

NHPUC NO. 1 SEWER
ATKINSON AREA WASTE WATER RECYCLING, INC.

TITLE PAGE C

**NHPUC
SUPPLEMENT NO. 1**

ATKINSON AREA WASTE WATER RECYCLING, INC.

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SERVICE AREA

The territory authorized to be served by this Company and to which this tariff applies is as follows:

A limited area of Atkinson NH described as follows:

BEGINNING at a point common to the Towns of Atkinson and Salem, New Hampshire and the City of Haverhill, Massachusetts; thence Northeasterly along the State Line of New Hampshire and Massachusetts to the centerline of North Broadway; thence Northwesterly along the centerline of North Broadway to the centerline intersection of North Broadway and Providence Hill Road; thence Northwesterly along the centerline of Providence Hill Road to the Salem, New Hampshire town line; thence Southwesterly, Easterly, and Southeasterly along the Salem and Atkinson town line to the point of beginning, This area containing approximately 1100 acres.

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DEFINITIONS

“Arrearage” means any amount due to the utility for Utility Service which remains unpaid after the due date printed on the original bill.

“CIAC” means Contributions in Aid of Construction as defined in 26 CFR §1.118.2.

“Current bill” means the amount of money due to the utility for Utility Service, including all applicable state and federal taxes, rendered in the most recent billing period.

“Commission” means the New Hampshire Public Utilities Commission.

“Company” means the New Hampshire public sewer utility, Atkinson Area Waste Water Recycling, Inc. (AAWWR)

"Customer" means any person, firm, partnership, corporation, cooperative marketing association, tenant, governmental unit, or a subdivision of a municipality, or the State of New Hampshire, who has contracted for electric, gas, sewer or water service, from a utility.

“Disconnection” means a technological function which occurs when a Customer is physically or effectively separated or shut off from a Utility Service.

“Due date” means the date no less than 25 calendar days from the bill date when the bill is sent electronically or via first class mail.

“Financial hardship” means a residential Customer has provided AAWWR with evidence of current enrollment of the Customer or the Customer’s household in the Low Income Home Energy Assistance Program, the Electric Assistance Program, the Neighbor Helping Neighbor Program, the Link-Up and Lifeline Telephone Assistance Programs, their successor programs or any other federal, state or local government program or government funded program of any social service agency which provides financial assistance or subsidy assistance for low income households based upon a written determination of household financial eligibility.

“Holding tanks” means a series of tanks owned by AAWWR that receive the sewage discharge from the premises served through the outflow pipe and are connected to the main by the service pipe.

“Late payment” means any payment made to the Company or its authorized agent after the due date printed on the bill.

"Main" means a sewage pipe owned, operated, or maintained by a utility which is used to transport sewage from the service pipe to the point of disposal.

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“Medical emergency” means a situation where a residential Customer of AAWWR or member of the Customer’s household has a physical or mental health condition that would become a danger to the Customer’s or household member’s physical or mental health in the absence of utility service as certified to the utility by a licensed physician, advanced practice registered nurse, physician’s assistant or mental health practitioner as defined in RSA 330-A:2, VII.

“Meter” means a device installed by the utility to measure the amount of use.

“Outflow pipe” means the Customer-owned pipe which takes the sewage discharge from the premises served to the first holding tank. The Customer shall own the service outflow pipe to the point of connection with the first holding tank.

“Septic pumping” means the removal of sludge and scum from a septic or holding tank system for transport to appropriate disposal facilities.

“Service pipe” means the utility-owned pipe used to transport sewage from the holding tanks to the main.

“Serving water utility” means the New Hampshire public water utility providing water service to AAWWR Customers. Currently, The Hampstead Area Water Company, Inc. (HAWC) is AAWWR’s Serving water utility.

“Sewage” means ground garbage, human or animal excretions and all other waterborne waste normally disposed of by residential, industrial, or commercial facilities through a sanitary sewage disposal system excluding solid waste, industrial waste and septic pumping.

“Sewage disposal service,” herein a/k/a “sewer service,” means the collection, transportation, treatment, and disposal of sewage including but not limited to the active processing of sewage to remove impurities and its ultimate discharge in the environment. This definition does not include septic pumping.

