

DW 20-112

Abenaki Water Company

**Temporary Rates**

Written Direct Testimony of

Stephen P. St. Cyr

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Direct Testimony of Stephen P. St. Cyr for **Temporary Rates** in DW 20-112

8  
9 Q. Please state your name and address.

10  
11 A. Stephen P. St. Cyr of Stephen P. St. Cyr & Associates, 17 Sky Oaks Drive,  
12 Biddeford, Me. 04005.

13  
14 Q. Please state your present employment position and summarize your professional  
15 and educational background.

16  
17 A. I am presently employed by St. Cyr & Associates, which provides accounting,  
18 tax, management and regulatory services. St. Cyr & Associates was established  
19 in 1993. The Company devotes a significant portion of the practice to serving  
20 utilities. The Company has a number of regulated water utilities among its  
21 clientele. I have prepared and presented a number of rate case filings before the  
22 New Hampshire Public Utilities Commission. Prior to establishing St. Cyr &  
23 Associates, I worked in the utility industry for 16 years, holding various  
24 managerial accounting and regulatory positions. I have a Business  
25 Administration degree with a concentration in accounting from Northeastern  
26 University in Boston, Ma. I obtained my CPA certificate in Maryland, however,  
27 I'm not currently licensed in NH due to different licensing requirements. I have a  
28 master level Certificate in Taxation from New Hampshire College (now Southern  
29 New Hampshire University).

30  
31 Q. Is St. Cyr & Associates presently providing services to Abenaki Water Company  
32 ("AWC" or "Company")?

33  
34 A. Yes. St. Cyr & Associates prepared the various **temporary rate case** exhibits  
35 and supporting schedules as well as the written testimony and other rate case  
36 filing requirements for **temporary rates**. Also, St. Cyr & Associates prepare  
37 both recent financing applications (DW 20-044 and DW 20-088). In addition, St.  
38 Cyr & Associates prepares Abenaki's PUC Annual Reports.

39  
40 Q. Are you familiar with the pending **temporary** rate application of the various  
41 AWC water and sewer systems and with the various exhibits submitted as  
42 Schedules 1 through 4 inclusive, with related pages and attachments for each of  
43 the water systems and the sewer system?

44  
45 A. Yes, I am. The **temporary rate case** exhibits were prepared by me, utilizing the  
46 financial records of the Company.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. What is the test year that AWC is using in this **temporary rate** filing?

8  
9 A. AWC is utilizing the twelve months ended December 31, 2019 for the Lakeland  
10 (“LL”) Water and White Rock (“WR”) and the 12 months ended 4/30/20 for  
11 Tioga Gilford Village (“TGV”) and Tioga Belmont (“TB”). AWC is using the 12  
12 months ended 4/30/20 for TGV and TB because there were only 8 months of  
13 actual data in the 2019 test year. AWC is also is utilizing the twelve months  
14 ended December 31, 2019 for the Lakeland (“LL”) Sewer.

15  
16 Q. Before you explain the schedules, please provide a brief overview of AWC.

17  
18 A. AWC, a wholly owned subsidiary of New England Service Company (“NESC”),  
19 is a public utility distributing water to approximately 725 customers in Carroll,  
20 Belmont, Bow and Gilford, NH. It also provides sewer to 158 customers in  
21 Belmont, NH. As a public utility operating in New Hampshire, the Company  
22 functions under the rules and regulations prescribed by the New Hampshire  
23 Public Utilities Commission (“NHPUC”).

24  
25 Q. Is the rate application applicable to all of AWC’s systems?

26  
27 A. No, the rate application excludes the Rosebrook water system.

28  
29 Q. Are there specific things prompting the **temporary rate** filing?

30  
31 A. Yes. First of all, the WR, TGV and TB all experience net losses during the test  
32 year. As such, part of the rate application is simply to allow those systems to  
33 recover its costs and earn its PUC approved rates of return. Second, each of the  
34 water systems incurred normal replacement of plant and/or new plant during the  
35 test year. Both TGV and TB made significant investments in the purchased and  
36 installed meters. Third, LL Water, WR & TB systems has incurred costs i.e.,  
37 water boiling, tax rate effect change, water outages, tank inspection, etc. that have  
38 been deferred. Those systems are now seeking recovery of such costs over  
39 various periods of time. Finally, Lakeland and White Rock’s last rate increase was  
40 approved in DW 15-199, based on a proformed 2014 test year. TGV and TB’s  
41 last rate increase was approved in DW 10-217, based on a proformed test year for  
42 the 12 months ended 10/31/09. With the proposed increase in **temporary** rates  
43 and revenues, AWC should be able to eliminate the net loss, recover its  
44 investments, earn its PUC approved rate of return on its investment and continue  
45 to provide service to its customers at fair and reasonable rates.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Is there anything else prior to summarizing the schedules?

8  
9 A. No.

10  
11 Q. What is the purpose of your testimony?

12  
13 A. The purpose of my testimony is to support AWC's efforts to increase rates on a  
14 **temporary basis.**

15  
16 Q. Please provide an overview of the temporary rate filing.

17  
18 A. **The temporary rate filing is the same as the permanent rate filing, except for**  
19 **the elimination of certain pro forma adjustments that are more**  
20 **appropriately reviewed as part of the permanent rate filing. AWC adjusted**  
21 **the revenue downward for each of the systems. It eliminated most of expense**  
22 **adjustments for each of the systems. It also eliminated most of rate base**  
23 **adjustments for each of the systems. In addition, AWC eliminated the pro**  
24 **forma capital structure and rate of return. With the elimination of the**  
25 **various adjustments, AWC believes that the temporary increase in rates /**  
26 **revenues for each of the systems is fair, reasonable and manageable. It allows**  
27 **each of the systems to earn its PUC approved rate of return on its prudently**  
28 **incurred investments and to pay for its necessary operating expenses. The**  
29 **proposed temporary increase will enable each of the systems to continue**  
30 **providing good water with good pressure and reliability at a good price.**

31  
32 Q. Would you please summarize the schedules?

