

Form E-22


State of New Hampshire
Public Utilities Commission
Concord

Report No.
 Sheet 1 of 1
 Date: August 5, 2021

Company – Abenaki Water Company (Tioga-Belmont) for Third Quarter of 2021

Report of Proposed Expenditures
For Additions, Extensions and Capital Improvements
To Fixed Capital
(In Compliance with P.U.C. Order No. 5963)

ITEM NO.	LOCATION	DESCRIPTION	EST. CONSTRUCTION DATE		ESTIMATED COST
			Start	Finish	
1	Tioga-Belmont	AWC proposes to replace approximately 300' of sub-standard 2" & 3" PVC pipe with 3" HDPE pipe. 3 valves will be replaced within the scope of this project. This project will be a step toward the complete replacement of the distribution system. The project represents the replacement of approximately 10% of the system main piping. Funding for this project is being provided by the New Hampshire Drinking Water Trust Fund.	10/1/2021	11/15/2021	\$50,000
				Total.....	\$50,000

Signed  Title President



Abenaki Water Company - Tioga Belmont

SPS 1-1

2020 SRF Financing of mains / gate valves / curb stops

Balance Sheet

Assets and Other Debits

Line No. (a)	Account Title (Number) (b)	2019 Year End Balance (c)	Adjustments (d)	2019 Proformed Year End Balance (e)
	UTILITY PLANT			
1	Utility Plant (101-106)	\$ 187,535	\$ 50,000	\$ 237,535
2	Less: Accumulated Depr. and Amort. (108-110)	\$ 74,829	\$ 500	\$ 75,329
3	Net Plant	\$ 112,706	\$ 49,500	\$ 162,206
4	Utility Plant Acquisition Adj. (Net) (114-115)			-
5	Total Net Utility Plant	\$ 112,706	\$ 49,500	\$ 162,206
	OTHER PROPERTY AND INVESTMENTS			
6	Nonutility Property (121)			
7	Less: Accumulated Depr. and Amort. (122)			
8	Net Nonutility Property			
9	Investment in Associated Companies (123)			
11	Utility Investments (124)			
12	Other Investments			
13	Special Funds(126-128)			
14	Total Other Property & Investments			
	CURRENT AND ACCRUED ASSETS			
16	Cash (131)	4,918	(10,293)	(5,375)
17	Special Deposits (132)			
18	Other Special Deposits (133)			
19	Working Funds (134)			
20	Temporary Cash Investments (135)			
21	Accounts and Notes Receivable-Net (141-144)	2,109		2,109
22	Accounts Receivable from Assoc. Co. (145)			
23	Notes Receivable from Assoc. Co. (146)			
24	Materials and Supplies (151-153)	2,351		2,351
25	Stores Expense (161)			
26	Prepayments-Other (162)			
27	Prepaid Taxes (163)			
28	Interest and Dividends Receivable (171)			
29	Rents Receivable (172)			
30	Accrued Utility Revenues (173)	1,317		1,317
31	Misc. Current and Accrued Assets (174)			
32	Total Current and Accrued Assets	\$ 10,695	\$ (10,293)	\$ 402
	DEFERRED DEBITS			
32	Unamortized Debt Discount & Expense (181)	2,324	9,500	11,824
33	Extraordinary Property Losses (182)			
34	Prelim. Survey & Investigation Charges (183)	49,628		49,628
35	Clearing Accounts (184)			
36	Temporary Facilities (185)			
37	Miscellaneous Deferred Debits (186)	12,667		12,667
38	Research & Development Expenditures (187)			
39	Accumulated Deferred Income Taxes (190)			
40	Total Deferred Debits	\$ 64,619	\$ 9,500	\$ 74,119
	TOTAL ASSETS AND OTHER DEBITS	\$ 188,020	\$ 48,707	\$ 236,727