“Sewer Utility” means any “public utility” as defined in RSA 362.2 owning, operating or managing any plant or equipment or any part of the same for the furnishing of sewage disposal for the public except: municipal corporations operating within their corporate limits; municipal corporations which are except pursuant to RSA 362:4, to the extent of such exemptions; any landlord supplying sewage disposal service to its tenants which service is included in a rental fee; any association of residents supplying sewage disposal service to themselves; or any other entity otherwise exempt from regulation by statute or commission order.

“Tariff” means the current schedule of rates, charges, terms and conditions filed by a utility and either approved by the commission or effective by operation of law.

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“Termination” means a bookkeeping function which occurs when a Customer account is closed permanently.

“Utility service” means the provision of electric, gas, water, or sewer service in accordance with the terms and conditions of a tariff filed with and approved by the commission, or by a rural electric cooperative for which a certificate of deregulation is on file with the commission in accordance with its terms and conditions of service.

“Water Utility” means any “public utility” as defined in RSA 362:2 owning, operating or managing any plant or equipment or any part of the same for supplying of water to the public, or engaged in the transmission or sale of water ultimately sold to the public within New Hampshire.

TERMS AND CONDITIONS

1. Application for Service

Application for sewer service shall be made by the prospective owner of a residential or commercial dwelling in the Service Area, or his agent, at the time the prospective owner executes a Purchase and Sale or a tenant executes a lease for the dwelling, in accordance with Puc 1203.01. Applications for service shall be made by any tenant or an owner of a residential or commercial dwelling in the Service Area at the commencement of the tenancy or ownership. By making application for sewer service, the Customer consents to the sharing of service and billing information by and between AAWWR and the Serving water utility. Whether or not a signed application for service is made by the Customer and accepted by the Company, the rendering of service by the Company and its use by the Customer shall be deemed a contract between the parties and subject to all provisions of the tariff applicable to the service. The Customer shall provide all information required by the Company in the application for service reasonably necessary to conduct business and the Company may require updated Customer information as it deems fit. The Company may refuse to render service:

- a. Where the applicant fails to make any deposit or to execute any agreement as is required by the provisions of this Tariff.
- b. In any other case where the estimated revenue from the applicant is expected to be insufficient to warrant the Company making the investment necessary to supply the desired service under the applicable rate and the applicant refuses to negotiate an equitable agreement for the desired service, which agreement would usually require a contribution from the applicant for the capital cost of construction to render the desired service.

2. Service Pipe

A. Location. Service pipe connections normally will be made only from the street which is the legal address of the premises served.

B. Installation, Ownership, and Maintenance.

1) For an Individual Customer or Group of Customers:

- a) The Outflow pipe, Holding tanks, and Service pipe will be installed by the Company or a representative of the Company at the Customer's expense from the existing main to the premises served (the "main-to-end"). For services installed by the Company at the time application for service is made a deposit will be required based upon the estimated cost

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of construction. For services installed by either the Company or the Customer, the Customer shall, at the time of application, pay any fees to the Company in accordance with the Rate Schedule –GM on Original pages 17 and 18 of this tariff to recover the costs of State and Federal taxes on CIAC payments. Thereafter, the main-to-end shall be owned and maintained by the Utility. Customers shall not otherwise be charged by the utility for CIAC payments or state and federal taxes on CIAC payments that are chargeable to a Developer. See section 2, B(2), "For Developers", below.

- b) All Service pipes, Mains, and Holding tanks shall be owned and maintained by the Company.
- c) The Customer for the premises served will own and maintain the Outflow pipe from the premises served to the first Holding tank.

2) For Developers

Developers will be responsible for the cost of installation of Outflow pipes, holding tanks, service pipes and new mains from the existing main to the premises served, to be installed per Company specifications, and shall pay any fees to the Company in accordance with the Rate Schedule –GM on Original pages 17 and 18 of this tariff to recover the costs of State and Federal taxes on CIAC payments.