33  
34 A. Yes. The schedules consist of AWC 2019, 2018 and 2017 balance sheets and  
35 income statements, the 2019 statement of income by system, the 2019, 2018 and  
36 2017 capital structures, the 2019 actual and the rate of return information  
37 (collectively referred to as the Total Company Schedules). The Total Company  
38 Schedules are followed by a set of **temporary** rate schedules for the LL Sewer  
39 entity and the LL Water, WR, TGV and TB water systems.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Please describe the **Total Company Schedules**.

8  
9 A. The Total Company Schedules consist of the 2019, 2018 and 2017 balance sheets  
10 and income statements, the 2019 statement of income by system, the 2019, 2018  
11 and 2017 capital structures, the 2019 actual long term debt and the rate of return  
12 information

13  
14 Overall, Schedule 1a and 1b shows the Company's balance sheet has increased  
15 \$487,621 since 2017, including an increase in utility plant of \$599,472. The  
16 Company's cash position has been strained, resulting in a significant A/P to  
17 Associated Co., which was subsequently converted to additional paid in capital.  
18 Company has also experienced increases in preliminary survey and investigation  
19 charges of \$102,041 and miscellaneous deferred debits of \$157,681. In addition,  
20 the Company has an increase in additional paid in capital of \$474,730 including  
21 the previously mentioned conversion of A/P to Associated Co. Its long-term debt  
22 decreased in 2018 and increased in 2019.

23  
24 Overall, in 2019, Schedule 2a shows the Company's net income amounted to  
25 \$29,063. The Company's operating revenues decreased in 2018 and increased in  
26 2019, due to an increase in rates in its Rosebrook water system and 8 months of  
27 revenue from newly acquired TGV and TB water systems. The Company's  
28 operating expenses decreased in 2018 and increased in 2019. The increase in  
29 2019 is in part due to O&M expenses associated with newly acquired TGV and  
30 TB water system.

31  
32 A closer look at the Company's 2019 net income as shown on Schedule 2b  
33 reveals that Rosebrook and Lakeland contributed to the overall net income and  
34 WR, TGV and TB did not. WR, TGV & TB experienced net losses amounting to  
35 \$19,532, \$13,067 and \$19,975, respectively.

36  
37 As such, part of the proposed increase in **temporary** rates / revenues is to simply  
38 allow those systems to cover their expenses and earn their presently PUC  
39 approved rate of return.

40  
41 Schedule 3 shows the 2019, 2018 & 2017 capital structures. As indicated earlier,  
42 the Company has an increase in additional paid in capital of \$474,730 including  
43 the previously mentioned conversion of A/P to Associated Co. Its long-term debt  
44 decreased in 2018 and increased in 2019.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Schedule 4 shows the Company's long term debt and interest expense for both  
8 actual and pro forma 2019. The actual cost of debt is 4.08%. The pro forma cost  
9 of debt is 4.08%, the same as the actual costs of debt for **temporary rate**  
10 **purposes.**

11  
12 Schedule 5 shows the rate of return information including overall rate of return of  
13 7.81% for both actual and pro forma, respectively. It also shows the capital  
14 structures and capital structures percentage for 2019, 2018 and 2017. The  
15 Company is utilizing the PUC approved rate of return in DW 15-199.

16  
17 Q. Is there anything else that you would like to address related to the Total Company  
18 Schedules?

19  
20 A. No.

21  
22 Q. Please begin by describing the **LL Sewer Schedules for temporary rates.**

23  
24 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year  
25 ended December 31, 2019," summarizes the supporting schedules. The actual  
26 revenue (deficiency) surplus for LL Sewer for the test year amounts to (\$2,121).  
27 It is based upon an actual test year with a 5 quarter average rate base of \$49,752  
28 as summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual  
29 test year. The rate of return of 7.81%, when multiplied by the rate base of  
30 \$49,752, results in an operating income requirement of \$3,886. As shown on  
31 Schedule 1, the actual net operating income (loss) for LL Sewer for the test year  
32 was \$1,765. The operating income required, less the net operating income (loss),  
33 results in an operating income (deficiency) surplus before taxes of (\$2,121). LL  
34 Sewer did not calculate the tax effect of the revenue deficiency, resulting in a  
35 revenue (deficiency) surplus for LL Sewer of (\$2,121).

36  
37 The pro forma revenue deficiency for LL Sewer for the test year amounts to zero.  
38 It is based upon a pro formed test year rate base of \$52,698, as summarized in  
39 Schedule 3. AWC is utilizing the actual rate of return of 7.81% for the pro  
40 formed test year. The pro formed rate of return of 7.81% when multiplied by the  
41 rate base of \$52,698, results in an operating net income requirement of \$4,116.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 As shown on Schedule 1, the pro formed net operating income for LL Sewer for  
8 the test year is \$4,115. The operating income required, less the net operating  
9 income, results in a deficiency of zero. The tax effect of the deficiency is zero,  
10 resulting in a revenue deficiency for LL Sewer of zero.  
11

12 Schedule 1 reflects LL Sewer's Statement of Income. Column b shows the actual  
13 2019 year end balances. Column c shows pro forma adjustments for known and  
14 measurable changes to test year revenues and expenses. Column d shows the pro  
15 forma 2019 year end balances. The 2018 and 2017 Statements of Income are not  
16 available since 2019 was the first year in which AWC separated the water and  
17 sewer. During the 2019 test year, LL Sewer net income (loss) was \$1,765.  
18

19 Schedule 1A shows the pro forma adjustments to revenue and expenses. The  
20 Company made 2 pro forma adjustments to operating revenues totaling \$5,534  
21 and a few pro forma adjustments to operating expenses totaling \$3,184. The  
22 specific pro forma adjustments are identified on the Statement of Income – Pro  
23 forma Adjustments (Schedule 1A). A brief explanation is as follows:  
24