2020 SRF Financing of mains / gate valves / curb stops

Balance Sheet

Equity Capital and Liabilities

Line No. (a)	Account Title (Number) (b)	2019 Year End Balance (c)	Adjustments (f)	2019 Proformed Year End Balance (g)
EQUITY CAPITAL				
1	Common Stock Issued (201)			
2	Preferred Stock Issued (204)			
3	Capital Stock Subscribed (202,205)			
4	Stock Liability for Conversion (203, 206)			
5	Premium on Capital Stock (207)			
6	Installments Received On Capital Stock (208)			
7	Other Paid-In Capital (209,211)	50,948		50,948
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(19,973)	432	(19,541)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 30,975	\$ 432	\$ 31,407
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	43,247	43,325	86,572
17	Total Long-Term Debt	\$ 43,247	\$ 43,325	\$ 86,572
CURRENT AND ACCRUED LIABILITIES				
18	Accounts Payable (231)	8,364		8,364
19	Notes Payable (232)			
20	Accounts Payable to Associated Co. (233)	36,173		36,173
21	Notes Payable to Associated Co. (234)			
22	Customer Deposits (235)			
23	Accrued Taxes (236)	(2,015)		(2,015)
24	Accrued Interest (237)			
25	Accrued Dividends (238)			
26	Matured Long-Term Debt (239)			
27	Matured Interest (240)			
28	Misc. Current and Accrued Liabilities (241)	40,463		40,463
29	Total Current and Accrued Liabilities	\$ 82,985	\$ -	\$ 82,985
DEFERRED CREDITS				
30	Unamortized Premium on Debt (251)			
31	Advances for Construction (252)			
32	Other Deferred Credits (253)			
33	Accumulated Deferred Investment Tax Credits (255)			
34	Accumulated Deferred Income Taxes:			
35	Accelerated Amortization (281)			
36	Liberalized Depreciation (282)	(1,000)		(1,000)
37	Other (283)			
38	Total Deferred Credits	\$ (1,000)	\$ -	\$ (1,000)
OPERATING RESERVES				
39	Property Insurance Reserve (261)			
40	Injuries and Damages Reserve (262)			
41	Pensions and Benefits Reserves (263)			
42	Miscellaneous Operating Reserves (265)			
43	Total Operating Reserves			
CONTRIBUTIONS IN AID OF CONSTRUCTION				
44	Contributions In Aid of Construction (271)	61,894	5,000	66,894
45	Accumulated Amortization of C.I.A.C. (272)	30,081	50	30,131
46	Total Net C.I.A.C.	\$ 31,813	\$ 4,950	\$ 36,763
46	TOTAL EQUITY CAPITAL AND LIABILITIES	\$ 188,020	\$ 48,707	\$ 236,727

Abenaki Water Company - Tioga Belmont

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2020 SRF Financing of mains / gate valves / curb stops

Statement of Income (for the period 5/1/19 - 12/31/19)

