

Aquarion Water Company of New Hampshire

DW 12-085 Impact of Changing Debt/Equity Ratio

ORIGINAL

N.H.P.U.C. Case No. DW 12-085

Exhibit No. 32

Witness D. Parcell

DO NOT REMOVE FROM FILE

Actual Cap Structure as of 12/31/12 at 9.60% ROE

	Amount	%	Cost	Weighted Cost	PreTax Cost
Debt	13,900,000	59.24%	6.05%	3.58%	3.58%
Preferred Stock	2,300	0.01%	6.00%	0.00%	0.00%
Equity	9,560,873	40.75%	9.60%	3.91%	6.57%
Total	23,463,173			7.50%	10.16%

55/45 Debt/Equity Ratio at 9.60% ROE

	Amount	%	Cost	Weighted Cost	PreTax Cost
Debt	13,900,000	55.00%	6.05%	3.33%	3.33%
Preferred Stock	2,300	0.01%	6.00%	0.00%	0.00%
Equity	9,560,873	45.00%	9.60%	4.32%	7.26%
Total	23,463,173			7.65%	10.59%

Actual Cap Structure at 12/31/12 at 10.24% ROE

	Amount	%	Cost	Weighted Cost	PreTax Cost
Debt	13,900,000	59.24%	6.05%	3.58%	3.58%
Preferred Stock	2,300	0.01%	6.00%	0.00%	0.00%
Equity	9,560,873	40.75%	10.24%	4.17%	7.01%
Total	23,463,173			7.75%	10.59%

Tax Multiplier--1.68

Rate Differential--64 basis points