25 Pro forma Adjustment to Operating Revenues

26  
27 Operating Revenues – \$5,534  
28

29 The Company decreased test year operating revenue by (\$5,309) to  
30 eliminate the surcharge revenue.

31 The Company increased test year operating revenue by \$10,573 for the  
32 proposed amount of revenues necessary to cover its expenses and allow it to earn  
33 its proposed rate of return.  
34

35 Pro forma Adjustments to Operating Expense

36  
37 Operating Expenses:  
38

39 Purchased Water Treatment - \$0  
40

41 Miscellaneous Pumping Expenses - \$2,206

42 In 2019 LL Sewer removed and unbound sewer pump 1. Initially, it  
43 charged such expense to miscellaneous deferred debit. Upon further review, it  
44 was determined that the expense was maintenance in nature and should have been  
45 charged to expense. As such, the pro forma adjustment transferred the expense  
46 from miscellaneous deferred debits to miscellaneous pumping expenses.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Lease Agreements - \$0

8  
9 PUC Audit - \$0

10  
11 Amortization Expenses – Other - \$594

12  
13 2019 Tax Rate Effect Change

14  
15 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR  
16 18-001 and DW 18-047 related to the PUC investigation to determine the rate  
17 effect of federal and state corporate tax reductions. The investigation involved  
18 AWC preparing a compliance plan along with attachments, the PUC Staff  
19 recommendation and the PUC order approving Staff's recommendation. AWC  
20 later allocated such costs to its 3 systems at the time including Lakeland. In 2019  
21 Lakeland further allocated such costs between water and sewer. LL Sewer costs  
22 amounts to \$1,536. LL Sewer is proposing to recover the costs over 5 years, at an  
23 annual cost of \$307.

24  
25 2019 Sewer Step Rate Increase

26  
27 In DW 15-199 the PUC approved a step increase for an anticipated  
28 increase in sewer rates that the City of Laconia charges LL Sewer. LL Sewer  
29 pursued the step increase in 2019 and incurred various \$1,536 costs to do so. LL  
30 Sewer is proposing to recover the costs over 5 years, at an annual cost of \$287.

31  
32  
33 Income Taxes - \$384

34  
35 The Company has provided the calculation of the federal income taxes and the  
36 state business taxes (Schedule 1B). The Company has also provided the effective  
37 tax factor (Schedule 1C).

38  
39 The total pro forma adjustments to Operating Expenses amount to \$3,184.



1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6

7

The net of the pro forma adjustments to operating revenue of \$5,534 and the pro forma adjustments to operating expenses of \$3,184 results in a net pro forma adjustment of \$2,350. When the net operating income associated with the pro forma adjustments is added to net operating income from the test year, the pro forma test year net operating income totals \$4,115. The pro forma test year net operating income of \$4,115 allows LL Sewer to cover its expenses and earn its actual 7.81% return on its investments.

14

15 Q. Does that complete your description of the pro forma adjustments to revenues and  
16 expenses?

17

18 A. Yes.

19

20 Q. Please describe Schedule 2, the Balance Sheet.

21

22 A. See Total Company Balance Sheet.

23

24 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting  
25 schedule.

26

27 A. Schedule 3 reflects LL Sewer Rate Base the 5 quarter average. Column b – f  
28 shows the actual balance at the end of each quarter. Column g shows the average  
29 of the 5 quarter balances. Column h shows the pro forma adjustments. Column i  
30 shows the pro forma 5 quarter average balances.

31

Schedule 3A shows the Rate Base – LL Sewer Pro forma Adjustments.  
Adjustments #3 & #4 are the adjustments related to the Dockets IR 18-001 and  
DW 18-047 regarding the PUC investigation to determine the rate effect of  
federal and state corporate tax reductions and step increase costs totaling \$2,971.  
LL Sewer is proposing to recover both costs over 5 years, at an annual cost of  
\$594. The half year amortization of such costs is \$297.

38

Adjustment #6 pertains to cash working capital and shows the additional cash  
working capital due to the proposed increase in O&M expenses. The cash  
working capital balances are further supported by Schedules 3C.

42

The Total Pro Forma December 31, 2019 Rate Base balance amounts to \$52,698.

44

45

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Would you please explain Schedule 4, Rate of Return Information?

8  
9 A. See Total Company Capital Structure and Rate of Return Information. Please  
10 note that the Capital Structure and Rate of Return Information is for AWC (Total  
11 Company) and not just LL Sewer.

12  
13 Q. Please explain the Report of Proposed Rate Changes.

14  
15 A. If LL Sewer's rate filing is approved as submitted, its total sewer Operating  
16 Revenues will amount to \$121,455, an increase of \$5,534.

17  
18 Q. Is LL Sewer proposing any changes to the methodology used in calculating the  
19 rates?

20  
21 A. No. LL Sewer is calculating the new rates in a manner consistent with its present  
22 rates.

23  
24 Q. When is LL Sewer proposing that the new rates be effective?

25  
26 A. The proposed effective date is 30 days from LL Sewer's rate filing.

27  
28 Q. Would you please summarize what the LL Sewer is requesting in its **temporary**  
29 **rate filing**?

30  
31 A. LL Sewer respectfully requests that the Commissioners approve an increase in  
32 annual revenues of \$5,534 for **temporary** rates.

33  
34 Q. Is there anything further that you would like to discuss?

35  
36 A. No, there is nothing further to my testimony as it pertains to LL Sewer.

37  
38 Q. Please begin by describing the **LL Water Schedules for temporary rates**.

39  
40 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year  
41 ended December 31, 2019," summarizes the supporting schedules. The actual  
42 revenue (deficiency) surplus for LL Water for the test year amounts to \$6,261. It  
43 is based upon an actual test year with a 5 quarter average rate base of \$298,944 as  
44 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual  
45 test year. The rate of return of 7.81%, when multiplied by the rate base of  
46 \$298,944, results in an operating income requirement of \$23,347.

