15	Meters	101	193	122	92
75	241	4	166	Source of Supply	277	967	153	690
-	13	-	13	Pumping	24	63	54	39
126	60	2	(66)	Treatment	376	210	13	(166)
1	4	1	3	General Plant	54	60	6	6
<b>225</b>	<b>359</b>	<b>57</b>	<b>134</b>		<b>1,836</b>	<b>2,509</b>	<b>2,010</b>	<b>673</b>

- **Mains** – Mains are higher than budgeted through November. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – T&D is slightly higher than target through November, primarily due to higher New Services. Year-end actuals are expected to be slightly higher than targets.
- **IT** – The variance is due to the Monthly Billing Conversion and SCADA Automated Control projects. The Monthly billing Conversion project has been moved to CT. Year-end actuals are expected to be lower than targets.
- **Meters** – Meters are on target through November. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Dalton Property Purchase project. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance due to miscellaneous Pumping Recurring. Year-end actuals are expected to be higher targets.
- **Treatment** –The variance is due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. NH Recurring capital was budgeted under General/other, but actual costs will be applied to other

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**December 31, 2017**  
(Dollars in thousands)

Month					Year To Date			
2017	Budget	2016	Budget Variance		2017	Budget	2016	Budget Variance
\$530	\$528	\$530	\$2	<b>Revenue</b>	\$7,545	\$7,616	\$7,462	(\$71)
64	64	116	-	Labor	816	778	815	(38)
64	65	74	1	Other Taxes	763	775	766	12
17	14	16	(3)	Purchased Power	207	219	198	12
11	13	13	2	Pension	132	160	170	28
3	6	8	3	Retiree Medical	36	76	92	40
16	17	16	1	Medical	184	201	190	17
3	2	2	(1)	Chemicals	35	25	29	(10)
25	2	10	(23)	Main Break Costs	77	50	47	(27)
106	136	125	30	All other - operating expenses	1,488	1,575	1,433	87
309	319	380	10	<b>Total Expenses, net of other income</b>	3,738	3,859	3,740	121
\$221	\$209	\$150	\$12	<b>EBITDA</b>	\$3,807	\$3,757	\$3,722	\$50
78	85	69	7	Depreciation and Amortization	952	1,022	979	70
-	-	-	-	AFUDC	-	-	-	-
\$143	\$124	\$81	\$19	<b>EBIT</b>	\$2,855	\$2,735	\$2,743	\$120
71	70	73	(1)	Interest - External debt	841	842	843	1
(6)	(3)	(4)	3	Interest - Interco debt	(56)	(43)	(48)	13
65	67	69	2	Total Interest	785	799	795	14
\$78	\$57	\$12	\$21	<b>EBT</b>	\$2,070	\$1,936	\$1,948	\$134
35	13	(202)	(22)	Income Taxes	728	463	282	(265)
\$43	\$44	\$214	(\$1)	<b>Net Income</b>	\$1,342	\$1,473	\$1,666	(\$131)



Return on Equity

- December NH ROE is 10.29%, compared to a target of 11.47%. Variance due primarily to unfavorable Utility Operating Income to budget on a 12 month rolling basis (-137 bps), a higher equity ratio in the cap structure (-40 bps), and a higher weighted cost of debt (-35 bps); partially offset by a lower than budgeted rate base (92 bps).

Revenues

- MTD Revenues are favorable by \$2K and YTD are unfavorable by \$71K. Billed consumption for the month was favorable 4MG and unfavorable 12MG YTD.

Expenses

- YTD Labor is unfavorable by \$38K. Variance is due to employee turnover.
- YTD Other Taxes are favorable by \$12K. Variance is due to favorable property taxes.
- YTD Purchased Power is favorable by \$12K. Variance is due to lower production and use of more efficient sand and gravel wells.
- YTD Pension is favorable \$28K. Variance is based on final expense numbers from the actuary.
- YTD Retiree Medical is favorable by \$40K. Variance is based on final expense numbers from the actuary.
- YTD Medical is favorable by \$17K. Variance is due to lower than budgeted premiums.
- MTD and YTD Main Break Costs are unfavorable by \$23K and \$27K, respectively. Variances are due to more breaks (MTD 7 actual vs 1 budgeted and YTD 19 actual vs 14 budgeted).
- MTD All Other Expenses are favorable by \$30K and YTD are favorable by \$87K. MTD variance is due to patronage distribution \$41K, offset by higher Lab and Consulting costs. YTD variance is due patronage distribution, Maintenance Expenses (due to delays in maintenance activities for SCADA, tanks and service lines) and lower Postage & Bill Processing Fees, partially offset by a \$20K write off from the preliminary survey account, higher public affairs consulting costs and higher Lab Costs.

**Capital Expenditures  
Comparison to Budget  
December 31, 2017  
(Dollars in thousands)**

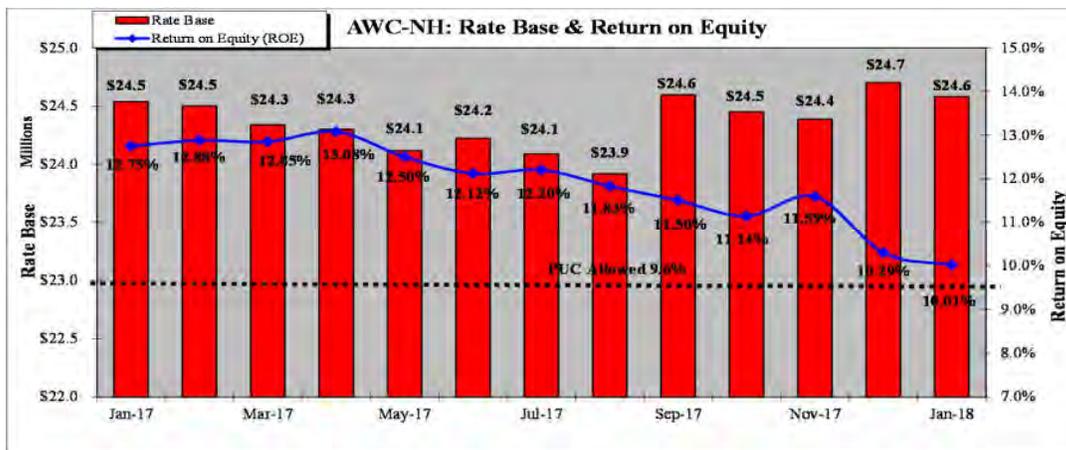
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 96 of 186

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>		<u>2017</u>	<u>Budget</u>	<u>2016</u>	<u>Variance</u>
31	-	19	(31)	Mains	944	637	\$ 1,538	(307)
-	-	-	-	Dams	-	-	-	-
9	243	25	234	Transmission & Distribution	99	438	156	339
-	-	-	-	IT	-	184	12	184
7	17	4	10	Meters	108	210	126	102
157	232	35	75	Source of Supply	434	1,199	188	765
-	-	-	-	Pumping	24	63	54	39
37	131	19	94	Treatment	413	341	32	(72)
40	-	(1)	(40)	General Plant	94	60	5	(34)
<b>281</b>	<b>623</b>	<b>101</b>	<b>342</b>		<b>2,116</b>	<b>3,132</b>	<b>2,111</b>	<b>1,016</b>

- **Mains** – The year-end variance was primarily due to the Lafayette Road Main Replacement project.
- **Transmission & Distribution** – The year-end variance was primarily due to the Exeter Road Tank Improvement project and lower Service Replacements.
- **IT** – The year-end variance was due to the SCADA Automated Control project.
- **Meters** – Meters were lower then budget targets for year-end 2017.
- **Source of Supply** – The year-end variance was primarily due to the Dalton Property Purchase, Well 7/Well 2 Improvement and Well 22 Geosphere projects.
- **Pumping** – The year-end variance was due to miscellaneous Pumping Recurring.
- **Treatment** –The year-end variance was due to the Mill Road WTP Centralized Treatment project.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**January 31, 2018**  
(Dollars in thousands)

Month					Year To Date			
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
<b>\$524</b>	<b>\$539</b>	<b>\$542</b>	<b>(\$15)</b>	<b>Revenue</b>	<b>\$524</b>	<b>\$539</b>	<b>\$542</b>	<b>(\$15)</b>
74	71	64	(3)	Labor	74	71	64	(3)
63	66	65	3	Other Taxes	63	66	65	3
22	16	19	(6)	Purchased Power	22	16	19	(6)
13	13	16	-	Pension	13	13	16	-
6	6	8	-	Retiree Medical	6	6	8	-
17	17	15	-	Medical	17	17	15	-
4	2	2	(2)	Chemicals	4	2	2	(2)
1	2	4	1	Main Break Costs	1	2	4	1
138	128	99	(10)	All other - operating expenses	138	128	99	(10)
<b>338</b>	<b>321</b>	<b>292</b>	<b>(17)</b>	<b>Total Expenses, net of other income</b>	<b>338</b>	<b>321</b>	<b>292</b>	<b>(17)</b>
<b>\$186</b>	<b>\$218</b>	<b>\$250</b>	<b>(\$32)</b>	<b>EBITDA</b>	<b>\$186</b>	<b>\$218</b>	<b>\$250</b>	<b>(\$32)</b>
99	99	85	-	Depreciation and Amortization	99	99	85	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$87</b>	<b>\$119</b>	<b>\$165</b>	<b>(\$32)</b>	<b>EBIT</b>	<b>\$87</b>	<b>\$119</b>	<b>\$165</b>	<b>(\$32)</b>
72	70	71	(2)	Interest - External debt	72	70	71	(2)
(3)	(3)	(4)	-	Interest - Interco debt	(3)	(3)	(4)	-
<b>69</b>	<b>67</b>	<b>67</b>	<b>(2)</b>	<b>Total Interest</b>	<b>69</b>	<b>67</b>	<b>67</b>	<b>(2)</b>
<b>\$18</b>	<b>\$52</b>	<b>\$98</b>	<b>(\$34)</b>	<b>EBT</b>	<b>\$18</b>	<b>\$52</b>	<b>\$98</b>	<b>(\$34)</b>
3	9	24	6	Income Taxes	3	9	24	6
<b>\$15</b>	<b>\$43</b>	<b>\$74</b>	<b>(\$28)</b>	<b>Net Income</b>	<b>\$15</b>	<b>\$43</b>	<b>\$74</b>	<b>(\$28)</b>



Return on Equity

- January NH ROE is 10.01%, compared to a target of 8.30%. Variance due primarily to a lower than budgeted rate base (116 bps) and a favorable Utility Operating Income to budget on a 12 month rolling basis (49 bps).

Revenues

- January Revenues are unfavorable by \$15K due to extreme cold weather. Billed consumption was on target for the month.

Expenses

- January Purchased Power is unfavorable by \$6K. Variance is due to higher production.
- January All Other Expenses are unfavorable by \$10K. Variance is due mainly to Flushing program development charges.

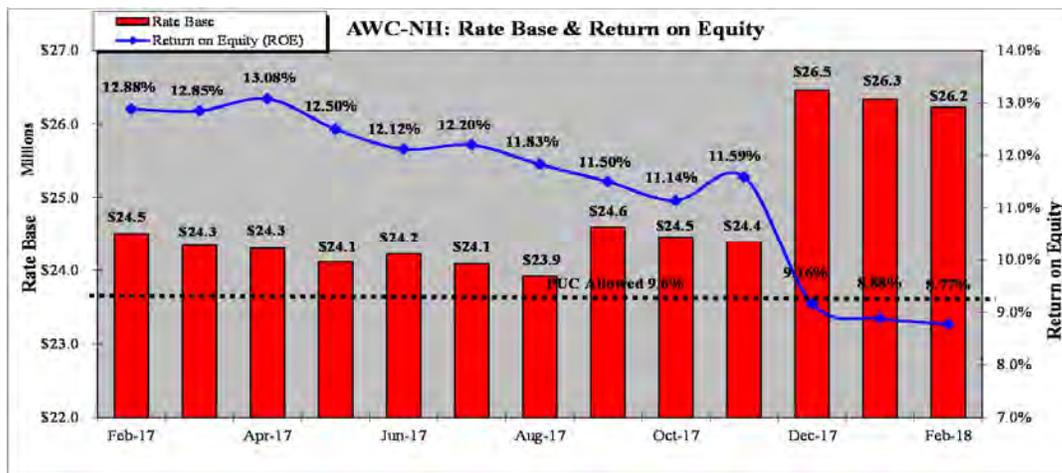
**Capital Expenditures  
 Comparison to Budget  
 January 31, 2018  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2018	Budget	2017	Variance		2018	Budget	2017	Variance
(7)	-	(19)	7	Mains	(7)	-	\$ (19)	7
-	-	-	-	Dams	-	-	-	-
-	6	6	6	Transmission & Distribution	-	6	6	6
-	-	-	-	IT	-	-	-	-
5	9	2	4	Meters	5	9	2	4
38	332	4	294	Source of Supply	38	332	4	294
-	-	-	-	Pumping	-	-	-	-
12	368	-	356	Treatment	12	368	-	356
-	4	6	4	General Plant	-	4	6	4
<b>48</b>	<b>719</b>	<b>(1)</b>	<b>671</b>		<b>48</b>	<b>719</b>	<b>(1)</b>	<b>671</b>

- **Mains** – Variance is primarily due to Main Replacements. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to New and Replacement Services. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements for the month of January were slightly lower than anticipated. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 Geosphere project. Year-end actuals are expected to meet targets.
- **Pumping** – Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**February 28, 2018**  
(Dollars in thousands)

Month					Year To Date			
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
\$501	\$496	\$465	\$5	<b>Revenue</b>	\$1,025	\$1,035	\$1,007	(\$10)
59	65	66	6	Labor	133	136	130	3
63	66	64	3	Other Taxes	126	132	129	6
16	16	16	-	Purchased Power	38	32	35	(6)
14	14	11	-	Pension	27	27	27	-
7	7	5	-	Retiree Medical	13	13	13	-
24	16	16	(8)	Medical	41	33	31	(8)
2	2	2	-	Chemicals	6	4	4	(2)
4	2	2	(2)	Main Break Costs	5	4	6	(1)
125	131	92	6	All other - operating expenses	263	259	191	(4)
314	319	274	5	<b>Total Expenses, net of other income</b>	652	640	566	(12)
\$187	\$177	\$191	\$10	<b>EBITDA</b>	\$373	\$395	\$441	(\$22)
98	98	86	-	Depreciation and Amortization	197	197	171	-
-	-	-	-	AFUDC	-	-	-	-
\$89	\$79	\$105	\$10	<b>EBIT</b>	\$176	\$198	\$270	(\$22)
63	66	68	3	Interest - External debt	135	136	139	1
3	3	(4)	-	Interest - Interco debt	-	-	(8)	-
66	69	64	3	Total Interest	135	136	131	1
\$23	\$10	\$41	\$13	<b>EBT</b>	\$41	\$62	\$139	(\$21)
4	2	9	(2)	Income Taxes	7	11	33	4
\$19	\$8	\$32	\$11	<b>Net Income</b>	\$34	\$51	\$106	(\$17)



**Return on Equity**

- February NH ROE is 8.77%, compared to a target of 8.02%. Variance due primarily to a lower than budgeted rate base (40 bps) and a favorable Utility Operating Income to budget on a 12 month rolling basis (53 bps) partially offset by higher debt cost (-18bps).

**Revenues**

- MTD Revenues were favorable by \$5K and YTD Revenues are unfavorable by \$10K.

**Expenses**

- MTD and YTD Medical is unfavorable by \$8K. Variance is due to an employee that was budgeted for opt-out is now on the plan.
- MTD All Other Expenses are favorable by \$6K and YTD All Other Expenses are unfavorable by \$4K. MTD variance is due mainly to favorable Jobbing, partially offset by higher Maintenance costs. YTD variance is due to higher operation costs due to flushing program development charges, higher maintenance costs (supplies for first half of the year purchased in February) and higher transportation costs due to more vehicle repair work, partially offset by favorable jobbing and lab costs.

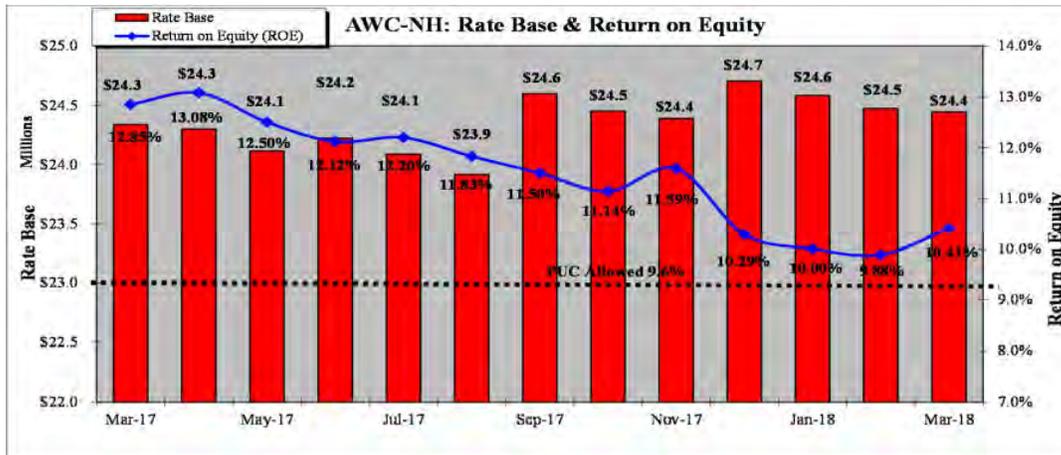
**Capital Expenditures  
 Comparison to Budget  
 February 28, 2018  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2018	Budget	2017	Variance		2018	Budget	2017	Variance
55	10	42	(45)	Mains	48	10	\$ 23	(38)
-	-	-	-	Dams	-	-	-	-
1	5	7	4	Transmission & Distribution	1	11	13	10
-	8	-	8	IT	-	8	-	8
12	13	4	1	Meters	17	22	6	5
37	88	18	51	Source of Supply	75	420	22	345
-	10	-	10	Pumping	-	10	-	10
194	442	5	248	Treatment	206	810	5	604
10	4	32	(6)	General Plant	10	8	38	(2)
<b>309</b>	<b>580</b>	<b>108</b>	<b>271</b>		<b>357</b>	<b>1,299</b>	<b>107</b>	<b>942</b>

- **Mains** – Variance is primarily due to the Well 9 & 11 Transmission Main project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to New and Replacement Services. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through February. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 7/ Well 22 Improvements project. Year-end actuals are expected to meet targets.
- **Pumping** – Year-end actuals are expected to meet targets.
- **Treatment** – Variance due primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**March 31, 2018**  
(Dollars in thousands)

Month				Year To Date				
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
\$531	\$532	\$526	(\$1)	<b>Revenue</b>	\$1,556	\$1,567	\$1,533	(\$11)
65	69	69	4	Labor	198	205	199	7
64	66	66	2	Other Taxes	190	198	195	8
22	16	19	(6)	Purchased Power	60	48	54	(12)
4	13	13	9	Pension	31	40	40	9
(5)	6	6	11	Retiree Medical	8	19	19	11
19	17	15	(2)	Medical	60	50	46	(10)
4	1	1	(3)	Chemicals	10	5	5	(5)
-	4	2	4	Main Break Costs	5	8	8	3
126	135	114	9	All other - operating expenses	389	394	305	5
299	327	305	28	<b>Total Expenses, net of other income</b>	951	967	871	16
\$232	\$205	\$221	\$27	<b>EBITDA</b>	\$605	\$600	\$662	\$5
31	98	84	67	Depreciation and Amortization	228	295	255	67
-	-	-	-	AFUDC	-	-	-	-
\$201	\$107	\$137	\$94	<b>EBIT</b>	\$377	\$305	\$407	\$72
70	70	71	-	Interest - External debt	210	211	210	1
(3)	(2)	(4)	1	Interest - Interco debt	(8)	(7)	(12)	1
67	68	67	1	Total Interest	202	204	198	2
\$134	\$39	\$70	\$95	<b>EBT</b>	\$175	\$101	\$209	\$74
24	6	16	(18)	Income Taxes	31	17	49	(14)
\$110	\$33	\$54	\$77	<b>Net Income</b>	\$144	\$84	\$160	\$60



Return on Equity

- March NH ROE is 10.41%, compared to a target of 7.59%. Variance due primarily to a lower than budgeted rate base (197 bps) and higher Utility Operating Income on a 12 month rolling basis (112 bps), partially offset by higher than budgeted debt cost (-31bps).

Revenues

- MTD Revenues were unfavorable by \$1K and YTD Revenues are unfavorable by \$11K.

Expenses

- MTD and YTD Other Taxes are favorable by \$2K and \$8K, respectively. Variances are due to lower than budgeted property taxes.
- MTD and YTD Purchased Power are unfavorable by \$6K and \$12K, respectively. Variances are due to higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$9K. Variance is due to true up from actuaries.
- MTD and YTD Retiree Medical are favorable by \$11K. Variance is due to true up from actuaries.
- MTD and YTD Medical are favorable by \$2K and \$10K, respectively. Variance is mainly due to an employee that was budgeted for opt-out is now on the plan.

**Capital Expenditures  
Comparison to Budget  
March 31, 2018  
(Dollars in thousands)**

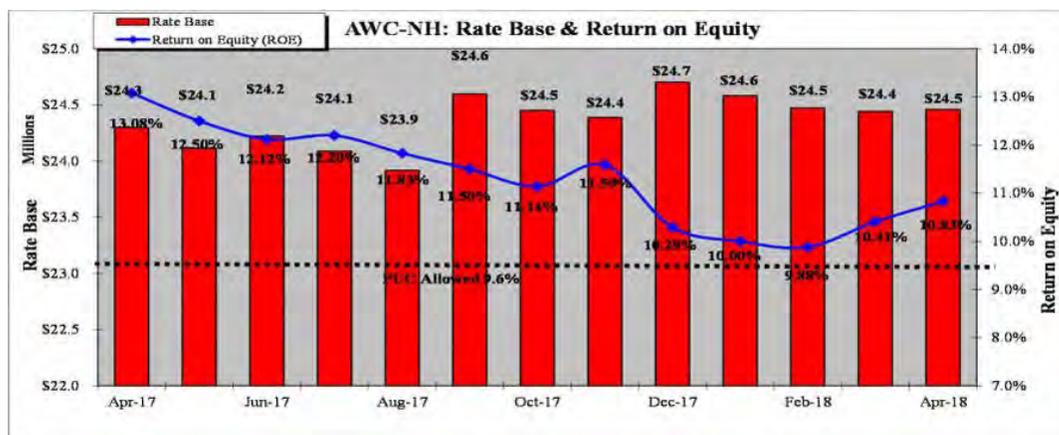
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 102 of 186

Month				AWC-NH	Year To Date			
2018	Budget	2017	Variance		2018	Budget	2017	Variance
283	25	(3)	(258)	Mains	331	35	\$ 20	(296)
-	-	-	-	Dams	-	-	-	-
-	8	12	8	Transmission & Distribution	1	19	25	18
-	8	-	8	IT	-	16	-	16
16	19	2	3	Meters	33	41	8	8
153	145	15	(8)	Source of Supply	228	565	37	337
-	10	-	10	Pumping	-	20	-	20
116	725	3	609	Treatment	322	1,535	8	1,213
3	38	4	35	General Plant	13	46	42	33
<b>571</b>	<b>978</b>	<b>33</b>	<b>407</b>		<b>928</b>	<b>2,277</b>	<b>140</b>	<b>1,349</b>

- **Mains** – Variance is primarily due to the Mill Road Centralized Treatment, Mill Road Booster Main Replacement and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance is primarily due to New and Replacement Services. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the Recurring SCADA Hardware & Software projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through March. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements project. Year-end actuals are expected to meet targets.
- **Pumping** – Variance is primarily due to miscellaneous Pumping Requiring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to the Vehicle Replacement project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**April 30, 2018**  
(Dollars in thousands)

Month				Year To Date				
2018	Budget	2017	Budget Variance	2018	Budget	2017	Budget Variance	
\$509	\$544	\$514	(\$35)	<b>Revenue</b>	\$2,065	\$2,111	\$2,047	(\$46)
62	68	63	6	Labor	260	273	262	13
64	66	65	2	Other Taxes	254	264	260	10
19	15	18	(4)	Purchased Power	79	63	72	(16)
13	13	13	-	Pension	44	53	53	9
6	6	6	-	Retiree Medical	14	25	25	11
8	16	15	8	Medical	68	66	61	(2)
2	2	2	-	Chemicals	12	7	7	(5)
-	2	2	2	Main Break Costs	5	10	10	5
120	132	122	12	All other - operating expenses	509	526	427	17
294	320	306	26	<b>Total Expenses, net of other income</b>	1,245	1,287	1,177	42
\$215	\$224	\$208	(\$9)	<b>EBITDA</b>	\$820	\$824	\$870	(\$54)
98	99	86	1	Depreciation and Amortization	326	394	341	68
-	-	-	-	AFUDC	-	-	-	-
\$117	\$125	\$122	(\$8)	<b>EBIT</b>	\$494	\$430	\$529	\$64
70	70	68	-	Interest - External debt	277	279	274	2
(3)	(2)	(4)	1	Interest - Interco debt	(8)	(7)	(12)	1
67	68	64	1	Total Interest	269	272	262	3
\$50	\$57	\$58	(\$7)	<b>EBT</b>	\$225	\$158	\$267	\$67
9	11	43	2	Income Taxes	40	28	92	(12)
\$41	\$46	\$15	(\$5)	<b>Net Income</b>	\$185	\$130	\$175	\$55



Return on Equity

- April NH ROE is 10.83%, compared to a target of 7.81%. Variance due primarily to a lower than budgeted rate base (242 bps) and higher Utility Operating Income on a 12 month rolling basis (107 bps), partially offset by higher than budgeted debt cost (-46 bps).

Revenues

- MTD and YTD Revenues were unfavorable by \$35K and \$46K, respectively, due to cold, wet weather including snow in April.

Expenses

- MTD and YTD Other Labor are favorable by \$6K and \$13K, respectively. Variances are due to an open position that was filled in April, partially offset by higher overtime.
- MTD and YTD Other Taxes are favorable by \$2K and \$10K, respectively. Variances are due to lower than budgeted property taxes.
- MTD and YTD Purchased Power are unfavorable by \$4K and \$16K, respectively. Variances are due to higher production and larger volume pumped from less efficient bedrock wells.
- YTD Pension is favorable by \$9K. Variance is due to true up from actuaries.
- YTD Retiree Medical are favorable by \$11K. Variance is due to true up from actuaries.
- MTD Medical is favorable by \$8K. Variance is due to a credit for a retired employee.
- MTD and YTD All Other Expenses are favorable by \$12K and \$17K, respectively. MTD variance is due to lower Operating and Maintenance expenses. YTD variance is due to favorable Allocations and Postage & Bill Processing offset by higher Transportation costs.

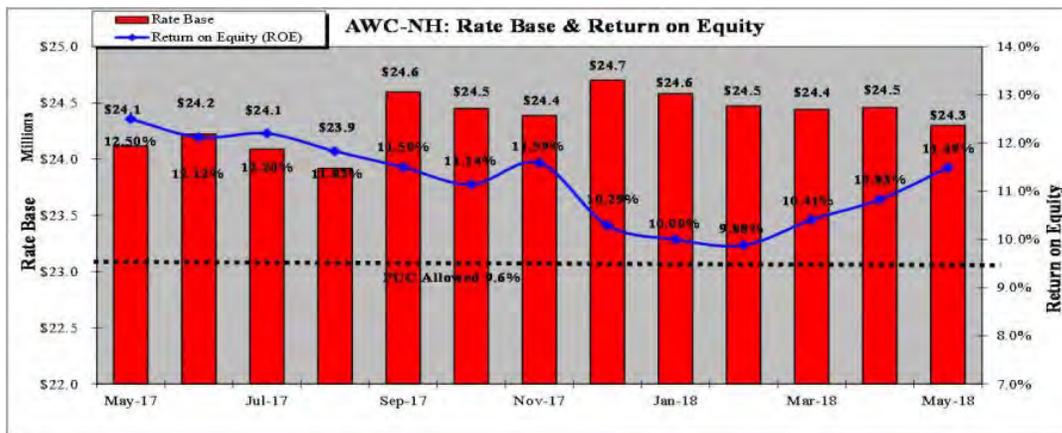
**Capital Expenditures  
 Comparison to Budget  
 April 30, 2018  
 (Dollars in thousands)**

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>		<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>
147	30	22	(117)	Mains	478	65	\$ 42	(413)
-	-	-	-	Dams	-	-	-	-
4	11	(3)	7	Transmission & Distribution	5	30	22	25
57	8	-	(49)	IT	57	24	-	(33)
12	14	2	2	Meters	45	55	10	10
148	201	4	53	Source of Supply	376	766	41	390
-	10	-	10	Pumping	-	30	-	30
101	359	5	258	Treatment	423	1,894	13	1,471
6	14	2	8	General Plant	19	60	44	41
<b>475</b>	<b>647</b>	<b>32</b>	<b>172</b>		<b>1,403</b>	<b>2,924</b>	<b>172</b>	<b>1,521</b>

- **Mains** – Variance is primarily due to the Mill Road Centralized Treatment, Mill Road Booster Main Replacement and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the New Exeter Rd Tank, Hydrant Replacements and Services Replacements. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the Recurring SCADA Hardware & Software projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through April. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements project. Year-end actuals are expected to meet targets.
- **Pumping** – Variance is primarily due to miscellaneous Pumping Requiring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to the Vehicle Replacement project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**May 31, 2018**  
(Dollars in thousands)

Month					Year To Date			
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
\$693	\$700	\$632	(\$7)	<b>Revenue</b>	\$2,758	\$2,811	\$2,679	(\$53)
74	74	64	-	Labor	334	347	326	13
64	66	64	2	Other Taxes	318	330	324	12
15	18	13	3	Purchased Power	94	81	85	(13)
14	14	14	-	Pension	58	67	67	9
6	7	7	1	Retiree Medical	20	32	32	12
17	17	16	-	Medical	85	83	77	(2)
3	2	2	(1)	Chemicals	15	9	9	(6)
4	5	1	1	Main Break Costs	9	15	11	6
135	146	137	11	All other - operating expenses	644	672	564	28
332	349	318	17	<b>Total Expenses, net of other income</b>	1,577	1,636	1,495	59
\$361	\$351	\$314	\$10	<b>EBITDA</b>	\$1,181	\$1,175	\$1,184	\$6
98	98	85	-	Depreciation and Amortization	424	492	426	68
-	-	-	-	AFUDC	-	-	-	-
\$263	\$253	\$229	\$10	<b>EBIT</b>	\$757	\$683	\$758	\$74
72	71	71	(1)	Interest - External debt	352	351	350	(1)
(3)	-	(5)	3	Interest - Intercob	(14)	(8)	(22)	6
69	71	66	2	Total Interest	338	343	328	5
\$194	\$182	\$163	\$12	<b>EBT</b>	\$419	\$340	\$430	\$79
34	32	57	(2)	Income Taxes	74	60	149	(14)
\$160	\$150	\$106	\$10	<b>Net Income</b>	\$345	\$280	\$281	\$65



**Return on Equity**

- May NH ROE is 11.49%, compared to a target of 8.06%. Variance due primarily to a lower than budgeted rate base (289 bps) and higher Utility Operating Income on a 12 month rolling basis (113 bps), partially offset by unfavorable debt/equity structure (-11 bps) and higher than budgeted debt cost (-53 bps).

**Revenues**

- MTD and YTD Revenues were unfavorable by \$7K and \$53K, respectively. YTD variance due to cold, wet weather including snow in April.

**Expenses**

- YTD Labor is favorable by \$13K. Variance is due to an open position that was filled.
- MTD and YTD Other Taxes are favorable by \$2K and \$12K, respectively. Variances are due to lower than budgeted property taxes.
- MTD Purchased Power was favorable by \$3K and YTD Purchased Power are unfavorable by \$12K. YTD variance is due to higher production and larger volume pumped from less efficient bedrock wells.
- YTD Pension is favorable by \$9K. Variance is due to true up from actuaries.
- YTD Retiree Medical is favorable by \$12K. Variance is due to true up from actuaries.
- MTD and YTD All Other Expenses are favorable by \$11K and \$28K, respectively. Variances are due to lower Lab Contract costs, Postage and Bill Processing fees and Allocations offset by higher Maintenance costs.

