

Pennichuck East Utility, Inc.
Pro Forma Capital Structure for Ratemaking Purposes
For the Twelve Months Ended December 31, 2020

2021 PEU Finance Petition
DW 21-129
Statement of Capitalization Ratios
Form F-4, Exhibit 5

	Pro Forma 2020	Pro Forma Eliminations	Pro Forma 2020 with Eliminations	Component Ratio
Long-term Debt	24,837,784	(1,108,115)	(1) 23,729,669	88.00%
Intercompany Debt	\$ 7,744,744	(2,161,189)	(1) 5,583,555	20.71%
<u>Common Equity:</u>				
Common Stock	100	(100)	-	
Paid In Capital	10,917,251	(10,917,251)	(2) -	
Comprehensive Income	(275,723)	529,702	(2) 253,979	
Retained Earnings	(2,601,100)		(2,601,100)	
Total Common Equity	<u>8,040,528</u>		<u>(2,347,121)</u>	-8.70%
Total Capital	<u>\$ 40,623,057</u>	<u>(13,656,954)</u>	<u>\$ 26,966,103</u>	100.00%

Notes:

(1) Eliminate Capital Recovery Surcharge Related Assets with the offset to Long Term Debt and Intercompany Debt.

The Long Term Debt consists of the SRF Loan for the Birch Hill interconnection. The remainder is Intercompany Debt.

(2) Per Order 25,292 in DW 11-026, eliminate the MARA and related equity, and adjust comprehensive income as follows:

Comprehensive Income as of 1/25/12	<u>(529,702)</u>
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Pennichuck East Utility, Inc.
Weighted Average Cost of Long-Term Debt
For the Twelve Months Ended December 31, 2020

2021 PEU Finance Petition
DW 21-129
Statement of Weighted Average Cost of Debt
Form F-4, Exhibit 6

Holder	Term	Maturity	Coupon Rate	Outstanding Balance as of 12/31/20	Annual Interest (1)	Annual Amortization Issue Costs	All In Annual Cost	Effective Rate
CoBank	20	03/01/30	5.950%	2,495,450	148,479	1,277	149,756	6.00%
State of NH SRF (Green Hills)	20	01/01/25	3.728%	90,121	3,360	6,854	10,214	11.33%
State of NH SRF (Pelham Tank)	20	01/01/27	3.488%	211,716	7,385	247	7,631	3.60%
State of NH SRF (Maple Hills)	20	06/01/30	2.952%	323,784	9,558	483	10,041	3.10%
State of NH SRF (Birch Hill) (3)	20	12/01/31	2.864%	1,108,115	31,736	549	32,285	2.91%
State of NH SRF (Locke Lake - 2007)	20	05/01/30	2.952%	135,816	4,009	90	4,099	3.02%
State of NH SRF (Locke Lake - 2011)	20	06/01/33	2.864%	214,912	6,155	434	6,589	3.07%
State of NH SRF (Liberty Tree)	20	04/01/35	3.104%	319,136	9,906	531	10,437	3.27%
State of NH SRF (Locke Lake - 2012)	20	12/1/2033	2.720%	282,402	7,681	1,057	8,739	3.09%
CoBank \$1.7M Loan (RX0848T4)	10	06/20/23	3.620%	1,219,154	44,133	1,632	45,765	3.75%
CoBank \$925k Loan (RX0848T3)	20	06/20/33	4.250%	666,883	28,343	444	28,786	4.32%
SRF Loan - Locke Lake Dam Site Phase 2	20	07/01/35	2.720%	310,686	8,451	-	8,451	2.72%
SRF Loan - Locke Lake-Winwood & Monroe-Phase I	20	07/01/36	2.720%	317,074	8,624	343	8,967	2.83%
SRF Loan - Locke Lake-Winwood & Monroe-Phase II	20	11/01/36	2.464%	332,078	8,182	263	8,445	2.54%
SRF Loan - W&E Main Replacement	20	08/01/36	2.616%	839,441	21,960	672	22,632	2.70%
SRF Loan - Hickory & Avery	20	04/01/36	2.720%	341,537	9,290	119	9,409	2.75%
SRF Loan - Hardwood Treatment Station	20	07/01/36	2.464%	466,664	11,499	349	11,848	2.54%
CoBank 625K Loan	25	03/06/40	4.900%	541,146	26,516	1,635	28,151	5.20%
CoBank 1.25M Loan T6(1st tranche)	25	11/01/41	4.200%	1,127,734	47,365	489	47,854	4.24%
CoBank 950K Loan T6(2nd tranche)	25	11/01/41	4.830%	864,334	41,747	211	41,959	4.85%
SRF Loan - Locke Lake Varney Road	20	11/01/37	1.960%	1,291,990	25,323	691	26,014	2.01%
Intercompany 2018 PEU - \$1,701,516	30	05/01/48	3.200%	1,610,471	51,535	-	51,535	3.20%
Intercompany 2018 PEU (North Country)- \$1,157,403	30	05/01/48	3.200%	1,095,473	35,055	-	35,055	3.20%
SRF Loan 2017 - Brady Ave (Derry)	30	07/01/49	1.960%	549,719	10,774	151	10,925	1.99%
SRF Loan 2017 Hillcrest Road (Litchfield)	20	10/01/39	1.960%	228,692	4,482	-	4,482	1.96%
Co-Bank 350K Loan	25	05/20/43	5.330%	331,796	17,685	402	18,087	5.45%
Merrimack River Crossing SRF	20	09/01/39	1.960%	2,267,573	44,444	238	44,683	1.97%
Locke Lake Georgetown Main Replacement	30	11/01/51	2.704%	1,283,426	34,704	-	34,704	2.70%
CoBank 1.153M Loan T9	25	06/01/44	4.380%	1,118,551	48,993	652	49,645	4.44%
2020 CoBank 800K T10 Loan	25	12/01/45	3.980%	800,122	31,845	3,837	35,682	4.46%
CoBank T11 Loan	25	11/01/46	4.180%	1,135,409	47,460	-	47,460	4.18%
Locke Lake Airstrip Well Interconnect	30	11/01/51	1.296%	561,064	7,271	-	7,271	1.30%
Locke Lake Surface Water Supply	30	11/1/2051	1.296%	2,293,332	29,722	-	29,722	1.30%
CoBank RSF Refill Financing (2)	25		4.500%	2,543,495	114,457	-	114,457	4.50%
TOTAL				29,319,296	988,131	23,651	1,011,781	3.45%

Notes:

- (1) The annual interest expense is calculated based on the outstanding balance at year end multiplied by the stated interest rate. The calculated interest expense will differ from interest expense recorded in the test year due to loan repayments made during the year.
(2) This is the inclusion of the financing for which approval was sought in this docket, included at the estimated rate of interest included in the filing, with the loan amount adjusted as revised during the pendency of the case.