

**Pro Forma Embedded Cost of Long Term Debt
to Reflect Issuance of New Financing**

[illegible]

**Estimated Costs
to Reflect Issuance of General Mortgage Bond**

**Line
No.**

| | | |
|-----------|-----------------------------------|------------------|
| 1 | | |
| 2 | | |
| 4 | CoBank's Attorney Fees | \$ 45,000.00 |
| 5 | Company's Attorney Fees | 50,000.00 |
| 6 | Trustee and trustee attorney fees | <u>10,000.00</u> |
| 7 | | |
| 8 | Total Issuance Costs | \$ 105,000.00 |
| 9 | | |
| 10 | | |

Balance Sheet
Actual and Pro Forma to Reflect Issuance of
General Mortgage Bond

Line
No.

| | September 30, 2022 | Adjustments | | September 30, 2022 | Attachment 5 |
|---|--------------------|---------------|---------------|--------------------|-----------------------|
| | Actual | Debit | Credit | Pro Forma | JE Reference |
| 1 Assets | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 Net Utility Plant | \$ 47,659,000 | \$ 2,395,000 | | \$ 50,054,000 | (2) |
| 5 | | | | | |
| 6 Cash | - | 10,895,000 | 10,895,000 | - | (1) and (2) |
| 7 Net Accounts Receivable | 423,000 | | | 423,000 | |
| 8 Miscellaneous Receivables | 43,000 | | | 43,000 | |
| 9 Notes from Associated Companies | - | | | - | |
| 10 Accrued Revenues | 311,000 | | | 311,000 | |
| 11 Materials and Supplies | 286,000 | | | 286,000 | |
| 12 Prepayments | 72,000 | | | 72,000 | |
| 13 Other investments | 69,000 | | | 69,000 | |
| 15 Total Current Assets | 1,204,000 | 10,895,000 | 10,895,000 | 1,204,000 | |
| 16 | | | | | |
| 17 Unfunded Deferred Taxes | - | | | - | |
| 18 Deferred Pension and OPEB regulatory asset | - | | | - | |
| 19 Right of Use Assets | 181,000 | | | 181,000 | |
| 20 Regulatory Assets | 5,038,000 | 105,000 | 1,344 | 5,141,656 | (1) and (4) |
| 22 Total Other Assets | 5,219,000 | 105,000 | 1,344 | 5,322,656 | |
| 23 | | | | | |
| 24 Total Assets | \$ 54,082,000 | \$ 13,395,000 | \$ 10,896,344 | \$ 56,580,656 | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 Equity and Liabilities | | | | | |
| 30 | | | | | |
| 31 Preferred Stock | \$ 2,000.00 | | | \$ 2,000.00 | |
| 32 Common Stock | 2,187,000 | | | 2,187,000 | |
| 33 Paid in Capital | 3,558,000 | | | 3,558,000 | |
| 34 Contributed Capital | 10,080,000 | | | 10,080,000 | |
| 35 Retained Earnings | 11,314,000 | 2,642,201 | | 8,671,799 | (2), (3), (4) and (5) |
| 37 Total Stockholder's Equity | 27,141,000 | 2,642,201 | - | 24,498,799 | |
| 38 | | | | | |
| 39 Term notes (including current maturity) | 8,900,000 | 3,000,000 | 11,000,000 | 16,900,000 | (1) and (2) |
| 40 Unamortized debt issuance costs | (48,000) | | | (48,000) | |
| 41 Long-Term Debt | 8,852,000 | 3,000,000 | 11,000,000 | 16,852,000 | |
| 42 | | | | | |
| 43 Accounts Payable | 694,000 | | | 694,000 | |
| 44 Accounts Payable to Associated Companies | 3,000,000 | 3,000,000 | | - | (2) |
| 45 Accrued Bond Interest | 138,000 | | 193,462 | 331,462 | (3) |
| 46 Short-Term Lease obligation | 99,000 | | | 99,000 | |
| 47 Miscellaneous Current and Accrued Liabilities | - | 52,605 | | (52,605) | (5) |
| 48 | | | | | |
| 49 Total Current and Accrued Liabilities | 3,931,000 | 3,052,605 | 193,462 | 1,071,857 | |
| 50 | | | | | |
| 51 Deferred Taxes and Investment Tax Credits | 6,190,000 | | | 6,190,000 | |
| 52 Contributions in Aid of and Customer Advances for Cor | 4,519,000 | | | 4,519,000 | |
| 53 Deferred Pension and OPEB | (129,000) | | | (129,000) | |
| 54 Regulatory Liabilities | 3,496,000 | | | 3,496,000 | |
| 55 Long-term Lease Obligations | 82,000 | | | 82,000 | |
| 57 Total Deferred Credits | 14,158,000 | - | - | 14,158,000 | |
| 58 | | | | | |
| 59 Total Equity & Liabilities | \$ 54,082,000 | \$ 8,694,806 | \$ 11,193,462 | \$ 56,580,656 | |
| 60 | | | | | |
| 61 | | | | | |
| 62 Short term Affiliate debt as a % of | 6.29% | | | 0.00% | |
| 63 net utility plant | | | | | |
| 64 | | | | | |
| 65 | | | | | |