**Capital Expenditures  
Comparison to Budget  
May 31, 2018  
(Dollars in thousands)**

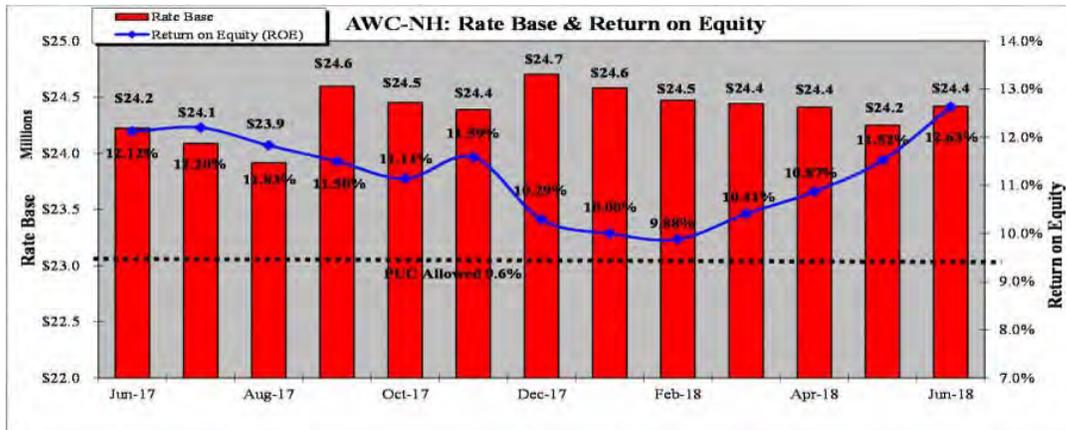
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 106 of 186

Month				AWC-NH	Year To Date			
2018	Budget	2017	Variance		2018	Budget	2017	Variance
368	40	200	(328)	Mains	846	105	\$ 242	(741)
-	-	-	-	Dams	-	-	-	-
3	18	10	15	Transmission & Distribution	8	48	32	40
-	8	-	8	IT	57	32	-	(25)
17	15	13	(2)	Meters	62	70	23	8
(1)	247	14	248	Source of Supply	375	1,013	55	638
2	-	11	(2)	Pumping	2	30	11	28
57	299	36	242	Treatment	480	2,193	49	1,713
-	4	6	4	General Plant	19	64	50	45
<b>446</b>	<b>631</b>	<b>290</b>	<b>185</b>		<b>1,849</b>	<b>3,555</b>	<b>462</b>	<b>1,706</b>

- **Mains** – Variance is primarily due to the Mill Road Centralized Treatment, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the New Exeter Rd Tank, Hydrant Replacements and Services Replacements. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the Recurring SCADA Hardware & Software projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through May. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals are expected to meet targets.
- **Pumping** – Variance is primarily due to miscellaneous Pumping Requiring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to the Vehicle Replacement and Recurring General Plant projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**June 30, 2018**  
(Dollars in thousands)

Month					Year To Date			
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
\$722	\$726	\$719	(\$4)	<b>Revenue</b>	\$3,480	\$3,537	\$3,398	(\$57)
61	68	66	7	Labor	395	415	392	20
63	66	57	3	Other Taxes	381	396	381	15
19	20	16	1	Purchased Power	113	101	101	(12)
(17)	13	13	30	Pension	41	80	80	39
(28)	6	6	34	Retiree Medical	(8)	38	38	46
18	16	14	(2)	Medical	103	99	91	(4)
4	3	4	(1)	Chemicals	19	12	13	(7)
4	2	1	(2)	Main Break Costs	13	17	12	4
145	130	134	(15)	All other - operating expenses	789	802	698	13
269	324	311	55	<b>Total Expenses, net of other income</b>	1,846	1,960	1,806	114
\$453	\$402	\$408	\$51	<b>EBITDA</b>	\$1,634	\$1,577	\$1,592	\$57
33	99	86	66	Depreciation and Amortization	457	591	512	134
-	-	-	-	AFUDC	-	-	-	-
\$420	\$303	\$322	\$117	<b>EBIT</b>	\$1,177	\$986	\$1,080	\$191
68	69	70	1	Interest - External Debt	420	420	420	-
(1)	1	(5)	2	Interest - Interco Debt	(15)	(7)	(27)	8
67	70	65	3	Total Interest	405	413	393	8
\$353	\$233	\$257	\$120	<b>EBT</b>	\$772	\$573	\$687	\$199
61	42	89	(19)	Income Taxes	135	102	238	(33)
\$292	\$191	\$168	\$101	<b>Net Income</b>	\$637	\$471	\$449	\$166



Return on Equity

- June NH ROE is 12.63%, compared to a target of 7.96%. Variance due primarily to a lower than budgeted rate base (318 bps) and higher Utility Operating Income on a 12 month rolling basis (178 bps), partially offset by unfavorable debt/equity structure (-8 bps) and higher than budgeted debt cost (-39 bps).

Revenues

- MTD and YTD Revenues were unfavorable by \$4K and \$57K, respectively. Billed consumption for the month was unfavorable 0.4 MG and unfavorable 3.4 MG YTD. YTD variance due to cold, wet weather (including snow in April and number of rain days in May and June).

Expenses

- MTD and YTD Labor favorable by \$7K and \$20K, respectively. Variances due to an open position and less OT.
- MTD and YTD Other Taxes are favorable by \$3K and \$15K, respectively. Variances are due to lower than budgeted property taxes.
- MTD Purchased Power was favorable by \$1K and YTD is unfavorable by \$12K. YTD variance is due to higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$30K and \$39K, respectively, due to true up from actuaries.
- MTD and YTD Retiree Medical are favorable by \$34 and \$46K, respectively, due to true up from actuaries.
- MTD All Other Expenses unfavorable by \$15K. YTD is favorable by \$13K. MTD variance due to higher Maintenance and Lab Contract costs. YTD variance due to favorable Postage and Bill Processing fees and Allocations offset by higher Maintenance and Transportation costs.

**Capital Expenditures  
 Comparison to Budget  
 June 30, 2018  
 (Dollars in thousands)**

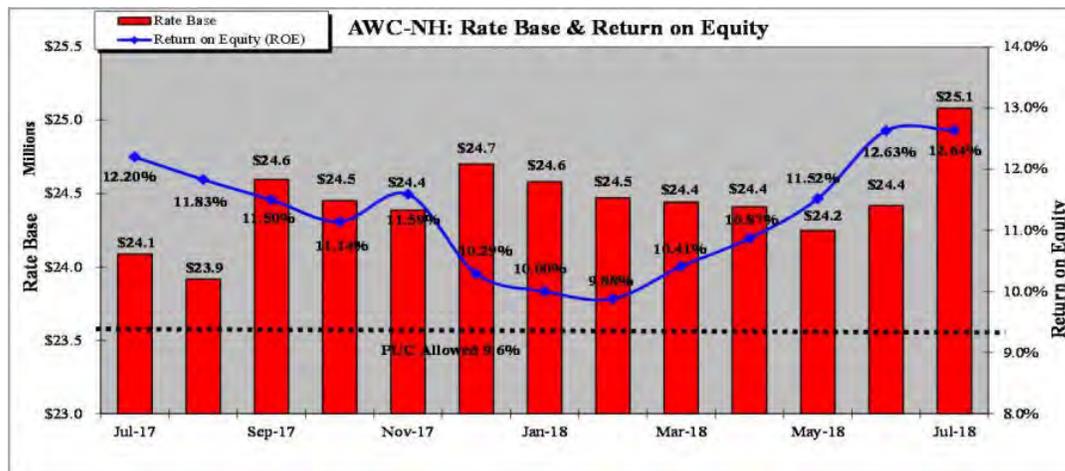
Month			
<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>
499	157	195	(342)
-	-	-	-
13	31	17	18
1	4	-	3
18	17	17	(1)
92	283	70	191
3	-	-	(3)
41	294	9	253
-	5	(1)	5
<b>667</b>	<b>791</b>	<b>307</b>	<b>124</b>

AWC-NH	Year To Date			
	<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>
Mains	1,345	262	\$ 437	(1,083)
Dams	-	-	-	-
Transmission & Distribution	21	79	49	58
IT	58	36	-	(22)
Meters	80	87	40	7
Source of Supply	467	1,296	125	829
Pumping	5	30	11	25
Treatment	521	2,487	58	1,966
General Plant	19	69	49	50
	<b>2,516</b>	<b>4,346</b>	<b>769</b>	<b>1,830</b>

- **Mains** – Variance is primarily due to the Mill Road Centralized Treatment, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the New Exeter Rd Tank, Hydrant Replacements and Services Replacements. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the Recurring SCADA Hardware & Software projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through June. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals are expected to meet targets.
- **Pumping** – Variance is primarily due to miscellaneous Pumping Requiring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to the Vehicle Replacement and Recurring General Plant projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**July 31, 2018**  
(Dollars in thousands)

Month					Year To Date			
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
<b>\$901</b>	<b>\$846</b>	<b>\$860</b>	<b>\$55</b>	<b>Revenue</b>	<b>\$4,381</b>	<b>\$4,383</b>	<b>\$4,258</b>	<b>(\$2)</b>
66	72	62	6	Labor	461	487	454	26
62	66	63	4	Other Taxes	443	462	444	19
29	25	18	(4)	Purchased Power	142	126	119	(16)
7	13	13	6	Pension	48	93	93	45
(1)	6	6	7	Retiree Medical	(9)	44	44	53
20	17	16	(3)	Medical	123	116	107	(7)
5	3	5	(2)	Chemicals	24	15	18	(9)
15	4	4	(11)	Main Break Costs	28	21	16	(7)
121	128	115	7	All other - operating expenses	910	930	813	20
324	334	302	10	<b>Total Expenses, net of other income</b>	<b>2,170</b>	<b>2,294</b>	<b>2,108</b>	<b>124</b>
<b>\$577</b>	<b>\$512</b>	<b>\$558</b>	<b>\$65</b>	<b>EBITDA</b>	<b>\$2,211</b>	<b>\$2,089</b>	<b>\$2,150</b>	<b>\$122</b>
97	98	85	1	Depreciation and Amortization	554	689	597	135
-	-	-	-	AFUDC	-	-	-	-
<b>\$480</b>	<b>\$414</b>	<b>\$473</b>	<b>\$66</b>	<b>EBIT</b>	<b>\$1,657</b>	<b>\$1,400</b>	<b>\$1,553</b>	<b>\$257</b>
71	71	69	-	Interest - External Debt	491	491	489	-
(1)	1	(4)	2	Interest - Interco Debt	(16)	(6)	(31)	10
70	72	65	2	Total Interest	475	485	458	10
<b>\$410</b>	<b>\$342</b>	<b>\$408</b>	<b>\$68</b>	<b>EBT</b>	<b>\$1,182</b>	<b>\$915</b>	<b>\$1,095</b>	<b>\$267</b>
74	59	141	(15)	Income Taxes	209	161	379	(48)
<b>\$336</b>	<b>\$283</b>	<b>\$267</b>	<b>\$53</b>	<b>Net Income</b>	<b>\$973</b>	<b>\$754</b>	<b>\$716</b>	<b>\$219</b>



Return on Equity

- July NH ROE is 12.64%, compared to a target of 7.89%. Variance due primarily to a lower rate base (301 bps) and higher Utility Operating Income on a 12 month rolling basis (212 bps), partially offset by unfavorable debt/equity structure (-10 bps) and higher debt cost (-47 bps).

Revenues

- MTD Revenues were favorable by \$55K and YTD were unfavorable by \$2K. Billed consumption for the month was favorable 2.66 MG and favorable 1.56 MG YTD.

Expenses

- MTD and YTD Labor favorable by \$6K and \$26K, respectively. Variances due to an open position filled in April, more labor going to capital and less OT.
- MTD and YTD Other Taxes are favorable by \$4K and \$19K, respectively. Variances are due to lower than budgeted property taxes.
- MTD and YTD Purchased Power was unfavorable by \$4K and \$16K, respectively. Variances are due to pumping test on new well, higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$6K and \$45K, respectively, due to true up from actuaries.
- MTD and YTD Retiree Medical are favorable by \$7K and \$53K, respectively, due to true up from actuaries.
- MTD and YTD Main Break Costs are unfavorable by \$11K and \$7K, respectively. Variances are due to higher cost per main break than budget and more restoration work.
- MTD and YTD All Other Expenses favorable by \$7K and \$20K, respectively. MTD variance due to favorable Operating and Miscellaneous costs offset by higher Maintenance costs. YTD variance due to favorable Postage and Bill Processing fees and Allocations, partially offset by higher Maintenance and Transportation costs.

**Capital Expenditures  
Comparison to Budget  
July 31, 2018  
(Dollars in thousands)**

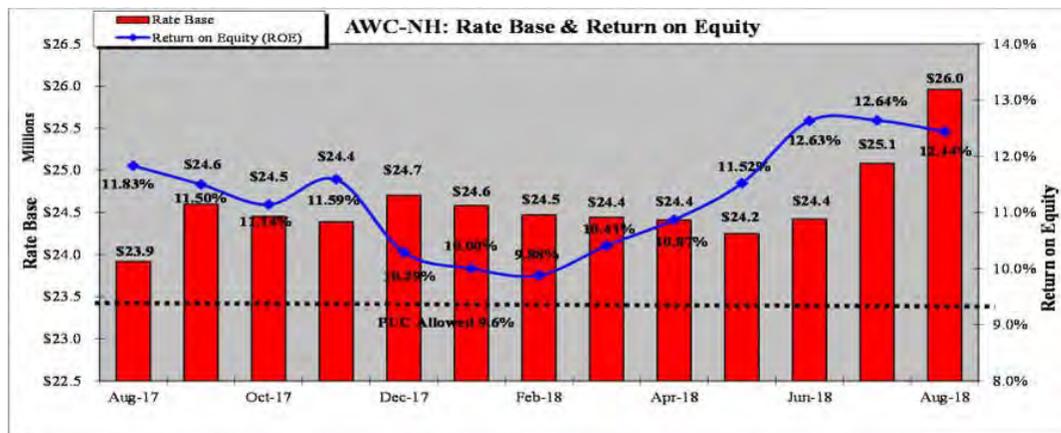
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 110 of 186

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>		<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>
521	151	121	(370)	Mains	1,866	413	\$ 558	(1,453)
30	14	8	(16)	Transmission & Distribution	51	93	57	42
(1)	4	-	5	IT	57	40	-	(17)
16	12	14	(4)	Meters	96	99	54	3
89	49	2	(40)	Source of Supply	556	1,345	127	789
13	-	-	(13)	Pumping	18	30	11	12
53	294	70	241	Treatment	574	2,781	128	2,207
-	4	4	4	General Plant	19	73	53	54
<b>721</b>	<b>528</b>	<b>219</b>	<b>(193)</b>		<b>3,237</b>	<b>4,874</b>	<b>988</b>	<b>1,637</b>

- **Mains** – Variance is primarily due to the Mill Road Centralized Treatment, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the New Exeter Rd Tank, Hydrant Replacements and Services Replacements. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the Recurring SCADA Hardware & Software projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through June. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals are expected to meet targets.
- **Pumping** – Variance is primarily due to miscellaneous Pumping Requiring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – Variance due to Vehicle Replacement and Recurring General Plant projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**August 31, 2018**  
(Dollars in thousands)

Month					Year To Date			
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
\$805	\$815	\$857	(\$10)	<b>Revenue</b>	\$5,186	\$5,198	\$5,115	(\$12)
66	72	106	6	Labor	527	559	560	32
64	67	66	3	Other Taxes	507	529	510	22
25	24	21	(1)	Purchased Power	167	150	140	(17)
6	14	14	8	Pension	54	107	107	53
(2)	7	7	9	Retiree Medical	(11)	51	51	62
17	16	15	(1)	Medical	140	132	122	(8)
5	3	5	(2)	Chemicals	29	18	23	(11)
3	4	17	1	Main Break Costs	31	25	33	(6)
131	141	122	10	All other - operating expenses	1,041	1,071	935	30
315	348	373	33	<b>Total Expenses, net of other income</b>	2,485	2,642	2,481	157
\$490	\$467	\$484	\$23	<b>EBITDA</b>	\$2,701	\$2,556	\$2,634	\$145
99	99	84	-	Depreciation and Amortization	653	788	681	135
-	-	-	-	AFUDC	-	-	-	-
\$391	\$368	\$400	\$23	<b>EBIT</b>	\$2,048	\$1,768	\$1,953	\$280
71	70	72	(1)	Interest - External Debt	562	561	561	(1)
(1)	1	(5)	2	Interest - Interco Debt	(17)	(5)	(36)	12
70	71	67	1	Total Interest	545	556	525	11
\$321	\$297	\$333	\$24	<b>EBT</b>	\$1,503	\$1,212	\$1,428	\$291
56	53	115	(3)	Income Taxes	265	214	494	(51)
\$265	\$244	\$218	\$21	<b>Net Income</b>	\$1,238	\$998	\$934	\$240



Return on Equity

- August NH ROE is 12.44%, compared to a target of 7.94%. Variance due primarily to a lower rate base (259 bps) and higher Utility Operating Income on a 12 month rolling basis (222 bps), partially offset by unfavorable debt/equity structure (-10 bps) and higher debt cost (-39 bps).

Revenues

- MTD and YTD Revenues were unfavorable by \$10K and \$12K, respectively. Billed consumption for the month was unfavorable 3.32 MG and unfavorable 2.87 MG YTD.

Expenses

- MTD and YTD Labor favorable by \$6K and \$32K, respectively. Variances due to more labor going to capital and less OT.
- MTD and YTD Other Taxes are favorable by \$3K and \$22K, respectively. Variances are due to lower than budgeted property taxes.
- MTD and YTD Purchased Power was unfavorable by \$1K and \$17K, respectively. Variances are due to pumping test on new well, higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$8K and \$53K, respectively, due to true up from actuaries.
- MTD and YTD Retiree Medical are favorable by \$9K and \$62K, respectively, due to true up from actuaries.
- MTD Main Break Costs are favorable by \$1K and YTD Main Break Costs are unfavorable by \$6K. YTD variance is due to higher cost per main break than budget and more restoration work.
- MTD and YTD All Other Expenses favorable by \$10K and \$30K, respectively. MTD variance due to favorable Operating and Lab Contract costs offset by higher Maintenance costs. YTD variance due to favorable Postage and Bill Processing fees, Lab Contract costs and Allocations, partially offset by higher Maintenance and Transportation costs.

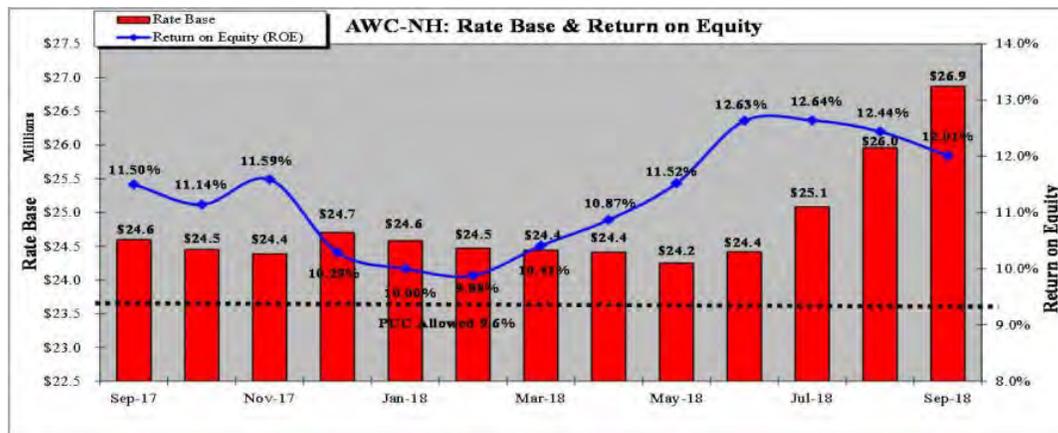
**Capital Expenditures  
 Comparison to Budget  
 August 31, 2018  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>		<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>
84	151	(83)	67	Mains	1,950	564	\$ 475	(1,386)
28	14	6	(14)	Transmission & Distribution	79	107	63	28
-	4	-	4	IT	57	44	-	(13)
16	10	20	(6)	Meters	112	109	74	(3)
46	50	8	4	Source of Supply	602	1,395	135	793
8	-	-	(8)	Pumping	26	30	11	4
54	211	84	157	Treatment	628	2,992	212	2,364
-	4	-	4	General Plant	19	77	53	58
<b>236</b>	<b>444</b>	<b>35</b>	<b>208</b>		<b>3,473</b>	<b>5,318</b>	<b>1,023</b>	<b>1,845</b>

- **Mains** – Variance is primarily due to the Mill Road Water Main Replacement, Mill Road Centralized Treatment, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the New Exeter Rd Tank, and T&D Recurring Capital projects. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the Mill Road WTP Centralized Treatment project, slightly offset by recurring SCADA Hardware & Software projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were on target through August. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals are expected to be slightly lower than targets.
- **Pumping** – Variance is primarily due to miscellaneous Pumping Requiring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower than targets.
- **General & Other** – The variance was due to the Vehicle Replacement and Recurring General Plant projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**September 30, 2018**  
(Dollars in thousands)

Month				Year To Date				
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
<b>\$683</b>	<b>\$700</b>	<b>\$756</b>	<b>(\$17)</b>	<b>Revenue</b>	<b>\$5,869</b>	<b>\$5,898</b>	<b>\$5,871</b>	<b>(\$29)</b>
66	65	61	(1)	Labor	593	624	621	31
63	65	63	2	Other Taxes	570	594	573	24
22	19	21	(3)	Purchased Power	189	169	161	(20)
7	13	13	6	Pension	61	120	120	59
(1)	6	6	7	Retiree Medical	(12)	57	57	69
22	17	16	(5)	Medical	162	149	138	(13)
5	3	4	(2)	Chemicals	34	21	27	(13)
3	2	3	(1)	Main Break Costs	34	27	36	(7)
136	133	141	(3)	All other - operating expenses	1,177	1,204	1,076	27
<b>323</b>	<b>323</b>	<b>328</b>	<b>-</b>	<b>Total Expenses, net of other income</b>	<b>2,808</b>	<b>2,965</b>	<b>2,809</b>	<b>157</b>
<b>\$360</b>	<b>\$377</b>	<b>\$428</b>	<b>(\$17)</b>	<b>EBITDA</b>	<b>\$3,061</b>	<b>\$2,933</b>	<b>\$3,062</b>	<b>\$128</b>
45	98	86	53	Depreciation and Amortization	698	886	767	188
-	-	-	-	AFUDC	-	-	-	-
<b>\$315</b>	<b>\$279</b>	<b>\$342</b>	<b>\$36</b>	<b>EBIT</b>	<b>\$2,363</b>	<b>\$2,047</b>	<b>\$2,295</b>	<b>\$316</b>
70	70	64	-	Interest - External Debt	632	631	589	(1)
(1)	1	-	2	Interest - Interco Debt	(18)	(4)	-	14
69	71	64	2	Total Interest	614	627	589	13
<b>\$246</b>	<b>\$208</b>	<b>\$278</b>	<b>\$38</b>	<b>EBT</b>	<b>\$1,749</b>	<b>\$1,420</b>	<b>\$1,706</b>	<b>\$329</b>
43	36	97	(7)	Income Taxes	308	250	591	(58)
<b>\$203</b>	<b>\$172</b>	<b>\$181</b>	<b>\$31</b>	<b>Net Income</b>	<b>\$1,441</b>	<b>\$1,170</b>	<b>\$1,115</b>	<b>\$271</b>



**Return on Equity**

- September NH ROE is 12.01%, compared to a target of 7.89%. Variance due primarily to a lower rate base (205 bps) and higher Utility Operating Income on a 12 month rolling basis (241 bps), partially offset by unfavorable debt/equity structure (-10 bps) and higher debt cost (-39 bps).

**Revenues**

- MTD and YTD Revenues were unfavorable by \$12K and \$29K, respectively. Billed consumption for the month was unfavorable 10.29 MG and unfavorable 13.16 MG YTD.

**Expenses**

- MTD Labor was unfavorable by \$1K and YTD Labor favorable by \$31K. YTD variance due to more labor going to capital and less OT.
- MTD and YTD Other Taxes are favorable by \$2K and \$24K, respectively. Variances are due to lower than budgeted property taxes.
- MTD and YTD Purchased Power was unfavorable by \$3K and \$20K, respectively. Variances are due to pumping test on new well, higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$6K and \$59K, respectively, due to true up from actuaries.
- MTD and YTD Retiree Medical are favorable by \$7K and \$69K, respectively, due to true up from actuaries.
- MTD and YTD Main Break Costs are unfavorable by \$1K and \$7K, respectively. YTD variance is due to higher cost per main break than budget and more restoration work.
- MTD All Other Expenses are unfavorable by \$3K and YTD All Other Expenses are favorable by \$27K. YTD variance due to favorable Postage and Bill Processing fees, Operating costs and Allocations, partially offset by higher Maintenance and Transportation costs.

**Capital Expenditures  
Comparison to Budget  
September 30, 2018  
(Dollars in thousands)**

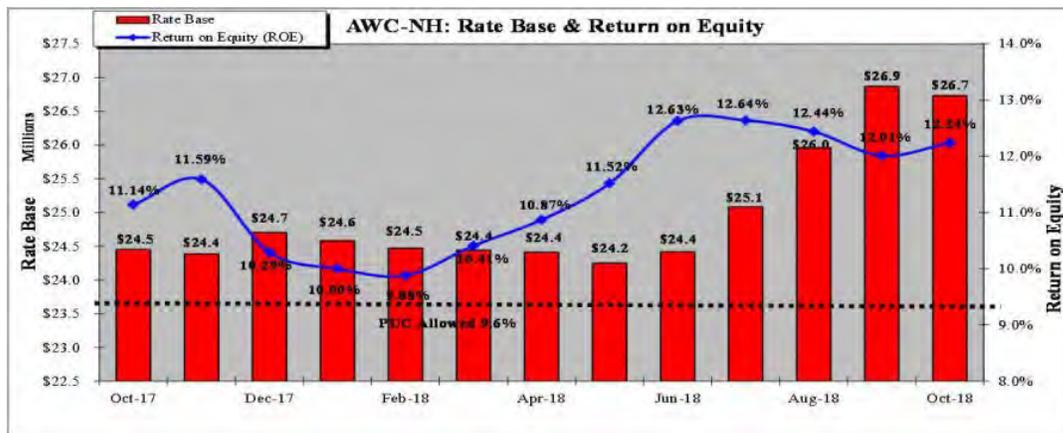
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 114 of 186

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>		<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>
688	81	402	(607)	Mains	2,638	645	\$ 877	(1,993)
22	20	9	(2)	Transmission & Distribution	101	127	72	26
-	4	-	4	IT	57	48	-	(9)
18	8	16	(10)	Meters	130	117	90	(13)
(179)	50	3	229	Source of Supply	423	1,445	138	1,022
7	-	-	(7)	Pumping	33	30	11	(3)
(348)	19	11	367	Treatment	280	3,011	223	2,731
32	4	-	(28)	General Plant	51	81	53	30
<b>240</b>	<b>186</b>	<b>441</b>	<b>(54)</b>		<b>3,713</b>	<b>5,504</b>	<b>1,464</b>	<b>1,791</b>

- **Mains** – Variance is primarily due to the Mill Road Water Main Replacement, Mill Road Transmission Main & 4-Log, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the New Exeter Rd Tank, and T&D Recurring Capital projects. Year-end actuals are expected to meet targets.
- **IT** – Variance is primarily due to the Mill Road WTP Centralized Treatment project, slightly offset by recurring SCADA Hardware & Software projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were on slightly higher through September. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals are expected to be slightly lower then targets.
- **Pumping** – Pumping was on target through September. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be lower then targets.
- **General & Other** – The variance was due to the Vehicle Replacement and Recurring General Plant projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**October 31, 2018**  
**(Dollars in thousands)**

Month				Year To Date				
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
<b>\$603</b>	<b>\$605</b>	<b>\$622</b>	<b>(\$2)</b>	<b>Revenue</b>	<b>\$6,472</b>	<b>\$6,503</b>	<b>\$6,493</b>	<b>(\$10)</b>
74	72	63	(2)	Labor	667	696	684	29
64	67	62	3	Other Taxes	634	661	635	27
17	15	17	(2)	Purchased Power	206	184	178	(22)
7	13	13	6	Pension	68	133	133	65
(1)	6	6	7	Retiree Medical	(13)	63	63	76
5	16	15	11	Medical	167	165	153	(2)
4	2	5	(2)	Chemicals	38	23	32	(15)
9	4	6	(5)	Main Break Costs	43	31	42	(12)
138	140	181	2	All other - operating expenses	1,315	1,344	1,257	29
<b>317</b>	<b>335</b>	<b>368</b>	<b>18</b>	<b>Total Expenses, net of other income</b>	<b>3,125</b>	<b>3,300</b>	<b>3,177</b>	<b>175</b>
<b>\$286</b>	<b>\$270</b>	<b>\$254</b>	<b>\$16</b>	<b>EBITDA</b>	<b>\$3,347</b>	<b>\$3,203</b>	<b>\$3,316</b>	<b>\$144</b>
98	99	85	1	Depreciation and Amortization	796	985	852	189
-	-	-	-	AFUDC	-	-	-	-
<b>\$188</b>	<b>\$171</b>	<b>\$169</b>	<b>\$17</b>	<b>EBIT</b>	<b>\$2,551</b>	<b>\$2,218</b>	<b>\$2,464</b>	<b>\$333</b>
70	70	67	-	Interest - External Debt	702	701	656	(1)
(1)	1	-	2	Interest - Interco Debt	(19)	(3)	-	16
69	71	67	2	Total Interest	683	698	656	15
<b>\$119</b>	<b>\$100</b>	<b>\$102</b>	<b>\$19</b>	<b>EBT</b>	<b>\$1,868</b>	<b>\$1,520</b>	<b>\$1,808</b>	<b>\$348</b>
20	18	33	(2)	Income Taxes	328	268	624	(60)
<b>\$99</b>	<b>\$82</b>	<b>\$69</b>	<b>\$17</b>	<b>Net Income</b>	<b>\$1,540</b>	<b>\$1,252</b>	<b>\$1,184</b>	<b>\$288</b>



**Return on Equity**

- October NH ROE is 12.24%, compared to a target of 8.08%. Variance due primarily to a lower rate base (238 bps) and higher Utility Operating Income on a 12 month rolling basis (222 bps), partially offset by unfavorable debt/equity structure (-13 bps) and higher debt cost (-45 bps).

**Revenues**

- MTD and YTD Revenues were unfavorable by \$2K and \$31K, respectively. Billed consumption for the month was favorable 2.33 MG and unfavorable 10.8 MG YTD.

**Expenses**

- MTD Labor was unfavorable by \$2K and YTD Labor favorable by \$29K. YTD variance due to less OT and an open position earlier in the year which has since been filled.
- MTD and YTD Other Taxes are favorable by \$3K and \$27K, respectively. Variances are due to lower actual property tax bills received compared to budget.
- MTD and YTD Purchased Power was unfavorable by \$2K and \$22K, respectively. Variances are due to pumping test on new well, higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$6K and \$65K, respectively, due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$7K and \$76K, respectively, due to true up from actuary.
- MTD and YTD Main Break Costs are unfavorable by \$5K and \$12K, respectively. YTD variance is due to higher cost per main break than budget and more restoration work.
- MTD and YTD All Other Expenses are favorable by \$2K and \$29K, respectively. YTD variance due to favorable postage and bill processing fees, operating costs and allocations, partially offset by higher maintenance and transportation costs.

**Capital Expenditures  
 Comparison to Budget  
 October 31, 2018  
 (Dollars in thousands)**

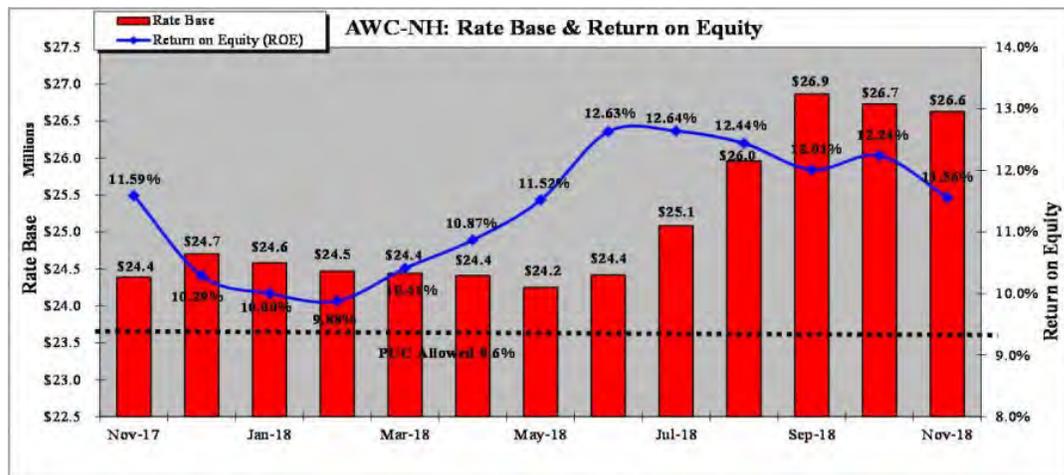
<b>Month</b>			
<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>
36	10	25	(26)
12	134	10	122
-	8	-	8
10	6	8	(4)
66	54	64	(12)
-	10	13	10
18	4	27	(14)
4	4	-	-
<b>146</b>	<b>230</b>	<b>147</b>	<b>84</b>

<b>AWC-NH</b>	<b>Year To Date</b>			
	<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>
Mains	2,674	655	\$ 902	(2,019)
Transmission & Distribution	113	261	82	148
IT	57	56	-	(1)
Meters	140	123	98	(17)
Source of Supply	489	1,499	202	1,010
Pumping	33	40	24	7
Treatment	298	3,015	250	2,717
General Plant	55	85	53	30
	<b>3,859</b>	<b>5,734</b>	<b>1,611</b>	<b>1,875</b>

- **Mains** – Variance is primarily due to the Mill Road Water Main Replacement, Mill Road Transmission Main & 4-Log, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehab and New Exeter Rd Tank projects. Year-end actuals are expected to meet targets.
- **IT** – IT is on target through October. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were on slightly higher through October. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals are expected to be slightly lower than targets.
- **Pumping** – The variance is primarily due to Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower than targets.
- **General & Other** – The variance was due to Recurring General Plant projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**November 30, 2018**  
(Dollars in thousands)

Month				Year To Date				
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
<b>\$483</b>	<b>\$509</b>	<b>\$522</b>	<b>(\$26)</b>	<b>Revenue</b>	<b>\$6,955</b>	<b>\$7,012</b>	<b>\$7,015</b>	<b>(\$57)</b>
69	68	68	(1)	Labor	736	764	752	28
65	66	64	1	Other Taxes	699	727	699	28
20	13	12	(7)	Purchased Power	226	197	190	(29)
7	14	(12)	7	Pension	75	147	121	72
(2)	7	(30)	9	Retiree Medical	(15)	70	33	85
20	17	15	(3)	Medical	187	182	168	(5)
3	1	-	(2)	Chemicals	41	24	32	(17)
-	2	10	2	Main Break Costs	43	33	52	(10)
144	141	125	(3)	All other - operating expenses	1,459	1,485	1,382	26
<b>326</b>	<b>329</b>	<b>252</b>	<b>3</b>	<b>Total Expenses, net of other income</b>	<b>3,451</b>	<b>3,629</b>	<b>3,429</b>	<b>178</b>
<b>\$157</b>	<b>\$180</b>	<b>\$270</b>	<b>(\$23)</b>	<b>EBITDA</b>	<b>\$3,504</b>	<b>\$3,383</b>	<b>\$3,586</b>	<b>\$121</b>
99	98	22	(1)	Depreciation and Amortization	895	1,083	874	188
-	-	-	-	AFUDC	-	-	-	-
<b>\$58</b>	<b>\$82</b>	<b>\$248</b>	<b>(\$24)</b>	<b>EBIT</b>	<b>\$2,609</b>	<b>\$2,300</b>	<b>\$2,712</b>	<b>\$309</b>
70	70	64	-	Interest - External Debt	772	771	720	(1)
(1)	2	-	3	Interest - Interco Debt	(20)	(1)	-	19
69	72	64	3	Total Interest	752	770	720	18
<b>(\$11)</b>	<b>\$10</b>	<b>\$184</b>	<b>(\$21)</b>	<b>EBT</b>	<b>\$1,857</b>	<b>\$1,530</b>	<b>\$1,992</b>	<b>\$327</b>
(19)	2	69	21	Income Taxes	309	270	693	(39)
<b>\$8</b>	<b>\$8</b>	<b>\$115</b>	<b>\$0</b>	<b>Net Income</b>	<b>\$1,548</b>	<b>\$1,260</b>	<b>\$1,299</b>	<b>\$288</b>



Return on Equity

- November NH ROE is 11.56%, compared to a target of 7.87%. Variance due primarily to a lower rate base (248 bps) and higher Utility Operating Income on a 12 month rolling basis (170 bps), partially offset by unfavorable debt/equity structure (-11 bps) and higher debt cost (-46 bps).