C. Joint Use of Service Pipe Trench. No service pipes shall be laid in the same trench with gas pipe, water pipe, or any other facility of a public utility, nor within three (3) feet of any open excavation or vault.

D. Thawing. When it becomes necessary to thaw a frozen service pipe and it cannot be determined where it is frozen and the Company at the Customer's request undertakes to thaw the same, one-half of the cost thereof shall be paid by the Customer.

3. Winter Construction.

Ordinarily no new service pipes or extensions of mains will be installed during winter conditions (when frost is in the ground) unless the Customer shall (i) present evidence satisfactory to the Company that no governmental law, ordinance, or regulation will be violated thereby, and (ii) defray all extra expense incurred by such installation.

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4. Maintenance of Plumbing.

Customers shall maintain the plumbing and fixtures within their own premises in good repair, free from leaks and protected from freezing, and at their own expense. Any relocation of the service pipe on Customer's premises due to change in grade, relocation of grade, or due to action or inaction of the Customer, shall be at the Customer's expense.

5. Meters.

Use of Meters. All sewer service rates will be calculated on the basis of metered water consumption as measured by the water meter of the Serving water utility, at the designated tariff rate.

6. Cross-connections.

Cross-connection of any service pipe with that of any third-party outflow or distribution pipe is prohibited except this section shall not prohibit a utility which has received all federal, state, and municipal approval in connection therewith from (1) discharging treated effluent from a sewage treatment facility in accordance with such approvals; or (2) transmitting sewage from one sewer system to another, in accordance with such approvals, for treatment.

7. Tampering.

All gates, valves, shut-offs, holding tanks, and pipes are the property of the Company and shall not be opened or closed or tampered with in any way by any person other than an authorized person or agent of the Company.

8. Company Liability.

A. The Company will not be responsible for any damage caused by shut-offs in the mains or service pipes, because of shortage of water supply, setting or removing meters by the Serving water utility, other entity's repairs or construction, or for other reasons beyond the control of the Company except if due to lack of reasonable care on the part of the Company. The Company will not be responsible for damage caused by discharge of effluent, which may be occasioned by periodic cleaning of mains, holding tanks, or service pipes, or any other cause except if due to lack of reasonable care on the part of the Company.

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B. **Interruptions of Service:** The Company shall use all reasonable means to avoid interruptions to service. Should interruption of service occur, the utility shall re-establish service within the shortest time practicable, consistent with safety. Advanced notice of interrupted service shall be given whenever practicable.

9. Payment for Service.

A. Bills. Bills for sewer service will be rendered monthly in accordance with the “Terms of Payment” specified in the applicable rate schedule and are due and payable at the office of the Company or its designee upon presentation. AAWWR charges shall be included in the Serving water utility’s bill. If a Customer makes a partial payment for water and sewer services, priority shall be to the Serving water utility’s past charges, then to AAWWR’s past charges, then to the Serving water utility’s current charges, and then to AAWWR’s current charges.

B. Deposits. AAWWR may require a deposit or a written guarantee or direct debit account as provided for in Puc 1203.03(i) from a Customer in the following circumstances:

1. New residential service:

- a) The Customer has an undisputed overdue balance, incurred within the last three (3) years, on a prior account with the Company or any similar type of utility, as described in Puc 1203.03(c);
- b) AAWWR has successfully obtained judgment against the Customer during the past two (2) years for non-payment of a delinquent account for utility service;
- c) The utility has disconnected the Customer’s water for failure to pay a sewer bill within the last 3 years because the Customer interfered with, or diverted, the service of AAWWR situated on or about the Customer’s premises; or
- d) The Customer is unable to provide satisfactory evidence to AAWWR that he or she intends to remain in the location for which the service is being requested for a period of 12 consecutive months, as described in Puc 1203.03(d), unless he or she provides satisfactory evidence that he or she has not been delinquent in his or her similar utility service accounts for a period of 12 months, as described in Puc 1203.03(b), in which case no deposit shall be required.