Line No. (a)	Account Title (Number) (b)	2019 Year End Balance (c)	Adjustments (e)	2019 Proformed Year End Balance (f)
	UTILITY OPERATING INCOME			
1	Operating Revenues(400)	\$ 12,638	\$ 3,843	\$ 16,481
2	Operating Expenses:			
3	Operating and Maintenance Expense (401)	36,461		36,461
4	Depreciation Expense (403)	5,532	500	6,032
5	Amortization of Contribution in Aid of Construction (405)	(2,314)	(50)	(2,364)
6	Amortization of Utility Plant Acquisition Adjustment (406)			
7	Amortization Expense-Other (407)			
8	Taxes Other Than Income (408.1-408.13)	273	1,152	1,425
9	Income Taxes (409.1, 410.1, 411.1, 412.1)	(7,600)		(7,600)
10	Total Operating Expenses	\$ 32,352	\$ 1,602	\$ 33,954
11	Net Operating Income (Loss)	(19,714)	2,241	(17,473)
12	Income From Utility Plant Leased to Others (413)			
13	Gains(Losses) From Disposition of Utility Property (414)			
14	Net Water Utility Operating Income	\$ (19,714)	\$ 2,241	\$ (17,473)
	OTHER INCOME AND DEDUCTIONS			
15	Revenues From Merchandising, Jobbing and Contract Work (415)			-
16	Costs and Expenses of Merchandising, Jobbing and Contract Work (416)			
17	Equity in Earnings of Subsidiary Companies (418)			
18	Interest and Dividend Income (419)			-
19	Allow. for funds Used During Construction (420)			
20	Nonutility Income (421)			
21	Gains (Losses) Form Disposition Nonutility Property (422)			
22	Miscellaneous Nonutility Expenses (426)			-
23	Total Other Income and Deductions	\$ -	\$ -	\$ -
	TAXES APPLICABLE TO OTHER INCOME			
24	Taxes Other Than Income (408.2)			
25	Income Taxes (409.2, 410.2, 411.2, 412.2, 412.3)			
26	Total Taxes Applicable To Other Income			
	INTEREST EXPENSE			
27	Interest Expense (427)	259	1,309	1,568
28	Amortization of Debt Discount & Expense (428)		500	500
29	Amortization of Premium on Debt (429)			
30	Total Interest Expense	\$ 259	\$ 1,809	\$ 2,068
31	Income Before Extraordinary Items	(19,973)	432	(19,541)
	EXTRAORDINARY ITEMS			
32	Extraordinary Income (433)			
33	Extraordinary Deductions (434)			
34	Income Taxes, Extraordinary Items (409.3)			
35	Net Extraordinary Items			
	NET INCOME (LOSS)	\$ (19,973)	\$ 432	\$ (19,541)

2020 SRF Financing of mains / gate valves / curb stops

Capital Structure

Line No. (a)	Account Title (Number) (b)	12/31/2019 (c)	Proforma Adjustments (d)	Proformed 12/31/2019 (e)
EQUITY CAPITAL				
1	Common Stock Issued (201)			
2	Preferred Stock Issued (204)			
3	Capital Stock Subscribed (202,205)			
4	Stock Liability for Conversion (203, 206)			
5	Premium on Capital Stock (207)			
6	Installments Received On Capital Stock (208)			
7	Other Paid-In Capital (209,211)	50,948		50,948
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	(19,973)	432	(19,541)
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	\$ 30,975	\$ 432	\$ 31,407
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	43,247	43,325	86,572
17	Total Long-Term Debt	\$ 43,247	\$ 43,325	\$ 86,572
	Total Capitalization	\$ 74,222	\$ 43,757	\$ 117,979

Capitalization Ratios

Line No.	Account Title (Number) (a)	12/31/2018	Proforma Adjustments	Proformed 12/31/2008
EQUITY CAPITAL				
1	Common Stock Issued (201)			
2	Preferred Stock Issued (204)			
3	Capital Stock Subscribed (202,205)			
4	Stock Liability for Conversion (203, 206)			
5	Premium on Capital Stock (207)			
6	Installments Received On Capital Stock (208)			
7	Other Paid-In Capital (209,211)	68.64%		43.18%
8	Discount on Capital Stock (212)			
9	Capital Stock Expense(213)			
10	Retained Earnings (214-215)	-26.91%	0.99%	-16.56%
11	Reacquired Capital Stock (216)			
12	Total Equity Capital	41.73%	0.99%	26.62%
LONG TERM DEBT				
13	Bonds (221)			
14	Reacquired Bonds (222)			
15	Advances from Associated Companies (223)			
16	Other Long-Term Debt (224)	58.27%	99.01%	73.38%
17	Total Long-Term Debt	58.27%	99.01%	73.38%
	Total Capitalization	100.00%	100.00%	100.00%

