REPORT OF RECONCILIATION OF ORIGINAL, REVISED & SETTLEMENT REVENUE REQUIREMENT w/9.75% ROE

Aquarion Water Company of New Hampshire, Inc. Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11

Page 1 of 2

No. Description Reference Schedule Adjustments Impact	Line		Data Request		Original	Revised	Revenue		
Anthonia Rental Income Staff 1-11, Istaff 2-2 Schedule No. 1C 17,640 11,119 5 (8,48) 6,879 6 Employee Welfare Staff 2-9 Schedule No. 1D 1,7640 11,191 6,349 6,879 6,879 7,670 7,677,924 7,670	***************************************	Description	Reference	Schedule		Adjustments		\$ CONTRACTOR TO THE STATE OF TH	CONTROL OF THE PROPERTY OF THE
Anterna Rental Income Staff 1-11, Staff 2-2 Schedule No. 10. 7,764 10,674 10,674 10,674 10,674 10,674 10,674 10,674 10,675		Francis Adhester of							ORIGINAL
Salaries & Wages Staff 2-7 Schedule No. 10 17,844 11,191 (6,455) Employee Welfare Staff 2-9 Schedule No. 10 1,470 6,349 6,879 6,879 6 Employee Bonus Program Staff 2-10 Schedule No. 1E 522 (1,300) (1,822) 5,4567 (63) (1,822) (1,8				0.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1				-	The Control of the Co
Employee Welfare							* ' '	NHP	PILE Casa No TOWN 10 -02
Employee Bonus Program Slaff 2-10 Schedule No. 1E 54,730 54,687 63)	•							"""	
F.K. 109 Post-Retirement Healthcare Schedule No. 15 54,730 54,857 (6.5)						·		Fyhihi	it No. 18
Pension Expense Staff 3-8, 8, 9 Schedule No. 1G 40,942 40,885 (47)						,		LANING	11 110.
Miscellaneous/Non-Recurring Items Staff 3-6, 8, 9 Schedule No. 1K (7,830) (10,089) (2,259)	•							Witne	ec Panal
Management Allocation	-	•	C+off 2 C 0 0			,	. ,	MILLIE	33 1 CI /CI
Depreciation Expense Staff 3-5 Schedule No. 1U 23,419 16,473 16,046 12 14,611 13 16,473 16,046 14,611 13 16,473 16,473 16,473 16,473 16,473 17,673 17,77,524 17,673 17,77,524 17,673 17,77,524 17,673 17,77,524 17,673 17,674 17,673 17,674 17,673 17,674 17						` ' '			
12		•							O NOT REMOVE FROM FIL
Interest Expense Staff 1-24 Schedule No. 1X 6,826 3,844 (2,882)								San All Street Control Control	The second secon
Expense Impact on Revenues Gas,471					•	· ·			
15		morest Expense	Otali 1-24	Scriedule No. 17	0,020	3,844	(2,002)		
Rate Base Adjustments		Expense Impact on Revenues					120 4741		
17		anguine impact on Notonido					(30,4/1)		
18		Rate Rase Adjustments							
Customer Advances Staff 1-14 Schedule No. 3C (3,792) (3,771) 2			Staff 1,22	Schedule No. 3D	201 405	202 212	909		
Reserve for Deferred Taxes Staff 1-21 Schedule No. 3C (2,333,416) (2,333,397) 19 846 8									
Change in Rate Base Rate B									
Rate Base Impact on Revenues 1112			Otan 1-21	Ochedale 140, 50	(2,333,410)	(2,333,391)			
Filing Reconciliation		•							
Filing Reconciliation 1,113,931 25		The Bust on Horonaus					112		
Driginal Filling Revenue Requirement 1,113,931 1		Filing Reconciliation							
Expense Impact on Revenues (36,471) Rate Base Impact on Revenues (36,471) 112							1 112 021		
Rate Base Impact on Revenues									
28									
Settlement Adjustments - Expense Schedule No. 10 26,464 - (26,464) B Schedule No. 10 Settlement Adjustments - Expense ROW Deferral Schedule No. 10 26,464 - (26,464) B Schedule No. 10									
Settlement Adjustments - Expense ROW Deferral Schedule No. 10 26,464 - (26,464) B Schedule No. 10 Rote	29		ent					Α	
ROW Deferral Schedule No. 10 26,464 - (26,464) B	30								_
Schedule No. 1W 82,551 68,027 (14,524) C	31	Settlement Adjustments - Expense							
Schedule No. 1W 82,551 68,027 (14,524) C	32	ROW Deferral	_	Schedule No. 10	26,464	-	(26,464)	В	
Settlement Adjustments - Rate Base Schedule No. 3 22,320,609 22,507,606 186,997	33	Property Taxes	*	Schedule No. 1W	82,551	68,027			
Total Rate Base Schedule No. 3 22,320,609 22,507,606 186,997	34					·	. , ,		
Impact on Revenue Requirement 24,681 D	35	Settlement Adjustments - Rate Bas	e						
Settlement Adjustments - Capitalization	36	Total Rate Base	_	Schedule No. 3	22,320,609	22,507,606	186,997		•
Settlement Adjustments - Capitalization Overall Return on Rate Base (RORB) Schedule No. 4 7.85% 7.76% -0.09% (34,059) E		Impact on Revenue Requirement						D	
40 Overall Return on Rate Base (RORB) Schedule No. 4 7.85% 7.76% -0.09% 41 Impact on Revenue Requirement (34,059) E 42 43 RORB Further Revised to Reflect 9.75% ROE from DW 08-098 7.76% 7.55% -0.21% 44 Impact on Revenue Requirement (79,472) F	38						•		
41 Impact on Revenue Requirement (34,059) E 42 43 RORB Further Revised to Reflect 9.75% ROE from DW 08-098 7.76% 7.55% -0.21% 44 Impact on Revenue Requirement (79,472) F 45									
41 Impact on Revenue Requirement (34,059) E 42 43 RORB Further Revised to Reflect 9.75% ROE from DW 08-098 7.76% 7.55% -0.21% 44 Impact on Revenue Requirement (79,472) F 45	40	Overall Return on Rate Base (RORB)		Schedule No. 4	7.85%	7.76%	-0.09%		
43 RORB Further Revised to Reflect 9.75% ROE from DW 08-098 7.76% 7.55% -0.21% 44 Impact on Revenue Requirement (79,472) F 45		Impact on Revenue Requirement						E	
44 Impact on Revenue Requirement (79,472) F 45							, , ,		
45			5% ROE from DW 08-0	98	7.76%	7.55%			
		Impact on Revenue Requirement					(79,472)	F	
46 Settlement Revenue Requirement assuming 9.75% ROE \$ 948,086 A+B+C+D+E+F	45								_
	46	Settlement Revenue Requirement a			\$ 948,086	A+B+C+D+E+F			