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- 2) Existing residential service:
- a) The Customer has received four (4) water disconnect notices within a twelve (12) month period if billed monthly;
 - b) The Customer water service has been disconnected for non-payment of a delinquent sewer account;
 - c) When the sewer utility has had the Customer's water service disconnected because the Customer interfered with, or diverted, the service of the sewer utility situated on, or delivered on or about, the Customer's premises; or
 - d) The Customer has filed for bankruptcy and listed AAWWR as a creditor under the filing, the filing has been accepted, in which case the deposit requirement shall be in accordance with 11 U.S.C. 366.

3) The Customer's account will be credited annually with interest equal to the prime rate on all deposits from the date of deposit to the date of termination. Deposits, plus any accrued interest, less any amount due the Company, will be refunded within sixty (60) days of termination of water service. When a deposit is applied against an account which has been terminated, interest shall cease to accumulate on the balance at the date of termination. In lieu of a cash deposit, the Company will accept an irrevocable written guarantee of a responsible party as security for a Customer service account. The receipt of a deposit by the Company shall not relieve the Customer from the prompt payment of sewer service bills nor constitute a waiver or modification of the practices of the Company for the discontinuance of water service for non-payment of any sum due for sewer service rendered. The above provisions concerning service deposits are separate and apart from the terms and conditions of deposits for main pipe extensions, service installation, special contracts, and other special provisions.

AAWR shall comply with all other requirements regarding deposits as stated in Puc 1203.03.

10. Disconnection of Water Service – For Unpaid Sewer Bill.

Customer Sewage disposal service shall not be disconnected due to nonpayment. Customer water service may be disconnected for nonpayment of sewer utility bill under the following circumstances:

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A. Disconnection of Water Service With Notice.

- 1) The Company has elected to have the Serving water utility, HAWC, disconnect water service to Sewage disposal service Customers after appropriate notice if a sewer bill remains unpaid. Notice to Customers shall be provided by HAWC, on AAWWR's behalf, consistent with HAWC's tariff for disconnecting water customers, and consistent with Puc 703.04 and 1203.11. Disconnection, with notice, shall occur when a Customer:
 - a. Fails to pay an arrearage after proper demand; or
 - b. Fails to pay a deposit request, establish a direct debit account, or provide an acceptable third-party guarantee in lieu of the deposit per Puc 1203.03; or
 - c. Fails to pay a sewer bill and fails to enter into a payment arrangement for payment of the bill on or before the due date printed on the sewer bill; or
 - d. Refuses access to the premises for a necessary inspection or repair or replacement of AAWWR property, including but not limited to the reading of the Serving water utility meters.

Notice of Disconnection of Service shall not be sent to a residential Customer if any of the exceptions to disconnection outlined in Puc 1203.11 exist.

- 2) Customer is responsible for all water service disconnection and reconnection fees stated in Section 13, entitled Miscellaneous Charges. The Company shall not charge for reconnection of water service due to a sewer-related cause when the cause for disconnection was not in compliance with a commission-approved billing agreement and tariff.

The Company will cause the Serving water utility to restore service upon the Customer's request when the cause for disconnection has been removed and either the Customer has demonstrated Financial hardship, or the Customer has paid the reconnection fee. The Company, through the Serving water utility, shall endeavor to reconnect water service during regular business hours on the day of the request. When the Customer request that water service be reconnected at other than regular business hours, the Company, through the Serving water utility, shall attempt to make the reconnection, provided, however, that the Company, through the Serving water utility, shall be under no obligation to do so unless a Medical emergency exists. The Company, through the Serving water utility, shall reconnect water service within the shortest time practicable, consistent with safety.

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- 3) When a Customer cannot pay a bill in full, the Company shall continue to serve the Customer if the Customer pays a reasonable portion of the arrearage as agreed to by the Customer and AAWWR, pays the balance of the arrearage in reasonable installments as agreed to by the Customer and AAWWR, and pays the current bill and all future bills by the due date printed on the bill, except for a Medical emergency and consistent Puc 1203.07 and Puc 1204.04.
- 4) Disconnection and Reconnection Fees. Disconnection and reconnection fees owed by the Customer shall be as allowed under the tariff of the Serving water utility, which currently is a flat fee of \$45 for disconnection, and \$45 for reconnection.
- 5) Medical Emergency. No service will be disconnected when the Company is advised that a medical emergency exists at the location or would result from the disconnection, in accordance with procedures set forth in Commission Rules §703.03 and §1203.11.