2020 SRF Financing of mains / gate valves / curb stops

Journal Entries				Impact on NI
JE#1	Dr. Miscellaneous Deferred Debits	10,000		
	Cr. Cash		10,000	
	To record costs associated with financing (See SPS 10)			
JE#2	Dr. Cash	45,000		
	Cr. Other Long Term Debt		45,000	
	To record receipt of cash and additional LTD (See SPS 6)			
JE#3	Dr. Plant	50,000		
	Cr. Cash		45,000	
	Cr. CIAC		5,000	
	To record plant and CIAC (See SPS 7 & 8)			
JE#4	Dr. Accumulated Depreciation			
	Cr. Plant		-	
	To record retirement of plant			
JE#5	Dr. Depreciation Expenses	500		(500)
	Cr. Accumulated Depreciation		500	
	To record first year depreciation expense and related A/D (See SPS 7)			
JE#6	Dr. Accumulated Amortization of CIAC	50		
	Cr. Amortization of CIAC		50	50
	To record first year depreciation expense and related A/D (See SPS 8)			
JE#7	Dr. Amortization of Debt Expense	500		(500)
	Cr. Miscellaneous Deferred Debt		500	
	To record amortization of debt expense (See SPS-10)			
JE#8	Dr. Other Long Debt	1,675		
	Dr. Interest Expense	1,309		(1,309)
	Cr. Cash		2,984	
	To record first year repayment of principal and interest on \$45,000 of NH DWGTF Loan			
JE#8	Dr. Cash	3,843		
	Cr. Revenue		3,843	3,843
JE#9	Dr. O&M Expenses	-		-
	Dr. Taxes other than Income	1,152		(1,152)
	Dr. Income Taxes	-		-
	Cr. Cash		1,152	
	To record increase in property taxes (See SPS 8)			
	Total Impact on Net Income			432
	Impact on Cash			
		48,843	59,136	
			(10,293)	

Abenaki Water Company - Tioga Belmont

SPS 5

2020 SRF Financing of mains / gate valves / curb stops

Preliminary Calculation of Revenue Requirement

	<u>Total</u>
Plant Additions/Retirements:	
Plant Additions	
331 Mains	\$ 44,000
331 Gate Valves & Curb Stops	6,000
TOTAL	<u>\$ 50,000</u>
Plant Retirements	
331 Mains	\$ -
TOTAL	<u>\$ -</u>
Net Additions/Retirements	\$ 50,000
Add: Accum Depr on Retired Plant	
Less: Accum Depr on New Plant	<u>(500)</u>
Net Plant	\$49,500
CIAC	
331 Mains	\$ (4,400)
331 Gate Valves & Curb Stops	(600)
TOTAL	<u>\$ (5,000)</u>
Plus: Accum Amort on CIAC	50
Net CIAC	<u>(4,950)</u>
Plus: Working Capital	<u>0</u>
Total Additional Rate Base	\$44,550
Rate of Return	<u>4.02%</u>
Returnn on Investment	<u>\$ 1,791</u>
Increase increase in Operating Expenses	\$ -
Decrease in Depreciation Expense on Retired Plant	
Increase in Depreciation Expense on New Plant	1,000
Increase in Amortization of CIAC	(100)
Taxes other than Income	1,152
Income Taxes	-
Total Increase in Operating Expenses	<u>\$ 2,052</u>
Increase in Revenue Required	\$ 3,843
2019 Total Sales of Water	<u>12,638</u>
Total Revenue Required	<u>\$ 16,481</u>
Percentage Increase Required	<u>30.41%</u>

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7/29/2021

2020 SRF Financing of mains / gate valves / curb stops

Weighted Average Cost of Capital

<u>Financing</u>	<u>Amount</u>	<u>Percent</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Amortization of Fin Costs</u>	<u>Total Interest</u>	<u>Cost Rate</u>	Weighted Average Cost of Capital
NH DWGTF	<u>\$45,000</u>	<u>100.00%</u>	2.96%	\$1,309	\$500	\$1,809	4.02%	<u>4.02%</u>
Total Capitalization	<u>\$45,000</u>	<u>100.00%</u>						<u>4.02%</u>

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Abenaki Water Company - Tioga Belmont

SPS 7

2020 SRF Financing of mains / gate valves / curb stops

Plant / Accumulated Depreciation / Depreciation Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
<u>Additions to Plant</u>					
331	Mains	\$ 44,000	2.00%	\$ 880	\$ 440
331	Gate Valves & Curb Stops	6,000	2.00%	120	60
	Total	<u>\$ 50,000</u>		<u>\$ 1,000</u>	<u>\$ 500</u>
<u>Retirement from Plant</u>					
330	Main	<u>\$ -</u>	2.00%	<u>\$ -</u>	<u>\$ -</u>