1  
2 **Stephen P. St. Cyr & Associates**

3 17 Sky Oaks Drive

4 Biddeford, Me. 04005

5 207-423-0215

6 stephenpstcyr@yahoo.com  
7

8 As shown on Schedule 1, the actual net operating income (loss) for LL Water for  
9 the test year was \$29,608. The operating income required, less the net operating  
10 income (loss), results in an operating income (deficiency) surplus before taxes of  
11 \$6,261. LL Water did not calculate the tax effect of the revenue deficiency,  
12 resulting in a revenue (deficiency) surplus for LL Water of \$6,261.  
13

14 The pro forma revenue deficiency for LL Water for the test year amounts to zero.  
15 It is based upon a pro formed test year rate base of \$306,898, as summarized in  
16 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed  
17 test year. The pro formed rate of return of 7.81% when multiplied by the rate  
18 base of \$306,898, results in an operating net income requirement of \$23,969.  
19

20 As shown on Schedule 1, the pro formed net operating income for LL Water for  
21 the test year is \$23,969. The operating income required, less the net operating  
22 income, results in a deficiency of zero. The tax effect of the deficiency is zero,  
23 resulting in a revenue deficiency for LL Water of zero.  
24

25 Schedule 1 reflects LL Water's Statement of Income. Column b shows the actual  
26 2019 year end balances. Column c shows pro forma adjustments for known and  
27 measurable changes to test year revenues and expenses. Column d shows the pro  
28 forma 2019 year end balances. The 2018 and 2017 Statements of Income are not  
29 available since 2019 was the first year in which AWC separated the water and  
30 sewer. During the 2019 test year, LL Water net income (loss) was \$24,447.  
31

32 Schedule 1A shows the pro forma adjustments to revenue and expenses. The  
33 Company made 1 pro forma adjustment to operating revenues totaling (\$4,964)  
34 and a few pro forma adjustments to operating expenses totaling \$675. The  
35 specific pro forma adjustments are identified on the Statement of Income – Pro  
36 forma Adjustments (Schedule 1A). A brief explanation is as follows:  
37

38 Pro forma Adjustment to Operating Revenues

39  
40 Operating Revenues – (\$4,964)  
41

42 The Company has decreased test year revenues for the proposed amount  
43 of revenues necessary to cover its expenses and allow it to earn its proposed rate  
44 of return.  
45  
46

1  
2 **Stephen P. St. Cyr & Associates**

3 17 Sky Oaks Drive

4 Biddeford, Me. 04005

5 207-423-0215

6 stephenpstcyr@yahoo.com

7  
8 Pro forma Adjustments to Operating Expense

9  
10 Operating Expenses:

11  
12 Lease Agreements - \$0

13  
14 PUC Audit - \$0

15  
16 Depreciation Expense - \$0

17  
18 Amortization Expense - \$990

19  
20 In 2017 LL Water incurred \$6,996 related to a water boiling order. LL  
21 Water deferred such costs. It is now proposing to seek recovery over a ten year  
22 period. The annual costs amounts to \$700. Also, see Schedule 3C.

23  
24 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR  
25 18-001 and DW 18-047 related to the PUC investigation to determine the rate  
26 effect of federal and state corporate tax reductions. The investigation involved  
27 AWC preparing a compliance plan along with attachments, the PUC Staff  
28 recommendation and the PUC order approving Staff's recommendation. AWC  
29 later allocated such costs to its 3 systems at the time including Lakeland. In 2019  
30 Lakeland further allocated such costs between water and sewer. LL Water costs  
31 amounts to \$1,453. LL Water is proposing to recover the costs over 5 years, at an  
32 annual cost of \$290. Also, see Schedule 3C.

33  
34 Taxes other than Income - \$0

35  
36 Income Taxes – (\$315)

37  
38 The Company has provided the calculation of the federal income taxes and  
39 the state business taxes (Schedule 1B). The Company has also provided the  
40 effective tax factor (Schedule 1C).

41  
42 The total pro forma adjustments to Operating Expenses amount to \$617.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 The net of the pro forma adjustments to operating revenue of (\$4,964) and  
8 the pro forma adjustments to operating expenses of \$675 results in a net pro forma  
9 adjustment of (\$5,639). When the net operating income associated with the pro  
10 forma adjustments is added to net operating income from the test year, the pro  
11 forma test year net operating income totals \$23,969. The pro forma test year net  
12 operating income of \$23,969 allows LL Water to cover its expenses and  
13 earn its actual 7.81% return on its investments.

14  
15 Q. Does that complete your description of the pro forma adjustments to revenues and  
16 expenses?

17  
18 A. Yes.

19  
20 Q. Please describe Schedule 2, the Balance Sheet.

21  
22 A. See Total Company Balance Sheet.

23  
24 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting  
25 schedule.

26  
27 A. Schedule 3 reflects LL Water Rate Base for the 5 quarter average. Column b – f  
28 shows the actual balance at the end of each quarter. Column g shows the average  
29 of the 5 quarter balances. Column h shows the pro forma adjustments. Column i  
30 shows the pro forma year-end balance.

31  
32 Schedule 3A shows the Rate Base – LL Water Pro forma Adjustments.  
33 Adjustments #6 & #7 are the adjustments related to the 2017 water boiling  
34 amounting to \$6,996 and the Dockets IR 18-001 and DW 18-047 regarding the  
35 PUC investigation to determine the rate effect of federal and state corporate tax  
36 reductions amounting to \$1,453. The total addition to rate base is \$8,449. Also,  
37 see Schedule 3C. LL Water is proposing that the 2017 water boiling costs and the  
38 PUC investigation costs be recovered over 10 years and 5 years, respectively.  
39 The total ½ year amortization amounts to \$495. Also, see Schedule 3C

40  
41 The Total Pro Forma December 31, 2019 Rate Base balance amounts to  
42 \$306,898.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Would you please explain Schedule 4, Rate of Return Information?

8  
9 A. See Total Company Capital Structure and Rate of Return Information. Please  
10 note that the Capital Structure and Rate of Return Information is for AWC (Total  
11 Company) and not just LL Water.