Revenues

- MTD and YTD Revenues were unfavorable by \$26K and \$57K, respectively. Billed consumption for the month was unfavorable 2.96 MG and unfavorable 13.8 MG YTD.

Expenses

- MTD Labor was unfavorable by \$1K and YTD Labor favorable by \$28K. YTD variance due to less OT and an open position earlier in the year which has since been filled.
- MTD and YTD Other Taxes are favorable by \$1K and \$28K, respectively. Variances are due to lower actual property tax bills received compared to budget.
- MTD and YTD Purchased Power was unfavorable by \$7K and \$29K, respectively. Variances are due to pumping test on new well, higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$7K and \$72K, respectively, due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$9K and \$85K, respectively, due to true up from actuary.
- MTD and YTD All Other Expenses are unfavorable by \$3K and YTD All Other Expenses are favorable by \$26K. MTD variance is mainly due to higher maintenance costs. YTD variance due to favorable postage and bill processing fees, operating costs and allocations, partially offset by higher maintenance and transportation costs.

**Capital Expenditures  
Comparison to Budget  
November 30, 2018  
(Dollars in thousands)**

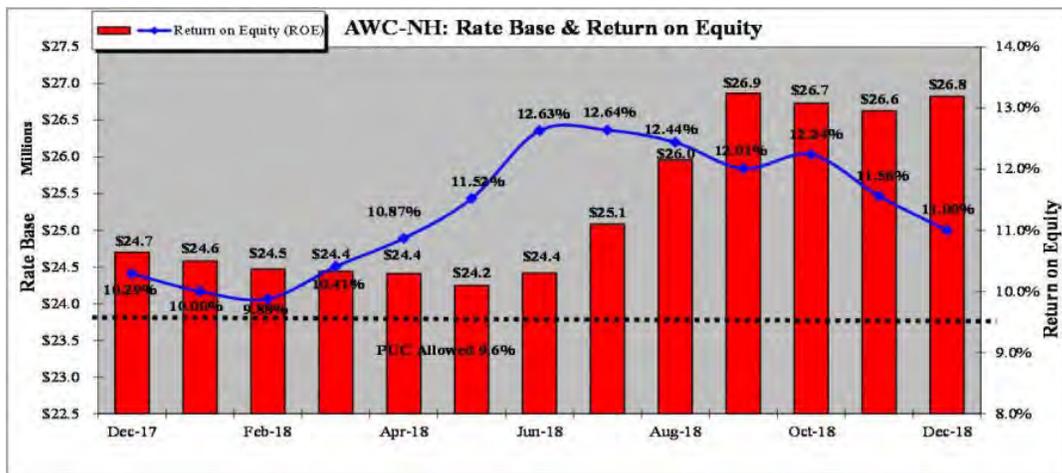
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 118 of 186

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>		<u>2018</u>	<u>Budget</u>	<u>2017</u>	<u>Variance</u>
243	10	12	(233)	Mains	2,917	665	\$ 914	(2,252)
16	25	8	9	Transmission & Distribution	129	286	90	157
-	4	-	4	IT	57	60	-	3
9	6	3	(3)	Meters	149	129	101	(20)
121	59	75	(62)	Source of Supply	610	1,558	277	948
-	4	-	4	Pumping	33	44	24	11
168	-	126	(168)	Treatment	466	3,015	376	2,549
5	8	1	3	General Plant	60	93	54	33
<b>562</b>	<b>116</b>	<b>225</b>	<b>(446)</b>		<b>4,421</b>	<b>5,850</b>	<b>1,836</b>	<b>1,429</b>

- **Mains** – Variance is primarily due to the Mill Road Water Main Replacement, Mill Road Transmission Main & 4-Log, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehab and New Exeter Rd Tank projects. Year-end actuals are expected to meet targets.
- **IT** – IT is on target through November. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were on slightly higher through November. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals are expected to be slightly lower then targets.
- **Pumping** – The variance is primarily due to Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower then targets.
- **General & Other** – The variance was due to Recurring General Plant projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**December 31, 2018**  
(Dollars in thousands)

Month					Year To Date			
2018	Budget	2017	Budget Variance		2018	Budget	2017	Budget Variance
\$542	\$514	\$530	\$28	Revenue	\$7,497	\$7,526	\$7,545	(\$29)
64	65	64	1	Labor	800	829	816	29
66	66	64	-	Other Taxes	765	793	763	28
16	14	17	(2)	Purchased Power	242	211	207	(31)
7	13	11	6	Pension	82	160	132	78
(1)	6	3	7	Retiree Medical	(16)	76	36	92
18	16	16	(2)	Medical	205	198	184	(7)
2	2	3	-	Chemicals	43	26	35	(17)
12	3	25	(9)	Main Break Costs	55	36	77	(19)
89	133	106	44	All other - operating expenses	1,548	1,618	1,488	70
273	318	309	45	<b>Total Expenses, net of other income</b>	3,724	3,947	3,738	223
\$269	\$196	\$221	\$73	<b>EBITDA</b>	\$3,773	\$3,579	\$3,807	\$194
40	98	78	58	Depreciation and Amortization	935	1,181	952	246
-	-	-	-	AFUDC	-	-	-	-
\$229	\$98	\$143	\$131	<b>EBIT</b>	\$2,838	\$2,398	\$2,855	\$440
70	70	121	-	Interest - External Debt	842	841	841	(1)
-	2	(56)	2	Interest - Interco Debt	(20)	1	(56)	21
70	72	65	2	Total Interest	822	842	785	20
\$159	\$26	\$78	\$133	<b>EBT</b>	\$2,016	\$1,556	\$2,070	\$460
227	4	35	(223)	Income Taxes	536	274	728	(262)
(\$68)	\$22	\$43	(\$90)	<b>Net Income</b>	\$1,480	\$1,282	\$1,342	\$198



Return on Equity

- December NH ROE is 11.00%, compared to a target of 8.02%. Variance due primarily to a lower rate base (221 bps) and higher Utility Operating Income on a 12 month rolling basis (103 bps), partially offset by unfavorable debt/equity structure (-7 bps) and higher debt cost (-25 bps).

Revenues

- MTD Revenues were favorable \$28K and YTD Revenues were unfavorable by \$29K. Billed consumption for the month was favorable 4.23 MG and unfavorable 9.55 MG YTD.

Expenses

- MTD and YTD Labor was favorable by \$1K and \$29K, respectively. YTD variance due to less OT and an open position earlier in the year which has since been filled.
- MTD Other Taxes are on target and YTD Other Taxes are favorable by \$28K. YTD variance is due to lower property tax assessments received compared to budget.
- MTD and YTD Purchased Power was unfavorable by \$2K and \$31K, respectively. Variances are due to pumping test on new well, higher production and larger volume pumped from less efficient bedrock wells.
- MTD and YTD Pension are favorable by \$6K and \$78K, respectively, due to revised expense from actuary.
- MTD and YTD Retiree Medical are favorable by \$7K and \$92K, respectively, due to revised expense from actuary.
- MTD and YTD Main Break Costs are unfavorable \$9K and \$19K, respectively. Variances are due to higher cost per main break than budget and more restoration work.
- MTD and YTD All Other Expenses are favorable by \$44K and \$70K, respectively. MTD variance is primarily due to Co Bank patronage distribution \$39K. YTD variance due to patronage distribution, favorable postage and bill processing fees, operating costs, telecommunications and allocations, partially offset by higher maintenance and transportation costs.

**Capital Expenditures  
Comparison to Budget  
December 31, 2018  
(Dollars in thousands)**

DW 20-184  
Joint Town 4-17 Attachment 1  
Page 120 of 186

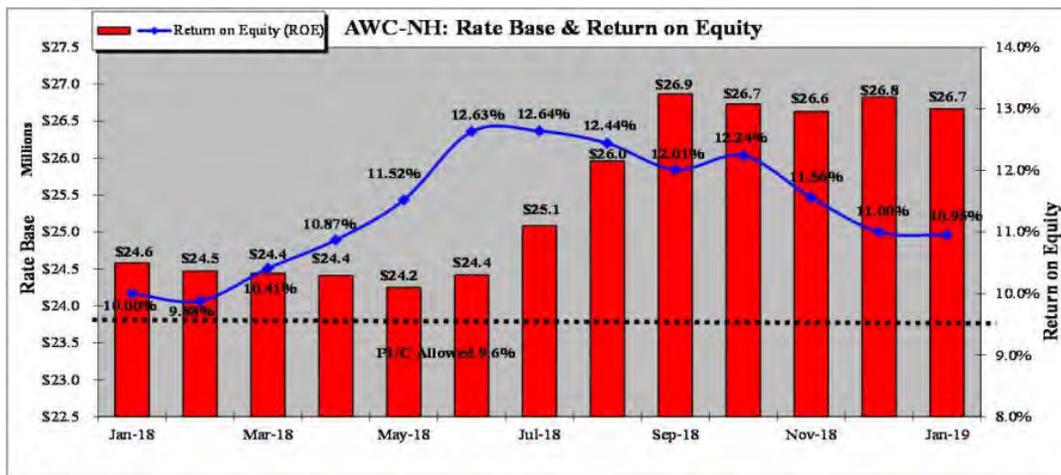
<b>Month</b>			
<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>
43	10	29	(33)
15	11	9	(4)
-	-	-	-
15	5	7	(10)
157	50	157	(107)
23	-	-	(23)
18	1	37	(17)
5	4	40	(1)
<b>276</b>	<b>81</b>	<b>279</b>	<b>(195)</b>

<b>AWC-NH</b>	<b>Year To Date</b>			
	<b>2018</b>	<b>Budget</b>	<b>2017</b>	<b>Variance</b>
Mains	2,960	675	\$ 943	(2,285)
Transmission & Distribution	144	297	99	153
IT	57	60	-	3
Meters	164	134	108	(30)
Source of Supply	767	1,608	434	841
Pumping	56	44	24	(12)
Treatment	484	3,016	413	2,532
General Plant	65	97	94	32
	<b>4,697</b>	<b>5,931</b>	<b>2,115</b>	<b>1,234</b>

- **Mains** – Variance is primarily due to the Mill Road Water Main Replacement, Mill Road Transmission Main & 4-Log, Mill Road Connection to Shop Road, and Well 9 & 11 Transmission Main projects. Year-end actuals were higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehab and New Exeter Rd Tank projects. Year-end actuals were higher than targets.
- **IT** – IT is on target for year-end 2018.
- **Meters** – Meter Replacements were slightly higher than targets for year-end 2018.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements and PFC Treatment for Mill Road Wells projects. Year-end actuals were lower than targets.
- **Pumping** – Pumping was slightly higher than target for year-end 2018.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals were lower than targets.
- **General & Other** – The variance was due to Recurring General Plant projects. Year-end actuals were lower than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**January 31, 2019**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$505	\$544	\$524	(\$39)	<b>Revenue</b>	\$505	\$544	\$524	(\$39)
78	68	74	(10)	Labor	78	68	74	(10)
67	66	63	(1)	Other Taxes	67	66	63	(1)
18	18	22	-	Purchased Power	18	18	22	-
1	1	13	-	Pension	1	1	13	-
(8)	(8)	6	-	Retiree Medical	(8)	(8)	6	-
20	21	17	1	Medical	20	21	17	1
3	3	4	-	Chemicals	3	3	4	-
9	3	1	(6)	Main Break Costs	9	3	1	(6)
158	131	138	(27)	All other - operating expenses	158	131	138	(27)
346	303	338	(43)	<b>Total Expenses, net of other income</b>	346	303	338	(43)
\$159	\$241	\$186	(\$82)	<b>EBITDA</b>	\$159	\$241	\$186	(\$82)
91	87	99	(4)	Depreciation and Amortization	91	87	99	(4)
-	-	-	-	AFUDC	-	-	-	-
\$68	\$154	\$87	(\$86)	<b>EBIT</b>	\$68	\$154	\$87	(\$86)
72	70	69	(2)	Interest - External Debt	72	70	69	(2)
1	2	-	1	Interest - Interco Debt	1	2	-	1
73	72	69	(1)	<b>Total Interest</b>	73	72	69	(1)
(\$5)	\$82	\$18	(\$87)	<b>EBT</b>	(\$5)	\$82	\$18	(\$87)
(1)	16	3	17	Income Taxes	(1)	16	3	17
(\$4)	\$66	\$15	(\$70)	<b>Net Income</b>	(\$4)	\$66	\$15	(\$70)



**Return on Equity**

- January NH ROE is 10.95%, compared to a target of 10.35%. Variance due primarily to a lower rate base (80 bps), higher Utility Operating Income on a 12 month rolling basis (5 bps), and favorable debt/equity thickness (3 bps), partially offset by higher debt cost (-30 bps).

**Revenues**

- Revenues were unfavorable \$39K. Billed consumption for the month was unfavorable 4.2 MG.

**Expenses**

- Labor was unfavorable by \$10K. Variance due to less labor going to capital and more overtime.
- Main Break Costs are unfavorable \$6K. Variance due to higher cost per main break than budget (2 actual vs 1 budget).
- All Other Expenses are unfavorable by \$27K. Variance is due to higher Operating (flushing expense), Transportation (repair work on backhoe and vehicles), Lab Contract Costs (more PFAS samples), Legal (WICA expense) and lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
January 31, 2019  
(Dollars in thousands)**

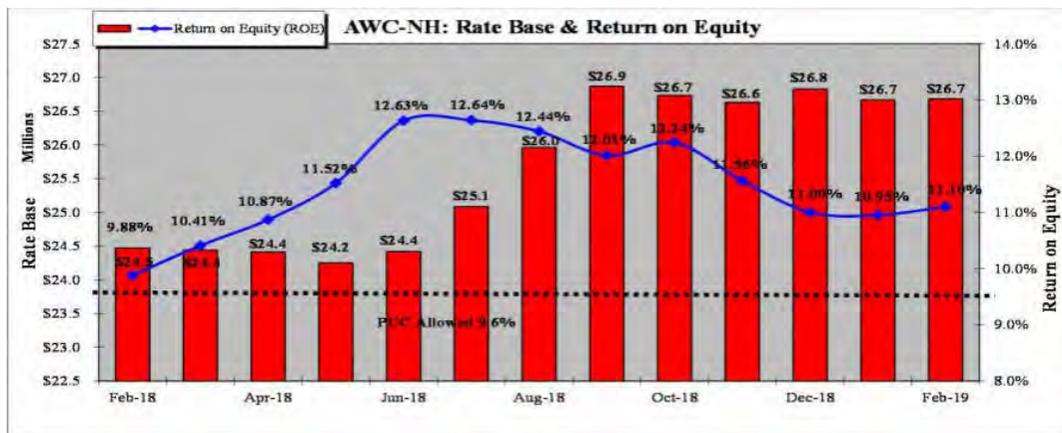
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 122 of 186

<u>Month</u>				<u>AWC-NH</u>	<u>Year To Date</u>			
<u>2019</u>	<u>Budget</u>	<u>2018</u>	<u>Variance</u>		<u>2019</u>	<u>Budget</u>	<u>2018</u>	<u>Variance</u>
(26)	4	(7)	30	Mains	(26)	4	(7)	30
12	9	-	(3)	Transmission & Distribution	12	9	-	(3)
-	-	-	-	IT	-	-	-	-
16	8	5	(8)	Meters	16	8	5	(8)
97	28	38	(69)	Source of Supply	97	28	38	(69)
1	-	-	(1)	Pumping	1	-	-	(1)
-	10	12	10	Treatment	-	10	12	10
1	1	-	-	General Plant	1	1	-	-
<b>101</b>	<b>60</b>	<b>48</b>	<b>(41)</b>		<b>101</b>	<b>60</b>	<b>48</b>	<b>(41)</b>

- **Mains** – Variance is primarily due to Well 7/Well 22 Improvements project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated for the month of January. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the PFC Treatment for Mill Road Wells project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements project. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and PFC Pilot projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**February 28, 2019**  
(Dollars in thousands)

Month				Year To Date			
2019	Budget	2018	Budget Variance	2019	Budget	2018	Budget Variance
<b>\$503</b>	<b>\$502</b>	<b>\$501</b>	<b>\$1</b>	<b>\$1,008</b>	<b>\$1,046</b>	<b>\$1,025</b>	<b>(\$38)</b>
64	63	59	(1)	142	131	133	(11)
64	65	63	1	131	131	126	-
19	15	16	(4)	37	33	38	(4)
2	2	14	-	3	3	27	-
(7)	(7)	7	-	(15)	(15)	13	-
21	21	24	-	41	42	41	1
3	2	2	(1)	6	5	6	(1)
14	2	4	(12)	23	5	5	(18)
131	124	125	(7)	289	255	263	(34)
<b>311</b>	<b>287</b>	<b>314</b>	<b>(24)</b>	<b>657</b>	<b>590</b>	<b>652</b>	<b>(67)</b>
<b>\$192</b>	<b>\$215</b>	<b>\$187</b>	<b>(\$23)</b>	<b>\$351</b>	<b>\$456</b>	<b>\$373</b>	<b>(\$105)</b>
93	87	98	(6)	184	174	197	(10)
-	-	-	-	-	-	-	-
<b>\$99</b>	<b>\$128</b>	<b>\$89</b>	<b>(\$29)</b>	<b>\$167</b>	<b>\$282</b>	<b>\$176</b>	<b>(\$115)</b>
69	70	66	1	141	140	135	(1)
1	2	-	1	2	4	-	2
70	72	66	2	143	144	135	1
<b>\$29</b>	<b>\$56</b>	<b>\$23</b>	<b>(\$27)</b>	<b>\$24</b>	<b>\$138</b>	<b>\$41</b>	<b>(\$114)</b>
5	10	4	5	4	26	7	22
<b>\$24</b>	<b>\$46</b>	<b>\$19</b>	<b>(\$22)</b>	<b>\$20</b>	<b>\$112</b>	<b>\$34</b>	<b>(\$92)</b>



**Return on Equity**

- February NH ROE is 11.10%, compared to a target of 10.59%. Variance due primarily to a lower rate base (87 bps) and favorable debt/equity thickness (7 bps), partially offset by higher debt cost (-31 bps) and lower Utility Operating Income on a 12 month rolling basis (11 bps).

**Revenues**

- MTD Revenues were favorable by \$1K and YTD Revenues were unfavorable by \$38K. MTD and YTD billed consumption was unfavorable 1.3MG and 5.4MG, respectively.

**Expenses**

- MTD and YTD Labor was unfavorable by \$1K and \$11K, respectively. YTD variance due to less labor going to capital.
- MTD and YTD Main Break Costs are unfavorable \$12K and \$18K, respectively. Variances due to higher cost per main break than budget and more main breaks YTD (5 actual vs 2 budget).
- MTD and YTD All Other Expenses are unfavorable by \$7K and \$34K, respectively. Variances are due to higher Transportation, Legal and lower Jobbing.

**Capital Expenditures  
 Comparison to Budget  
 February 28, 2019  
 (Dollars in thousands)**

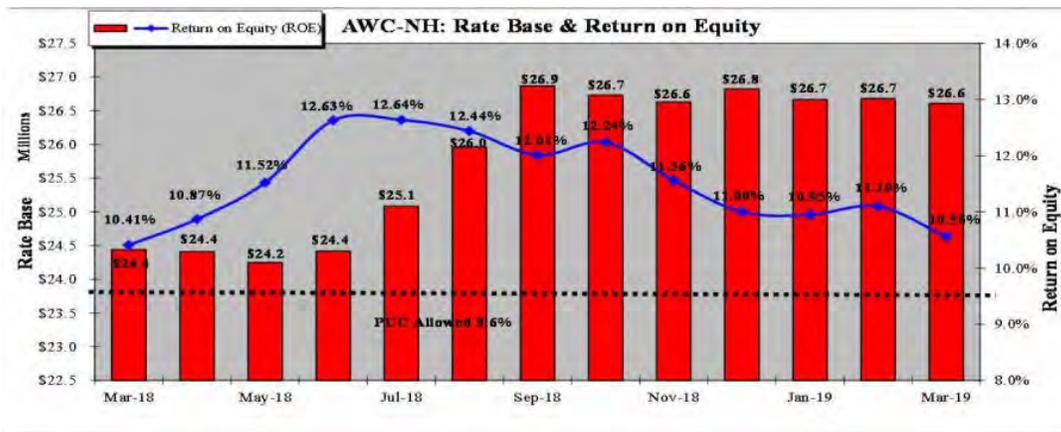
<b>Month</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
33	-	55	(33)
12	15	1	3
-	-	-	-
16	19	12	3
22	34	37	12
8	-	-	(8)
9	10	194	1
3	1	10	(2)
<b>103</b>	<b>79</b>	<b>309</b>	<b>(24)</b>

<b>AWC-NH</b>	<b>Year To Date</b>			
	<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
Mains	7	4	\$ 48	(3)
Transmission & Distribution	24	24	1	-
IT	-	-	-	-
Meters	32	27	17	(5)
Source of Supply	119	62	75	(57)
Pumping	9	-	-	(9)
Treatment	9	20	206	11
General Plant	4	2	10	(2)
	<b>204</b>	<b>139</b>	<b>357</b>	<b>(65)</b>

- **Mains** – Variance is primarily due to Well 7/Well 22 Improvements project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – T&D is on target through February. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through February. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the PFC Treatment for Mill Road Wells project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and PFC Pilot projects, slightly offset by the Well 7/Well 22 Improvements project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance was due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**March 31, 2019**  
(Dollars in thousands)

Month				Year To Date				
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$507	\$538	\$531	(\$31)	<b>Revenue</b>	\$1,515	\$1,584	\$1,556	(\$69)
68	69	65	1	Labor	210	200	198	(10)
65	66	64	1	Other Taxes	196	197	190	1
19	17	22	(2)	Purchased Power	56	50	60	(6)
14	1	4	(13)	Pension	17	4	31	(13)
(7)	(8)	(5)	(1)	Retiree Medical	(22)	(23)	8	(1)
19	22	19	3	Medical	60	64	60	4
3	2	4	(1)	Chemicals	9	7	10	(2)
28	3	-	(25)	Main Break Costs	51	8	5	(43)
138	138	126	-	All other - operating expenses	427	393	389	(34)
347	310	299	(37)	<b>Total Expenses, net of other income</b>	1,004	900	951	(104)
\$160	\$228	\$232	(\$68)	<b>EBITDA</b>	\$511	\$684	\$605	(\$173)
53	89	31	36	Depreciation and Amortization	237	263	228	26
-	-	-	-	AFUDC	-	-	-	-
\$107	\$139	\$201	(\$32)	<b>EBIT</b>	\$274	\$421	\$377	(\$147)
70	70	67	-	Interest - External Debt	211	210	202	(1)
1	3	-	2	Interest - Interco Debt	3	7	-	4
71	73	67	2	Total Interest	214	217	202	3
\$36	\$66	\$134	(\$30)	<b>EBT</b>	\$60	\$204	\$175	(\$144)
7	12	24	5	Income Taxes	11	38	31	27
\$29	\$54	\$110	(\$25)	<b>Net Income</b>	\$49	\$166	\$144	(\$117)



**Return on Equity**

- March NH ROE is 10.56%, compared to a target of 10.20%. Variance due primarily to a lower rate base (110 bps), partially offset by higher debt cost (-48 bps) and lower Utility Operating Income on a 12 month rolling basis (-29 bps).

**Revenues**

- MTD and YTD Revenues were unfavorable by \$31K and \$69K, respectively. Billed consumption for the month was favorable 1.1MG and unfavorable 4.4MG YTD.

**Expenses**

- MTD Labor was favorable by \$1K and YTD Labor was unfavorable \$10K. YTD variance due to more overtime.
- MTD and YTD Pension were unfavorable by \$13K. Variances due to a true up from the actuary.
- MTD and YTD Main Break Costs are unfavorable \$25K and \$43K, respectively. Variances due to higher cost per main break than budget and more expense main breaks YTD (10 actual vs 3 budget).
- MTD All Other Expenses are on target and YTD All Other Expenses are unfavorable by \$34K. YTD variance is due mainly to higher legal and lower jobbing.

**Capital Expenditures  
Comparison to Budget  
March 31, 2019  
(Dollars in thousands)**

DW 20-184  
Joint Town 4-17 Attachment 1  
Page 126 of 186

<b>Month</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
(8)	23	284	31
10	10	-	-
-	-	-	-
21	34	16	13
42	43	153	1
-	1	-	1
7	22	116	15
4	1	2	(3)
<b>76</b>	<b>134</b>	<b>571</b>	<b>58</b>

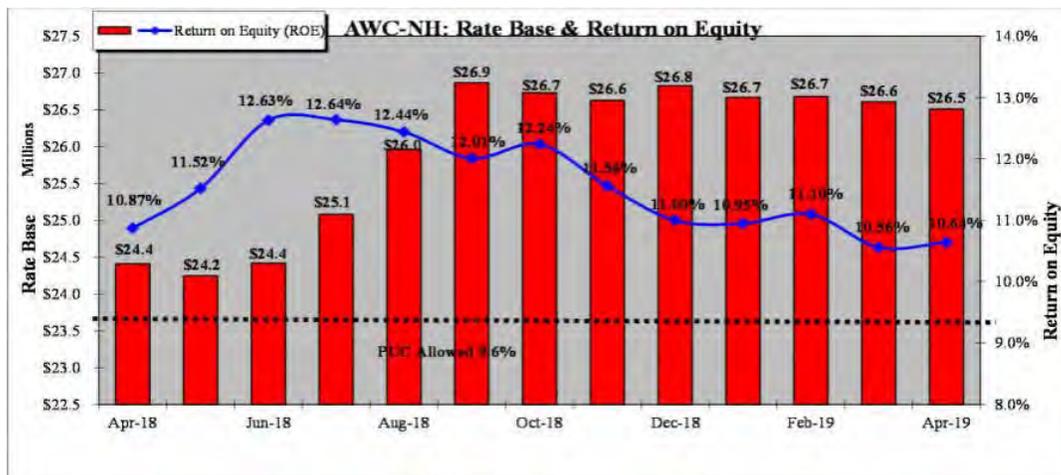
<b>AWC-NH</b>
Mains
Transmission & Distribution
IT
Meters
Source of Supply
Pumping
Treatment
General Plant

<b>Year To Date</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
(1)	27	\$ 332	28
34	34	1	-
-	-	-	-
53	61	33	8
161	105	228	(56)
9	1	-	(8)
16	42	322	26
8	3	12	(5)
<b>280</b>	<b>273</b>	<b>928</b>	<b>(7)</b>

- **Mains** – Variance is primarily due to T&D Recurring and Well 7/22 Improvement projects. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – T&D is on target through March. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through March. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the PFC Treatment for Mill Road Wells project, slightly offset by lower spending on the Well 7/22 Improvements. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and PFC Pilot projects, slightly offset by the Well 7/Well 22 Improvements project. Year-end actuals are expected to be slightly lower than targets.
- **General & Other** – The variance was due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**April 30, 2019**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$548	\$551	\$509	(\$3)	<b>Revenue</b>	\$2,063	\$2,135	\$2,065	(\$72)
71	72	62	1	Labor	281	272	260	(9)
65	66	64	1	Other Taxes	261	263	254	2
17	15	19	(2)	Purchased Power	73	65	79	(8)
5	1	13	(4)	Pension	22	5	44	(17)
(7)	(7)	6	-	Retiree Medical	(29)	(30)	14	(1)
20	21	8	1	Medical	80	85	68	5
3	2	2	(1)	Chemicals	12	9	12	(3)
(7)	2	-	9	Main Break Costs	44	10	5	(34)
164	141	120	(23)	All other - operating expenses	591	534	509	(57)
331	313	294	(18)	<b>Total Expenses, net of other income</b>	1,335	1,213	1,245	(122)
\$217	\$238	\$215	(\$21)	<b>EBITDA</b>	\$728	\$922	\$820	(\$194)
95	90	98	(5)	Depreciation and Amortization	332	353	326	21
-	-	-	-	AFUDC	-	-	-	-
\$122	\$148	\$117	(\$26)	<b>EBIT</b>	\$396	\$569	\$494	(\$173)
70	71	70	1	Interest - External Debt	281	281	281	-
2	5	(4)	3	Interest - Interco Debt	5	12	(12)	7
72	76	66	4	Total Interest	286	293	269	7
\$50	\$72	\$51	(\$22)	<b>EBT</b>	\$110	\$276	\$225	(\$166)
9	14	9	5	Income Taxes	20	52	40	32
\$41	\$58	\$42	(\$17)	<b>Net Income</b>	\$90	\$224	\$185	(\$134)



**Return on Equity**

- April NH ROE is 10.64%, compared to a target of 9.98%. Variance due primarily to a lower rate base (180 bps), partially offset by higher debt cost (-70 bps) and lower Utility Operating Income on a 12 month rolling basis (-41 bps).

**Revenues**

- MTD Revenues were on target and unfavorable by \$71K YTD, due to unfavorable billed consumption and WICA variance. Billed consumption for the month was favorable 1.22MG and unfavorable 6.16MG YTD.

**Expenses**

- YTD Labor was unfavorable \$9K due to more overtime.
- MTD and YTD Pension were unfavorable by \$4K and \$17K, respectively. Variances due to a true up from the actuary.
- MTD Main Break Costs are favorable \$9K and YTD Main Break Costs are unfavorable \$34K. MTD variance due to true up of accrual and YTD variance due to higher cost per main break and higher number of main breaks (10 actual vs 4 budget).
- MTD and YTD All Other Expenses are unfavorable by \$23K and \$57K, respectively. MTD variance due mainly to higher operating and allocations and lower jobbing revenues. YTD variance due mainly to higher operating, legal and allocations and lower jobbing revenues partially offset by lower maintenance.

**Capital Expenditures  
Comparison to Budget  
April 30, 2019  
(Dollars in thousands)**

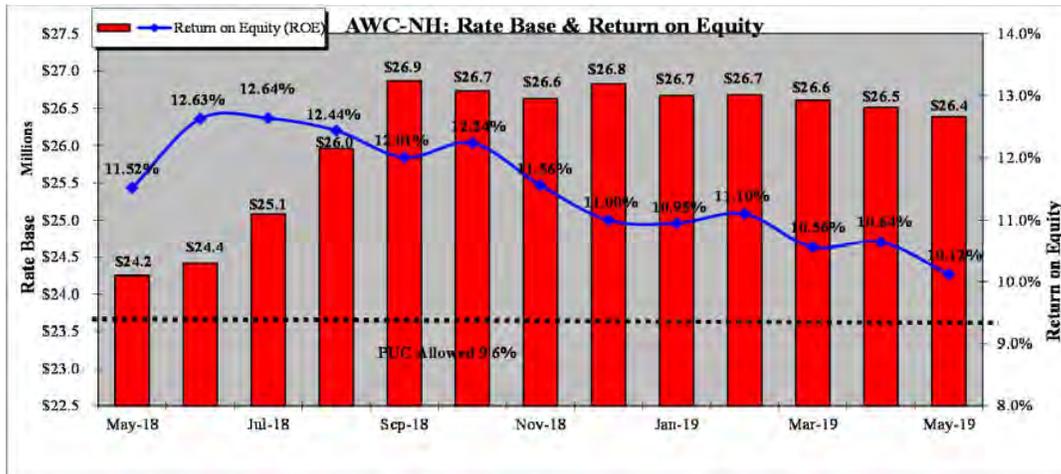
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 128 of 186

<u>Month</u>					<u>Year To Date</u>			
<u>2019</u>	<u>Budget</u>	<u>2018</u>	<u>Variance</u>		<u>2019</u>	<u>Budget</u>	<u>2018</u>	<u>Variance</u>
				<b>AWC-NH</b>				
15	30	146	15	Mains	14	57	\$ 478	43
3	27	4	24	Transmission & Distribution	37	61	5	24
-	-	57	-	IT	-	-	57	-
5	36	12	31	Meters	58	97	45	39
19	42	148	23	Source of Supply	180	147	376	(33)
1	-	-	(1)	Pumping	10	1	-	(9)
17	173	101	156	Treatment	33	215	423	182
-	1	7	1	General Plant	8	4	19	(4)
<b>60</b>	<b>309</b>	<b>475</b>	<b>249</b>		<b>340</b>	<b>582</b>	<b>1,403</b>	<b>242</b>

- **Mains** – Variance is primarily due to T&D Recurring and Well 7/22 Improvement projects. Year-end actuals are expected to be higher then targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project and higher New/Replacement Services. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through April. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the PFC Treatment for Mill Road Wells project and miscellaneous Source of Supply Recurring projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and PFC Pilot projects. Year-end actuals are expected to be slightly lower then targets.
- **General & Other** – The variance was due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**May 31, 2019**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
<b>\$609</b>	<b>\$742</b>	<b>\$693</b>	<b>(\$133)</b>	<b>Revenue</b>	<b>\$2,672</b>	<b>\$2,877</b>	<b>\$2,758</b>	<b>(\$205)</b>
69	75	74	6	Labor	350	347	334	(3)
66	66	64	-	Other Taxes	327	329	318	2
12	18	15	6	Purchased Power	85	83	94	(2)
6	1	14	(5)	Pension	28	6	58	(22)
(7)	(8)	6	(1)	Retiree Medical	(36)	(38)	20	(2)
19	21	17	2	Medical	99	106	85	7
3	2	3	(1)	Chemicals	15	11	15	(4)
3	5	4	2	Main Break Costs	47	15	9	(32)
166	132	135	(34)	All other - operating expenses	757	666	644	(91)
<b>337</b>	<b>312</b>	<b>332</b>	<b>(25)</b>	<b>Total Expenses, net of other income</b>	<b>1,672</b>	<b>1,525</b>	<b>1,577</b>	<b>(147)</b>
<b>\$272</b>	<b>\$430</b>	<b>\$361</b>	<b>(\$158)</b>	<b>EBITDA</b>	<b>\$1,000</b>	<b>\$1,352</b>	<b>\$1,181</b>	<b>(\$352)</b>
93	89	98	(4)	Depreciation and Amortization	425	442	424	17
-	-	-	-	AFUDC	-	-	-	-
<b>\$179</b>	<b>\$341</b>	<b>\$263</b>	<b>(\$162)</b>	<b>EBIT</b>	<b>\$575</b>	<b>\$910</b>	<b>\$757</b>	<b>(\$335)</b>
70	69	71	(1)	Interest - External Debt	351	350	352	(1)
1	6	(2)	5	Interest - Interco Debt	6	18	(14)	12
71	75	69	4	Total Interest	357	368	338	11
<b>\$108</b>	<b>\$266</b>	<b>\$194</b>	<b>(\$158)</b>	<b>EBT</b>	<b>\$218</b>	<b>\$542</b>	<b>\$419</b>	<b>(\$324)</b>
22	51	34	29	Income Taxes	42	103	74	61
<b>\$86</b>	<b>\$215</b>	<b>\$160</b>	<b>(\$129)</b>	<b>Net Income</b>	<b>\$176</b>	<b>\$439</b>	<b>\$345</b>	<b>(\$263)</b>



**Return on Equity**

- May NH ROE is 10.12%, compared to a target of 10.28%. Variance due primarily to higher debt cost (-85 bps) and lower Utility Operating Income on a 12 month rolling basis (-132 bps), partially offset by a lower rate base (214 bps).