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Abenaki Water Company - Tioga Belmont

SPS 8

2020 SRF Financing of mains / gate valves / curb stops

Plant / Accumulated Depreciation / Depreciation Expense

PUC Acct. No.	Description	Cost	Depr. Rate	Annual Cost	Accum Depr.
<u>Tioga Belmont</u>					
331	Mains	4,400	2.00%	88	44
331	Gate Valves & Curb Stops	600	2.00%	12	6
	Total	<u>\$ 5,000</u>		<u>\$ 100</u>	<u>\$ 50</u>

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2020 SRF Financing of mains / gate valves / curb stops

Property Taxes

Total
Projected
Costs

Total Project Costs	\$ 50,000
Accumulated Depreciation	(500)
Net Plant	<u>\$ 49,500</u>
Thousand Dollars of Assessed Value	\$ 49.50
Tax Value as % of Net Book Value	78.34%
Combined State and Local Property Tax Rate	<u>29.72</u>
State Property Taxes	<u>\$ 1,152</u>

Combined State and Local Property Tax Rate:

New Hampshire	\$ 6.60
Belmont	23.12
Total	<u>\$ 29.72</u>

NHDRA Assessed value as of 4/1/19	\$ 1,300,600
Net Plant at 12/31/18	<u>1,660,290</u>
Percent of assessed value to net plant	<u>78.34%</u>

Abenaki Water Company - Tioga Belmont

SPS 10

2020 SRF Financing of mains / gate valves / curb stops

Total Costs of Projects	\$ 50,000
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Source of Funds:

NH DWGTF Loan Funds	45,000
NH DWGTF Grant Funds	5,000
Total Source of Funds	\$ 50,000

Use of Funds:

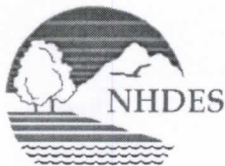
Mains	44,000
Gate Valves & Curb Stops	6,000
Total Use of Funds	\$ 50,000

SPSt. Cyr
7/29/2021

2020 SRF Financing of mains / gate valves / curb stops**Estimated Financing Costs**

NH DWGTF	\$ -
NESC	5,000
Stephen P. St. Cyr & Associates	5,000
Total Financing Costs	<u>\$ 10,000</u>
Life of Loan	<u>20 Yrs.</u>
Annual Amortization Expense	<u>\$ 500</u>

SPSt. Cyr
7/29/2021



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

Robert R. Scott, Commissioner



July 30, 2021

Via email only

Jayson Laflamme
Assistant Director, Gas-Water Division
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429
jayson.laflamme@puc.nh.gov

Subject: **Abenaki Tioga Water, Belmont NH, PWS# 0202030**
Support for Change of Scope for DWG Trust Fund Loan / Grant system improvements

Dear Mr. Laflamme:

The Department of Environmental Services (DES) has reviewed and supports a change in scope for the referenced water system upgrades, consisting of retaining the existing 4,500 gal storage tank and directing the approved funding to upgrade the distribution piping and install system isolation valves. With this change, a new storage tank will no longer be required.

Detailed and accurate Record Drawings for the system will also be prepared, as included in the original project scope.

The system upgrades will improve system reliability and allow timely response and resolution to basic operational issues including water leaks, by reducing their occurrence and response time.

Please contact me at Cynthia.Klevens@des.nh.gov or 271-3108 with any questions regarding this project.

Sincerely,

Cynthia M. Klevens, P.E.
Small Systems Section Manager
Drinking Water and Groundwater Bureau

cc. Nicholas LaChance, Abenaki Water Co., NLaChance@NewEnglandServiceCompany.com
Erin Holmes, P.E., NHDES DWG Trust Fund Administrator, Erin.Holmes@des.nh.gov