12  
13 Q. Please explain the Report of Proposed Rate Changes.

14  
15 A. If LL Water's rate filing is approved as submitted, its total water Operating  
16 Revenues will amount to \$117,773, a decrease of (\$4,957).

17  
18 R. Is LL Water proposing any changes to the methodology used in calculating the  
19 rates?

20  
21 A. No. LL Water is calculating the new rates in a manner consistent with its present  
22 rates.

23  
24 R. When is LL Water proposing that the new rates be effective?

25  
26 A. The proposed effective date is 30 days from LL Water's rate filing.

27  
28 Q. Would you please summarize what the LL Water is requesting in its **temporary**  
29 **rate filing**?

30  
31 A. LL Water respectfully requests that the Commissioners approve a decrease in  
32 overall annual revenues of (\$4,957) including a decrease of (\$1,485) in total water  
33 revenues for **temporary** rates.

34  
35 Q. Is there anything further that you would like to discuss?

36  
37 A. No, there is nothing further to my testimony as it pertains to LL Water.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Please begin by describing the **WR Water Schedules for temporary rates.**

8  
9 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year  
10 ended December 31, 2019," summarizes the supporting schedules. The actual  
11 revenue (deficiency) surplus for WR for the test year amounts to (\$36,243). It is  
12 based upon an actual test year with a 5 quarter average rate base of \$243,250 as  
13 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual  
14 test year. The rate of return of 7.81%, when multiplied by the rate base of  
15 \$243,250, results in an operating income requirement of \$18,998. As shown on  
16 Schedule 1, the actual net operating income (loss) for WR for the test year was  
17 (\$17,425). The operating income required, less the net operating income (loss),  
18 results in an operating income (deficiency) surplus before taxes of (\$36,423). WR  
19 did not calculate the tax effect of the revenue deficiency, resulting in a revenue  
20 (deficiency) surplus for WR of (\$36,423).

21  
22 The pro forma revenue deficiency for WR for the test year amounts to zero. It is  
23 based upon a pro formed test year rate base of \$344,574, as summarized in  
24 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed  
25 test year. The pro formed rate of return of 7.81% when multiplied by the rate  
26 base of \$344,574, results in an operating net income requirement of \$26,911.

27  
28 As shown on Schedule 1, the pro formed net operating income for WR for the test  
29 year is \$26,911. The operating income required, less the net operating income,  
30 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in  
31 a revenue deficiency for WR of zero.

32  
33 Schedule 1 reflects WR's Statements of Income. Column b shows the actual 2019  
34 year end balances. Column c shows pro forma adjustments for known and  
35 measurable changes to test year revenues and expenses. Column d shows the pro  
36 forma 2019 year end balances. The 2018 and 2017 Statements of Income are  
37 shown in columns e and f, respectively. During the 2019 test year, WR net  
38 income (loss) was (\$19,532).

39  
40 Schedule 1A shows the pro forma adjustments to revenue and expenses. The  
41 Company made 1 pro forma adjustment to operating revenues totaling \$71,733  
42 and a few pro forma adjustments to operating expenses totaling \$27,397. The  
43 specific pro forma adjustments are identified on the Statement of Income – Pro  
44 forma Adjustments (Schedule 1A). A brief explanation is as follows:

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Pro forma Adjustment to Operating Revenues

8  
9 Operating Revenues – \$71,733

10  
11 The Company has increased test year revenues for the proposed amount of  
12 revenues necessary to cover its expenses and allow it to earn its proposed rate of  
13 return.

14  
15 Pro forma Adjustments to Operating Expense

16  
17 Operating Expenses:

18  
19 Lease Agreements - \$0

20  
21 PUC Audit - \$0

22  
23 Depreciation Expense - \$0

24  
25 Amortization of CIAC – (\$1,600)

26  
27 In 2019/2020, WR had its tanks inspected, costing a total \$26,512. WR  
28 received a grant of \$8,000 from ... . WR deferred the costs and the related grant.  
29 WR is now seeking recovery of the amount and the related grant over 5 year. The  
30 annual amortization of CIAC over 5 years amounts to \$1,600. Also, see Schedule  
31 3C.

32  
33 Amortization Expense associated with Miscellaneous Deferred Debits - \$14,380

34  
35 In 2018 & 2019 WR incurred significant expenditures amounting to  
36 \$87,625 related to water outages. WR deferred such costs. It is now proposing to  
37 seek recovery over a ten year period. The annual costs amounts to \$8,763. Also,  
38 see Schedule 3C.

39 During 2018 & 2019 AWC incurred \$8,490 of costs related to Dockets IR  
40 18-001 and DW 18-047 related to the PUC investigation to determine the rate  
41 effect of federal and state corporate tax reductions. The investigation involved  
42 AWC preparing a compliance plan along with attachments, the PUC Staff  
43 recommendation and the PUC order approving Staff's recommendation. AWC  
44 later allocated such costs to its 3 systems at the time including WR. WR costs  
45 amounts to \$1,577. WR is proposing to recover the costs over 5 years, at an  
46 annual cost of \$315. Also, see Schedule 3C.



1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 In 2019/2020, WR had its tanks inspected, costing a total \$26,512. WR received  
8 a grant of \$8,000 from ... . WR deferred the costs and the related grant. WR is  
9 now seeking recovery of the amount and the related grant over 5 year. The annual  
10 costs over 5 years amount to \$5,302. Also, see Schedule 3C.

11  
12 Taxes other than Income – \$0

13  
14 In 2020 WR anticipates adding \$169,097 to plant in service. The addition  
15 of \$169,097 to plant in service increases the property tax valuation for both state  
16 and local property taxes. The calculation of the increase amounts to \$861 and  
17 \$3,420 for state and local property taxes, respectively. Also, see Schedule 3B.

18  
19 Income Taxes – \$14,616

20  
21 The Company has provided the calculation of the federal income taxes and  
22 the state business taxes (Schedule 1B). The Company has also provided the  
23 effective tax factor (Schedule 1C).