**Revenues**

- MTD and YTD Revenues were unfavorable by \$133K and \$205K, respectively. Unfavorable variance due to unfavorable billed consumption impacted by cool, wet weather.

**Expenses**

- MTD Labor was favorable by \$6K, YTD Labor was unfavorable \$3K. MTD variance due to more labor charged to capital.
- MTD and YTD Pension were unfavorable by \$5K and \$22K, respectively. Variances due to a true up from the actuary.
- MTD Main Break Costs are favorable \$2K and YTD Main Break Costs are unfavorable \$32K. YTD variance due to higher cost per main break and higher number of main breaks (12 actual vs 7 budget).
- MTD and YTD All Other Expenses are unfavorable by \$34K and \$91K, respectively. Variances due mainly to higher legal, higher allocations from CT and lower jobbing revenues.

**Capital Expenditures  
Comparison to Budget  
May 31, 2019  
(Dollars in thousands)**

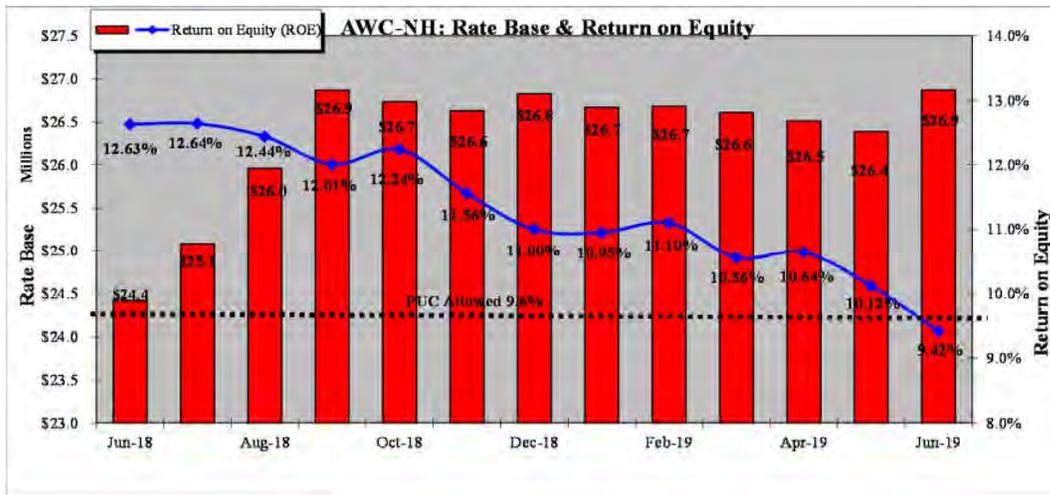
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 130 of 186

<u>Month</u>					<u>Year To Date</u>			
<u>2019</u>	<u>Budget</u>	<u>2018</u>	<u>Variance</u>		<u>2019</u>	<u>Budget</u>	<u>2018</u>	<u>Variance</u>
190	162	368	(28)	<b>AWC-NH</b>				
43	31	3	(12)	Mains	204	219	\$ 846	15
-	-	-	-	Transmission & Distribution	80	92	8	12
27	31	17	4	IT	-	-	57	-
47	52	(1)	5	Meters	85	128	62	43
10	3	2	(7)	Source of Supply	227	199	375	(28)
12	447	57	435	Pumping	20	4	2	(16)
-	1	-	1	Treatment	45	662	480	617
<b>329</b>	<b>727</b>	<b>446</b>	<b>398</b>	General Plant	8	5	19	(3)
					<b>669</b>	<b>1,309</b>	<b>1,849</b>	<b>640</b>

- **Mains** – Mains were on target through May. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project and higher New/Replacement Services. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through May. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the PFC Treatment for Mill Road Wells Install Monitoring Mill Road projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and PFC Pilot projects. Year-end actuals are expected to be slightly lower than targets.
- **General & Other** – The variance was due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**June 30, 2019**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$711	\$735	\$722	(\$24)	<b>Revenue</b>	\$3,383	\$3,612	\$3,480	(\$229)
63	68	61	5	Labor	413	415	395	2
62	66	63	4	Other Taxes	389	395	381	6
21	20	19	(1)	Purchased Power	106	103	113	(3)
(7)	1	(17)	8	Pension	21	7	41	(14)
(6)	(8)	(28)	(2)	Retiree Medical	(42)	(46)	(8)	(4)
20	21	18	1	Medical	119	127	103	8
3	3	4	-	Chemicals	18	14	19	(4)
7	3	4	(4)	Main Break Costs	54	18	13	(36)
158	137	145	(21)	All other - operating expenses	915	803	789	(112)
321	311	269	(10)	<b>Total Expenses, net of other income</b>	1,993	1,836	1,846	(157)
\$390	\$424	\$453	(\$34)	<b>EBITDA</b>	\$1,390	\$1,776	\$1,634	(\$386)
52	90	33	38	Depreciation and Amortization	477	532	457	55
-	-	-	-	AFUDC	-	-	-	-
\$338	\$334	\$420	\$4	<b>EBIT</b>	\$913	\$1,244	\$1,177	(\$331)
70	70	68	-	Interest - External Debt	421	420	420	(1)
1	7	(1)	6	Interest - Interco Debt	7	25	(15)	18
71	77	67	6	Total Interest	428	445	405	17
\$267	\$257	\$353	\$10	<b>EBT</b>	\$485	\$799	\$772	(\$314)
50	49	61	(1)	Income Taxes	92	152	135	60
\$217	\$208	\$292	\$9	<b>Net Income</b>	\$393	\$647	\$637	(\$254)



**Return on Equity**

- June NH ROE is 9.42% compared to a target of 9.78%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-128 bps) and higher debt cost (-91 bps), partially offset by lower rate base (192 bps).

**Revenues**

- MTD and YTD Revenues were unfavorable by \$24K and \$229K, respectively. Unfavorable variance due to unfavorable billed consumption impacted by cool, wet weather.

**Expenses**

- MTD and YTD Labor was favorable by \$5K and \$2K, respectively. Variances due to more labor charged to capital.
- MTD and YTD Other Taxes are favorable by \$4K and \$6K, respectively. Variances due to lower than budgeted property taxes.
- MTD Pension was favorably by \$8K and YTD Pension was unfavorable by \$14K. Variances due to a true up from the actuary.
- MTD and YTD Main Break Costs are unfavorable by \$4K and \$36K, respectively. Variance due to higher cost per main break and higher number of main breaks (16 actual vs 8 budget).
- MTD and YTD All Other Expenses are unfavorable by \$21K and \$112K, respectively. Variances due mainly to higher legal, higher allocations from CT and lower jobbing revenues, partially offset by lower maintenance.

**Capital Expenditures  
 Comparison to Budget  
 June 30, 2019  
 (Dollars in thousands)**

<b>Month</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
462	363	500	(99)
9	38	13	29
-	-	-	-
16	23	18	7
(32)	268	92	300
67	2	3	(65)
44	519	41	475
1	3	-	2
<b>567</b>	<b>1,216</b>	<b>667</b>	<b>649</b>

**AWC-NH**

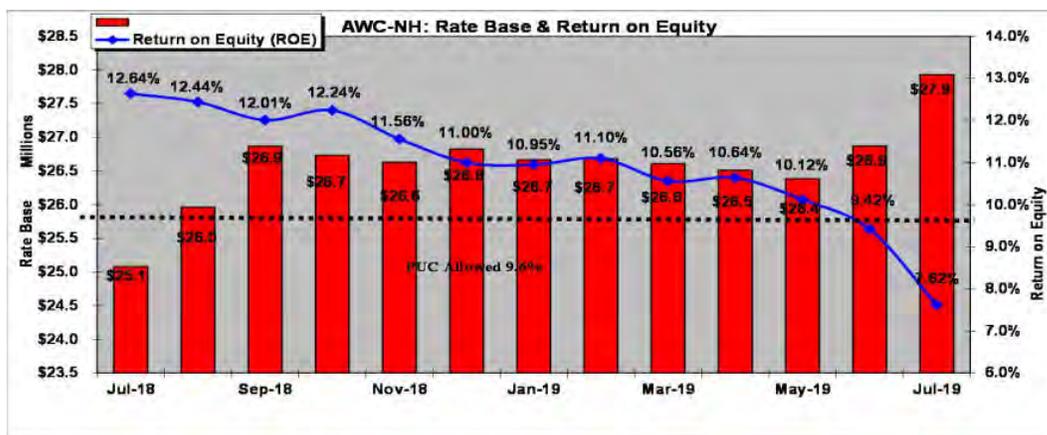
Mains  
 Transmission & Distribution  
 IT  
 Meters  
 Source of Supply  
 Pumping  
 Treatment  
 General Plant

<b>Year To Date</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
666	582	\$ 1,346	(84)
89	130	21	41
-	-	57	-
101	151	80	50
195	467	467	272
87	6	5	(81)
89	1,181	521	1,092
9	8	19	(1)
<b>1,236</b>	<b>2,525</b>	<b>2,516</b>	<b>1,289</b>

- **Mains** – Mains were on target through June. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through June. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements project. Year-end actuals are expected to be lower than target.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements project and miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and PFC Pilot projects. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance was due to miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**July 31, 2019**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$709	\$855	\$901	(\$146)	<b>Revenue</b>	\$4,092	\$4,467	\$4,381	(\$375)
74	76	66	2	Labor	487	491	461	4
65	66	62	1	Other Taxes	454	461	443	7
17	25	29	8	Purchased Power	123	128	142	5
3	2	7	(1)	Pension	24	9	48	(15)
(7)	(8)	(1)	(1)	Retiree Medical	(49)	(54)	(9)	(5)
14	22	20	8	Medical	133	149	123	16
5	4	5	(1)	Chemicals	23	18	24	(5)
-	5	15	5	Main Break Costs	54	23	28	(31)
151	134	121	(17)	All other - operating expenses	1,066	937	910	(129)
322	326	324	4	<b>Total Expenses, net of other income</b>	2,315	2,162	2,170	(153)
\$387	\$529	\$577	(\$142)	<b>EBITDA</b>	\$1,777	\$2,305	\$2,211	(\$528)
99	93	97	(6)	Depreciation and Amortization	576	625	554	49
-	-	-	-	AFUDC	-	-	-	-
\$288	\$436	\$480	(\$148)	<b>EBIT</b>	\$1,201	\$1,680	\$1,657	(\$479)
71	71	71	-	Interest - External Debt	492	491	491	(1)
2	8	(1)	6	Interest - Interco Debt	9	33	(16)	24
73	79	70	6	Total Interest	501	524	475	23
\$215	\$357	\$410	(\$142)	<b>EBT</b>	\$700	\$1,156	\$1,182	(\$456)
40	67	74	27	Income Taxes	132	219	209	87
\$175	\$290	\$336	(\$115)	<b>Net Income</b>	\$568	\$937	\$973	(\$369)



**Return on Equity**

- July NH ROE is 7.62% compared to a target of 9.29%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-201 bps) and higher debt cost (-97 bps), partially offset by lower rate base (151 bps). Significant drop from prior month ROE due to July 2018 UOI of \$2,376 coming out of calculation and July 2019 UOI of \$1,896 coming in.

**Revenues**

- MTD and YTD Revenues were unfavorable by \$146K and \$375K, respectively. Unfavorable variance due to unfavorable billed consumption impacted by cool, wet weather.

**Expenses**

- MTD and YTD Purchased Power Expenses are favorably by \$8K and \$5K, respectively. Variances due to lower production.
- MTD and YTD Pension Expenses are unfavorably by \$1K and \$15K, respectively. Variances due to a true up from the actuary.
- MTD and YTD Medical Expenses are favorable by \$8K and \$16K, respectively. Variances due to lower number of employees on plan and lower premiums than budget.
- MTD Main Break Costs are favorable by \$5K and YTD Main Break Costs are unfavorable by \$31K. YTD variance due to higher cost per main break and higher number of main breaks (17 actual vs 10 budget).
- MTD and YTD All Other Expenses are unfavorable by \$17K and \$129K, respectively. Variances due mainly to higher legal, higher allocations from CT and lower jobbing revenues, partially offset by lower maintenance.

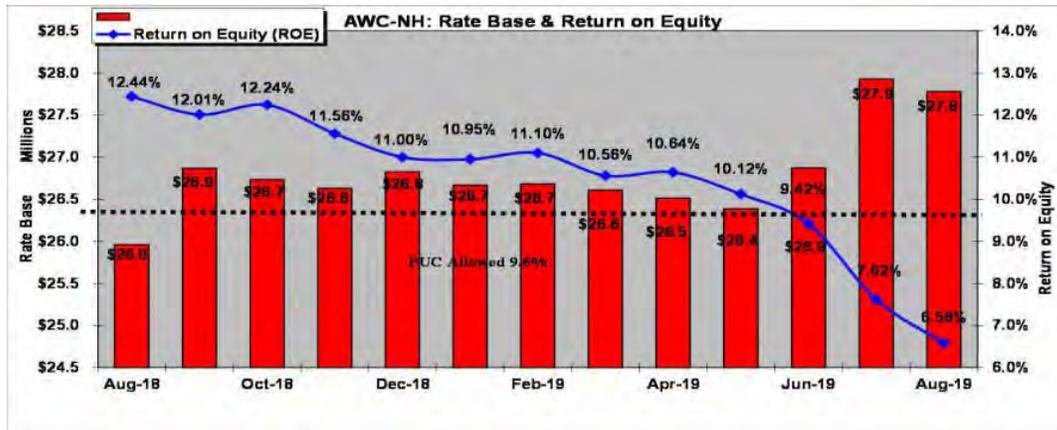
**Capital Expenditures  
 Comparison to Budget  
 July 31, 2019  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2019	Budget	2018	Variance		2019	Budget	2018	Variance
277	341	521	64	Mains	943	923	\$ 1,867	(20)
46	43	30	(3)	Transmission & Distribution	135	173	51	38
-	-	-	-	IT	-	-	57	-
14	101	16	87	Meters	115	252	96	137
56	321	89	265	Source of Supply	251	788	556	537
13	3	13	(10)	Pumping	100	9	18	(91)
93	355	52	262	Treatment	182	1,536	573	1,354
80	-	-	(80)	General Plant	89	8	19	(81)
<b>579</b>	<b>1,164</b>	<b>721</b>	<b>585</b>		<b>1,815</b>	<b>3,689</b>	<b>3,237</b>	<b>1,874</b>

- **Mains** – Mains were on target through July. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through July. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 7/ Well 22 Improvements project. Year-end actuals are expected to be lower than target.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements project and miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and PFC Pilot projects. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance was due to Fixed Base Leak Logger Pilot project. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**August 31, 2019**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$850	\$824	\$805	\$26	<b>Revenue</b>	\$4,942	\$5,291	\$5,186	(\$349)
94	72	66	(22)	Labor	581	563	527	(18)
67	66	64	(1)	Other Taxes	521	527	507	6
22	24	25	2	Purchased Power	145	152	167	7
4	1	6	(3)	Pension	28	10	54	(18)
(7)	(7)	(2)	-	Retiree Medical	(56)	(61)	(11)	(5)
17	21	17	4	Medical	150	170	140	20
4	4	5	-	Chemicals	27	22	29	(5)
1	5	3	4	Main Break Costs	55	28	31	(27)
356	132	131	(224)	All other - operating expenses	1,422	1,069	1,041	(353)
558	318	315	(240)	<b>Total Expenses, net of other income</b>	2,873	2,480	2,485	(393)
\$292	\$506	\$490	(\$214)	<b>EBITDA</b>	\$2,069	\$2,811	\$2,701	(\$742)
94	90	99	(4)	Depreciation and Amortization	670	715	653	45
-	-	-	-	AFUDC	-	-	-	-
\$198	\$416	\$391	(\$218)	<b>EBIT</b>	\$1,399	\$2,096	\$2,048	(\$697)
70	70	71	-	Interest - External Debt	562	561	562	(1)
2	8	(1)	6	Interest - Interco Debt	11	41	(17)	30
72	78	70	6	Total Interest	573	602	545	29
\$126	\$338	\$321	(\$212)	<b>EBT</b>	\$826	\$1,494	\$1,503	(\$668)
24	63	56	39	Income Taxes	156	282	265	126
\$102	\$275	\$265	(\$173)	<b>Net Income</b>	\$670	\$1,212	\$1,238	(\$542)



Return on Equity

- August NH ROE is 6.58% compared to a target of 9.22%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-312 bps) and higher debt cost (-90 bps), partially offset by lower rate base (171 bps).

Revenues

- MTD Revenues are slightly favorable. YTD Revenues unfavorable by \$349K due to unfavorable billed consumption impacted by cool, wet weather.

Expenses

- MTD and YTD Labor was unfavorable by \$22K and \$18K, respectively. Variances due to more labor charged from CT and more NH overtime due to boil alert.
- MTD and YTD Purchased Power Expenses are favorable by \$2K and \$7K, respectively, due to lower production.
- MTD and YTD Pension are unfavorable by \$3K and \$18K, respectively, due to a true up from the actuary.
- MTD and YTD Medical are favorable by \$4K and \$20K, respectively, due to lower number of employees on plan and lower premiums than budget.
- MTD Main Break Costs are favorable by \$4K and YTD Main Break Costs are unfavorable by \$27K. YTD variance due to higher cost per main break and higher number of main breaks (13 actual vs. 10 budget).
- MTD and YTD All Other are unfavorable by \$224K and \$353K, respectively. Variances due mainly to higher expenses from the boil alert (\$179K Goodwill credit; \$23K Outside services and Materials; and higher Allocations from additional payroll from CT). Legal and Insurance expenses were also higher partially offset by lower Maintenance.

**Capital Expenditures  
Comparison to Budget  
August 31, 2019  
(Dollars in thousands)**

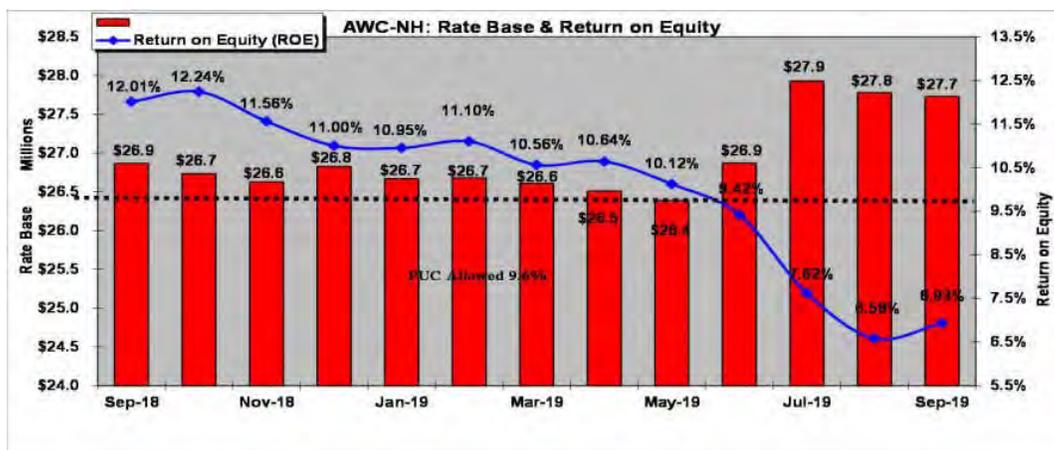
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 136 of 186

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>		<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
299	464	83	165	Mains	1,242	1,387	\$ 1,950	145
77	35	28	(42)	Transmission & Distribution	212	208	79	(4)
-	-	-	-	IT	-	-	57	-
27	116	16	89	Meters	142	368	112	226
35	263	46	228	Source of Supply	286	1,051	602	765
1	1	8	-	Pumping	101	10	26	(91)
248	212	55	(36)	Treatment	430	1,748	628	1,318
36	2	-	(34)	General Plant	125	10	19	(115)
<b>723</b>	<b>1,093</b>	<b>236</b>	<b>370</b>		<b>2,538</b>	<b>4,782</b>	<b>3,473</b>	<b>2,244</b>

- **Mains** – Mains were on slightly lower than target through August. Year-end actuals are expected to be higher than targets.
- **T&D** – T&D were was on target through August. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through August. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 7/ Well 22 Improvements project. Year-end actuals are expected to be lower than target.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements project. Year-end actuals are expected to be lower than targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance was due to Fixed Base Leak Logger Pilot project. Year-end actuals are expected to be higher targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**September 30, 2019**  
(Dollars in thousands)

Month				Year To Date				
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$746	\$710	\$683	\$36	<b>Revenue</b>	\$5,688	\$6,001	\$5,869	(\$313)
69	67	66	(2)	Labor	650	630	593	(20)
64	66	63	2	Other Taxes	585	593	570	8
21	19	22	(2)	Purchased Power	166	171	189	5
3	1	7	(2)	Pension	31	11	61	(20)
(7)	(8)	(1)	(1)	Retiree Medical	(63)	(69)	(12)	(6)
18	21	22	3	Medical	168	191	162	23
6	3	5	(3)	Chemicals	33	25	34	(8)
1	3	3	2	Main Break Costs	56	31	34	(25)
160	131	136	(29)	All other - operating expenses	1,582	1,200	1,177	(382)
335	303	323	(32)	<b>Total Expenses, net of other income</b>	3,208	2,783	2,808	(425)
\$411	\$407	\$360	\$4	<b>EBITDA</b>	\$2,480	\$3,218	\$3,061	(\$738)
65	156	45	91	Depreciation and Amortization	735	871	698	136
-	-	-	-	AFUDC	-	-	-	-
\$346	\$251	\$315	\$95	<b>EBIT</b>	\$1,745	\$2,347	\$2,363	(\$602)
70	70	70	-	Interest - External Debt	632	631	632	(1)
2	9	(1)	7	Interest - Interco Debt	13	50	(18)	37
72	79	69	7	Total Interest	645	681	614	36
\$274	\$172	\$246	\$102	<b>EBT</b>	\$1,100	\$1,666	\$1,749	(\$566)
52	32	43	(20)	Income Taxes	208	314	308	106
\$222	\$140	\$203	\$82	<b>Net Income</b>	\$892	\$1,352	\$1,441	(\$460)



Return on Equity

- September NH ROE is 6.93% compared to a target of 8.92%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-261 bps) and higher debt cost (-100 bps), partially offset by lower rate base (193 bps).

Revenues

- MTD Revenues are favorable by \$36K and YTD are unfavorable by \$313K. MTD are favorable due to lack of rain in latter half of September. YTD unfavorable due to unfavorable billed consumption impacted by cool, wet weather.

Expenses

- MTD and YTD Labor were unfavorable by \$2K and \$20K, respectively. YTD variances due to more labor charged from CT and more NH overtime due to boil alert.
- MTD and YTD Pension are unfavorable by \$2K and \$20K, respectively, due to a true up from the actuary.
- MTD and YTD Medical are favorable by \$3K and \$23K, respectively, due to lower number of employees on plan and lower premiums than budget.
- MTD Main Break Costs are favorable by \$2K and YTD Main Break Costs are unfavorable by \$25K. YTD variance due to higher cost per main break and higher number of main breaks (14 actual vs. 11 budget).
- MTD and YTD All Other are unfavorable by \$29K and \$382K, respectively. MTD variance due mainly to a true-up of 401k expense and higher Allocated Fringe Benefits. YTD variances due mainly to higher expenses from the boil alert (\$179K Goodwill credit; \$23K Outside services and Materials; and higher Allocations from additional payroll from CT) and lower Jobbing revenue. Legal expenses were also higher partially offset by lower Maintenance.

**Capital Expenditures  
 Comparison to Budget  
 September 30, 2019  
 (Dollars in thousands)**

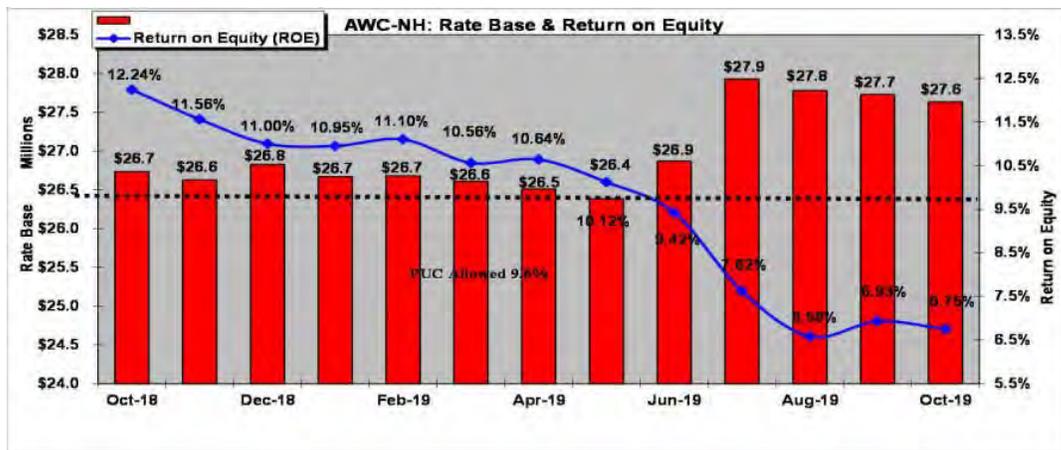
<b>Month</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
222	230	687	8
25	34	22	9
-	-	-	-
22	165	18	143
58	237	(179)	179
10	-	7	(10)
197	145	(348)	(52)
5	3	32	(2)
<b>539</b>	<b>814</b>	<b>239</b>	<b>275</b>

<b>AWC-NH</b>	<b>Year To Date</b>			
	<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
Mains	1,464	1,617	\$ 2,637	153
Transmission & Distribution	237	242	101	5
IT	-	-	57	-
Meters	164	533	130	369
Source of Supply	344	1,288	423	944
Pumping	111	10	33	(101)
Treatment	627	1,893	280	1,266
General Plant	130	13	51	(117)
	<b>3,077</b>	<b>5,596</b>	<b>3,712</b>	<b>2,519</b>

- **Mains** – Mains were on slightly lower than target through September. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – T&D was on target through September. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through September. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 7/ Well 22 Improvements project. Year-end actuals are expected to be lower than target.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements and Miscellaneous Pumping Recurring projects. Year-end actuals are expected to be higher than targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance was due to Fixed Base Leak Logger Pilot and Vehicle Replacement projects. Year-end actuals are expected to be higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**October 31, 2019**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$543	\$612	\$603	(\$69)	<b>Revenue</b>	\$6,231	\$6,613	\$6,472	(\$382)
78	73	74	(5)	Labor	728	703	667	(25)
66	66	64	-	Other Taxes	651	659	634	8
17	15	17	(2)	Purchased Power	183	186	206	3
3	2	7	(1)	Pension	34	13	68	(21)
(8)	(7)	(1)	1	Retiree Medical	(71)	(76)	(13)	(5)
17	21	5	4	Medical	185	212	167	27
3	3	4	-	Chemicals	36	28	38	(8)
2	2	9	-	Main Break Costs	58	33	43	(25)
136	135	138	(1)	All other - operating expenses	1,718	1,335	1,315	(383)
314	310	317	(4)	<b>Total Expenses, net of other income</b>	3,522	3,093	3,125	(429)
\$229	\$302	\$286	(\$73)	<b>EBITDA</b>	\$2,709	\$3,520	\$3,347	(\$811)
95	90	98	(5)	Depreciation and Amortization	830	961	796	131
-	-	-	-	AFUDC	-	-	-	-
\$134	\$212	\$188	(\$78)	<b>EBIT</b>	\$1,879	\$2,559	\$2,551	(\$680)
71	70	70	(1)	Interest - External Debt	703	701	702	(2)
3	11	(1)	8	Interest - Interco Debt	16	61	(19)	45
74	81	69	7	Total Interest	719	762	683	43
\$60	\$131	\$119	(\$71)	<b>EBT</b>	\$1,160	\$1,797	\$1,868	(\$637)
11	26	20	15	Income Taxes	219	340	328	121
\$49	\$105	\$99	(\$56)	<b>Net Income</b>	\$941	\$1,457	\$1,540	(\$516)



Return on Equity

- October NH ROE is 6.75% compared to a target of 9.60%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-366 bps) and higher debt cost (-99 bps), partially offset by lower rate base (232 bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$69K and \$382K, respectively. MTD are favorable due to unfavorable billed consumption offset by favorable tax refund adjustment. YTD unfavorable due to unfavorable billed consumption impacted by cool, wet weather.

Expenses

- MTD and YTD Labor were unfavorable by \$5K and \$25K, respectively. YTD variance due to more labor charged from CT and more NH overtime due to boil alert.
- MTD and YTD Pension are unfavorable by \$1K and \$21K, respectively, due to a true up from the actuary.
- MTD and YTD Medical are favorable by \$4K and \$27K, respectively, due to lower number of employees in plan and lower premiums than budget.
- MTD Main Break Costs are on target and YTD Main Break Costs are unfavorable by \$25K. YTD variance due to higher cost per main break and higher number of main breaks (15 actual vs. 12 budget).
- MTD and YTD All Other are unfavorable by \$1K and \$381K, respectively. YTD variance due mainly to higher expenses from the boil alert (\$179K Goodwill credit; \$23K Outside services and Materials; and higher Allocations from additional payroll from CT), higher Legal and lower Jobbing revenue, partially offset by lower Maintenance.

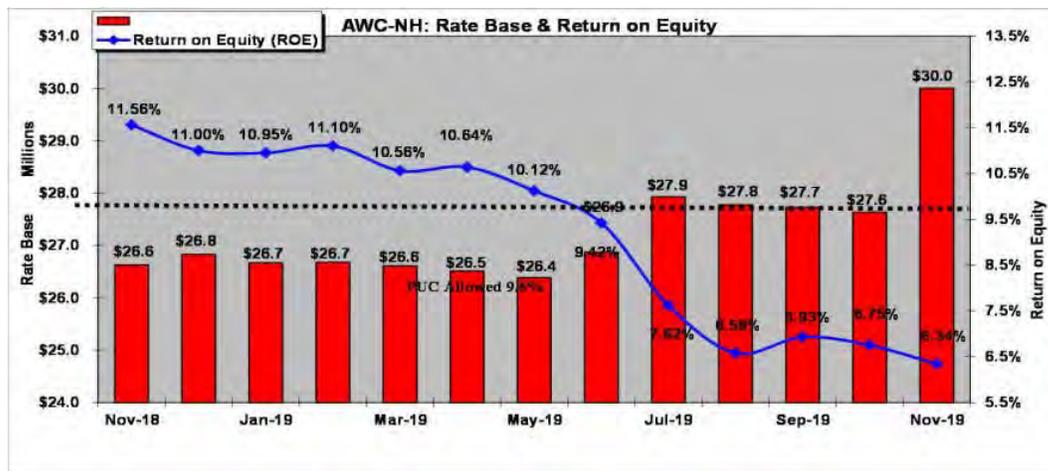
**Capital Expenditures  
 Comparison to Budget  
 October 31, 2019  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>		<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
724	159	37	(565)	Mains	2,188	1,776	\$ 2,674	(412)
47	43	11	(4)	Transmission & Distribution	284	285	112	1
-	-	-	-	IT	-	-	57	-
5	104	10	99	Meters	169	637	140	468
39	231	66	192	Source of Supply	383	1,519	489	1,136
1	4	-	3	Pumping	112	14	33	(98)
239	-	18	(239)	Treatment	866	1,893	298	1,027
3	-	4	(3)	General Plant	133	13	55	(120)
<b>1,058</b>	<b>541</b>	<b>146</b>	<b>(517)</b>		<b>4,135</b>	<b>6,137</b>	<b>3,858</b>	<b>2,002</b>

- **Mains** – The variance is primarily due to Route 101, Hampton. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – T&D was on target through October. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – The variance is primarily due the District Metering project. Year-end actuals are expected to be lower than targets.
- **Source of Supply** –The variance is primarily due to Well 7/ Well 22 Improvements miscellaneous and Recurring SOS, projects. Year-end actuals are expected to be lower than target.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements and Miscellaneous Pumping Recurring projects. Year-end actuals are expected to be higher than targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance was due to Fixed Base Leak Logger Pilot and Vehicle Replacement projects. Year-end actuals are expected to be higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**November 30, 2019**  
(Dollars in thousands)

Month				Year To Date			
2019	Budget	2018	Budget Variance	2019	Budget	2018	Budget Variance
\$544	\$515	\$483	\$29	\$6,775	\$7,128	\$6,955	(\$353)
67	63	69	(4)	795	766	736	(29)
39	66	65	27	690	725	699	35
15	14	20	(1)	198	200	226	2
4	1	7	(3)	38	14	75	(24)
(7)	(8)	(2)	(1)	(78)	(84)	(15)	(6)
18	22	20	4	203	234	187	31
3	1	3	(2)	39	29	41	(10)
1	5	-	4	59	38	43	(21)
135	132	144	(3)	1,853	1,467	1,459	(386)
275	296	326	21	3,797	3,389	3,451	(408)
\$269	\$219	\$157	\$50	\$2,978	\$3,739	\$3,504	(\$761)
95	91	99	(4)	925	1,052	895	127
-	-	-	-	-	-	-	-
\$174	\$128	\$58	\$46	\$2,053	\$2,687	\$2,609	(\$634)
69	70	70	1	772	771	772	(1)
4	12	(1)	8	20	73	(20)	53
73	82	69	9	792	844	752	52
\$101	\$46	(\$11)	\$55	\$1,261	\$1,843	\$1,857	(\$582)
20	9	(19)	(11)	239	349	309	110
\$81	\$37	\$8	\$44	\$1,022	\$1,494	\$1,548	(\$472)



Return on Equity

- November NH ROE is 6.34% compared to a target of 9.92%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-360 bps) and higher debt cost (-101 bps), partially offset by lower rate base (132 bps).