B. Disconnection of Water Service Without Notice.

Water service may be disconnected without notice if AAWWR notifies the Commission of the disconnection within 48 hours of the disconnection and one of the following conditions exists:

- 1) The Customer has obtained utility service in an unauthorized manner or used utility service fraudulently;
- 2) The Customer has clearly abandoned the property as demonstrated by the fact; that the service address premises have been unoccupied and vacant for a period of 60 calendar days;
- 3) A condition dangerous to the health, safety, or utility service of others exists; or
- 4) Clear and present danger to life, health or physical property exists.

AAWWR shall comply with all other requirements regarding disconnection of water service as stated in Puc 1203.11.

C. Accounts Involving Landlord - Tenant Relationships.

If AAWWR seeks to discontinue water service of a Sewage disposal service Customer who is a tenant of a landlord-residential tenant relationship, the Company, through the Serving water

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utility, shall notify the landlord of the notice to discontinue water service. If AAWWR seeks to discontinue water service of a Sewage service Customer who is a landlord such that tenant water service would also be disconnected, the Company, through the Serving water utility, shall notify the tenant, and follow all procedures set forth in Puc 1203.12.

11. Customer Termination of Sewer Account.

A. The Customer shall provide reasonable notice of intent to terminate sewer service as follows:

- 1) The Customer shall provide notice at least 4 business days in advance of the termination date; and
- 2) Until the later of the expiration of the notice period or the requested sewer service termination, the Customer shall be responsible for all charges incurred for sewer service.

B. The Customer requesting sewer service termination shall make a reasonable effort to provide the Company, through the Serving water utility, with access to the water meter.

C. If the Customer is unable to provide the Company, through the Serving water utility, with access to the water meter, the Company, through the Serving water utility, shall send a written request for access to the water meter to the property owner, advising the property owner that failure to provide access to the water meter within 10 calendar days from the postmarked date of the request shall result in the transfer of responsibility for the sewer service to the property owner.

12. Customer Appeals. If a Customer disputes a disconnection (by the Serving water utility), or a bill or other matter with AAWWR, the Customer must request a conference with the Company prior to the scheduled date of water disconnection. The conference and appeals process shall comply with the procedures in Puc 1203.16 and 1203.17.

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13. Miscellaneous Charges.

A. Service Calls.

The Customer will be charged for all service calls except for calls that are due to a lack of reasonable care and maintenance of the sewer equipment and facilities by AAWWR. Effective until otherwise approved by the Commission, the hourly charge, not including materials, equipment use, or transportation, will be as follows:

During regular working hours	\$50.00 per hour
Off regular hours & weekends	\$75.00 per hour

B. Disconnect/Reconnect for Unpaid Sewer Bill

The Customer will be charged a flat rate, including materials, equipment use, and transportation, as follows for disconnection and reconnection service calls consistent with the Serving water utility's tariff, which is currently:

Disconnection of water service for unpaid sewer bill	\$45 flat rate
Reconnection of water service for unpaid sewer bill	\$45 flat rate

C. Penalty for Bad Checks.

Whenever a check or draft presented for payment is not accepted by the institution on which it is written, AAWWR will impose a charge of \$5.00 or the processing fee, whichever is greater, and also consistent with the Serving water utility's tariff if applicable.

14. Right of Access.

For the purpose of enforcing the provisions of this tariff, an authorized Company representative shall have the right and be permitted access to Customer's premises at any time to inspect the plumbing, fixtures, and/or appliances supplying service and the sources and nature of effluent, if any.

