

**Aquarion Water Company of New Hampshire
Step Adjustment Filing**

Docket No. 20-184

CALCULATION OF STEP ADJUSTMENT

Line					<u>Schedule Ref.</u>	
1						
2	Total non revenue plant additions for 2020 and 2021				Page 3, line 30, column D	\$ 13,143,086
3	Exclude pending receipt of grant from allowed return on investment				Page 3, line 11, column F	\$ (428,250)
4	Exclude cost of main extension contributed and other adjustment				Page 3, line 14, column F	\$ (266,122)
5	Accumulated Depreciation				Page 3, line 30, column H	\$ (353,044)
6						
7	Net Plant Additions					<u>\$ 12,095,670</u>
8						
9	Allowed Return on Rate Base					<u>7.54%</u>
10						
11	Allowed Return on Investment				Line 7 x Line 9	\$ 912,014
12						
13	Income Tax on Equity Component					
14						
15		(a)	(b)	(c)	(d)	
16		Weighted	Tax	Pre tax	Tax Gross Up	
17		Cost	Multiplier	Cost	Col (c) - Col (a)	
18						
19	Debt	2.59%	1.00	2.59%	0.00%	
20	Equity	<u>4.95%</u>	1.37	<u>6.79%</u>	<u>1.84%</u>	
21						
22		7.54%		9.38%	1.84%	
23						
24	Total Eligible Investment				Line 7	\$ 12,095,670
25						
26						
27	Income Tax Expense				Line 22 (d) x Line 24	222,560
28						
29	Depreciation Expense				Page 3, Line 30, Column F	299,123
30						
31	Property Tax Expense				Page 3, Line 30, Column I	72,043
32						
33	Revenue requirement for payroll increase and payroll benefits					
34	effective April 2021 per Settlement Agreement				Page 4, Line 6	44,442
35						
36	Total revenue requirement for step adjustment (Line 10 + Lines 27 through 33)					<u>\$ 1,550,182</u>
37						
38						
39	Total Approved water revenue per Docket 20-184					\$ 7,311,566
40	Exclude: Misc revenues					<u>(221,244)</u>
41	Revenues step adjustment to be applied against					<u>\$ 7,090,322</u>
42						
43	Step adjustment as % of allowed water revenue per perm rates (line 35 / line 40)					21.86%

**Aquarion Water Company of New Hampshire
Step Adjustment Filing
Non-Revenue Generating Plant Additions for Year 2021**

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Line No.	A NH PUC Code	B Depr Rate	C Plant Description	D Capital Costs	E Retirements	F Adjustments	G = (D-E-F)*B Depreciation Expense	H = (D-E-F)*K/100*0.5 Accumulated Depreciation	I State Rate	J = (D-E-F-G)/1000*H Property Tax Expense	K Depr Rate for 2020-2021
1	<u>2021 Additions</u>										
2											
3	303	0.00%	Source Land and Land Rights	\$ 1,940	\$ -		\$ -	\$ -	6.60	\$ 13	-
4	304	2.50%	Structures and Improvements	\$ 57,173	\$ -		\$ 1,429	\$ 786	6.60	\$ 372	2.75
5	307	3.49%	Wells and Springs	\$ 31,236	\$ 54,073		\$ (797)	\$ (400)	6.60	\$ (148)	3.50
6	311	4.20%	Pumping Equipment	\$ 55,389	\$ 70,377		\$ (630)	\$ (257)	6.60	\$ (97)	3.43
7	339	4.33%	Other Water Source Plant - 2008 and prior	\$ -	\$ 14,520		\$ (629)	\$ (363)	6.60	\$ (93)	5.00
8	339	5.00%	Other Water Source Plant - 2009 and subsequent	\$ 9,223			\$ 461	\$ 231	6.60	\$ 59	5.00
9	304	2.50%	Treatment Structures and Improvements	\$ 576,504	\$ 54,644		\$ 13,047	\$ 7,176	6.60	\$ 3,397	2.75
10	320	4.00%	Treatment Equipment	\$ 1,504,446	\$ 1,672	\$ 428,250 ⁽¹⁾	\$ 42,981	\$ 18,804	6.60	\$ 6,968	3.50
11	304	2.50%	T&D Structures and Improvements	\$ -	\$ -		\$ -	\$ -	6.60	\$ -	2.75
12	330	1.85%	Distribution Reservoirs and Standpipes	\$ 2,534	\$ -		\$ 47	\$ 25	6.60	\$ 17	2.00
13	331	1.24%	Transmission and Distribution Mains	\$ 1,731,470	\$ 143,569	\$ 266,122 ⁽²⁾	\$ 16,390	\$ 7,931	6.60	\$ 8,671	1.20
14	333	2.33%	Services	\$ 80,884	\$ 50,997		\$ 696	\$ 276	6.60	\$ 195	1.85
15	334	6.34%	Meters	\$ 150,329	\$ 161,995 ⁽³⁾		\$ (739)	\$ (222)	6.60	\$ (76)	3.80
16	335	2.22%	Hydrants	\$ (31,555)	\$ -		\$ (701)	\$ (379)	6.60	\$ (206)	2.40
17	339	3.33%	Other T&D Plant	\$ 47,809	\$ -		\$ 1,592	\$ 1,195	6.60	\$ 308	5.00
18	340	5.00%	Office Furniture and Equipment	\$ -	\$ -		\$ -	\$ -	6.60	\$ -	7.46
19	340	20.00%	Computer Equipment - Hardware	\$ 16,604	\$ -		\$ 3,321	\$ 1,660	6.60	\$ 99	20.00
20	340	20.00%	Computer Equipment - Software	\$ 23,620	\$ -		\$ 4,724	\$ 2,362	6.60	\$ 140	20.00
21	341	9.50%	Transportation Equipment	\$ (78,035)	\$ -		\$ (7,413)	\$ (4,389)	6.60	\$ (486)	11.25
22	345	6.67%	Power Operated Equipment	\$ -	\$ 11,845		\$ (790)	\$ (395)	6.60	\$ (76)	6.67
23	347	6.67%	Miscellaneous Equipment	\$ 111,666	\$ -		\$ 7,448	\$ 3,724	6.60	\$ 712	6.67
24											
25				\$ 4,291,237	\$ 563,692	\$ 694,372	\$ 80,438	\$ 37,766		\$ 19,770	
26											
27											
28			2020 and 2021 TOTAL	\$ 13,143,086	\$ 1,180,133	\$ 694,372	\$ 299,123	\$ 353,044		\$ 72,043	

⁽¹⁾ Pending receipt of first grant from Drinking Water and Groundwater Trust Fund ("DWGTF") for the amount of \$428,250.

⁽²⁾ Contribution from developer (WBS EN230-2020-002): \$247,465 and project closed in error in 2021 (WBS ER230-2019-007): \$18,657

⁽³⁾ Retirement for meters of \$161,995 should have been recorded for year 2021. The amount will be posted in June 2022.

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Employee wage, salary and benefit adjustment

Line		
1	Total Wages and Salaries	
2	Appendix 5 to Settlement Agreement, row 21	\$(30,688)
3		
4	Employee welfare	
5	Appendix 5 to Settlement Agreement, row 15	<u>\$(13,754)</u>
6		\$(44,442)