Rate Base

\$2.4M increase in NH Rate Base due mainly to the Route 101 project becoming used and useful in November.

Revenues

- MTD Revenues are favorable by \$29K and YTD Revenues are unfavorable by \$353K. MTD favorable due to favorable billed consumption. YTD unfavorable due to lower billed consumption impacted by cool, wet weather during the summer.

Expenses

- MTD and YTD Labor were unfavorable by \$4K and \$29K, respectively. YTD variance due to more labor charged from CT and more NH overtime due to boil alert.
- MTD and YTD Other Taxes were favorable by \$27K and \$35K, respectively. Variances due to true up of property taxes.
- MTD and YTD Pension are unfavorable by \$3K and \$24K, respectively, due to a true up from the actuary.
- MTD and YTD Medical are favorable by \$4K and \$31K, respectively, due to lower number of employees in plan and lower premiums than budget.
- MTD Main Break Costs are favorable by \$4K and YTD Main Break Costs are unfavorable by \$21K. YTD variance due to higher cost per main break and higher number of main breaks (15 actual vs. 13 budget).
- MTD and YTD All Other are unfavorable by \$3K and \$386K, respectively. YTD variance due mainly to higher expenses from the boil alert (\$179K Goodwill credit; \$23K Outside services and Materials; and higher Allocations from additional payroll from CT), higher Legal and lower Jobbing revenue, partially offset by lower Maintenance.

**Capital Expenditures  
Comparison to Budget  
November 30, 2019  
(Dollars in thousands)**

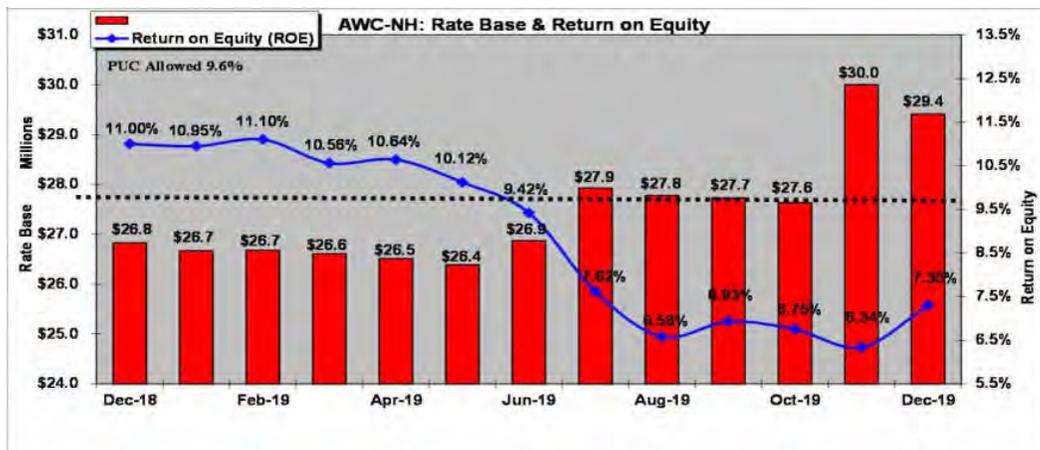
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 142 of 186

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>		<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
137	145	243	8	Mains	2,325	1,921	\$ 2,917	(404)
44	43	16	(1)	Transmission & Distribution	328	328	128	-
-	-	-	-	IT	-	-	57	-
3	13	9	10	Meters	172	650	149	478
25	167	121	142	Source of Supply	408	1,686	610	1,278
4	9	-	5	Pumping	116	23	33	(93)
307	2	168	(305)	Treatment	1,173	1,895	466	722
-	-	5	-	General Plant	133	13	60	(120)
<b>520</b>	<b>379</b>	<b>562</b>	<b>(141)</b>		<b>4,655</b>	<b>6,516</b>	<b>4,420</b>	<b>1,861</b>

- **Mains** – The variance is primarily due to Route 101, Hampton. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – T&D was on target through November. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – The variance is primarily due the District Metering project. Year-end actuals are expected to be lower than targets.
- **Source of Supply** –The variance is primarily due to Well 7/ Well 22 Improvements. Year-end actuals are expected to be lower than target.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements and Miscellaneous Pumping Recurring projects. Year-end actuals are expected to be higher than targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance was due to Fixed Base Leak Logger Pilot and Vehicle Replacement projects. Year-end actuals are expected to be higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**December 31, 2019**  
**(Dollars in thousands)**

Month				Year To Date				
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$451	\$519	\$542	(\$68)	<b>Revenue</b>	\$7,226	\$7,647	\$7,497	(\$421)
71	70	64	(1)	Labor	866	836	800	(30)
63	66	66	3	Other Taxes	753	791	765	38
18	14	16	(4)	Purchased Power	216	214	242	(2)
3	1	7	(2)	Pension	41	15	82	(26)
(7)	(8)	(1)	(1)	Retiree Medical	(85)	(92)	(16)	(7)
18	21	18	3	Medical	221	255	205	34
1	3	2	2	Chemicals	40	32	43	(8)
1	8	12	7	Main Break Costs	60	46	55	(14)
96	133	89	37	All other - operating expenses	1,949	1,600	1,548	(349)
264	308	273	44	<b>Total Expenses, net of other income</b>	4,061	3,697	3,724	(364)
\$187	\$211	\$269	(\$24)	<b>EBITDA</b>	\$3,165	\$3,950	\$3,773	(\$785)
62	92	40	30	Depreciation and Amortization	987	1,144	935	157
-	-	-	-	AFUDC	-	-	-	-
\$125	\$119	\$229	\$6	<b>EBIT</b>	\$2,178	\$2,806	\$2,838	(\$628)
71	71	70	-	Interest - External Debt	843	842	842	(1)
5	8	-	3	Interest - Interco Debt	25	81	(20)	56
76	79	70	3	Total Interest	868	923	822	55
\$49	\$40	\$159	\$9	<b>EBT</b>	\$1,310	\$1,883	\$2,016	(\$573)
(23)	7	227	30	Income Taxes	216	356	536	140
\$72	\$33	(\$68)	\$39	<b>Net Income</b>	\$1,094	\$1,527	\$1,480	(\$433)



Return on Equity

- December NH ROE is 7.30% compared to a target of 8.54%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-266 bps) and higher debt cost (-20 bps), partially offset by lower rate base (191 bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$68K and \$421K, respectively. MTD unfavorable due to tax reform refund. YTD unfavorable due to lower billed consumption impacted by cool, wet weather during the summer and lower than expected WICA.

Expenses

- MTD and YTD Labor were unfavorable by \$1K and \$30K, respectively. YTD variance due to more labor charged from CT and more NH overtime due to boil alert.
- MTD and YTD Other Taxes were favorable by \$3K and \$38K, respectively. Variances due to lower property taxes.
- MTD and YTD Pension are unfavorable by \$2K and \$26K, respectively, due to a true up from the actuary.
- MTD and YTD Medical are favorable by \$3K and \$34K, respectively, due to lower number of employees in plan and lower premiums than budget.
- MTD Main Break Costs are favorable by \$7K and YTD Main Break Costs are unfavorable by \$14K. YTD variance due to higher cost per main break.
- MTD All Other are favorable by \$37K and YTD All Other Expenses are unfavorable by \$349K. MTD variance due to CoBank patronage income \$32K. YTD variance due mainly to higher expenses from the boil alert (\$179K Goodwill credit; \$39K Outside services and Materials; and higher Allocations from additional payroll from CT), higher Legal and lower Jobbing revenue, partially offset by lower Maintenance and the CoBank patronage income.

**Capital Expenditures  
Comparison to Budget  
December 31, 2019  
(Dollars in thousands)**

DW 20-184  
Joint Town 4-17 Attachment 1  
Page 144 of 186

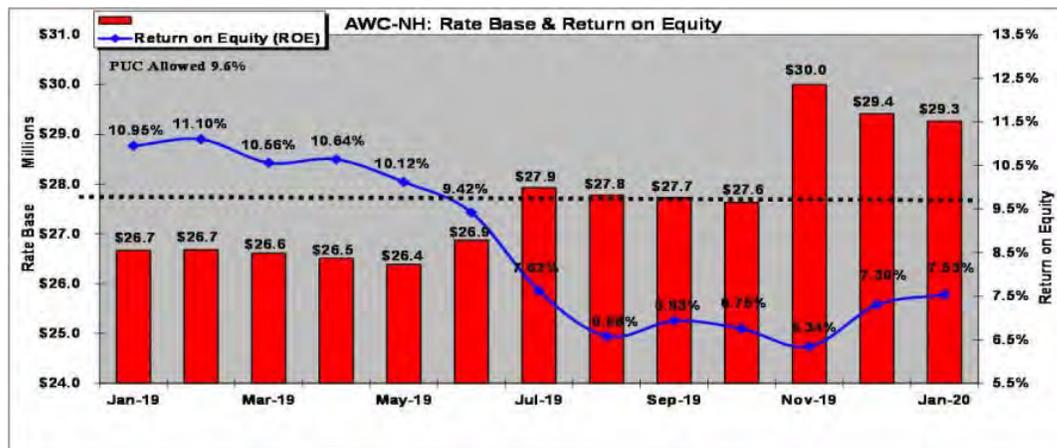
<b>Month</b>			
<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
373	5	43	(368)
23	63	15	40
-	-	-	-
11	14	15	3
(2)	156	157	158
7	14	23	7
301	2	18	(299)
-	6	5	6
<b>713</b>	<b>260</b>	<b>276</b>	<b>(453)</b>

<b>AWC-NH</b>	<b>Year To Date</b>			
	<b>2019</b>	<b>Budget</b>	<b>2018</b>	<b>Variance</b>
Mains	2,698	1,926	\$ 2,960	(772)
Transmission & Distribution	351	391	143	40
IT	-	-	57	-
Meters	183	664	164	481
Source of Supply	406	1,842	767	1,436
Pumping	123	37	56	(86)
Treatment	1,474	1,897	484	423
General Plant	133	19	65	(114)
	<b>5,368</b>	<b>6,776</b>	<b>4,696</b>	<b>1,408</b>

- **Mains** – The variance is primarily due to Route 101, Hampton. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – T&D was on target through November. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – The variance is primarily due the District Metering project. Year-end actuals are expected to be lower than targets.
- **Source of Supply** –The variance is primarily due to Well 7/ Well 22 Improvements. Year-end actuals are expected to be lower than target.
- **Pumping** – The variance was primarily due to the Well 7/Well 22 Improvements and Miscellaneous Pumping Recurring projects. Year-end actuals are expected to be higher than targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be lower than targets.
- **General & Other** – The variance was due to Fixed Base Leak Logger Pilot and Vehicle Replacement projects. Year-end actuals are expected to be higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**January 31, 2020**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
<b>\$520</b>	<b>\$546</b>	<b>\$505</b>	<b>(\$26)</b>	<b>Revenue</b>	<b>\$520</b>	<b>\$546</b>	<b>\$505</b>	<b>(\$26)</b>
81	81	78	-	Labor	81	81	78	-
74	67	67	(7)	Other Taxes	74	67	67	(7)
18	17	18	(1)	Purchased Power	18	17	18	(1)
-	-	1	-	Pension	-	-	1	-
4	4	(8)	-	Retiree Medical	4	4	(8)	-
17	21	20	4	Medical	17	21	20	4
3	3	3	-	Chemicals	3	3	3	-
12	3	9	(9)	Main Break Costs	12	3	9	(9)
130	143	158	13	All other - operating expenses	130	143	158	13
<b>339</b>	<b>339</b>	<b>346</b>	<b>-</b>	<b>Total Expenses, net of other income</b>	<b>339</b>	<b>339</b>	<b>346</b>	<b>-</b>
<b>\$181</b>	<b>\$207</b>	<b>\$159</b>	<b>(\$26)</b>	<b>EBITDA</b>	<b>\$181</b>	<b>\$207</b>	<b>\$159</b>	<b>(\$26)</b>
87	87	91	-	Depreciation and Amortization	87	87	91	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$94</b>	<b>\$120</b>	<b>\$68</b>	<b>(\$26)</b>	<b>EBIT</b>	<b>\$94</b>	<b>\$120</b>	<b>\$68</b>	<b>(\$26)</b>
70	70	72	-	Interest - External Debt	70	70	72	-
3	1	1	(2)	Interest - Interco Debt	3	1	1	(2)
<b>73</b>	<b>71</b>	<b>73</b>	<b>(2)</b>	<b>Total Interest</b>	<b>73</b>	<b>71</b>	<b>73</b>	<b>(2)</b>
<b>\$21</b>	<b>\$49</b>	<b>(\$5)</b>	<b>(\$28)</b>	<b>EBT</b>	<b>\$21</b>	<b>\$49</b>	<b>(\$5)</b>	<b>(\$28)</b>
4	8	(1)	4	Income Taxes	4	8	(1)	4
<b>\$17</b>	<b>\$41</b>	<b>(\$4)</b>	<b>(\$24)</b>	<b>Net Income</b>	<b>\$17</b>	<b>\$41</b>	<b>(\$4)</b>	<b>(\$24)</b>



Return on Equity

- January NH ROE is 7.53% compared to a target of 6.58%. Variance due primarily to lower rate base (82 bps) and lower debt cost (13 bps).

Revenues

- Revenues are unfavorable by \$26K. Variance due to lower than expected billed consumption.

Expenses

- Other Taxes were unfavorable by \$7K. Variance due mainly to true up of property taxes.
- Medical is favorable by \$4K. Variance due to lower premiums than budget.
- Main Break Costs are unfavorable by \$9K. Variance due to more main breaks than budget (3 actual vs 1 budget).
- All Other are favorable by \$13K. Variance mainly due to lower Maintenance expense.

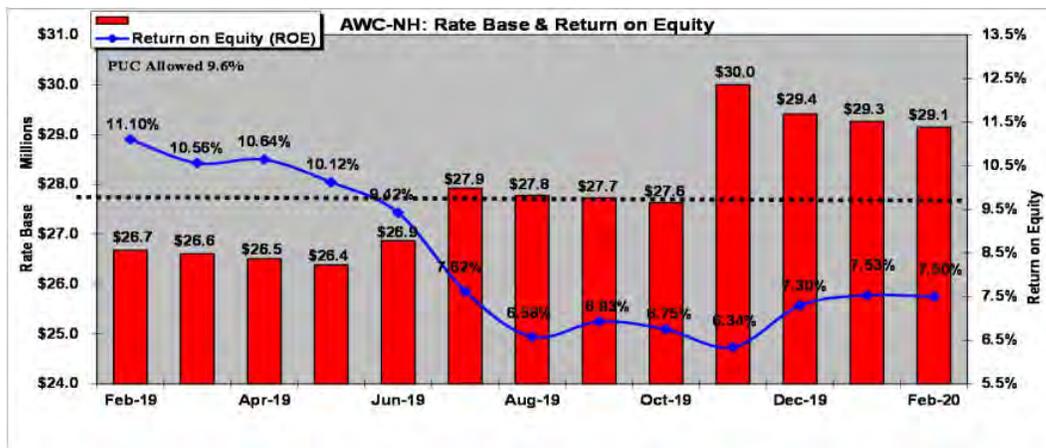
**Capital Expenditures  
 Comparison to Budget  
 January 31, 2020  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>		<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>
11	2	(26)	(9)	Mains	11	2	\$ (26)	(9)
22	10	11	(12)	Transmission & Distribution	22	10	11	(12)
-	-	-	-	IT	-	-	-	-
13	9	16	(4)	Meters	13	9	16	(4)
68	41	98	(27)	Source of Supply	68	41	98	(27)
-	-	1	-	Pumping	-	-	1	-
101	1	-	(100)	Treatment	101	1	-	(100)
-	-	1	-	General Plant	-	-	1	-
<b>215</b>	<b>63</b>	<b>101</b>	<b>(152)</b>		<b>215</b>	<b>63</b>	<b>101</b>	<b>(152)</b>

- **Mains** – Mains were higher than target for month of January. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated for the month of January. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 14A Improvements and Mill Road WTP Centralized Treatment projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**February 29, 2020**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$473	\$507	\$503	(\$34)	<b>Revenue</b>	\$993	\$1,053	\$1,008	(\$60)
65	65	64	-	Labor	146	146	142	-
71	67	64	(4)	Other Taxes	145	134	131	(11)
17	15	19	(2)	Purchased Power	35	32	37	(3)
-	-	2	-	Pension	-	-	3	-
4	5	(7)	1	Retiree Medical	8	9	(15)	1
17	21	21	4	Medical	34	42	41	8
2	3	3	1	Chemicals	5	6	6	1
3	2	14	(1)	Main Break Costs	15	5	23	(10)
133	129	131	(4)	All other - operating expenses	263	272	289	9
312	307	311	(5)	<b>Total Expenses, net of other income</b>	651	646	657	(5)
\$161	\$200	\$192	(\$39)	<b>EBITDA</b>	\$342	\$407	\$351	(\$65)
88	88	93	-	Depreciation and Amortization	175	175	184	-
-	-	-	-	AFUDC	-	-	-	-
\$73	\$112	\$99	(\$39)	<b>EBIT</b>	\$167	\$232	\$167	(\$65)
70	71	69	1	Interest - External Debt	140	141	141	1
2	1	1	(1)	Interest - Interco Debt	5	2	2	(3)
72	72	70	-	Total Interest	145	143	143	(2)
\$1	\$40	\$29	(\$39)	<b>EBT</b>	\$22	\$89	\$24	(\$67)
-	6	5	6	Income Taxes	4	14	4	10
\$1	\$34	\$24	(\$33)	<b>Net Income</b>	\$18	\$75	\$20	(\$57)



Return on Equity

- February NH ROE is 7.50% compared to a target of 6.59%. Variance due primarily to lower rate base (92 bps), lower debt cost (18 bps) and favorable equity thickness (6bps), partially offset by lower Utility Operating Income on a 12 month rolling basis (-31bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$34K and \$60K, respectively. Variances due to lower than expected billed consumption.

Expenses

- MTD and YTD Other Taxes were unfavorable by \$4K and \$11K, respectively. Variances due mainly to true up of property taxes.
- MTD and YTD Medical are favorable by \$4K and \$8K, respectively. Variances due to lower premiums than budget.
- MTD and YTD Main Break Costs are unfavorable by \$1K and \$10K, respectively. YTD variance due to more main breaks than budget (4 actual vs 2 budget) and higher cost per break.
- MTD All Other are unfavorable by \$4K and YTD All Other are favorable by \$9K. YTD variance mainly due to lower Maintenance and Allocation expense, partially offset by higher legal and lower Jobbing.

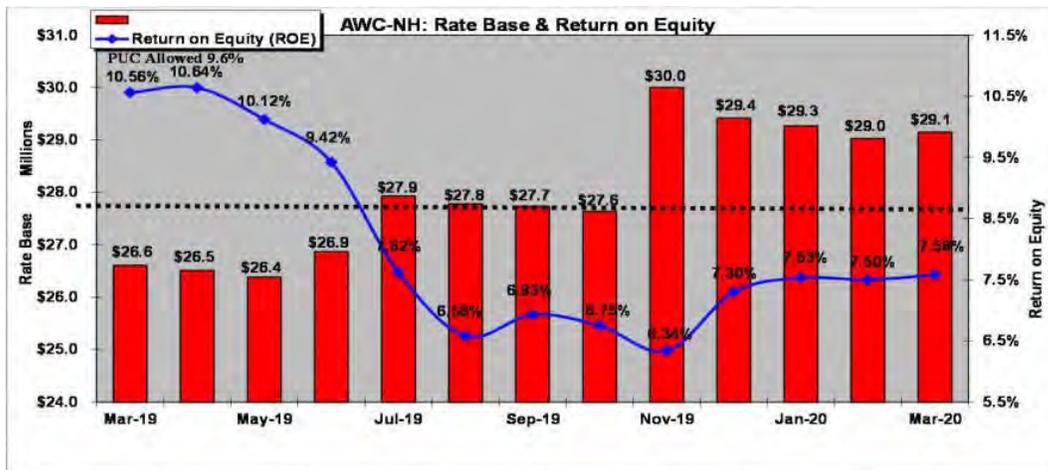
**Capital Expenditures  
 Comparison to Budget  
 February 29, 2020  
 (Dollars in thousands)**

<u>Month</u>				<u>Year To Date</u>				
<u>2020</u>	<u>Budget</u>	<u>2019</u>	<u>Variance</u>		<u>2020</u>	<u>Budget</u>	<u>2019</u>	<u>Variance</u>
(6)	6	33	12	<b>AWC-NH</b>				
27	2	12	(25)	Mains	5	8	7	3
-	10	-	10	Transmission & Distribution	49	12	23	(37)
21	13	16	(8)	IT	-	10	-	10
35	91	22	56	Meters	34	22	32	(12)
-	2	8	2	Source of Supply	103	132	120	29
46	-	9	(46)	Pumping	-	2	9	2
5	32	3	27	Treatment	147	1	9	(146)
<b>128</b>	<b>156</b>	<b>103</b>	<b>28</b>	General Plant	5	32	4	27
					<b>343</b>	<b>219</b>	<b>204</b>	<b>(124)</b>

- **Mains** – The variance is primarily due to Capitalized Main Break project. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to SCADA Automation Programming project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were higher than anticipated through February. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to Miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due Vehicle Replacements. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**March 31, 2020**  
(Dollars in thousands)

Month				Year To Date				
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$505	\$557	\$507	(\$52)	Revenue	\$1,498	\$1,610	\$1,515	(\$112)
73	72	68	(1)	Labor	219	218	210	(1)
72	67	65	(5)	Other Taxes	217	201	196	(16)
23	17	19	(6)	Purchased Power	58	49	56	(9)
-	-	14	-	Pension	-	-	17	-
5	4	(7)	(1)	Retiree Medical	13	13	(22)	-
17	21	19	4	Medical	51	63	60	12
3	3	3	-	Chemicals	8	9	9	1
3	6	28	3	Main Break Costs	18	11	51	(7)
130	146	138	16	All other - operating expenses	393	418	427	25
326	336	347	10	<b>Total Expenses, net of other income</b>	977	982	1,004	5
\$179	\$221	\$160	(\$42)	<b>EBITDA</b>	\$521	\$628	\$511	(\$107)
62	89	53	27	Depreciation and Amortization	237	264	237	27
-	-	-	-	AFUDC	-	-	-	-
\$117	\$132	\$107	(\$15)	<b>EBIT</b>	\$284	\$364	\$274	(\$80)
71	69	70	(2)	Interest - External Debt	211	210	211	(1)
3	1	1	(2)	Interest - Interco Debt	8	3	3	(5)
74	70	71	(4)	Total Interest	219	213	214	(6)
\$43	\$62	\$36	(\$19)	<b>EBT</b>	\$65	\$151	\$60	(\$86)
7	10	7	3	Income Taxes	11	24	11	13
\$36	\$52	\$29	(\$16)	<b>Net Income</b>	\$54	\$127	\$49	(\$73)



Return on Equity

- March NH ROE is 7.58% compared to a target of 6.69%. Variance due primarily to lower rate base (107 bps), lower debt cost (13 bps) and favorable equity thickness (6 bps), partially offset by lower Utility Operating Income on a 12 month rolling basis (-38bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$52K and \$112K, respectively. Billed consumption is unfavorable for MTD and YTD .08MG and 4.73MG, respectively. Production is unfavorable for MTD and YTD, 3MG and 6MG, respectively.

Expenses

- MTD and YTD Other Taxes were unfavorable by \$5K and \$16K, respectively. Variances due mainly to true up of property taxes.
- MTD and YTD Medical are favorable by \$4K and \$12K, respectively. Variances due to lower premiums than budget.
- MTD Main Break Costs are favorable by \$3K and YTD Main Break Costs are unfavorable by \$7K. YTD variance due to more main breaks than budget (5 actual vs 3 budget) and higher cost per break.
- MTD and YTD All Other are favorable by \$16K and \$25K, respectively. MTD variance due to lower Maintenance and Allocation expense, YTD variance due to lower Maintenance and Allocation expense partially offset by higher legal and lower Jobbing income.

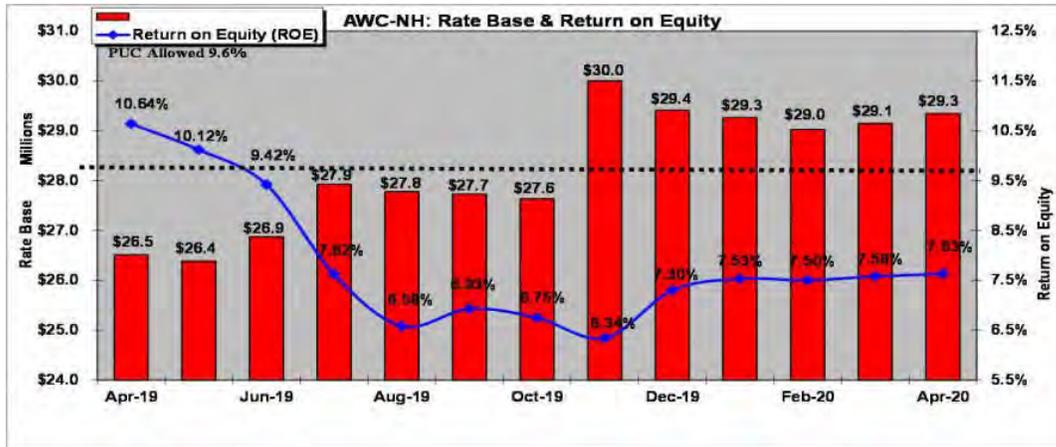
**Capital Expenditures  
 Comparison to Budget  
 March 31, 2020  
 (Dollars in thousands)**

<u>Month</u>					<u>Year To Date</u>			
<u>2020</u>	<u>Budget</u>	<u>2019</u>	<u>Variance</u>	<u>AWC-NH</u>	<u>2020</u>	<u>Budget</u>	<u>2019</u>	<u>Variance</u>
(25)	219	(7)	244	Mains	(20)	227	\$ -	247
73	8	10	(65)	Transmission & Distribution	122	20	33	(102)
14	10	-	(4)	IT	14	20	-	6
11	21	21	10	Meters	45	43	53	(2)
35	89	41	54	Source of Supply	138	221	161	83
13	2	-	(11)	Pumping	13	4	9	(9)
48	1	7	(47)	Treatment	195	2	16	(193)
1	7	4	6	General Plant	6	39	8	33
<b>170</b>	<b>357</b>	<b>76</b>	<b>187</b>		<b>513</b>	<b>576</b>	<b>280</b>	<b>63</b>

- **Mains** – The variance is primarily due the Mill Road Water Main project. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to SCADA Automation Programming project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly higher than anticipated through March. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to Miscellaneous Treatment Recurring projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to the Mill Road Centralized Treatment project. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due Vehicle Replacements. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**April 30, 2020**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$521	\$538	\$548	(\$17)	<b>Revenue</b>	\$2,019	\$2,148	\$2,063	(\$129)
71	68	71	(3)	Labor	290	286	281	(4)
67	68	65	1	Other Taxes	284	269	261	(15)
10	15	17	5	Purchased Power	68	64	73	(4)
-	-	5	-	Pension	-	-	22	-
(19)	4	(7)	23	Retiree Medical	(6)	17	(29)	23
17	21	20	4	Medical	68	84	80	16
5	3	3	(2)	Chemicals	13	12	12	(1)
9	3	(7)	(6)	Main Break Costs	27	14	44	(13)
140	160	164	20	All other - operating expenses	533	578	591	45
300	342	331	42	<b>Total Expenses, net of other income</b>	1,277	1,324	1,335	47
\$221	\$196	\$217	\$25	<b>EBITDA</b>	\$742	\$824	\$728	(\$82)
90	90	95	-	Depreciation and Amortization	327	354	332	27
-	-	-	-	AFUDC	-	-	-	-
\$131	\$106	\$122	\$25	<b>EBIT</b>	\$415	\$470	\$396	(\$55)
69	70	70	1	Interest - External Debt	280	280	281	-
2	2	2	-	Interest - Interco Debt	10	5	5	(5)
71	72	72	1	Total Interest	290	285	286	(5)
\$60	\$34	\$50	\$26	<b>EBT</b>	\$125	\$185	\$110	(\$60)
9	5	9	(4)	Income Taxes	20	29	20	9
\$51	\$29	\$41	\$22	<b>Net Income</b>	\$105	\$156	\$90	(\$51)



Return on Equity

- April NH ROE is 7.63% compared to a target of 6.55%. Variance due primarily to lower rate base (113 bps), lower debt cost (11 bps) and favorable equity thickness (7 bps), partially offset by lower Utility Operating Income on a 12 month rolling basis (-24bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$17K and \$129K, respectively. Billed consumption is unfavorable for MTD and YTD .16MG and 4.89MG, respectively. Production is unfavorable for MTD and YTD, 1.6MG and 6.8MG, respectively.

Expenses

- MTD Other Taxes are favorable by \$1K and YTD Other Taxes were unfavorable by \$15K. YTD variance due mainly to true up of property taxes.
- MTD and YTD Retiree Medical are both favorable by \$23K. Variance due to true up from actuary.
- MTD and YTD Medical are favorable by \$4K and \$16K, respectively. Variances due to lower premiums than budget.
- MTD and YTD Main Break Costs are unfavorable by \$6K and \$13K, respectively. MTD variance due to catch up on paving and YTD variance due to higher number of breaks (6 actual vs. 4 budget) and higher cost per break.
- MTD and YTD All Other are favorable by \$20K and \$45K, respectively. Variances due to lower Maintenance and Interdivisional Allocation expense, partially offset by higher Management Allocation expense (legal expense from Eversource) and lower Jobbing income.

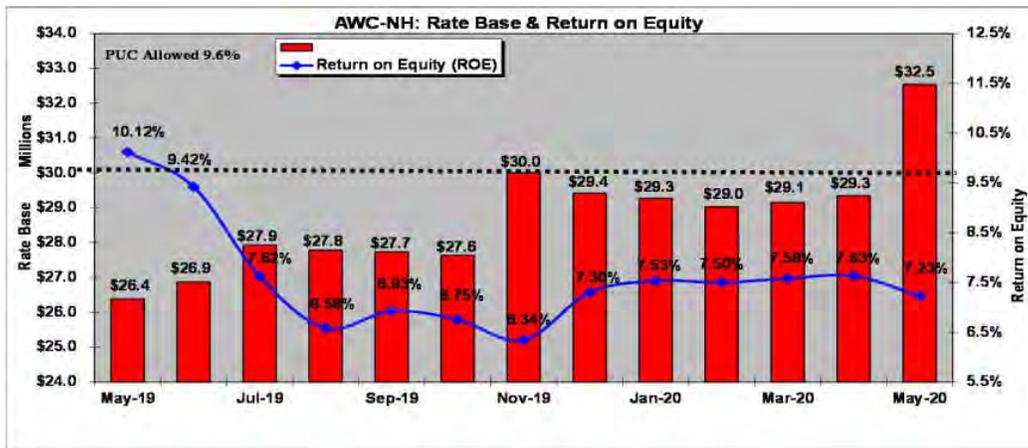
**Capital Expenditures  
 Comparison to Budget  
 April 30, 2020  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>		<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>
387	530	15	143	Mains	367	757	\$ 15	390
38	16	3	(22)	Transmission & Distribution	160	36	36	(124)
21	21	-	-	IT	35	41	-	6
1	18	5	17	Meters	46	61	58	15
36	80	19	44	Source of Supply	174	301	180	127
17	-	1	(17)	Pumping	30	4	10	(26)
160	3	17	(157)	Treatment	355	5	33	(350)
1	6	-	5	General Plant	7	45	8	38
<b>661</b>	<b>674</b>	<b>60</b>	<b>13</b>		<b>1,174</b>	<b>1,250</b>	<b>340</b>	<b>76</b>

- **Mains** – Mains are lower than target through April. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to SCADA Automation Programming project, offset slightly by higher spending on the Winnicut WTP 4-Log Pipe Improvement project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through April. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 14A Improvements and miscellaneous SOS recurring projects. Year-end actuals are expected to meet targets.
- **Pumping** – The variance is primarily due to higher miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to be slightly higher than targets.
- **General & Other** – The variance is primarily due to Vehicle Replacements. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**May 31, 2020**  
(Dollars in thousands)

Month					Year To Date			
2019	Budget	2018	Budget Variance		2019	Budget	2018	Budget Variance
\$698	\$691	\$609	\$7	<b>Revenue</b>	\$2,717	\$2,839	\$2,672	(\$122)
65	65	69	-	Labor	355	351	350	(4)
66	67	66	1	Other Taxes	350	336	327	(14)
15	17	12	2	Purchased Power	83	81	85	(2)
-	1	6	1	Pension	-	1	28	1
(1)	4	(7)	5	Retiree Medical	(7)	21	(36)	28
17	21	19	4	Medical	85	105	99	20
6	5	3	(1)	Chemicals	19	17	15	(2)
2	5	3	3	Main Break Costs	29	19	47	(10)
94	140	166	46	All other - operating expenses	627	718	757	91
264	325	337	61	<b>Total Expenses, net of other income</b>	1,541	1,649	1,672	108
\$434	\$366	\$272	\$68	<b>EBITDA</b>	\$1,176	\$1,190	\$1,000	(\$14)
89	89	93	-	Depreciation and Amortization	416	443	425	27
-	-	-	-	AFUDC	-	-	-	-
\$345	\$277	\$179	\$68	<b>EBIT</b>	\$760	\$747	\$575	\$13
70	71	70	1	Interest - External Debt	350	351	351	1
3	2	1	(1)	Interest - Interco Debt	13	7	6	(6)
73	73	71	-	Total Interest	363	358	357	(5)
\$272	\$204	\$108	\$68	<b>EBT</b>	\$397	\$389	\$218	\$8
44	34	22	(10)	Income Taxes	64	63	42	(1)
\$228	\$170	\$86	\$58	<b>Net Income</b>	\$333	\$326	\$176	\$7



**Return on Equity**

- May NH ROE is 7.23% compared to a target of 7.04%. Variance due primarily to higher Utility Operating income on a 12 month rolling basis (7bps), favorable equity thickness (7 bps), lower debt cost (2 bps) and lower rate base (2bps).

**Revenues**

- MTD Revenues are favorable by \$7K and YTD Revenues are unfavorable by \$122K. Billed consumption is favorable MTD by 2MG and unfavorable YTD by 3MG. Production is unfavorable for MTD by 5MG and unfavorable YTD by 2MG.

