

ORIGINAL

M.H.P.D.C. Case No. DW 13-041Exhibit No. #14Witness Panel 2

DO NOT REMOVE FROM FILE

Attachment JPL-1
Schedule 1a

DW 10-141 and DW 11-021
LAKES REGION WATER COMPANY, INC.
PERMANENT RATES
WEIGHTED AVERAGE COST OF CAPITAL

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Balance 12/31/09	Co Pro-forma Adjustments	Capital Structure Staff Pro-forma Adjustments	Adjusted Balance	Percent	Annual Interest	Annual Debt Expense	Cost of Debt Co Pro-forma Adjustments	Staff Pro-forma Adjustments	Total Annual Cost of Debt	Cost Rate	Weighted Average Cost
Long-term Debt (Schedule 1a):												
Previously Approved Debt	\$ 777,323	\$ -	\$ -	\$ 777,323	42.21%	\$ 58,719	\$ 1,788	\$ (5,815)	\$ -	\$ 54,692	7.04%	2.97%
Unapproved Debt	87,861	-	-	87,861	4.77%	5,183	-	(1,262)	-	3,921	4.46%	0.21%
NH Department of Corrections	103,880	(103,880)	-	-	0.00%	-	-	-	-	-	0.00%	0.00%
Shareholder Loans	190,855	-	(190,855) (a)	-	0.00%	18,331	-	277	(18,608) (a)	-	0.00%	0.00%
Total Long-term Debt	1,159,919	(103,880)	(190,855)	865,184	46.99%	\$ 82,233	\$ 1,788	\$ (6,800)	\$ (18,608)	\$ 58,813		3.18%
Common Equity @ 9.75%:												
Common Stock	10,000	-	-	10,000	0.54%							
Additional Paid-In Capital	942,080	192,000	(192,000) (b)	942,080	51.16%							
Capital Stock Expense	(16,565)	-	-	(16,565)	-0.90%							
Retained Earnings	(93,370)	-	-	(93,370)	-5.07%							
Total Common Equity @ 9.75%	842,145	192,000	(192,000)	842,145	45.74%						9.75%	4.46%
Common Equity @ 6.00%:												
Additional Paid-In Capital	-	-	134,028 (c)	134,028	7.28%						6.00%	0.44%
Total Capitalization	\$ 2,002,064	\$ 88,120	\$ (248,829)	\$ 1,841,355	100.00%							6.08%

(a) To reflect proposed conversion of Shareholder Loan to Additional Paid-In Capital per Co's filing in DW 11-021.

(b) To reflect elimination of Additional Paid-In Capital relative to Co's proposed 2010 plant additions.

(c) Co's Shareholder Loan converted to Additional Paid-In Capital:

Balance of Shareholder Loan @ 12/31/09 (Schedule 1a)

\$ 190,855

Less: Pension / Health Ins Payments to Shareholders during test year (Per Co's response to Staff 3-12)

(56,829)

\$ 134,028