15. Main Pipe Extensions.

A. General Terms.

Main pipe extensions will be made upon petition of prospective Customers, subject to the following terms and conditions:

- 1) Main pipe extensions shall be laid by the Company or its authorized

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representative and shall be the property of the Company. Main pipe extensions on private property may be installed by the Customer at the Customer's option. Inspection of such work shall be provided by the Company, and the cost of said inspection will be paid by the Customer. The Customer shall pay the Company a fee in accordance with the Rate Schedules - GM on Original Pages 17 and 18 of this Tariff to recover the cost of any state and federal taxes on CIAC payments. Customers shall not otherwise be charged by the utility for CIAC payments or state and federal taxes on CIAC payments that are chargeable to a Developer. (See Section 15(C), "For Developers" below.)

- 2) Highways or streets in which an extension is to be made must have been laid out, lines and grades established, rough-graded, and approved by the municipality. In addition, an extension on private property may be made if:
 - a) Access along a public highway or street is not feasible; and
 - b) The prospective Customer(s) provide without expense to the Company, the necessary permits, consents, and easements, providing the Company with suitable legal rights for the construction, maintenance, and operation of pipelines and equipment, including the right to excavate whenever necessary; and
 - c) The prospective Customer(s) pays all expenses for the Main Pipe extension including, but not limited to, any fee in accordance with the Rate Schedules - GM on Original Pages 17 and 18 of this Tariff to recover the cost of any state and federal taxes on CIAC payments.
- 3) The size of pipe shall be determined by the Company in accordance with conditions surrounding the extension, including the possibility of future expansion and pressure and flow rate. If, in the opinion of the Company, a pipe smaller than eight inches (8") in diameter is sufficient or necessary based on the above conditions, the Company may, in its sole discretion, install such smaller pipe; and the cost will be based upon the size of the pipe to be installed.
- 4) The entire estimated construction cost, to be advanced by the Customer, (Customer advance) shall be based on the average cost of 8-inch (8") pipe installed during the previous year plus ten percent (10%). Where it is anticipated that abnormal costs will be encountered, the required Customer advance will be

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based on one Hundred fifty percent (150%) of the previous yearly average cost of 8-inch pipe. The Customer advance will be adjusted to the actual cost, when the actual costs are known.

- 5) Special contracts will be negotiated whenever in the opinion of the Company, conditions surrounding the extension, the regular extension plan should not be used or is not feasible. Each special contract shall be submitted to the Public Utilities Commission for approval.
- 6) All main pipe extensions will comply with the specifications and standards set forth by the Company for Main, and Service Installations at the time extension is sought, consistent with state and federal regulations.
- 7) The Company may refuse to render service in any case where the estimated revenue from the applicant is expected to be insufficient to warrant the Company making the investment necessary to supply the desired service under the applicable rate and the applicant refused to negotiate an equitable agreement for the desired service, which agreement would usually require a contribution from the applicant for the capital cost of construction to render the desired service.
- 8) Specific Terms regarding Credits and Refunds
 - a. For each Customer served from the main pipe extension at the regular filed and published tariff rates including the Customer advance provisions of Section 15 (A)(4) above, the Company will credit or refund to the original Customer a portion of the Customer advance (if installed by the Company) or a portion of the installation cost of the main pipe extension (if installed by the Customer) in an amount computed by capitalizing the projected net operating income from such Customer in accordance with following paragraph. For the purpose of this Section 15(B), "For an Individual Customer or Group of Customers" below, each service connection of a permanent nature will be considered as one Customer.
 - b. Projected revenue will be based on historical usage of a typical comparable Customer. The refund to the original Customer as a result of the connection of the original or any additional Customer will be in an amount equal to one (1) times the estimated annual water revenues to be realized from each such Customer served from the main pipe extension.

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B. For an Individual Customer or Group of Customers.

- 1) For each customer served at the regular filed and published tariff rates, the Company will, at its own expense, extend its main a distance not to exceed twenty-five (25) feet. For the purpose of this section, each service connection installed to serve premises improved with structures of a permanent nature will be considered as one customer.
- 2) For extensions averaging more than twenty-five (25) feet per customer, the customer or customer group will be required to make a “Customer advance for Construction” to be deposited with the Company in advance of construction. The Customer Advance will be the construction cost as defined in Section 15(A)(4) above.

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C. For Developers.