**Expenses**

- MTD Other Taxes are favorable by \$1K and YTD Other Taxes were unfavorable by \$14K. YTD variance due to true up of property taxes.
- MTD and YTD Retiree Medical are favorable by \$5K and \$28K, respectively. Variance due to true up from actuary.
- MTD and YTD Medical are favorable by \$4K and \$20K, respectively. Variances due to lower premiums than budget.
- MTD Main Break Costs are favorable by \$3K and YTD Main Break Costs are unfavorable by \$10K. YTD variance due to higher number of breaks (7 actual vs. 5 budget) and higher cost per break.
- MTD and YTD All Other are favorable by \$46K and \$91K, respectively. MTD variance due to lower Maintenance and Interdivisional Allocation expense. YTD variance due to lower Maintenance and Interdivisional Allocation, partially offset by higher Management Allocation expense (legal expense from Eversource) and lower Jobbing income.

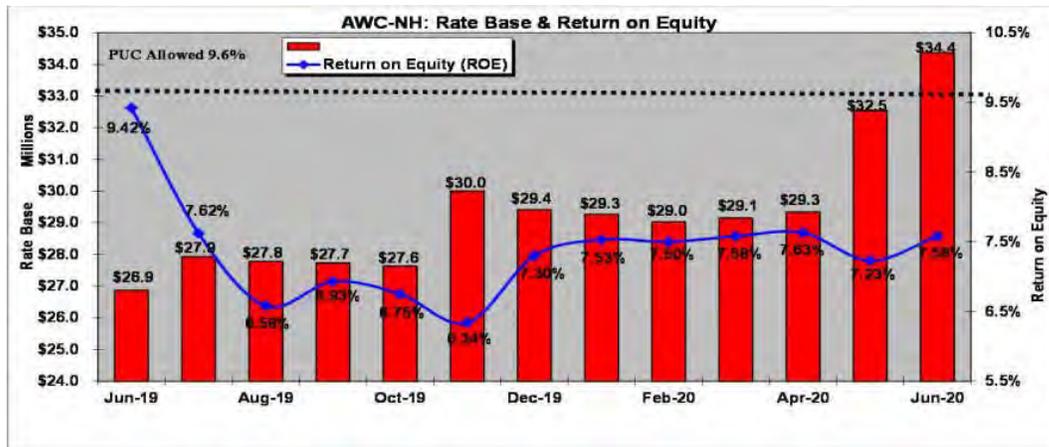
**Capital Expenditures  
 Comparison to Budget  
 May 31, 2020  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>		<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>
571	415	190	(156)	Mains	937	1,172	\$ 205	235
17	23	43	6	Transmission & Distribution	177	59	79	(118)
3	22	-	19	IT	38	63	-	25
4	20	27	16	Meters	50	81	85	31
6	60	47	54	Source of Supply	180	361	227	181
-	4	10	4	Pumping	30	8	20	(22)
(3)	40	12	43	Treatment	352	45	45	(307)
73	11	-	(62)	General Plant	80	56	8	(24)
<b>671</b>	<b>595</b>	<b>329</b>	<b>(76)</b>		<b>1,844</b>	<b>1,845</b>	<b>669</b>	<b>1</b>

- **Mains** – Mains are lower than target through May. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are to be lower than targets.
- **IT** – The variance is primarily due to SCADA Automation Programming project, offset slightly by higher spending on the Winnicut WTP 4-Log Pipe Improvement project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through May. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 14A Improvements, Well 7/22 Improvements and miscellaneous SOS recurring projects. Year-end actuals are expected to be slightly lower targets.
- **Pumping** – The variance is primarily due to higher miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to be slightly higher than targets.
- **General & Other** – The variance is primarily due Fixed Base Leak Loggers Ph. II project. Year-end actuals are expected to be slightly higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**June 30, 2020**  
(Dollars in thousands)

Month				Year To Date				
2020	Budget	2019	Budget Variance		2020	Budget	2019	Budget Variance
\$880	\$723	\$711	\$157	Revenue	\$3,597	\$3,562	\$3,383	\$35
67	68	63	1	Labor	422	419	413	(3)
68	67	62	(1)	Other Taxes	418	403	389	(15)
19	20	21	1	Purchased Power	102	101	106	(1)
(12)	(1)	(7)	11	Pension	(12)	-	21	12
(6)	4	(6)	10	Retiree Medical	(13)	25	(42)	38
17	21	20	4	Medical	102	126	119	24
9	6	3	(3)	Chemicals	28	23	18	(5)
3	3	7	-	Main Break Costs	32	22	54	(10)
116	158	158	42	All other - operating expenses	743	876	915	133
281	346	321	65	<b>Total Expenses, net of other income</b>	1,822	1,995	1,993	173
\$599	\$377	\$390	\$222	<b>EBITDA</b>	\$1,775	\$1,567	\$1,390	\$208
96	89	52	(7)	Depreciation and Amortization	512	532	477	20
-	-	-	-	AFUDC	-	-	-	-
\$503	\$288	\$338	\$215	<b>EBIT</b>	\$1,263	\$1,035	\$913	\$228
70	70	70	-	Interest - External Debt	420	421	421	1
(1)	3	1	4	Interest - Interco Debt	12	10	7	(2)
69	73	71	4	Total Interest	432	431	428	(1)
\$434	\$215	\$267	\$219	<b>EBT</b>	\$831	\$604	\$485	\$227
68	32	50	(36)	Income Taxes	132	95	92	(37)
\$366	\$183	\$217	\$183	<b>Net Income</b>	\$699	\$509	\$393	\$190



**Return on Equity**

- June NH ROE is 7.58% compared to a target of 6.74%. Variance due primarily to higher Utility Operating income on a 12 month rolling basis (107bps), lower debt cost (20 bps) and favorable equity thickness (7 bps), offset by higher rate base (-51bps).

**Revenues**

- MTD and YTD Revenues are favorable by \$157K and \$35K, respectively. Billed consumption is favorable MTD and YTD by 14.4MG and 11.5MG, respectively, due to hot dry weather. Production is favorable MTD and YTD by 20MG and 18MG, respectively.

**Expenses**

- MTD and YTD Other Taxes are unfavorable by \$1K and \$15K, respectively. YTD variance due to true up of property taxes.
- MTD and YTD Pension are favorable by \$11K and \$12K, respectively. Variance due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$10K and \$38K, respectively. Variance due to true up from actuary.
- MTD and YTD Medical are favorable by \$4K and \$24K, respectively. Variances due to lower premiums than budget.
- MTD Main Break Costs are on target and YTD Main Break Costs are unfavorable by \$10K. YTD variance due to higher number of breaks (8 actual vs. 6 budget) and higher cost per break.
- MTD and YTD All Other are favorable by \$42K and \$133K, respectively. MTD variance due to lower Maintenance, Legal and Interdivisional Allocation expense partially off set by higher AR Reserve. YTD variance due to lower Maintenance and Interdivisional Allocation, partially offset by higher Management Allocation expense (legal expense from Eversource) and lower Jobbing income.

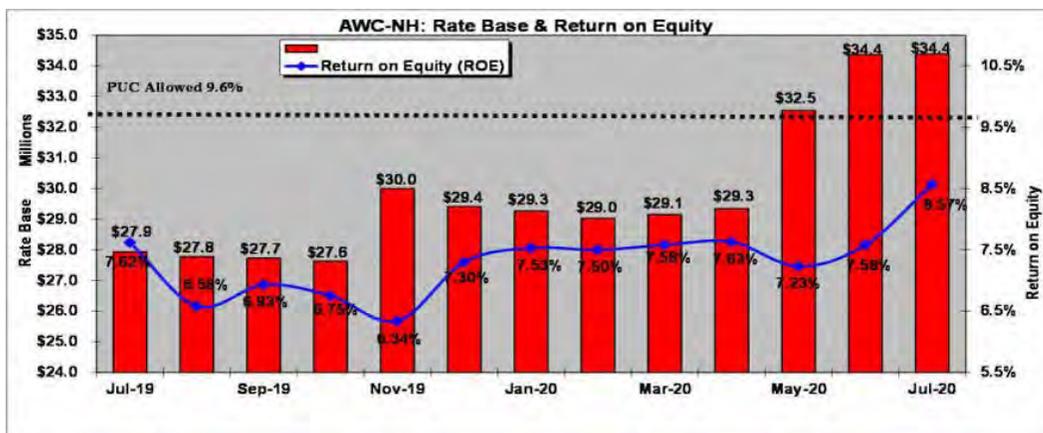
**Capital Expenditures  
 Comparison to Budget  
 June 30, 2020  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2020	Budget	2019	Variance		2020	Budget	2019	Variance
658	159	462	(499)	Mains	1,595	1,331	\$ 667	(264)
24	39	9	15	Transmission & Distribution	201	98	88	(103)
-	21	-	21	IT	38	84	-	46
11	18	16	7	Meters	61	99	101	38
(4)	25	(32)	29	Source of Supply	176	386	195	210
-	6	67	6	Pumping	30	14	87	(16)
131	1	44	(130)	Treatment	483	46	89	(437)
32	61	1	29	General Plant	112	117	9	5
<b>852</b>	<b>330</b>	<b>567</b>	<b>(522)</b>		<b>2,696</b>	<b>2,175</b>	<b>1,236</b>	<b>(521)</b>

- **Mains** – Mains are lower than target through June. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are to be on target targets.
- **IT** – The variance is primarily due to SCADA Automation Programming project, offset slightly by higher spending on the Winnicut WTP 4-Log Pipe Improvement project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through June. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 7/22 Improvements and miscellaneous SOS recurring projects. Year-end actuals are expected to be slightly lower targets.
- **Pumping** – The variance is primarily due to higher miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to be slightly higher than targets.
- **General & Other** – General & Other is on target through June. Year-end actuals are expected to be slightly higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**July 31, 2020**  
(Dollars in thousands)

Month					Year To Date			
2020	Budget	2019	Budget Variance		2020	Budget	2019	Budget Variance
\$867	\$835	\$709	\$32	<b>Revenue</b>	\$4,464	\$4,397	\$4,092	\$67
71	71	74	-	Labor	493	490	487	(3)
68	67	65	(1)	Other Taxes	486	470	454	(16)
26	24	17	(2)	Purchased Power	128	125	123	(3)
(2)	-	3	2	Pension	(14)	-	24	14
(2)	5	(7)	7	Retiree Medical	(15)	30	(49)	45
17	21	14	4	Medical	119	147	133	28
6	7	5	1	Chemicals	34	30	23	(4)
1	5	-	4	Main Break Costs	33	27	54	(6)
120	175	151	55	All other - operating expenses	863	1,051	1,066	188
305	375	322	70	<b>Total Expenses, net of other income</b>	2,127	2,370	2,315	243
\$562	\$460	\$387	\$102	<b>EBITDA</b>	\$2,337	\$2,027	\$1,777	\$310
93	94	99	1	Depreciation and Amortization	605	626	576	21
-	-	-	-	AFUDC	-	-	-	-
\$469	\$366	\$288	\$103	<b>EBIT</b>	\$1,732	\$1,401	\$1,201	\$331
71	69	71	(2)	Interest - External Debt	491	490	492	(1)
-	3	2	3	Interest - Interco Debt	12	13	9	1
71	72	73	1	Total Interest	503	503	501	-
\$398	\$294	\$215	\$104	<b>EBT</b>	\$1,229	\$898	\$700	\$331
64	48	40	(16)	Income Taxes	196	143	132	(53)
\$334	\$246	\$175	\$88	<b>Net Income</b>	\$1,033	\$755	\$568	\$278



Return on Equity

- July NH ROE is 8.57% compared to a target of 6.95%. Variance due primarily to higher Utility Operating income on a 12 month rolling basis (150 bps), lower debt cost (29 bps) and favorable equity thickness (10 bps), offset by higher rate base (-34bps).

Revenues

- MTD and YTD Revenues are favorable by \$32K and \$67K, respectively. Billed consumption is favorable MTD and YTD by 10.2MG and 21.7MG, respectively, due to hot, dry weather.

Expenses

- MTD and YTD Other Taxes are unfavorable by \$1K and \$16K, respectively. YTD variance due to unfavorable property taxes.
- MTD and YTD Pension are favorable by \$2K and \$14K, respectively. Variances due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$7K and \$45K, respectively. Variances due to true up from actuary.
- MTD and YTD Medical are favorable by \$4K and \$28K, respectively. Variances due to lower premiums than budget.
- MTD Main Break Costs are favorable by \$4K and YTD Main Break Costs are unfavorable by \$6K. MTD variance due to 0 actual vs 2 budget and YTD variance due to higher cost per break.
- MTD and YTD All Other are favorable by \$55K and \$188K, respectively. MTD variance due to lower Lab Contract Costs (timing), Legal and Interdivisional Allocation expense. YTD variance due to lower Maintenance, Legal and Interdivisional Allocation, partially offset by higher Management Allocation expense (legal expense from Eversource).

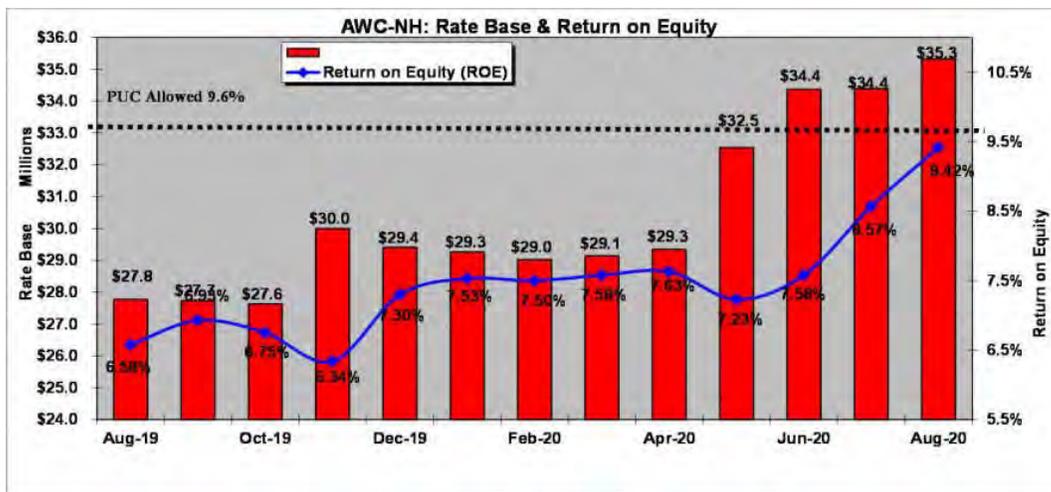
**Capital Expenditures  
 Comparison to Budget  
 July 31, 2020  
 (Dollars in thousands)**

<b>Month</b>				<b>Year To Date</b>				
<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>	<b>AWC-NH</b>	<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>
215	110	277	(105)	Mains	1,810	1,441	\$ 944	(369)
21	197	46	176	Transmission & Distribution	222	295	134	73
3	21	-	18	IT	41	105	-	64
3	13	14	10	Meters	64	112	115	48
50	24	56	(26)	Source of Supply	226	410	251	184
-	4	13	4	Pumping	30	18	100	(12)
66	2	93	(64)	Treatment	549	48	182	(501)
2	11	80	9	General Plant	114	128	89	14
<b>360</b>	<b>382</b>	<b>579</b>	<b>22</b>		<b>3,056</b>	<b>2,557</b>	<b>1,815</b>	<b>(499)</b>

- **Mains** – Mains are slightly higher than target through July. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are to be on target targets.
- **IT** – The variance is primarily due to SCADA Automation Programming project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through July. Year-end actuals are expected to be slightly lower targets.
- **Source of Supply** –The variance is primarily due to the Well 7/22 Improvements and miscellaneous SOS recurring projects offset slightly by Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower targets.
- **Pumping** – The variance is primarily due to higher miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to be slightly higher than targets.
- **General & Other** – General & Other is on target through July. Year-end actuals are expected to be meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**August 31, 2020**  
(Dollars in thousands)

Month				Year To Date			
2020	Budget	2019	Budget Variance	2020	Budget	2019	Budget Variance
\$879	\$806	\$850	\$73	\$5,343	\$5,203	\$4,942	\$140
68	63	94	(5)	561	553	581	(8)
67	67	67	-	553	537	521	(16)
29	23	22	(6)	157	148	145	(9)
(2)	-	4	2	(16)	-	28	16
(2)	4	(7)	6	(17)	34	(56)	51
17	21	17	4	136	168	150	32
6	6	4	-	40	36	27	(4)
2	6	1	4	35	33	55	(2)
143	153	356	10	1,006	1,204	1,422	198
328	343	558	15	2,455	2,713	2,873	258
\$551	\$463	\$292	\$88	\$2,888	\$2,490	\$2,069	\$398
89	88	94	(1)	694	714	670	20
-	-	-	-	-	-	-	-
\$462	\$375	\$198	\$87	\$2,194	\$1,776	\$1,399	\$418
70	71	70	1	561	561	562	-
(1)	3	2	4	11	16	11	5
69	74	72	5	572	577	573	5
\$393	\$301	\$126	\$92	\$1,622	\$1,199	\$826	\$423
61	49	24	(12)	257	192	156	(65)
\$332	\$252	\$102	\$80	\$1,365	\$1,007	\$670	\$358



Return on Equity

- August NH ROE is 9.42% compared to a target of 7.63%. Variance due primarily to higher Utility Operating income on a 12 month rolling basis (187 bps), lower debt cost (31 bps) and favorable equity thickness (13 bps), offset by higher rate base (-58bps).

Revenues

- MTD and YTD Revenues are favorable by \$73K and \$140K, respectively. Billed consumption is favorable MTD and YTD by 9MG and 30.7MG, respectively, due to hot, dry weather. Production is favorable MTD and YTD 10MG and 33MG, respectively.

Expenses

- YTD Other Taxes are unfavorable by \$16K due to unfavorable property taxes.
- MTD and YTD Pension are favorable by \$2K and \$15K, respectively. Variances due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$6K and \$51K, respectively. Variances due to true up from actuary.
- MTD and YTD Medical are favorable by \$4K and \$32K, respectively. Variances due to lower premiums than budget.
- MTD and YTD All Other are favorable by \$10K and \$198K, respectively. MTD variance due to lower Legal and Interdivisional Allocation expense, partially offset by lower Jobbing. YTD variance due to lower Maintenance, Legal and Interdivisional Allocation, partially offset by higher Management Allocation expense (legal expense from Eversource).

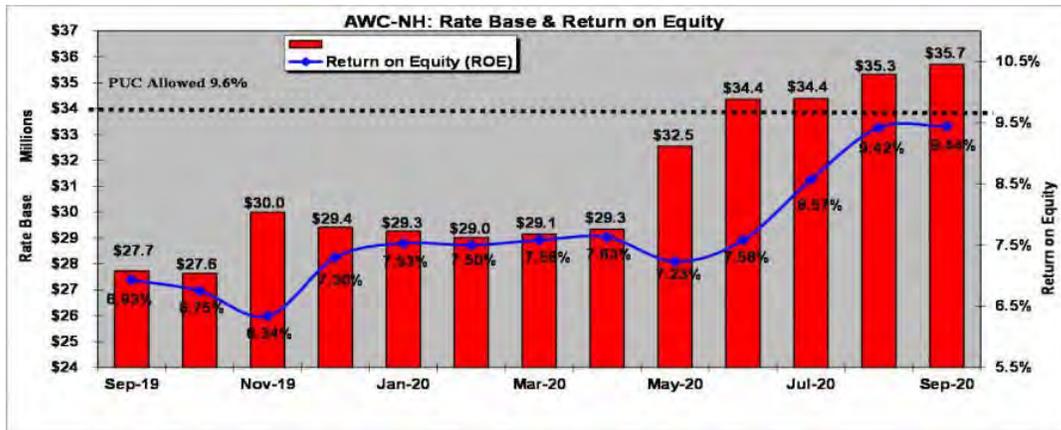
**Capital Expenditures  
 Comparison to Budget  
 August 31, 2020  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>		<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>
1,029	(1)	299	(1,030)	Mains	2,839	1,440	\$ 1,243	(1,399)
48	189	77	141	Transmission & Distribution	270	484	211	214
3	26	-	23	IT	44	131	-	87
4	12	27	8	Meters	68	124	142	56
71	25	35	(46)	Source of Supply	297	435	286	138
-	1	1	1	Pumping	30	19	101	(11)
47	1	248	(46)	Treatment	596	49	430	(547)
10	2	36	(8)	General Plant	124	130	125	6
<b>1,212</b>	<b>255</b>	<b>723</b>	<b>(957)</b>		<b>4,268</b>	<b>2,812</b>	<b>2,538</b>	<b>(1,456)</b>

- **Mains** – Mains are higher than target through August, primarily due to Locke Road, Mill Road and Richards Street Main Replacements. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are to be on target targets.
- **IT** – The variance is primarily due to SCADA Automation Programming and Winnicut WTP 4-log projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through August. Year-end actuals are expected to be slightly lower targets.
- **Source of Supply** –The variance is primarily due to the Well 7/22 Improvements and Well 14A Improvement projects offset slightly by Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower targets.
- **Pumping** – The variance is primarily due to higher miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to be slightly higher than targets.
- **General & Other** – General & Other is on target through August. Year-end actuals are expected to be meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**September 30, 2020**  
(Dollars in thousands)

Month				Year To Date			
2020	Budget	2019	Budget Variance	2020	Budget	2019	Budget Variance
\$742	\$696	\$746	\$46	\$6,085	\$5,899	\$5,688	\$186
72	71	69	(1)	633	624	650	(9)
68	67	64	(1)	621	604	585	(17)
28	20	21	(8)	185	168	166	(17)
(1)	-	3	1	(17)	-	31	17
(2)	3	(7)	5	(19)	37	(63)	56
14	21	18	7	150	189	168	39
8	6	6	(2)	48	42	33	(6)
-	3	1	3	35	36	56	1
128	161	160	33	1,134	1,365	1,582	231
315	352	335	37	2,770	3,065	3,208	295
\$427	\$344	\$411	\$83	\$3,315	\$2,834	\$2,480	\$481
81	141	65	60	775	855	735	80
-	-	-	-	-	-	-	-
\$346	\$203	\$346	\$143	\$2,540	\$1,979	\$1,745	\$561
70	70	70	-	631	631	632	-
1	3	2	2	12	19	13	7
71	73	72	2	643	650	645	7
\$275	\$130	\$274	\$145	\$1,897	\$1,329	\$1,100	\$568
45	19	52	(26)	302	211	208	(91)
\$230	\$111	\$222	\$119	\$1,595	\$1,118	\$892	\$477



**Return on Equity**

- September NH ROE is 9.44% compared to a target of 7.08%. Variance due primarily to higher Utility Operating income on a 12 month rolling basis (255 bps), lower debt cost (28 bps) and favorable equity thickness (7 bps), offset by higher rate base (-55bps).

**Revenues**

- MTD and YTD Revenues are favorable by \$46K and \$186K, respectively. Billed consumption is favorable MTD and YTD by 11.9MG and 42.7MG, respectively, due to hot, dry weather. Production is favorable MTD and YTD 2MG and 35MG, respectively.

**Expenses**

- MTD and YTD Other Taxes are unfavorable by \$1K and \$17K, respectively. YTD variance due to unfavorable property taxes.
- MTD and YTD Purchased Power are unfavorable by \$8K and \$17K, respectively. Variances due to higher production and more power needed because of lower well levels.
- MTD and YTD Pension are favorable by \$1K and \$17K, respectively. Variances due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$5K and \$56K, respectively. Variances due to true up from actuary.
- MTD and YTD Medical are favorable by \$7K and \$39K, respectively. Variances due to lower premiums than budget.
- MTD and YTD All Other are favorable by \$33K and \$231K, respectively. MTD variance due to lower Legal and Interdivisional Allocation expense. YTD variance due to lower Operating, Maintenance, Legal and Interdivisional Allocation, partially offset by higher Management Allocation expense (legal expense from Eversource) and lower Jobbing.

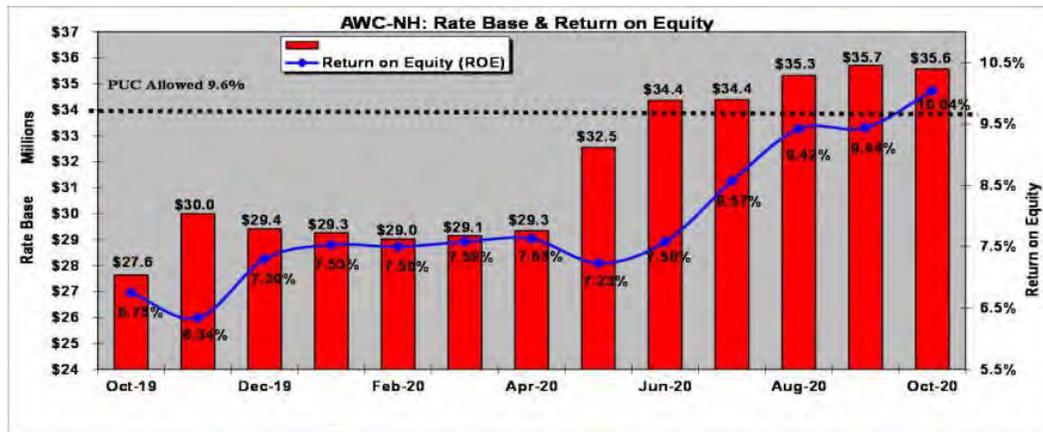
**Capital Expenditures  
 Comparison to Budget  
 September 30, 2020  
 (Dollars in thousands)**

<b>Month</b>				<b>Year To Date</b>				
<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>	<b>AWC-NH</b>	<b>2020</b>	<b>Budget</b>	<b>2019</b>	<b>Variance</b>
338	-	222	(338)	Mains	3,177	1,440	\$ 1,465	(1,737)
29	283	25	254	Transmission & Distribution	299	767	236	468
1	32	-	31	IT	45	163	-	118
13	12	22	(1)	Meters	81	136	164	55
9	181	58	172	Source of Supply	306	616	344	310
-	1	10	1	Pumping	30	20	111	(10)
63	5	197	(58)	Treatment	659	54	627	(605)
5	3	5	(2)	General Plant	129	133	130	4
<b>458</b>	<b>517</b>	<b>539</b>	<b>59</b>		<b>4,726</b>	<b>3,329</b>	<b>3,077</b>	<b>(1,397)</b>

- **Mains** – Mains are higher than target through September, primarily due to Locke Road, Mill Road and Richards Street Main Replacements. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are to be on target targets.
- **IT** – The variance is primarily due to SCADA Automation Programming and Winnicut WTP 4-log projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through September. Year-end actuals are expected to be slightly lower targets.
- **Source of Supply** – The variance is primarily due to the Well 7/22 Improvements offset slightly by Mill Road WTP Centralized Treatment project. Year-end actuals are expected to be slightly lower targets.
- **Pumping** – The variance is primarily due to higher miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to be slightly higher than targets.
- **General & Other** – General & Other is on target through September. Year-end actuals are expected to be meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
October 31, 2020  
(Dollars in thousands)**

Month					Year To Date			
2020	Budget	2019	Budget Variance		2020	Budget	2019	Budget Variance
\$599	\$615	\$543	(\$16)	<b>Revenue</b>	\$6,684	\$6,514	\$6,231	\$170
72	71	78	(1)	Labor	705	695	728	(10)
68	68	66	-	Other Taxes	689	672	651	(17)
17	16	17	(1)	Purchased Power	202	184	183	(18)
(2)	(1)	3	1	Pension	(19)	(1)	34	18
(2)	6	(8)	8	Retiree Medical	(21)	43	(71)	64
15	21	17	6	Medical	165	210	185	45
5	4	3	(1)	Chemicals	53	46	36	(7)
1	5	2	4	Main Break Costs	36	41	58	5
144	165	136	21	All Other	1,280	1,530	1,718	250
318	355	314	37	<b>Total Expenses, net of other income</b>	3,090	3,420	3,522	330
\$281	\$260	\$229	\$21	<b>EBITDA</b>	\$3,594	\$3,094	\$2,709	\$500
91	90	95	(1)	Depreciation and Amortization	866	945	830	79
-	-	-	-	AFUDC	-	-	-	-
\$190	\$170	\$134	\$20	<b>EBIT</b>	\$2,728	\$2,149	\$1,879	\$579
71	70	71	(1)	Interest - External Debt	702	701	703	(1)
1	4	3	3	Interest - Interco Debt	13	23	16	10
72	74	74	2	Total Interest	715	724	719	9
\$118	\$96	\$60	\$22	<b>EBT</b>	\$2,013	\$1,425	\$1,160	\$588
(18)	17	11	35	Income Taxes	284	228	219	(56)
\$136	\$79	\$49	\$57	<b>Net Income</b>	\$1,729	\$1,197	\$941	\$532



**Return on Equity**

- October NH ROE is 10.04% compared to a target of 7.13%. Variance is due primarily to higher Utility Operating Income on a 12 month rolling basis (280 bps), lower debt cost (29 bps), and favorable equity thickness (7 bps) offset by higher rate base (-36 bps).

**Revenues**

- MTD Revenues are unfavorable by \$16K and YTD Revenues are favorable \$170K. MTD variance due to unfavorable tax reform true-up, partially offset by higher than expected billed consumption. YTD variance due to increased consumption as a result of hot, dry weather for the seasonal months, partially offset by unfavorable tax reform refund true-up. Billed consumption is favorable MTD and YTD by 8.8MG and 51.4MG, respectively, due to hot, dry weather. Production is favorable MTD and YTD 1.3MG and 36.7MG, respectively.

**Expenses**

- MTD Other Taxes are on target and YTD Other Taxes are unfavorable by \$17K. YTD variance due to unfavorable property taxes.
- MTD and YTD Purchased Power are unfavorable by \$1K and \$18K, respectively. Variances due to higher production and more power needed because of lower well levels.
- MTD and YTD Pension are favorable by \$1K and \$18K, respectively. Variances due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$8K and \$64K, respectively. Variances due to true up from actuary.
- MTD and YTD Medical are favorable by \$6K and \$45K, respectively. Variances due to lower premiums than budget.
- MTD and YTD All Other are favorable by \$21K and \$250K, respectively. MTD variance due to lower Legal and Interdivisional Allocation expense, partially offset by higher Maintenance expense. YTD variance due to lower Operating, Maintenance, Legal and Interdivisional Allocation, partially offset by higher Management Allocation expense (legal expense from Eversource) and lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
October 31, 2020  
(Dollars in thousands)**

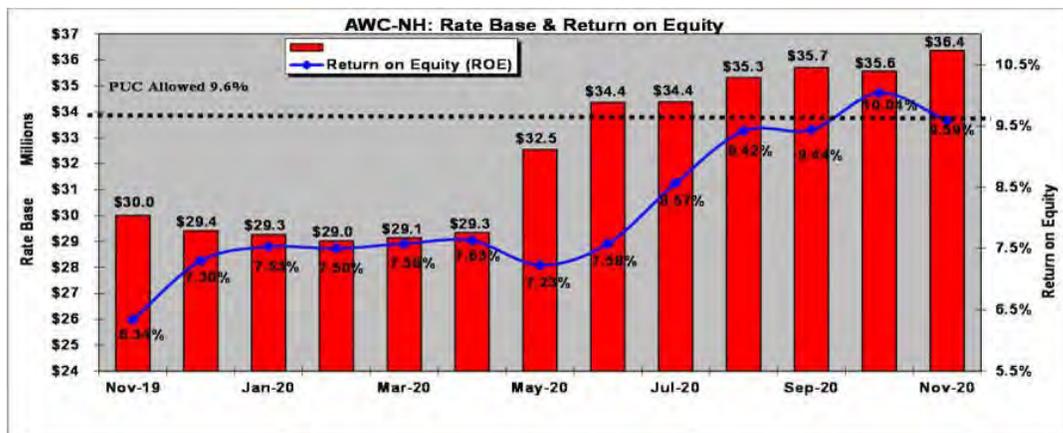
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Joint Town 4-17 Attachment 1  
Page 164 of 186

Month				Year To Date				
2020	Budget	2019	Variance	AWC-NH	2020	Budget	2019	Variance
199	2	724	(197)	Mains	3,375	1,442	\$ 2,189	(1,933)
45	286	47	241	Transmission & Distribution	344	1,053	283	709
1	32	-	31	IT	46	195	-	149
4	8	5	4	Meters	85	144	169	59
53	294	39	241	Source of Supply	359	910	383	551
4	4	1	-	Pumping	34	24	112	(10)
(44)	-	239	44	Treatment	615	54	866	(561)
1	1	3	-	General Plant	130	134	133	4
<b>263</b>	<b>627</b>	<b>1,058</b>	<b>364</b>		<b>4,988</b>	<b>3,956</b>	<b>4,135</b>	<b>(1,032)</b>

- **Mains** – The variance is primarily due to Locke Road, Mill Road, Richards and Elaine Street main replacements. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance was primarily due to the Exeter Road Tank Improvement project. Year-end actuals are expected to be slightly higher than targets.
- **IT** – The variance is primarily due to the Winnicut WTP 4-Log Improvements and SCADA Automation Programming projects. Year-end actuals are expected to meet targets.
- **Meters** – Meters were below target through October. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance was primarily due to the Well 7/Well 22 Improvements and Well 14A Improvement projects, offset slightly by the Mill Road Centralized Treatment project. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance is primarily due miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet target.
- **Treatment** – The variance was primarily due the Mill Road Centralized Treatment and the Little River Wellfield Electrical Improvements projects. Year-end actuals are expected to meet targets.
- **General & Other** – General & Other is on target through October. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**November 30, 2020**  
**(Dollars in thousands)**

Month				Year To Date				
2020	Budget	2019	Budget Variance	2020	Budget	2019	Budget Variance	
\$471	\$523	\$544	(\$52)	<b>Revenue</b>	\$7,155	\$7,037	\$6,775	<b>\$118</b>
72	70	67	(2)	Labor	777	765	795	(12)
67	67	39	-	Other Taxes	756	739	690	(17)
14	13	15	(1)	Purchased Power	216	197	198	(19)
(2)	-	4	2	Pension	(21)	(1)	38	20
(3)	4	(7)	7	Retiree Medical	(24)	47	(78)	71
21	20	18	(1)	Medical	186	230	203	44
4	3	3	(1)	Chemicals	57	49	39	(8)
4	3	1	(1)	Main Break Costs	40	44	59	4
210	158	135	(52)	All Other	1,490	1,688	1,853	198
387	338	275	(49)	<b>Total Expenses, net of other income</b>	3,477	3,758	3,797	281
<b>\$84</b>	<b>\$185</b>	<b>\$269</b>	<b>(\$101)</b>	<b>EBITDA</b>	<b>\$3,678</b>	<b>\$3,279</b>	<b>\$2,978</b>	<b>\$399</b>
90	90	95	-	Depreciation and Amortization	956	1,035	925	79
-	-	-	-	AFUDC	-	-	-	-
<b>(\$6)</b>	<b>\$95</b>	<b>\$174</b>	<b>(\$101)</b>	<b>EBIT</b>	<b>\$2,722</b>	<b>\$2,244</b>	<b>\$2,053</b>	<b>\$478</b>
69	71	69	2	Interest - External Debt	771	772	772	1
-	5	4	5	Interest - Interco Debt	13	28	20	15
69	76	73	7	Total Interest	784	800	792	16
<b>(\$75)</b>	<b>\$19</b>	<b>\$101</b>	<b>(\$94)</b>	<b>EBT</b>	<b>\$1,938</b>	<b>\$1,444</b>	<b>\$1,261</b>	<b>\$494</b>
(131)	1	20	132	Income Taxes	153	229	239	76
<b>\$56</b>	<b>\$18</b>	<b>\$81</b>	<b>\$38</b>	<b>Net Income</b>	<b>\$1,785</b>	<b>\$1,215</b>	<b>\$1,022</b>	<b>\$570</b>



Return on Equity

- November NH ROE is 9.59% compared to a target of 6.75%. Variance due primarily to higher Utility Operating income on a 12 month rolling basis (299 bps), lower debt cost (25 bps) and favorable equity thickness (3 bps), offset by higher rate base (-42bps).