24  
25 The total pro forma adjustments to Operating Expenses amount to  
26 \$27,397.

27  
28 The net of the pro forma adjustments to operating revenue of \$71,733 and  
29 the pro forma adjustments to operating expenses of \$27,397 results in a net pro  
30 forma adjustment of \$44,336. When the net operating income associated with the  
31 pro forma adjustments is added to net operating income from the test year, the pro  
32 forma test year net operating income totals \$26,911. The pro forma test year net  
33 operating income of \$26,911 allows WR to cover its expenses and earn its actual  
34 7.81% return on its investments.

35  
36 Q. Does that complete your description of the pro forma adjustments to revenues and  
37 expenses?

38  
39 A. Yes.

40  
41 Q. Please describe Schedule 2, the Balance Sheet.

42  
43 A. See Total Company Balance Sheet.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting  
8 schedule.

9  
10 A. Schedule 3 reflects WR Rate Base for the 5 quarter average. Column b – f shows  
11 the actual balance at the end of each quarter. Column g shows the average of the  
12 5 quarter balances. Column h shows the pro forma adjustments. Column i shows  
13 the pro forma year-end balance.

14  
15 Schedule 3A shows the Rate Base – WR Pro forma Adjustments. Adjustments #6  
16 & #7 are the adjustments related to the 2018 & 2019 water outages amounting to  
17 \$87,625, the Dockets IR 18-001 and DW 18-047 regarding the PUC investigation  
18 to determine the rate effect of federal and state corporate tax reductions  
19 amounting to \$1,577 and the 2019/2020 tank inspections amounting to \$26,512.  
20 The total addition to rate base is \$115,714. Also, see Schedule 3C. WR is  
21 proposing that the 2018 & 2019 water outages over 10 years and the PUC  
22 investigation and tank inspection 5 years. The total ½ year amortization amounts  
23 to \$7,190. Also, see Schedule 3C.

24  
25 Adjustment #s 9 and 11 are related to the \$8,000 grant for the tank inspections  
26 reflected as CIAC and the ½ year amortization of CIAC amounting to \$800.  
27 Also, see Schedule 3C.

28  
29 The Total Pro Forma December 31, 2019 Rate Base balance amounts to  
30 \$344,574.

31  
32 Q. Would you please explain Schedule 4, Rate of Return Information?

33  
34 A. See Total Company Capital Structure and Rate of Return Information. Please  
35 note that the Capital Structure and Rate of Return Information is for AWC (Total  
36 Company) and not just WR.

37  
38 Q. Please explain the Report of Proposed Rate Changes.

39  
40 A. If WR's rate filing is approved as submitted, its total water Operating Revenues  
41 will amount to \$153,944 including \$156,566 from residential customers, an  
42 increase of \$74,430.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Is WR proposing any changes to the methodology used in calculating the rates?

8  
9 A. No. WR is calculating the new rates in a manner consistent with its present rates.

10  
11 Q. When is WR proposing that the new rates be effective?

12  
13 A. The proposed effective date is 30 days from WR's rate filing.

14  
15 Q. Would you please summarize what the WR is requesting in its **temporary rate**  
16 **filing?**

17  
18 A. WR respectfully requests that the Commissioners approve an increase in annual  
19 revenues of \$71,733 including \$74,430 from residential customers for **temporary**  
20 **rates.**

21  
22 Q. Is there anything further that you would like to discuss?

23  
24 A. No, there is nothing further to my testimony as it pertains to WR.

25  
26 Q. Please begin by describing the **TGV Water Schedules for temporary rates..**

27  
28 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year  
29 ended December 31, 2019," summarizes the supporting schedules. The actual  
30 revenue (deficiency) surplus for TGV for the test year amounts to (\$33,209). It is  
31 based upon an actual test year with a 5 quarter average rate base of \$119,913 as  
32 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual  
33 test year. The rate of return of 7.81%, when multiplied by the rate base of  
34 \$119,913, results in an operating income requirement of \$9,365. As shown on  
35 Schedule 1, the actual net operating income (loss) for TGV for the test year was  
36 (\$23,844). The operating income required, less the net operating income (loss),  
37 results in an operating income (deficiency) surplus before taxes of (\$33,209).  
38 TGV did not calculate the tax effect of the revenue deficiency, resulting in a  
39 revenue (deficiency) surplus for TGV of (\$33,209).

40  
41 The pro forma revenue deficiency for TGV for the test year amounts to zero. It is  
42 based upon a pro formed test year rate base of \$119,913, as summarized in  
43 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed  
44 test year. The pro formed rate of return of 7.81% when multiplied by the rate  
45 base of \$119,913, results in an operating net income requirement of \$9,365.  
46

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 As shown on Schedule 1, the pro formed net operating income for TGV for the  
8 test year is \$9,366. The operating income required, less the net operating income,  
9 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in  
10 a revenue deficiency for TGV of zero.  
11

12 Schedule 1 reflects TGV's Statements of Income for the 12 months ended  
13 4/30/20. As previously stated, TGV is using the 12 months ended 4/30/20  
14 because there were only 8 months of actual data in the 2019 test year. Column b  
15 shows the actual 12 months ended 4/30/20. Column c shows pro forma  
16 adjustments for known and measurable changes to test year revenues and  
17 expenses. Column d shows the pro forma 12 months ended 4/30/20. The 12  
18 months ended 4/30/19 and 4/30/18 was prior to AWC's ownership. During the 12  
19 months ended 4/30/20, TGV net income (loss) was (\$24,600).  
20

21 Schedule 1A shows the pro forma adjustments to revenue and expenses. The  
22 Company made 1 pro forma adjustment to operating revenues totaling \$40,830  
23 and a few pro forma adjustments to operating expenses totaling \$7,620. The  
24 specific pro forma adjustments are identified on the Statement of Income – Pro  
25 forma Adjustments (Schedule 1A). A brief explanation is as follows:  
26

27 Pro forma Adjustment to Operating Revenues

28  
29 Operating Revenues – \$40,830  
30

31 The Company has increased test year revenues for the proposed amount of  
32 revenues necessary to cover its expenses and allow it to earn its proposed rate of  
33 return.  
34

35 Pro forma Adjustments to Operating Expense

36  
37 Operating Expenses:  
38

39 Lease Agreements - \$0  
40

41 PUC Audit - \$0  
42

43 Depreciation Expense - \$0  
44  
45  
46

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Amortization of Organizational Costs - \$0

8  
9 Taxes other than Income – \$661

10  
11 Total annual property taxes for the Town of Gilford are \$1,153. The  
12 amount of property taxes reflected in the test year was \$492, resulting in a pro  
13 forma adjustment of \$661.