COMPUTATION OF REVENUE DEFICIENCY

Aquarion Water Company of New Hampshire, Inc. Case No. DW 12-085

Test Year: Twelve Months Ended 12/31/11 Page 2 of 2

			Actual Test Year		quired rease	Pro Forma		
1	Rate Base	\$	21,765,919			\$ 22,507,606		· / · · · · · · · · · · · · · · · · · ·
2	Rate of Return		5.41%			 7.55%		
3	Income Required [L1 x L2]	\$	1,177,916	\$	521,408	\$ 1,699,324		
4	Adjusted net Operating Income at Present Rates					 1,135,450		
5	Deficiency					\$ 563,874		
6	Tax Effect*					 59.48%		
7	Revenue Deficiency [L5 / L6]					\$ 948,086		
8	Revenues at Present Rates					\$ 6,086,673		
9	Proposed Revenue Increase [L7 / L8]					15.58%		
	*A one percent change in requested equity return is equal to approximately \$154K in revenues calculated as follows:	y	***************************************	•••••••••••••••••••••••••••••••••••••••		 	DDD ACHTHEILE HEELE ACTOR ACTO	
70 11 11 11 11 11 11 11 11 11 11 11 11 11	Rate base Change in Equity (1% x 40.75%)					\$ 22,507,606 0.4075%		22/22/22/22/22/22/22/22/22/22/22/22/22/
The state of the s	Change in Operating Income Conversion Factor					\$ 91,718 1.68		Washington and the second
naamatanaan.	Change in revenue requested					\$ 154,214		
<u> </u>		dayman, umqay				 ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		