Revenues

- MTD Revenues are unfavorable by \$52K due to unfavorable tax reform refund true-up and YTD Revenues are favorable \$118K due to increased consumption as a result of hot, dry weather for the seasonal months offset by unfavorable tax reform true-up. Billed consumption is favorable MTD and YTD by .5MG and 52MG, respectively, due to hot, dry weather. Production is unfavorable MTD 2.4MG and favorable YTD 34.3MG.

Expenses

- MTD Other Taxes are on target and YTD Other Taxes are unfavorable by \$17K. YTD variance due to unfavorable property taxes.
- MTD and YTD Purchased Power are unfavorable by \$1K and \$19K, respectively. YTD variance due to higher production and more power needed because of lower well levels.
- MTD and YTD Pension are favorable by \$2K and \$20K, respectively. Variances due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$7K and \$71K, respectively. Variances due to true up from actuary.
- MTD Medical is unfavorable by \$1K and YTD Medical is favorable by \$44K. YTD variance due to lower premiums than budget.
- MTD All Other expenses are unfavorable by \$52K and YTD All Other expenses are favorable by \$198K. MTD variance due to higher Maintenance expense partially offset by lower Legal and Interdivisional Allocation expense. YTD variance due to lower Legal and Interdivisional Allocation, partially offset by higher Management Allocation expense (legal expense from Eversource) and lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
November 30, 2020  
(Dollars in thousands)**

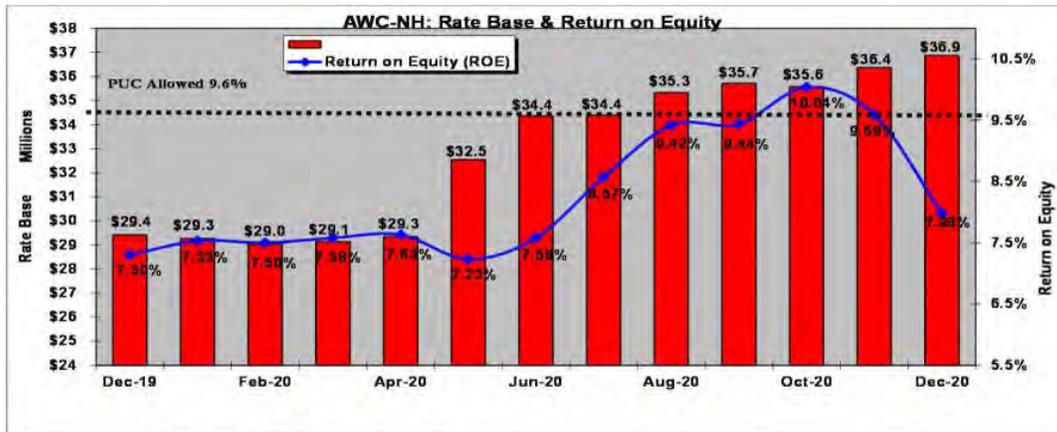
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 166 of 186

Month				Year To Date				
2020	Budget	2019	Variance	AWC-NH	2020	Budget	2019	Variance
54	-	137	(54)	Mains	3,429	1,442	2,326	(1,987)
(178)	315	44	493	Transmission & Distribution	166	1,368	327	1,202
1	18	-	17	IT	47	213	-	166
3	7	3	4	Meters	88	151	172	63
140	390	25	250	Source of Supply	499	1,300	408	801
7	7	4	-	Pumping	41	31	116	(10)
71	1	307	(70)	Treatment	686	55	1,173	(631)
-	-	-	-	General Plant	130	134	133	4
<b>98</b>	<b>738</b>	<b>520</b>	<b>640</b>		<b>5,086</b>	<b>4,694</b>	<b>4,655</b>	<b>(392)</b>

- **Mains** – The variance is primarily due to Locke Road, Mill Road, Richards and Elaine Street main replacements. Year-end actuals are expected to be slightly higher than targets.
- **Transmission & Distribution** – The variance was primarily due to the Exeter Road Tank Improvement project. Year-end actuals are expected to be slightly higher than targets.
- **IT** – The variance is primarily due to the Winnicut WTP 4-Log Improvements and SCADA Automation Programming projects. Year-end actuals are expected to meet targets.
- **Meters** – Meters were below target through November. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance was primarily due to the Well 7/Well 22 Improvements and Well 14A Improvement projects, offset slightly by the Mill Road Centralized Treatment project. Year-end actuals are expected to be lower than targets.
- **Pumping** – The variance is primarily due to miscellaneous Pumping Recurring projects. Year-end actuals are expected to meet target.
- **Treatment** – The variance was primarily due the Mill Road Centralized Treatment and the Little River Wellfield Electrical Improvements projects. Year-end actuals are expected to meet targets.
- **General & Other** – General & Other is on target through Nov. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**December 31, 2020**  
(Dollars in thousands)

Month				Year To Date				
2020	Budget	2019	Budget Variance		2020	Budget	2019	Budget Variance
\$467	\$542	\$451	(\$75)	<b>Revenue</b>	\$7,622	\$7,579	\$7,226	\$43
80	81	71	1	Labor	857	846	866	(11)
129	67	63	(62)	Other Taxes	885	806	753	(79)
17	16	18	(1)	Purchased Power	233	213	216	(20)
(2)	-	3	2	Pension	(23)	(1)	41	22
(2)	4	(7)	6	Retiree Medical	(26)	51	(85)	77
20	21	18	1	Medical	206	251	221	45
5	3	1	(2)	Chemicals	62	52	40	(10)
1	8	1	7	Main Break Costs	41	52	60	11
106	155	96	49	All Other	1,596	1,843	1,949	247
354	355	264	1	<b>Total Expenses, net of other income</b>	3,831	4,113	4,061	282
\$113	\$187	\$187	(\$74)	<b>EBITDA</b>	\$3,791	\$3,466	\$3,165	\$325
86	92	62	6	Depreciation and Amortization	1,042	1,127	987	85
-	-	-	-	AFUDC	-	-	-	-
\$27	\$95	\$125	(\$68)	<b>EBIT</b>	\$2,749	\$2,339	\$2,178	\$410
72	70	71	(2)	Interest - External Debt	843	842	843	(1)
1	5	5	4	Interest - Interco Debt	14	33	25	19
73	75	76	2	Total Interest	857	875	868	18
(\$46)	\$20	\$49	(\$66)	<b>EBT</b>	\$1,892	\$1,464	\$1,310	\$428
89	4	(23)	(85)	Income Taxes	242	233	216	(9)
(\$135)	\$16	\$72	(\$151)	<b>Net Income</b>	\$1,650	\$1,231	\$1,094	\$419



Return on Equity

- December NH ROE is 7.98% compared to a target of 6.25%. Variance due primarily to higher Utility Operating Income on a 12 month rolling basis (192 bps), lower debt cost (15 bps), partially offset by higher rate base (-28bps).

Revenues

- MTD Revenues are unfavorable by \$75K due mainly to unfavorable tax reform refund and YTD Revenues are favorable \$43K due to increased consumption as a result of hot, dry weather for the seasonal months, partially offset by unfavorable tax reform refund. Billed consumption is favorable YTD by 53MG due to hot, dry weather. Production is favorable YTD by 34.3MG.

Expenses

- MTD and YTD Other Taxes are unfavorable by \$62K and \$79K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD and YTD Purchased Power are unfavorable by \$1K and \$20K, respectively. YTD variance due to higher production and more power needed because of lower well levels caused by the drought.
- MTD and YTD Pension are favorable by \$2K and \$22K, respectively. Variances due to true up from actuary.
- MTD and YTD Retiree Medical are favorable by \$6K and \$77K, respectively. Variances due to true up from actuary.
- MTD and YTD Medical are favorable by \$1K and \$45K, respectively. YTD variance due to lower premiums than budget.
- MTD and YTD Main Breaks are favorable by \$7K and \$11K, respectively. YTD actual main breaks were 9 vs budget of 14.
- MTD and YTD All Other expenses are favorable by \$49K and \$247K, respectively. MTD variance due to CoBank patronage distribution \$38K and lower Legal and Interdivisional Allocation expense. YTD variance due to lower Legal, Interdivisional Allocation and CoBank patronage, partially offset by higher Maintenance, Management Allocation expense (legal expense from Eversource) and lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
December 31, 2020  
(Dollars in thousands)**

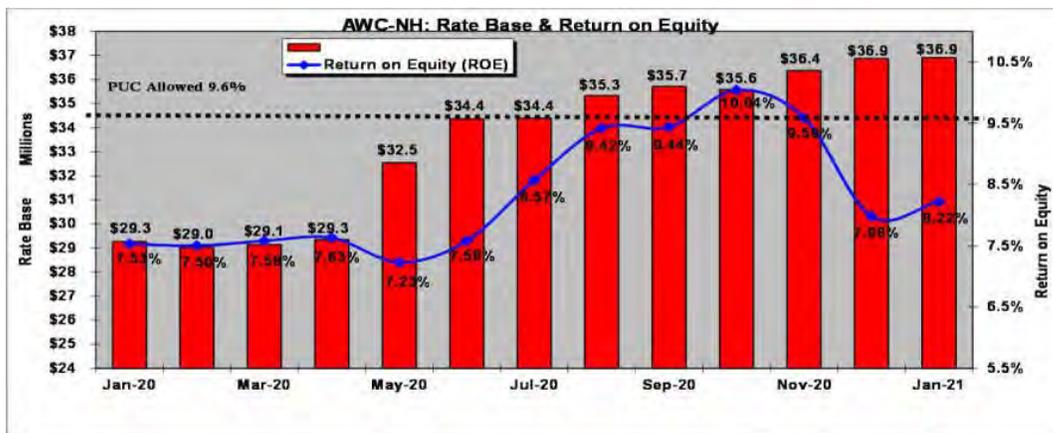
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 168 of 186

Month				AWC-NH	Year To Date			
2020	Budget	2019	Variance		2020	Budget	2019	Variance
45	-	373	(45)	Mains	3,474	1,442	\$ 2,699	(2,032)
6	324	23	318	Transmission & Distribution	172	1,692	350	1,520
9	17	-	8	IT	56	230	-	174
1	8	11	7	Meters	89	159	183	70
106	500	(2)	394	Source of Supply	605	1,800	406	1,195
24	12	7	(12)	Pumping	65	43	123	(22)
138	1	301	(137)	Treatment	824	56	1,474	(768)
-	6	-	6	General Plant	130	140	133	10
<b>329</b>	<b>868</b>	<b>713</b>	<b>539</b>		<b>5,415</b>	<b>5,562</b>	<b>5,368</b>	<b>147</b>

- **Mains** – Variance due to Locke Road, Mill Road, Richards and Elaine Street main replacements.
- **Transmission & Distribution** – Variance due to the Exeter Road Tank Improvement project.
- **IT** – Variance due to the Winnicut WTP 4-Log Improvements and SCADA Automation Programming projects.
- **Meters** – Meters were below target for the year.
- **Source of Supply** – Variance was primarily due to the Well 7/Well 22 Improvements and Well 14A Improvement projects, offset slightly by the Mill Road Centralized Treatment and Water System Storage Plan projects.
- **Pumping** – Variance was primarily due miscellaneous Pumping Recurring projects.
- **Treatment** – Variance was primarily due to the Mill Road Centralized Treatment and the Little River Wellfield Electrical Improvements projects.
- **General & Other** – General & Other was on target for the year.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**January 31, 2021**  
(Dollars in thousands)

Month				Year To Date				
2021	Budget	2020	Budget Variance		2021	Budget	2020	Budget Variance
<b>\$529</b>	<b>\$560</b>	<b>\$520</b>	<b>(\$31)</b>	<b>Revenue</b>	<b>\$529</b>	<b>\$560</b>	<b>\$520</b>	<b>(\$31)</b>
71	77	81	6	Labor	71	77	81	6
85	70	74	(15)	Other Taxes	85	70	74	(15)
19	14	18	(5)	Purchased Power	19	14	18	(5)
(7)	(3)	-	4	Pension	(7)	(3)	-	4
(5)	(4)	4	1	Retiree Medical	(5)	(4)	4	1
20	18	17	(2)	Medical	20	18	17	(2)
2	4	3	2	Chemicals	2	4	3	2
1	4	12	3	Main Break Costs	1	4	12	3
110	145	130	35	All Other	110	145	130	35
<b>296</b>	<b>325</b>	<b>339</b>	<b>29</b>	<b>Total Expenses, net of other income</b>	<b>296</b>	<b>325</b>	<b>339</b>	<b>29</b>
<b>\$233</b>	<b>\$235</b>	<b>\$181</b>	<b>(\$2)</b>	<b>EBITDA</b>	<b>\$233</b>	<b>\$235</b>	<b>\$181</b>	<b>(\$2)</b>
95	94	87	(1)	Depreciation and Amortization	95	94	87	(1)
-	-	-	-	AFUDC	-	-	-	-
<b>\$138</b>	<b>\$141</b>	<b>\$94</b>	<b>(\$3)</b>	<b>EBIT</b>	<b>\$138</b>	<b>\$141</b>	<b>\$94</b>	<b>(\$3)</b>
70	70	70	-	Interest - External Debt	70	70	70	-
1	3	3	2	Interest - Interco Debt	1	3	3	2
71	73	73	2	Total Interest	71	73	73	2
<b>\$67</b>	<b>\$68</b>	<b>\$21</b>	<b>(\$1)</b>	<b>EBT</b>	<b>\$67</b>	<b>\$68</b>	<b>\$21</b>	<b>(\$1)</b>
7	7	4	-	Income Taxes	7	7	4	-
<b>\$60</b>	<b>\$61</b>	<b>\$17</b>	<b>(\$1)</b>	<b>Net Income</b>	<b>\$60</b>	<b>\$61</b>	<b>\$17</b>	<b>(\$1)</b>



Return on Equity

- January NH ROE is 8.22% compared to a target of 9.69%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-86 bps), unfavorable equity thickness (-36 bps) and higher debt cost (-24 bps) due to lower levels of intercompany borrowings when compared to budget.

Revenues

- Revenues are unfavorable by \$31K due to unfavorable tax reform refund and lower usage.

Expenses

- Other Taxes are unfavorable by \$15K. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- Purchased Power is unfavorable by \$5K. Variance due to the new Mill Rd well treatment facility expenses higher than budget.
- Pension Expense is favorable by \$4K. Variance due to updated 2021 expense from actuary.
- All Other expenses are favorable by \$35K. Variance due to lower Maintenance and Lab Contract Costs, partially offset by lower Jobbing.

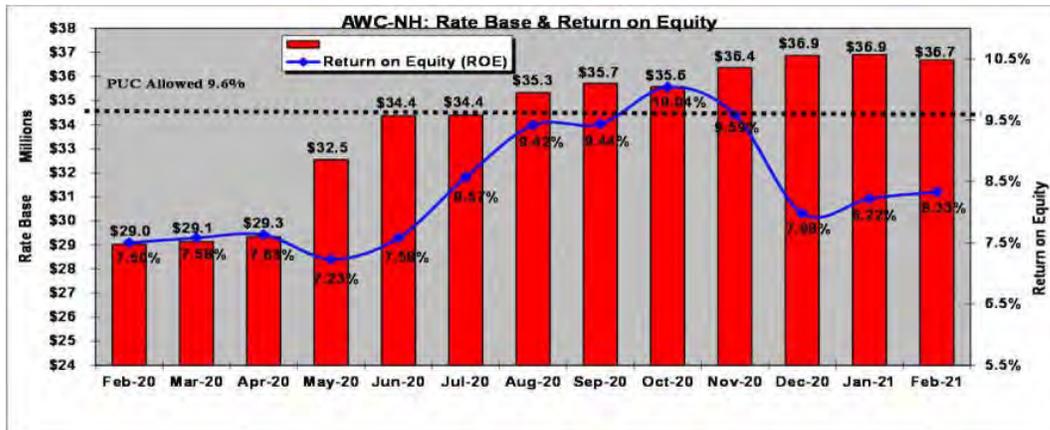
**Capital Expenditures  
 Comparison to Budget  
 January 31, 2021  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2021	Budget	2020	Variance		2021	Budget	2020	Variance
16	-	12	(16)	Mains	16	-	\$ 12	(16)
7	54	21	47	Transmission & Distribution	7	54	21	47
-	2	-	2	IT	-	2	-	2
1	10	13	9	Meters	1	10	13	9
5	5	68	-	Source of Supply	5	5	68	-
1	-	-	(1)	Pumping	1	-	-	(1)
30	11	101	(19)	Treatment	30	11	101	(19)
-	-	-	-	General Plant	-	-	-	-
<b>60</b>	<b>82</b>	<b>215</b>	<b>22</b>		<b>60</b>	<b>82</b>	<b>215</b>	<b>22</b>

- **Mains** – Mains were higher than target for the month of January. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to higher Service Replacements. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated for the month of January. Year-end actuals are expected to meet targets.
- **Source of Supply** – On target for the month. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**February 28, 2021**  
(Dollars in thousands)

Month					Year To Date			
2021	Budget	2020	Budget Variance		2021	Budget	2020	Budget Variance
\$467	\$500	\$473	(\$33)	Revenue	\$996	\$1,060	\$993	(\$64)
68	69	65	1	Labor	139	146	146	7
84	70	71	(14)	Other Taxes	169	140	145	(29)
20	12	17	(8)	Purchased Power	39	26	35	(13)
(7)	(2)	-	5	Pension	(14)	(5)	-	9
(6)	(4)	4	2	Retiree Medical	(11)	(8)	8	3
19	18	17	(1)	Medical	39	36	34	(3)
6	3	2	(3)	Chemicals	8	7	5	(1)
-	5	3	5	Main Break Costs	1	9	15	8
116	124	133	8	All Other	226	269	263	43
300	295	312	(5)	<b>Total Expenses, net of other income</b>	596	620	651	24
\$167	\$205	\$161	(\$38)	<b>EBITDA</b>	\$400	\$440	\$342	(\$40)
95	96	88	1	Depreciation and Amortization	190	190	175	-
-	-	-	-	AFUDC	-	-	-	-
\$72	\$109	\$73	(\$37)	<b>EBIT</b>	\$210	\$250	\$167	(\$40)
69	70	70	1	Interest - External Debt	139	140	140	1
-	4	2	4	Interest - Interco Debt	1	7	5	6
69	74	72	5	Total Interest	140	147	145	7
\$3	\$35	\$1	(\$32)	<b>EBT</b>	\$70	\$103	\$22	(\$33)
1	3	-	2	Income Taxes	8	10	4	2
\$2	\$32	\$1	(\$30)	<b>Net Income</b>	\$62	\$93	\$18	(\$31)



**Return on Equity**

- February NH ROE is 8.33% compared to a target of 9.93%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-106 bps), unfavorable equity thickness (-41 bps) and higher debt cost (-28 bps) due to lower levels of intercompany borrowings when compared to budget.

**Revenues**

- MTD and YTD Revenues are unfavorable by \$33K and \$64K, respectively. Variances due mainly to unfavorable tax reform refund, lower than expected billed consumption and WICA.

**Expenses**

- MTD and YTD Other Taxes are unfavorable by \$14K and \$29K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD and YTD Purchased Power is unfavorable by \$8K and \$13K, respectively. Variances due to the new Mill Rd well treatment facility expenses higher than budget.
- MTD and YTD Pension Expense is favorable by \$5K and \$9K, respectively. Variances due to updated 2021 expense from actuary.
- MTD and YTD Main Breaks expense is favorable by \$5K and \$8K, respectively. Variances due to no main breaks YTD vs two budgeted.
- MTD and YTD All Other expenses are favorable by \$8K and \$43K, respectively. MTD variance due to lower Maintenance costs. YTD variance due to lower Maintenance and Lab Contract Costs, partially offset by lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
February 28, 2021  
(Dollars in thousands)**

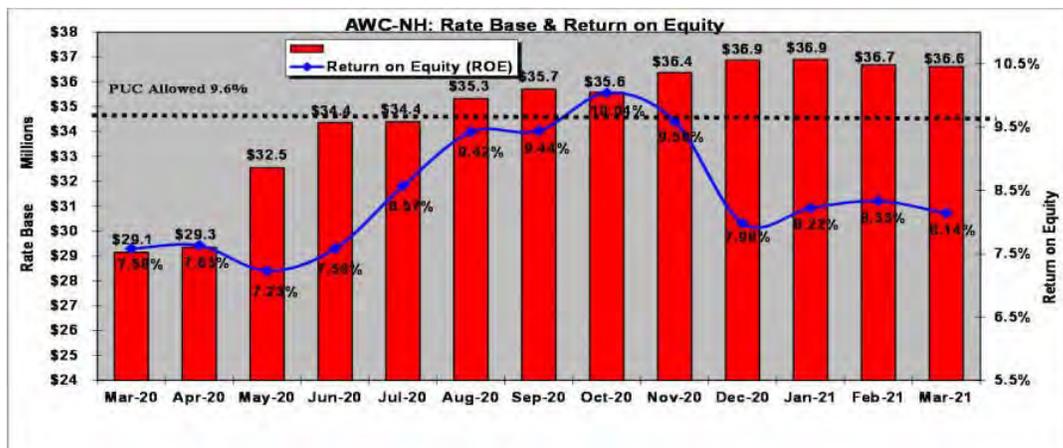
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 172 of 186

Month				Year To Date				
2021	Budget	2020	Variance	AWC-NH	2021	Budget	2020	Variance
9	3	(6)	(6)	Mains	25	3	\$ 6	(22)
2	112	27	110	Transmission & Distribution	9	166	48	157
4	1	-	(3)	IT	4	3	-	(1)
2	15	21	13	Meters	3	25	34	22
-	32	35	32	Source of Supply	5	37	103	32
4	1	-	(3)	Pumping	5	1	-	(4)
72	18	46	(54)	Treatment	102	29	147	(73)
-	2	5	2	General Plant	-	2	5	2
<b>93</b>	<b>184</b>	<b>128</b>	<b>91</b>		<b>153</b>	<b>266</b>	<b>343</b>	<b>113</b>

- **Mains** – Mains were higher than target through February. Year-end actuals are expected to meet targets.
- **T&D** – The variance is primarily due to the Jenness Beach Tank Rehabilitation project. Year-end actuals are expected to meet targets.
- **IT** – Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through February. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to meet targets.
- **General** – The variance is primarily due to miscellaneous General Recurring. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**March 31, 2021**  
(Dollars in thousands)

Month				Year To Date				
2021	Budget	2020	Budget Variance		2021	Budget	2020	Budget Variance
<b>\$518</b>	<b>\$555</b>	<b>\$505</b>	<b>(\$37)</b>	<b>Revenue</b>	<b>\$1,514</b>	<b>\$1,615</b>	<b>\$1,498</b>	<b>(\$101)</b>
78	79	73	1	Labor	217	225	219	8
83	71	72	(12)	Other Taxes	252	211	217	(41)
20	13	23	(7)	Purchased Power	59	39	58	(20)
(7)	(3)	-	4	Pension	(21)	(8)	-	13
(5)	(4)	5	1	Retiree Medical	(16)	(12)	13	4
20	18	17	(2)	Medical	59	54	51	(5)
5	3	3	(2)	Chemicals	13	10	8	(3)
3	4	3	1	Main Break Costs	4	13	18	9
135	141	130	6	All Other	361	410	393	49
<b>332</b>	<b>322</b>	<b>326</b>	<b>(10)</b>	<b>Total Expenses, net of other income</b>	<b>928</b>	<b>942</b>	<b>977</b>	<b>14</b>
<b>\$186</b>	<b>\$233</b>	<b>\$179</b>	<b>(\$47)</b>	<b>EBITDA</b>	<b>\$586</b>	<b>\$673</b>	<b>\$521</b>	<b>(\$87)</b>
95	95	62	-	Depreciation and Amortization	285	285	237	-
-	-	-	-	AFUDC	-	-	-	-
<b>\$91</b>	<b>\$138</b>	<b>\$117</b>	<b>(\$47)</b>	<b>EBIT</b>	<b>\$301</b>	<b>\$388</b>	<b>\$284</b>	<b>(\$87)</b>
70	70	71	-	Interest - External Debt	209	210	211	1
1	4	3	3	Interest - Interco Debt	2	11	8	9
71	74	74	3	Total Interest	211	221	219	10
<b>\$20</b>	<b>\$64</b>	<b>\$43</b>	<b>(\$44)</b>	<b>EBT</b>	<b>\$90</b>	<b>\$167</b>	<b>\$65</b>	<b>(\$77)</b>
2	8	7	6	Income Taxes	10	18	11	8
<b>\$18</b>	<b>\$56</b>	<b>\$36</b>	<b>(\$38)</b>	<b>Net Income</b>	<b>\$80</b>	<b>\$149</b>	<b>\$54</b>	<b>(\$69)</b>



Return on Equity

- March NH ROE is 8.14% compared to a target of 9.99%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-129 bps), unfavorable equity thickness (-48 bps) and higher debt cost (-39 bps) due to lower levels of intercompany borrowings.

Revenues

- MTD and YTD Revenues are unfavorable by \$37K and \$101K, respectively. Variances due mainly to lower than expected fixed charges and unfavorable tax reform refund.

Expenses

- MTD and YTD Other Taxes are unfavorable by \$12K and \$41K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD and YTD Purchased Power is unfavorable by \$7K and \$20K, respectively. Variances due to the new Mill Rd well treatment facility expenses higher than budget.
- MTD and YTD Pension Expense is favorable by \$4K and \$13K, respectively. Variances due to updated 2021 expense from actuary.
- MTD and YTD Main Breaks expense is favorable by \$1K and \$9K, respectively. Variances due to one main break YTD vs three budgeted.
- MTD and YTD All Other expenses are favorable by \$6K and \$49K, respectively. MTD variance due to lower Maintenance costs partially offset by higher Allocations. YTD variance due to lower Maintenance and Lab Contract Costs, partially offset by lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
March 31, 2021  
(Dollars in thousands)**

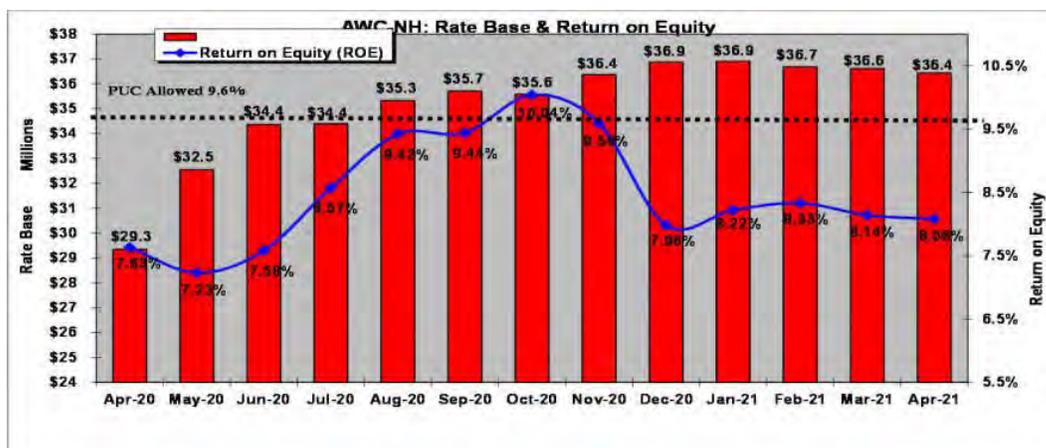
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 174 of 186

Month				AWC-NH	Year To Date			
2021	Budget	2020	Variance		2021	Budget	2020	Variance
7	84	(25)	77	Mains	32	87	\$ (19)	55
16	103	73	87	Transmission & Distribution	25	270	121	245
21	2	14	(19)	IT	25	5	14	(20)
2	19	11	17	Meters	5	44	45	39
13	19	35	6	Source of Supply	18	56	138	38
5	-	13	(5)	Pumping	10	1	13	(9)
40	13	48	(27)	Treatment	142	42	195	(100)
31	-	1	(31)	General Plant	31	2	6	(29)
<b>135</b>	<b>240</b>	<b>170</b>	<b>105</b>		<b>288</b>	<b>507</b>	<b>513</b>	<b>219</b>

- **Mains** – Mains were lower than target through March. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehabilitation project. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to SCADA Hardware and Software upgrades. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through March. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to Fixed Base Leak Loggers Phase 3. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire  
Financial Results  
April 30, 2021  
(Dollars in thousands)**

Month				Year To Date				
2021	Budget	2020	Budget Variance		2021	Budget	2020	Budget Variance
\$527	\$536	\$521	(\$9)	<b>Revenue</b>	\$2,041	\$2,151	\$2,019	(\$110)
67	74	71	7	Labor	284	299	290	15
85	70	67	(15)	Other Taxes	337	281	284	(56)
15	14	10	(1)	Purchased Power	74	53	68	(21)
(7)	(3)	-	4	Pension	(28)	(11)	-	17
(5)	(4)	(19)	1	Retiree Medical	(21)	(16)	(6)	5
19	19	17	-	Medical	78	73	68	(5)
4	4	5	-	Chemicals	17	14	13	(3)
4	5	9	1	Main Break Costs	8	18	27	10
145	154	140	9	All Other	506	564	533	58
327	333	300	6	<b>Total Expenses, net of other income</b>	1,255	1,275	1,277	20
\$200	\$203	\$221	(\$3)	<b>EBITDA</b>	\$786	\$876	\$742	(\$90)
97	98	90	1	Depreciation and Amortization	382	383	327	1
-	-	-	-	AFUDC	-	-	-	-
\$103	\$105	\$131	(\$2)	<b>EBIT</b>	\$404	\$493	\$415	(\$89)
71	70	69	(1)	Interest - External Debt	280	280	280	-
-	4	2	4	Interest - Interco Debt	2	15	10	13
71	74	71	3	Total Interest	282	295	290	13
\$32	\$31	\$60	\$1	<b>EBT</b>	\$122	\$198	\$125	(\$76)
3	3	9	-	Income Taxes	13	21	20	8
\$29	\$28	\$51	\$1	<b>Net Income</b>	\$109	\$177	\$105	(\$68)



**Return on Equity**

- April NH ROE is 8.08% compared to a target of 9.84%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-130 bps), unfavorable equity thickness (-34 bps) and higher debt cost (-47 bps) due to lower levels of intercompany borrowings when compared to budget, partially offset by lower rate base (37 bps).

**Revenues**

- MTD and YTD Revenues are unfavorable by \$9K and \$110K, respectively. MTD unfavorable due mainly to unfavorable tax reform refund and YTD unfavorable due mainly to lower fixed charges and unfavorable tax reform refund.

**Expenses**

- MTD and YTD Labor are favorable by \$7K and \$15K, respectively. Variances due to more labor charged to capital.
- MTD and YTD Other Taxes are unfavorable by \$15K and \$56K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD and YTD Purchased Power is unfavorable by \$1K and \$21K, respectively. Variances due to the new Mill Rd well treatment facility expenses higher than budget.
- MTD and YTD Pension Expense is favorable by \$4K and \$17K, respectively. Variances due to updated 2021 expense from actuary.
- MTD and YTD Main Breaks expense is favorable by \$1K and \$10K, respectively. YTD variance due to two main breaks vs four budgeted.
- MTD and YTD All Other expenses are favorable by \$9K and \$58K, respectively. Variances due to lower Maintenance costs, Lab Contract Costs and Other Consulting, partially offset by higher Allocations and lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
April 30, 2021  
(Dollars in thousands)**

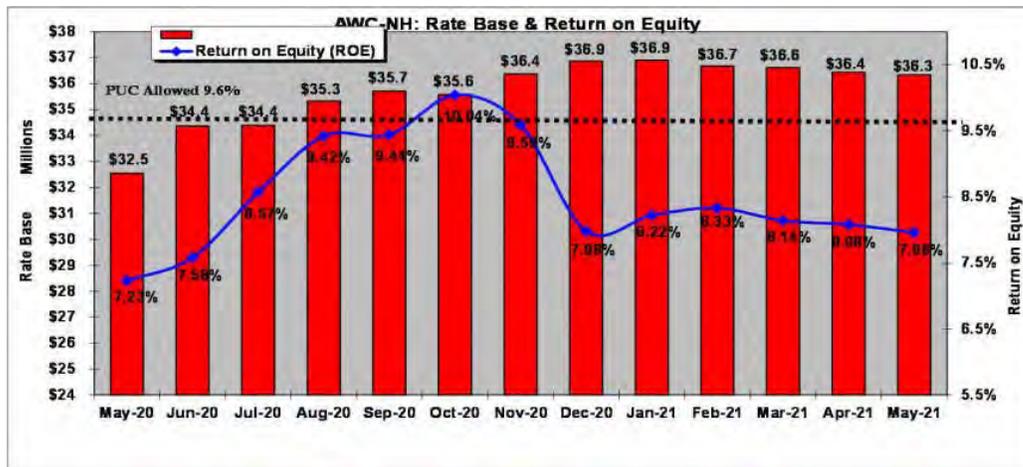
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 176 of 186

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>		<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>
(27)	317	387	344	Mains	5	404	\$ 368	399
15	81	38	66	Transmission & Distribution	40	351	159	311
(1)	3	21	4	IT	24	8	35	(16)
3	12	1	9	Meters	8	56	46	48
6	20	36	14	Source of Supply	24	76	174	52
5	4	17	(1)	Pumping	15	5	30	(10)
31	13	160	(18)	Treatment	173	55	355	(118)
5	7	1	2	General Plant	36	9	7	(27)
<b>37</b>	<b>457</b>	<b>661</b>	<b>420</b>		<b>325</b>	<b>964</b>	<b>1,174</b>	<b>639</b>

- **Mains** – The variance is primarily due to the High Street Main Replacement. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehabilitation project. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to SCADA Hardware upgrades. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through April. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to Fixed Base Leak Loggers Phase 3. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**May 31, 2021**  
(Dollars in thousands)

Month					Year To Date			
2021	Budget	2020	Budget Variance		2021	Budget	2020	Budget Variance
\$712	\$671	\$698	\$41	<b>Revenue</b>	\$2,753	\$2,822	\$2,717	(\$69)
64	68	65	4	Labor	348	367	355	19
83	70	66	(13)	Other Taxes	420	351	350	(69)
19	14	15	(5)	Purchased Power	93	67	83	(26)
(7)	(2)	-	5	Pension	(35)	(13)	-	22
(6)	(4)	(1)	2	Retiree Medical	(27)	(20)	(7)	7
15	18	17	3	Medical	93	91	85	(2)
8	5	6	(3)	Chemicals	25	19	19	(6)
5	4	2	(1)	Main Break Costs	13	22	29	9
138	142	94	4	All Other	644	706	627	62
319	315	264	(4)	<b>Total Expenses, net of other income</b>	1,574	1,590	1,541	16
\$393	\$356	\$434	\$37	<b>EBITDA</b>	\$1,179	\$1,232	\$1,176	(\$53)
96	95	89	(1)	Depreciation and Amortization	478	478	416	-
-	-	-	-	AFUDC	-	-	-	-
\$297	\$261	\$345	\$36	<b>EBIT</b>	\$701	\$754	\$760	(\$53)
70	70	70	-	Interest - External Debt	350	350	350	-
-	4	3	4	Interest - Interco Debt	2	19	13	17
70	74	73	4	Total Interest	352	369	363	17
\$227	\$187	\$272	\$40	<b>EBT</b>	\$349	\$385	\$397	(\$36)
24	21	44	(3)	Income Taxes	37	42	64	5
\$203	\$166	\$228	\$37	<b>Net Income</b>	\$312	\$343	\$333	(\$31)



Return on Equity

- May NH ROE is 7.96% compared to a target of 9.49%. Variance is due primarily to lower Utility Operating Income on a 12 month rolling basis (-111 bps), higher debt cost (-54 bps) and the resulting unfavorable equity thickness (-35 bps), partially offset by lower rate base (50 bps).