14  
15 Income Taxes – \$6,959

16  
17 The Company has provided the calculation of the federal income taxes and  
18 the state business taxes (Schedule 1B). The Company has also provided the  
19 effective tax factor (Schedule 1C).

20  
21 The total pro forma adjustments to Operating Expenses amount to \$7,620.

22  
23 The net of the pro forma adjustments to operating revenue of \$40,830 and  
24 the pro forma adjustments to operating expenses of \$7,620 results in a net pro  
25 forma adjustment of \$33,210. When the net operating income associated with the  
26 pro forma adjustments is added to net operating income from the test year, the pro  
27 forma test year net operating income totals \$9,366. The pro forma test year net  
28 operating income of \$9,366 allows TGV to cover its expenses and earn its actual  
29 7.81% return on its investments.

30  
31 Q. Does that complete your description of the pro forma adjustments to revenues and  
32 expenses?

33  
34 A. Yes.

35  
36 Q. Please describe Schedule 2, the Balance Sheet.

37  
38 A. See Total Company Balance Sheet.

39  
40 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting  
41 schedule.

42  
43 A. Schedule 3 reflects TGV Rate Base for both the 5 quarter average and the pro  
44 forma year-end balance. Column b – f shows the actual balance at the end of each  
45 quarter. Column g shows the average of the 5 quarter balances. Column h shows  
46 the pro forma adjustments. Column i shows the pro forma year-end balance.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 [stephenpstcyr@yahoo.com](mailto:stephenpstcyr@yahoo.com)

6  
7 Please note that the December 2018 and March 2019 balances are before AWC  
8 purchase of TGV. As such, the December 2018 and the March 2019 balances are  
9 assumed to be the same as June 2019.

10  
11 There are no pro forma adjustments to rate base.

12  
13 The Total Pro Forma December 31, 2019 Rate Base balance amounts to  
14 \$119,913.

15  
16 Q. Would you please explain Schedule 4, Rate of Return Information?

17  
18 A. See Total Company Capital Structure and Rate of Return Information. Please  
19 note that the Capital Structure and Rate of Return Information is for AWC (Total  
20 Company) and not just TGV.

21  
22 Q. Please explain the Report of Proposed Rate Changes.

23  
24 A. If TGV's rate filing is approved as submitted, its total water Operating Revenues  
25 will amount to \$69,663, an increase of \$40,830.

26  
27 Q. Is TGV proposing any changes to the methodology used in calculating the rates?

28  
29 A. No. TGV is calculating the new rates in a manner consistent with its present  
30 rates.

31  
32 Q. When is TGV proposing that the new rates be effective?

33  
34 A. The proposed effective date is 30 days from TGV's rate filing.

35  
36 Q. Would you please summarize what the TGV is requesting in its **temporary rate**  
37 **filing**?

38  
39 A. TGV respectfully requests that the Commissioners approve an increase in annual  
40 revenues of \$40,830 for **temporary rates**.

41  
42 Q. Is there anything further that you would like to discuss?

43  
44 A. No, there is nothing further to my testimony as it pertains to TGV.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Please begin by describing the **TB Water Schedules for temporary rates.**

8  
9 A. The schedule entitled "Computation of Revenue Deficiency for the Test Year  
10 ended December 31, 2019," summarizes the supporting schedules. The actual  
11 revenue (deficiency) surplus for TB for the test year amounts to (\$37,089). It is  
12 based upon an actual test year with a 5 quarter average rate base of \$72,615 as  
13 summarized in Schedule 3. AWC's actual rate of return is 7.81% for the actual  
14 test year. The rate of return of 7.81%, when multiplied by the rate base of  
15 \$72,615, results in an operating income requirement of \$5,671. As shown on  
16 Schedule 1, the actual net operating income (loss) for TB for the test year was  
17 (\$31,418). The operating income required, less the net operating income (loss),  
18 results in an operating income (deficiency) surplus before taxes of (\$37,089). TB  
19 did not calculate the tax effect of the revenue deficiency, resulting in a revenue  
20 (deficiency) surplus for TB of (\$37,089).

21  
22 The pro forma revenue deficiency for TB for the test year amounts to zero. It is  
23 based upon a pro formed test year rate base of \$102,910, as summarized in  
24 Schedule 3. AWC is utilizing its actual rate of return of 7.81% for the pro formed  
25 test year. The pro formed rate of return of 7.81% when multiplied by the rate  
26 base of \$102,910, results in an operating net income requirement of \$8,037.

27  
28 As shown on Schedule 1, the pro formed net operating income for TB for the test  
29 year is \$8,037. The operating income required, less the net operating income,  
30 results in a deficiency of zero. The tax effect of the deficiency is zero, resulting in  
31 a revenue deficiency for TB of zero.

32  
33 Schedule 1 reflects TB's Statements of Income for the 12 months ended 4/30/20.  
34 As previously stated, TB is using the 12 months ended 4/30/20 because there were  
35 only 8 months of actual data in the 2019 test year. Column b shows the actual 12  
36 months ended 4/30/20. Column c shows pro forma adjustments for known and  
37 measurable changes to test year revenues and expenses. Column d shows the pro  
38 forma 12 months ended 4/30/20. The 12 months ended 4/30/19 and 4/30/18 was  
39 prior to AWC's ownership. During the 12 months ended 4/30/20, TGV net  
40 income (loss) was (\$32,136).