Extensions requested to provide sewer service to a prospective housing development or for the other purposes of a speculative nature, as determined by the Company, will be treated as a “developer” extension, subject to terms and conditions set forth below:

- 1) For extensions installed by the Company, the Company may require the developer to advance the entire estimated construction cost as defined in Section 15(A)(4). The Company may require the installation of larger pipe in anticipation of future development. Additional cost to install the larger pipe will be paid for by the Company. The developer’s advance will be adjusted to the actual main extension cost when the actual costs are known. The Developer shall pay the Company a fee in accordance with the Rate Schedules - GM on Original Pages 17 and 18 of this Tariff to recover the cost of any state and federal taxes on CIAC payments.
- 2) For extensions installed by the developer, the Company may require payment in advance of construction of a main pipe extension fee of three dollars (\$3.00) per foot to defray the Company’s costs of engineering, inspection, and administration associated with main extensions.
- 3) The developer will not receive any pro-rata refunds for subsequent Customers connected to the main or lateral extensions of new mains.

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GENERAL SERVICE - METERED

RATE SCHEDULE - GM

AVAILABILITY:

This schedule is available to all sewer service in the Company's following franchise areas:

Town of Atkinson: Atkinson Core System

CHARACTER OF SERVICE:

Receiving and transporting of sewage from the Customer's premises, subject to the Terms and Conditions of this Tariff. The Company will make every effort to maintain normal outflow but shall not be liable for the failure of either the outflow or the distribution system when such failure is due to the elements, natural causes, breaks, leaks, unusual or concurrent droughts, or waste or unlawful use of water or unauthorized discharge of effluent.

RATES: Sewer Rates (Annual Rate-billed monthly in arrears)

- | | |
|----------------|------------|
| i. Residential | \$133.11 |
| ii. Commercial | \$3,697.43 |

All Consumption - \$14.68 per 100 cubic feet of consumption of water service as metered by the Serving water utility.

- iii. Contributions in Aid of Construction (CIAC) payments Tax

The formula for calculating the tax costs associated with CIAC is as follows:

Current Effective Tax Rate: $\text{Current BPT Rate} + (\text{Current Federal Tax Rate} * (1 - \text{Current BPT Rate}))$

Plant or Equipment Tax Cost: $((\text{CIAC} - [\text{CIAC} * (1 / \text{Tax Life}) * .5]) / (1 - \text{Current Effective Tax Rate})) - \text{CIAC Value}$

Land or Cash Tax Cost: $((\text{CIAC}) / (1 - \text{Current Effective Tax Rate})) - \text{CIAC value}$

CIAC Tax Rate: $\text{Tax Cost} / \text{CIAC value}$

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Examples of proposed formulas based upon 1) \$1,000 of plant and equipment contributions and
2) \$1,000 of cash or land contributions:

Effective Tax Rate (as of 1/1/2020): $.077 + (.21 * (1 - .077)) = 27.08\%$

1) Contributed Plant or Equipment example:

Tax Cost: $(\$1,000 - [\$1,000 * (1/25) * .5]) / (1 - .2708) - \$1,000 = \$343.94$

2) Contributed Land or Cash example:

Tax Cost: $(\$1,000 / (1 - .2708)) - \$1,000 = \$371.37$

CIAC Tax Rate: $\$371.37 / \$1,000 = 37.14\%$

The above examples describe how this calculation is made based on proforma property value of \$1,000 and using for example purposes only, tax rates effective as of January 1, 2020. These examples are for demonstrative purposes only – actual tax rates and property values are subject to change and will be determined at the time the CIAC payment is calculated.

Information about the Federal Corporate Tax Rate as of January 1, 2020 can be found at <http://www.irs.gov/pub/irs-pdf/p542.pdf>

Information about the State of NH BPT rate can be found at <https://www.revenue.nh.gov/transparency/business-tax.htm>

TERMS OF PAYMENT:

Bills under this rate are net and will be rendered monthly and are due and payable upon presentation. All accounts Twenty-Five (25) days past due will be assessed a late fee of Ten Dollars (\$10.00) per month at the discretion of the Company, through the Serving water utility.