Revenues

- MTD Revenues are favorable by \$41K and YTD Revenues are unfavorable by \$69K. MTD favorable due mainly to higher than expected production partially offset by lower fixed charges and unfavorable tax reform refund. YTD Revenues are unfavorable due mainly to lower fixed charges and unfavorable tax reform refund, offset by higher production in May.

Expenses

- MTD and YTD Labor are favorable by \$5K and \$19K, respectively. YTD variance due to more labor charged to capital and an employee replaced at a lower pay rate.
- MTD and YTD Other Taxes are unfavorable by \$13K and \$69K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD and YTD Purchased Power is unfavorable by \$5K and \$26K, respectively. Variances due to the new Mill Rd well treatment facility expenses higher than budget and higher production in May.
- MTD and YTD Pension Expense is favorable by \$5K and \$22K, respectively. Variances due to updated 2021 expense from actuary.
- YTD Main Breaks expense is favorable by \$9K due to three main breaks vs five budgeted.
- MTD and YTD All Other expenses are favorable by \$4K and \$62K, respectively. YTD variances due to lower Maintenance costs, Lab Contract Costs and Other Consulting, partially offset by higher Management Allocations expense (legal expense from Eversource) and lower Jobbing.

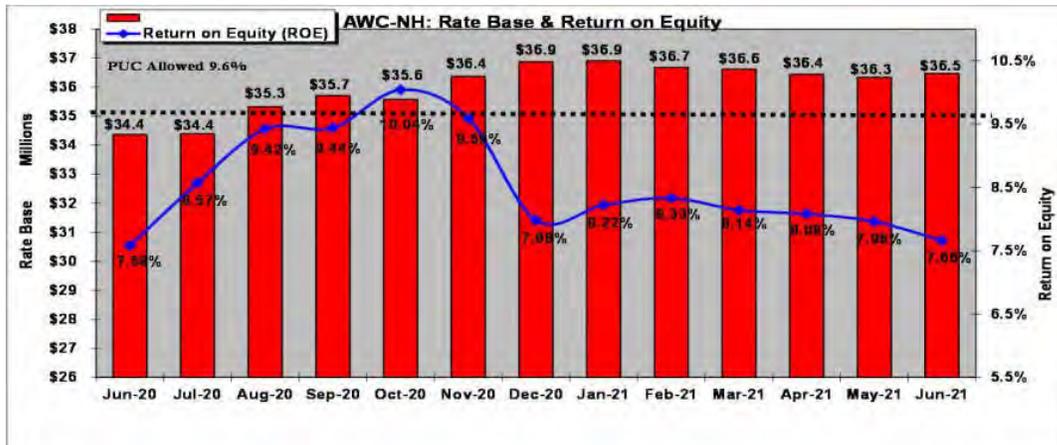
**Capital Expenditures  
 Comparison to Budget  
 May 31, 2021  
 (Dollars in thousands)**

Month				AWC-NH	Year To Date			
2021	Budget	2020	Variance		2021	Budget	2020	Variance
251	319	571	68	Mains	256	723	\$ 938	467
7	16	17	9	Transmission & Distribution	47	367	176	320
7	4	3	(3)	IT	31	12	38	(19)
13	23	4	10	Meters	21	79	50	58
-	15	6	15	Source of Supply	24	91	180	67
10	4	-	(6)	Pumping	25	9	30	(16)
58	18	(3)	(40)	Treatment	231	73	352	(158)
(2)	32	73	34	General Plant	34	41	80	7
<b>344</b>	<b>431</b>	<b>671</b>	<b>87</b>		<b>669</b>	<b>1,395</b>	<b>1,844</b>	<b>726</b>

- **Mains** – The variance is primarily due to the High Street Main Replacement. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehabilitation project. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to SCADA Hardware Upgrades and the Winnicut WTP 4-log Pipe Improvement projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through May. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to Fixed Base Leak Loggers Phase 3. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**June 30, 2021**  
(Dollars in thousands)

Month					Year To Date			
2021	Budget	2020	Budget Variance		2021	Budget	2020	Budget Variance
<b>\$845</b>	<b>\$706</b>	<b>\$880</b>	<b>\$139</b>	<b>Revenue</b>	<b>\$3,598</b>	<b>\$3,528</b>	<b>\$3,597</b>	<b>\$70</b>
74	74	67	-	Labor	422	441	422	19
84	71	68	(13)	Other Taxes	504	422	418	(82)
27	20	19	(7)	Purchased Power	120	87	102	(33)
17	(3)	(12)	(20)	Pension	(18)	(16)	(12)	2
(1)	(4)	(6)	(3)	Retiree Medical	(28)	(24)	(13)	4
17	18	17	1	Medical	110	109	102	(1)
7	7	9	-	Chemicals	32	26	28	(6)
2	5	3	3	Main Break Costs	15	27	32	12
148	137	116	(11)	All Other	792	843	743	51
<b>375</b>	<b>325</b>	<b>281</b>	<b>(50)</b>	<b>Total Expenses, net of other income</b>	<b>1,949</b>	<b>1,915</b>	<b>1,822</b>	<b>(34)</b>
<b>\$470</b>	<b>\$381</b>	<b>\$599</b>	<b>\$89</b>	<b>EBITDA</b>	<b>\$1,649</b>	<b>\$1,613</b>	<b>\$1,775</b>	<b>\$36</b>
92	95	96	3	Depreciation and Amortization	570	573	512	3
-	-	-	-	AFUDC	-	-	-	-
<b>\$378</b>	<b>\$286</b>	<b>\$503</b>	<b>\$92</b>	<b>EBIT</b>	<b>\$1,079</b>	<b>\$1,040</b>	<b>\$1,263</b>	<b>\$39</b>
70	70	70	-	Interest - External Debt	420	420	420	-
1	4	(1)	3	Interest - Interco Debt	3	23	12	20
71	74	69	3	Total Interest	423	443	432	20
<b>\$307</b>	<b>\$212</b>	<b>\$434</b>	<b>\$95</b>	<b>EBT</b>	<b>\$656</b>	<b>\$597</b>	<b>\$831</b>	<b>\$59</b>
33	22	68	(11)	Income Taxes	70	64	132	(6)
<b>\$274</b>	<b>\$190</b>	<b>\$366</b>	<b>\$84</b>	<b>Net Income</b>	<b>\$586</b>	<b>\$533</b>	<b>\$699</b>	<b>\$53</b>



Return on Equity

- June NH ROE is 7.66% compared to a target of 8.52%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-68 bps), unfavorable equity thickness (-32 bps) and higher debt cost (-36 bps), partially offset by lower rate base (50 bps).

Revenues

- MTD and YTD Revenues are favorable by \$139K and \$70K, respectively. MTD and YTD variances due mainly to higher than expected production as a result of increased water usage due to higher than average temperatures partially, offset by lower fixed charges and unfavorable tax reform refund.

Expenses

- MTD Labor is on target and YTD Labor is favorable by \$19K. YTD variance due to more labor charged to capital and an employee replaced at a lower pay rate.
- MTD and YTD Other Taxes are unfavorable by \$13K and \$82K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD and YTD Purchased Power is unfavorable by \$7K and \$33K, respectively. Variances due to the new Mill Rd well treatment facility expenses higher than budget and higher production in May and June.
- MTD Pension expense is unfavorable by \$20K and YTD Pension expense is favorable by \$2K. Variances due to updated 2021 expense from actuary.
- MTD and YTD Main Breaks expense is favorable by \$3K and \$12K, respectively. YTD variance due to four main breaks vs six budgeted.
- MTD All Other expenses are unfavorable by \$11K and YTD All Other expenses are favorable by \$51K. MTD variance due to higher Operating expense and higher Management Allocation expense (legal expense from Eversource), partially offset by lower Consulting fees. YTD variances due to lower Maintenance costs, Lab Contract Costs and Other Consulting, partially offset by higher Management Allocations expense (legal expense from Eversource) and higher Operating expense.

**Capital Expenditures  
Comparison to Budget  
June 30, 2021  
(Dollars in thousands)**

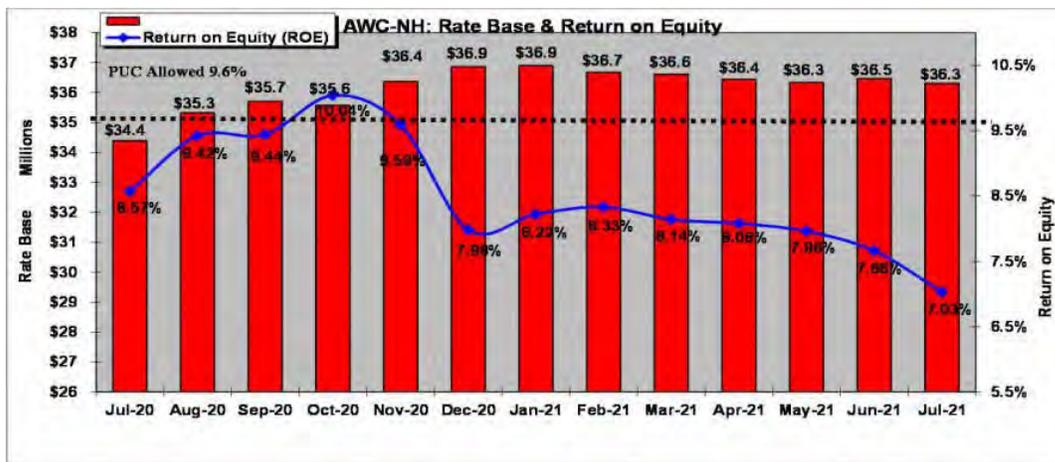
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 180 of 186

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>		<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>
440	263	657	(177)	Mains	697	986	\$ 1,595	289
31	19	25	(12)	Transmission & Distribution	78	386	201	308
-	6	-	6	IT	31	18	38	(13)
30	20	11	(10)	Meters	51	99	61	48
11	18	(4)	7	Source of Supply	35	109	176	74
1	-	-	(1)	Pumping	26	9	30	(17)
129	16	131	(113)	Treatment	360	89	483	(271)
-	7	32	7	General Plant	34	48	112	14
<b>642</b>	<b>349</b>	<b>852</b>	<b>(293)</b>		<b>1,312</b>	<b>1,744</b>	<b>2,696</b>	<b>432</b>

- **Mains** – Mains are lower than target through June. Year-end actuals are expected to be higher than targets.
- **Transmission & Distribution** – The variance is primarily due to the Exeter Road Tank Improvement project. Year-end actuals are to be on target.
- **IT** – The variance is primarily due to SCADA Automation Programming project, offset slightly by higher spending on the Winnicut WTP 4-Log Pipe Improvement project. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were slightly lower than anticipated through June. Year-end actuals are expected to meet targets.
- **Source of Supply** –The variance is primarily due to the Well 7/22 Improvements and miscellaneous SOS recurring projects. Year-end actuals are expected to be slightly lower targets.
- **Pumping** – The variance is primarily due to higher miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road WTP Centralized Treatment and Well 7/Well 22 Treatment Improvement projects. Year-end actuals are expected to be slightly higher than targets.
- **General & Other** – General & Other is on target through June. Year-end actuals are expected to be slightly higher than targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**July 31, 2021**  
(Dollars in thousands)

Month				Year To Date				
2021	Budget	2020	Budget Variance		2021	Budget	2020	Budget Variance
\$734	\$832	\$867	(\$98)	<b>Revenue</b>	\$4,332	\$4,360	\$4,464	(\$28)
72	75	71	3	Labor	494	516	493	22
81	71	68	(10)	Other Taxes	585	493	486	(92)
22	24	26	2	Purchased Power	142	111	128	(31)
(2)	(2)	(2)	-	Pension	(20)	(18)	(14)	2
(5)	(4)	(2)	1	Retiree Medical	(33)	(28)	(15)	5
19	18	17	(1)	Medical	129	127	119	(2)
6	8	6	2	Chemicals	38	34	34	(4)
2	4	1	2	Main Break Costs	17	31	33	14
138	155	120	17	All Other	930	998	863	68
333	349	305	16	<b>Total Expenses, net of other income</b>	2,282	2,264	2,127	(18)
\$401	\$483	\$562	(\$82)	<b>EBITDA</b>	\$2,050	\$2,096	\$2,337	(\$46)
105	107	93	2	Depreciation and Amortization	675	680	605	5
-	-	-	-	AFUDC	-	-	-	-
\$296	\$376	\$469	(\$80)	<b>EBIT</b>	\$1,375	\$1,416	\$1,732	(\$41)
70	70	71	-	Interest - External Debt	490	490	491	-
-	5	-	5	Interest - Interco Debt	3	28	12	25
70	75	71	5	Total Interest	493	518	503	25
\$226	\$301	\$398	(\$75)	<b>EBT</b>	\$882	\$898	\$1,229	(\$16)
24	31	64	7	Income Taxes	94	95	196	1
\$202	\$270	\$334	(\$68)	<b>Net Income</b>	\$788	\$803	\$1,033	(\$15)



Return on Equity

- July NH ROE is 7.03% compared to a target of 8.93%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-118 bps), unfavorable equity thickness (-50 bps) and higher debt cost (-96 bps), partially offset by lower rate base (73 bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$98K and \$28K, respectively. MTD unfavorable due to lower production impacted by lower average temperatures and higher rainfall. YTD unfavorable due to lower production in July and higher tax reform, partially offset by higher production in May and June.

Expenses

- MTD and YTD Labor is favorable by \$3K and \$22K, respectively. YTD variance due to more labor charged to capital and an employee replaced at a lower pay rate.
- MTD and YTD Other Taxes are unfavorable by \$10K and \$92K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD Purchased Power is favorable by \$2K and YTD Purchased Power is unfavorable by \$31K. YTD variance due to the new Mill Rd well treatment facility expenses higher than budget and higher production in May and June.
- MTD and YTD Main Breaks expense is favorable by \$2K and \$14K, respectively. YTD variance due to four actual main breaks vs seven budgeted.
- MTD and YTD All Other expenses are favorable by \$17K and \$68K, respectively. MTD variance due to lower Lab Contract costs and lower Consulting, partially offset by higher Maintenance costs. YTD variance due to lower Maintenance costs, Lab Contract Costs and Other Consulting, partially offset by higher Management Allocations expense (legal expense from Eversource), higher Operating expense and lower Jobbing.

**Capital Expenditures  
Comparison to Budget  
July 31, 2021  
(Dollars in thousands)**

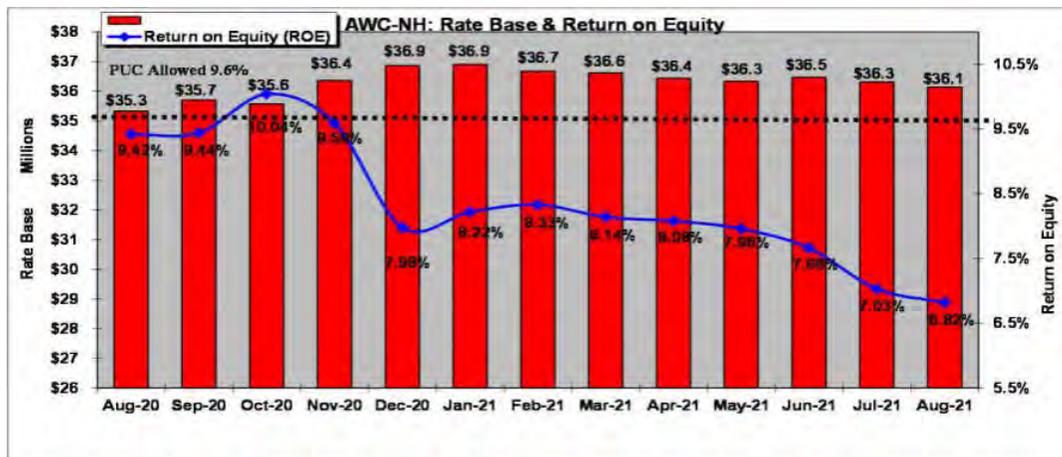
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 182 of 186

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>		<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>
296	211	216	(85)	Mains	992	1,197	\$ 1,811	205
17	16	20	(1)	Transmission & Distribution	95	402	221	307
-	3	3	3	IT	31	21	41	(10)
26	15	3	(11)	Meters	77	114	64	37
-	9	50	9	Source of Supply	35	118	226	83
12	-	-	(12)	Pumping	38	9	30	(29)
178	57	66	(121)	Treatment	538	146	549	(392)
-	-	2	-	General Plant	34	48	114	14
<b>529</b>	<b>311</b>	<b>360</b>	<b>(218)</b>		<b>1,840</b>	<b>2,055</b>	<b>3,056</b>	<b>215</b>

- **Mains** – The variance is primarily due to the High Street Main Replacement. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehabilitation project. Year-end actuals are expected to meet targets.
- **IT** – The variance is primarily due to SCADA Hardware Upgrades and the Winnicut WTP 4-log Pipe Improvement projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through July. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to meet targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to meet targets.
- **General & Other** – The variance is primarily due to Fixed Base Leak Loggers Phase 3. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**August 31, 2021**  
(Dollars in thousands)

Month				Year To Date				
2021	Budget	2020	Budget Variance	2021	Budget	2020	Budget Variance	
\$788	\$807	\$879	(\$19)	Revenue	\$5,120	\$5,167	\$5,343	(\$227)
69	74	68	5	Labor	563	590	561	27
78	70	67	(8)	Other Taxes	663	563	553	(100)
23	22	29	(1)	Purchased Power	165	133	157	(32)
(3)	(3)	(2)	-	Pension	(23)	(21)	(16)	2
(4)	(4)	(2)	-	Retiree Medical	(37)	(32)	(17)	5
22	18	17	(4)	Medical	151	145	136	(6)
8	8	6	-	Chemicals	46	42	40	(4)
1	4	2	3	Main Break Costs	18	35	35	17
114	131	143	17	All Other	1,044	1,129	1,006	85
308	320	328	12	<b>Total Expenses, net of other income</b>	2,590	2,584	2,455	(6)
\$480	\$487	\$551	(\$7)	<b>EBITDA</b>	\$2,530	\$2,583	\$2,888	(\$358)
106	109	89	3	Depreciation and Amortization	781	789	694	8
-	-	-	-	AFUDC	-	-	-	-
\$374	\$378	\$462	(\$4)	<b>EBIT</b>	\$1,749	\$1,794	\$2,194	(\$445)
71	71	70	-	Interest - External Debt	561	561	561	-
1	6	(1)	5	Interest - Interco Debt	4	34	11	30
72	77	69	5	Total Interest	565	595	572	30
\$302	\$301	\$393	\$1	<b>EBT</b>	\$1,184	\$1,199	\$1,622	(\$438)
31	33	61	2	Income Taxes	125	128	257	3
\$271	\$268	\$332	\$3	<b>Net Income</b>	\$1,059	\$1,071	\$1,365	(\$306)



Return on Equity

- August NH ROE is 6.82% compared to a target of 8.44%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-116 bps), unfavorable equity thickness (-42 bps) and higher debt cost (-87 bps), partially offset by lower rate base (82 bps).

Revenues

- MTD and YTD Revenues are unfavorable by \$19K and \$47K, respectively. MTD unfavorable due to higher tax reform. YTD unfavorable due to higher tax reform and lower than expected WICA fixed charges partially offset by higher production in May and June.

Expenses

- MTD and YTD Labor is favorable by \$5K and \$27K, respectively. YTD variance due to more labor charged to capital and an employee replaced at a lower pay rate.
- MTD and YTD Other Taxes are unfavorable by \$8K and \$100K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- MTD and YTD Purchased Power is unfavorable by \$1K and \$32K, respectively. YTD variance due to the new Mill Rd well treatment facility expenses higher than budget and higher production in May and June.
- MTD and YTD Main Breaks expense is favorable by \$3K and \$17K, respectively. YTD variance due to four actual main breaks vs eight budgeted.
- MTD and YTD All Other expenses are favorable by \$17K and \$85K, respectively. MTD variance due to lower Maintenance costs and lower Consulting partially offset by higher Management Allocations expense (legal expense from Eversource). YTD variance due to lower Maintenance costs, Lab Contract Costs and Other Consulting, partially offset by higher Management Allocations expense (legal expense from Eversource) and lower Jobbing Income.

**Capital Expenditures  
Comparison to Budget  
August 31, 2021  
(Dollars in thousands)**

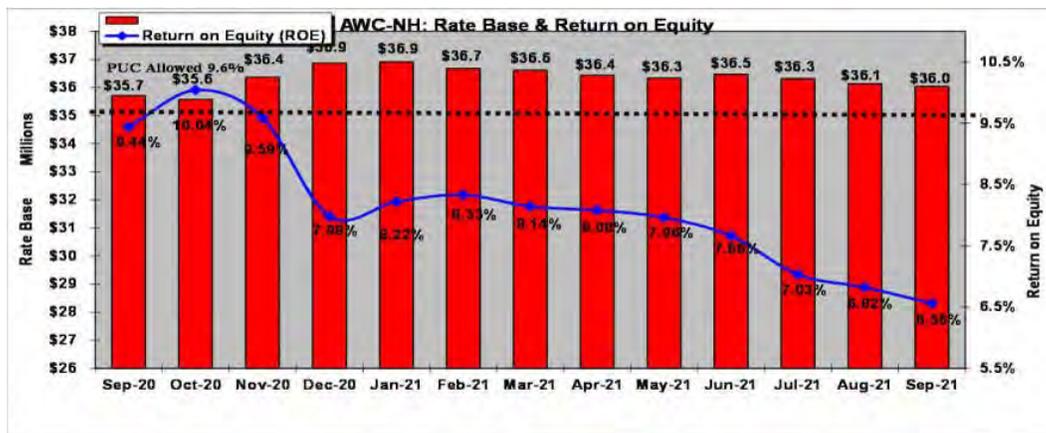
DW 20-184  
Joint Town 4-17 Attachment 1  
Page 184 of 186

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>		<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>
419	145	1,029	(274)	Mains	1,410	1,341	\$ 2,840	(69)
13	19	48	6	Transmission & Distribution	108	421	269	313
1	3	3	2	IT	32	24	44	(8)
30	17	4	(13)	Meters	107	131	68	24
3	-	71	(3)	Source of Supply	38	118	297	80
28	-	-	(28)	Pumping	66	9	30	(57)
143	51	47	(92)	Treatment	681	197	596	(484)
-	2	10	2	General Plant	34	50	124	16
<b>637</b>	<b>237</b>	<b>1,212</b>	<b>(400)</b>		<b>2,476</b>	<b>2,291</b>	<b>4,268</b>	<b>(185)</b>

- **Mains** – Main are on target through August. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehabilitation project. Year-end actuals are expected to be slightly lower than targets.
- **IT** – The variance is primarily due to SCADA Hardware Upgrades and the Winnicut WTP 4-log Pipe Improvement projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through August. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily miscellaneous Pumping Recurring. Year-end actuals are expected to exceed targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to exceed targets.
- **General & Other** – The variance is primarily due to Fixed Base Leak Loggers Phase 3. Year-end actuals are expected to meet targets.

**Aquarion Water Company of New Hampshire**  
**Financial Results**  
**September 30, 2021**  
(Dollars in thousands)

Month				Year To Date			
2021	Budget	2020	Budget Variance	2021	Budget	2020	Budget Variance
\$675	\$686	\$742	(\$11)	\$5,795	\$5,853	\$6,085	(\$58)
79	75	72	(4)	642	665	633	23
80	70	68	(10)	743	633	621	(110)
17	18	28	1	182	151	185	(31)
(3)	(3)	(1)	-	(26)	(24)	(17)	2
(5)	(3)	(2)	2	(42)	(35)	(19)	7
15	19	14	4	166	164	150	(2)
6	7	8	1	52	49	48	(3)
10	5	-	(5)	28	40	35	12
131	133	128	2	1,175	1,262	1,134	87
330	321	315	(9)	2,920	2,905	2,770	(15)
\$345	\$365	\$427	(\$20)	\$2,875	\$2,948	\$3,315	(\$73)
124	109	81	(15)	905	898	775	(7)
-	-	-	-	-	-	-	-
\$221	\$256	\$346	(\$35)	\$1,970	\$2,050	\$2,540	(\$80)
70	70	70	-	631	631	631	-
1	6	1	5	5	40	12	35
71	76	71	5	636	671	643	35
\$150	\$180	\$275	(\$30)	\$1,334	\$1,379	\$1,897	(\$45)
18	18	45	-	143	146	302	3
\$132	\$162	\$230	(\$30)	\$1,191	\$1,233	\$1,595	(\$42)



**Return on Equity**

- September NH ROE is 6.56% compared to a target of 8.09%. Variance due primarily to lower Utility Operating Income on a 12 month rolling basis (-151 bps), unfavorable equity thickness (-37 bps) and higher debt cost (-59 bps), partially offset by lower rate base (93 bps).

**Revenues**

- MTD and YTD Revenues are unfavorable by \$11K and \$58K, respectively. MTD unfavorable due to higher tax reform. YTD unfavorable due to higher tax reform and lower production in July, partially offset by higher production in May and June.

**Expenses**

- MTD Labor is unfavorable by \$4K and YTD Labor is favorable by \$23K. YTD variance due to more labor charged to capital and an employee replaced at a lower pay rate.
- MTD and YTD Other Taxes are unfavorable by \$10K and \$110K, respectively. Variances due to unfavorable property taxes as a result of significant increase in personal property additions.
- YTD Purchased Power is unfavorable by \$31K. YTD variance due to the new Mill Rd well treatment facility expenses higher than budget and higher production in May and June.
- MTD Main Breaks expense is unfavorable by \$5K and YTD Main Breaks expense is favorable by \$12K. MTD variance due to two actual main breaks in September vs. one budgeted. YTD variance due to six actual main breaks vs nine budgeted.
- YTD All Other expenses are favorable by \$87K. YTD variance due to lower Maintenance costs, Lab Contract Costs and Other Consulting, partially offset by higher Telecommunications costs, Management Allocations expense (legal expense from Eversource), and lower Jobbing Income.

**Capital Expenditures  
 Comparison to Budget  
 September 30, 2021  
 (Dollars in thousands)**

<b>Month</b>				<b>AWC-NH</b>	<b>Year To Date</b>			
<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>		<b>2021</b>	<b>Budget</b>	<b>2020</b>	<b>Variance</b>
(38)	93	338	131	Mains	1,372	1,435	\$ 3,178	63
15	17	29	2	Transmission & Distribution	123	438	298	315
-	1	1	1	IT	32	25	45	(7)
25	14	13	(11)	Meters	132	145	81	13
15	-	9	(15)	Source of Supply	53	118	306	65
17	4	-	(13)	Pumping	83	13	30	(70)
255	256	63	1	Treatment	936	453	659	(483)
-	4	5	4	General Plant	34	54	129	20
<b>289</b>	<b>389</b>	<b>458</b>	<b>100</b>		<b>2,765</b>	<b>2,681</b>	<b>4,726</b>	<b>(84)</b>

- **Mains** – Main are on target through September. Year-end actuals are expected to meet targets.
- **Transmission & Distribution** – The variance is primarily due to the Jenness Beach Tank Rehabilitation project. Year-end actuals are expected to be slightly lower than targets.
- **IT** – The variance is primarily due to SCADA Hardware Upgrades and the Winnicut WTP 4-log Pipe Improvement projects. Year-end actuals are expected to meet targets.
- **Meters** – Meter Replacements were lower than anticipated through September. Year-end actuals are expected to meet targets.
- **Source of Supply** – The variance is primarily due to the Well 22 project. Year-end actuals are expected to meet targets.
- **Pumping** – The variance was primarily due to miscellaneous Pumping Recurring. Year-end actuals are expected to exceed targets.
- **Treatment** – The variance is primarily due to the Mill Road Well 6 – PFAS Treatment project. Year-end actuals are expected to exceed targets.
- **General & Other** – The variance is primarily due to Fixed Base Leak Loggers Phase 3 and miscellaneous General Recurring projects. Year-end actuals are expected to meet targets.

**EXHIBIT BCO-10**

BION C. OSTRANDER – DIRECT TESTIMONY

DOCKET NO. DW 20-184

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-7

Date of Response: November 12, 2021  
Witness: D. Szabo

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REQUEST: Aquarion's Annual Reports (A-11) shows affiliate charges for Accounting, Information Technology, Customer Service, and Regulatory related services of \$600,327 in 2017, \$606,028 in 2018, \$704,240 in 2019, and \$533,795 in 2020. Address the following:

- a) Provide the rate case adjustments proposed by Aquarion that impact each of the above affiliate services (by account number and each service) and provide the adjusted amount of affiliate charges for each of the above affiliate services included in this rate case (by account number and service).
- b) Regarding (a) above, explain why Aquarion's adjustment for these affiliate services does not reduce the related 2019 per book affiliate expenses from \$704,240 to a level that approximates the 2020 per book affiliate expenses of \$533,795. Explain why it is not reasonable to adjust these affiliate service expenses to the 2020 per book amount of \$533,795, and provide all supporting documentation and calculations to support Aquarion's position.
- c) Explain why the 2020 level of affiliate service expenses of \$533,795 is not considered a reasonable or recurring level of expenses for these related services, and provide all supporting documentation and calculations to support Aquarion's position. Explain why the 2020 affiliate service expense of \$533,795 is not a more reasonable level of going-forward expenses, especially when this amount more closely approximates the related 2017 and 2018 expenses (\$600,327 and \$606,028, respectively), compared to the significant increase in these expenses in 2019 to an amount of \$704,240.

RESPONSE:

- a) Please refer to the table below for the rate case adjustments proposed by the Company by account number and service as compared to the test year 2019 and 2020 actual.

## AQUARION WATER COMPANY OF NEW HAMPSHIRE

DW 20-184

## Aquarion Water Company's Responses to Joint Town Data Requests—Set 4

Data Request Received: October 19, 2021  
Request No.: Joint Town 4-7

Date of Response: November 12, 2021  
Witness: D. Szabo

Account No.	Description	Ref	2019 Test Year	Adjustment	Pro Forma	2020 Actual
<b>Allocated from AWC-CT:</b>						
906011	Shared IT	1Q	\$ 262,527	\$ (80,662)	\$ 181,865	\$ 192,457
905011	Shared Customer Service	1P	89,382	(2,550)	86,832	78,989
923011	Shared Facilities	1N	49,830	(3,093)	46,737	43,113
	Allocated Cost		\$ 401,740	\$ (86,305)	\$ 315,435	\$ 314,559
920001,2	CT labor	1C	128,981	7,855	136,836	96,168
	Labor overcharged to NH		7,005 <sup>(1)</sup>	(7,005)	-	
926011	Payroll benefits	1D	141,825	2,241	144,066	99,313
408015	Payroll taxes		21,792	-	21,792	18,886
	MA labor		2,897	-	2,897	4,869
	Direct Labor & OH		302,499	3,091	305,590	219,236
	Total		\$ 704,239	\$ (83,214)	\$ 621,025	\$ 533,795

<sup>(1)</sup> Affiliate Labor was overstated \$7,005 during the test year. However, there was no impact to pro forma labor charge as the correct labor charge amount was reflected on Schedule No. 1C. This issue was also resolved as part of the audit issues.

As shown in this table, for the three services (IT, Customer Service and Shared Facilities), the Company made adjustments to reduce the allocated costs by \$86,305. The pro forma costs for these three shared services are essentially the same as the 2020 actual.

The labor charges from CT and MA represent direct time charged by CT and MA employees based on the number of hours charged to NH, times the employees' rate of pay. Payroll benefits and payroll taxes are a function of the labor charges. The reduction in CT labor charge in 2020 as compared with the 2019 actual was mainly due to 1) an open senior executive position in 2020 (subsequently filled in 2021); and 2) labor and overtime by CT employees charged to NH due to the boil water alert in 2019. Please also refer to Company response to Staff 1-3. Therefore, the Company believes that the pro forma amounts are more representative of the going forward expenses.

- b) Please refer to discussion in a).
- c) Please refer to discussion in a). Please also refer to response to Joint Town 4-38 and Joint Town 4-38 Attachment 1. The pro forma costs for the allocated services included in the rate case are actually lower than any of the previous years. The increase in direct labor labor charges and overhead benefits and payroll taxes reflected the annual pay increases as well as the actual time that CT employees worked on NH related projects.