41  
42 Schedule 1A shows the pro forma adjustments to revenue and expenses. The  
43 Company made 1 pro forma adjustment to operating revenues totaling \$62,110  
44 and a few pro forma adjustments to operating expenses totaling \$22,655. The  
45 specific pro forma adjustments are identified on the Statement of Income – Pro  
46 forma Adjustments (Schedule 1A). A brief explanation is as follows:

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Pro forma Adjustment to Operating Revenues

8  
9 Operating Revenues – \$62,110

10  
11 The Company has increased test year revenues for the proposed amount of  
12 revenues necessary to cover its expenses and allow it to earn its proposed rate of  
13 return.

14  
15 Pro forma Adjustments to Operating Expense

16  
17 Operating Expenses:

18  
19 Lease Agreements - \$0

20  
21 PUC Audit - \$0

22  
23 Depreciation Expense - \$0

24  
25 Amortization of CIAC - \$0

26  
27 Amortization Expenses – Other - \$3,189

28  
29 In 2019 TB incurred significant expenditures associated with a main break  
30 and the purchase of water to provide to customers during the outage. The  
31 expenditures amounted to \$31,890. TB deferred such costs. It is now proposing  
32 to seek recovery over a ten year period. The annual costs amounts to \$3,189.  
33 Also, see Schedule 3C.

34  
35 Taxes other than Income – \$9,912

36  
37 Total annual property taxes for the Town of Belmont are \$10,212. The  
38 amount of property taxes reflected in the test year was \$300, resulting in a pro  
39 forma adjustment of \$9,612.

40  
41 Income Taxes – \$9,554

42  
43 The Company has provided the calculation of the federal income taxes and  
44 the state business taxes (Schedule 1B). The Company has also provided the  
45 effective tax factor (Schedule 1C).



1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6

7 The total pro forma adjustments to Operating Expenses amount to  
8 \$22,556.

9

10 The net of the pro forma adjustments to operating revenue of \$62,110 and  
11 the pro forma adjustments to operating expenses of \$22,955 results in a net pro  
12 forma adjustment of \$39,455. When the net operating income associated with the  
13 pro forma adjustments is added to net operating income from the test year, the pro  
14 forma test year net operating income totals \$8,037. The pro forma test year net  
15 operating income of \$8,037 allows TB to cover its expenses and earn its actual  
16 7.81% return on its investments.

17

18 Q. Does that complete your description of the pro forma adjustments to revenues and  
19 expenses?

20

21 A. Yes.

22

23 Q. Please describe Schedule 2, the Balance Sheet.

24

25 A. See Total Company Balance Sheet.

26

27 Q. Please continue with an explanation of Schedule 3, Rate Base and the supporting  
28 schedule.

29

30 A. Schedule 3 reflects TB Rate Base for both the 5 quarter average. Column b – f  
31 shows the actual balance at the end of each quarter. Column g shows the average  
32 of the 5 quarter balances. Column h shows the pro forma adjustments. Column i  
33 shows the pro forma year-end balance. Please note that the December 2018 and  
34 March 2019 balances are before AWC purchase of TB. As such, the December  
35 2018 and the March 2019 balances are assumed to be the same as June 2019.

36

37 Schedule 3A shows the Rate Base – TB Pro forma Adjustments. Adjustments #9  
38 & #10 are the 2019 main break and purchase of water amounting to \$31,890 and  
39 the related ½ year amortization of such amount over 10 years amounting to  
40 \$1,595. Also, see Schedule 3C.

41

42 The Total Pro Forma December 31, 2019 Rate Base balance amounts to  
43 \$102,910.

44

45

46

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Would you please explain Schedule 4, Rate of Return Information?

8  
9 A. See Total Company Capital Structure and Rate of Return Information. Please  
10 note that the Capital Structure and Rate of Return Information is for AWC (Total  
11 Company) and not just TB.

12  
13 Q. Please explain the Report of Proposed Rate Changes.

14  
15 A. If TB's rate filing is approved as submitted, its total water Operating Revenues  
16 will amount to \$80,456, an increase of \$62,110.

17  
18 Q. Is TB proposing any changes to the methodology used in calculating the rates?

19  
20 A. No. TB is calculating the new rates in a manner consistent with its present rates.

21  
22 Q. When is TB proposing that the new rates be effective?

23  
24 A. The proposed effective date is 30 days from TB's rate filing.

25  
26 Q. Would you please summarize what the TB is requesting in its **temporary rate**  
27 **filing**?

28  
29 A. TB respectfully requests that the Commissioners approve an increase in annual  
30 revenues of \$62,110 for **temporary rates**.

31  
32 Q. Is there anything further that you would like to discuss?

33  
34 A. No, there is nothing further to my testimony as it pertains to TB.

35  
36 Q. Please begin by describing the **AWC Combined Water Schedules**.

37  
38 A. There are no AWC combined water schedules. While AWC is proposing to  
39 consolidate water rates for the LL Water, WR, TGV & TB systems for permanent  
40 rate, it is not proposing to do so as part of temporary rates.

1 Stephen P. St. Cyr & Associates

2 17 Sky Oaks Drive

3 Biddeford, Me. 04005

4 207-423-0215

5 stephenpstcyr@yahoo.com

6  
7 Q. Is there anything else that you would like to address?

8  
9 A. Yes. AWC has engaged the services of Stephen P. St. Cyr & Associates to  
10 prepare the rate filing and pursue the rate increase throughout the rate case  
11 proceeding. St. Cyr & Associates and AWC have agreed on a per hour fee of  
12 \$140.00 for each hour of work performed. AWC and I believe that the fees are  
13 fair and reasonable. At this point, AWC does not anticipate utilizing outside legal  
14 counsel.  
15

16 Q. Does this conclude your testimony?

17  
18 A. Yes.  
19  
20  
21

22 SPSt. Cyr

23 09/21/20  
24  
25