**Statement of Income
 for the Twelve Months Ended September 30, 2022**

| Line No. | | Actual and Pro Forma to Reflect Issuance of General Mortgage Bond | | | |
|----------|--|---|-------------|--------------|---------------------------|
| | | Twelve Months Ended September 30, 2022 | | | |
| | | Actual | Adjustments | Pro Forma | Attachment 5 JE Reference |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | Operating Revenues | \$ 7,853,000 | | \$ 7,853,000 | |
| 6 | | | | | |
| 7 | Operating Expenses | | | | |
| 8 | Operation & Maintenance | 3,229,000 | | 3,229,000 | |
| 9 | Depreciation | 1,103,000 | | 1,103,000 | |
| 10 | Taxes other than Federal Income Taxes | 916,000 | | 916,000 | |
| 11 | Income Taxes | 389,000 | (52,605) | 336,395 | (5) |
| 12 | Total Operating Expenses | 5,637,000 | (52,605) | 5,584,395 | |
| 13 | Utility Operating Income | 2,216,000 | 52,605 | 2,268,605 | |
| 14 | Total Other Income and Deductions | 356,000 | | 356,000 | |
| 15 | Income Before Interest Charges | 2,572,000 | 52,605 | 2,624,605 | |
| 16 | | | | | |
| 17 | Deductions from Income: | | | | |
| 18 | Interest Expense | 843,000 | 194,806 | 1,037,806 | (3) and (4) |
| 19 | Total Interest Charges | 843,000 | 194,806 | 1,037,806 | |
| 20 | | | | | |
| 21 | Net Income | \$ 1,729,000 | (142,201) | \$ 1,586,799 | |
| 22 | | | - | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | Interest Coverage | 3.51 | | 2.85 | |
| 26 | (Income before interest and taxes divided by interest) | | | | |
| 27 | | | | | |
| 28 | | | | | |
| 29 | | | | | |
| 30 | | | | | |

**Journal Entries to reflect the issuance of
General Mortgage Bond**

Line
No.

| | | | | |
|----|---|-------|------------|---------------|
| 1 | CASH | \$ | 10,895,000 | |
| 2 | DEBT ISSUANCE COST | \$ | 105,000 | |
| 3 | LONG TERM DEBT - 2023 | | | \$ 11,000,000 |
| 4 | To record the issuance and cost of 2023 Bond | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | 2 MATURITY OF 7.71% GENERAL MORTGAGE BONDS | \$ | 3,000,000 | |
| 8 | CONSTRUCTION WORK IN PROGRESS | \$ | 2,395,000 | |
| 9 | RETAINED EARNINGS | \$ | 2,500,000 | |
| 10 | SHORT TERM DEBT | \$ | 3,000,000 | |
| 11 | CASH | | | \$ 10,895,000 |
| 12 | | | | |
| 13 | To record use of cash from 2023 bonds, special dividend, maturing note and finance capital expenditures | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | 3 INTEREST EXPENSE - net | \$ | 193,462 | |
| 17 | ACCRUED LT INTEREST PAYABLE | \$ | 398,175 | |
| 18 | ST INTEREST PAYABLE | \$ | 57,363 | |
| 19 | ACCRUED INTEREST PAYABLE | | | \$ 649,000 |
| 20 | | | | |
| 21 | To record additional interest expense on new Bond net of: \$3m LTD which will mature in 6/01/2023, \$5m LTD that matured 7/05/2022 and ST int for 12 mo ending 9/30/2023 | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| 25 | Add: 11,000,000 5.90% | \$ | 649,000 | |
| 26 | Less: ST interest for 12 mos ending 9/30/2022 = | \$ | (57,363) | |
| 27 | Less: \$3,000,000 x 7.71% = | \$ | (231,300) | |
| 28 | Less: \$5,000,000 x 4.45% x 9/12 = | \$ | (166,875) | |
| 29 | | \$ | 193,462 | |
| 30 | | | | |
| 31 | 4 AMORTIZATION OF DEBT ISSUANCE COST - net | \$ | 1,344 | |
| 32 | DEBT ISSUANCE COST | \$ | 9,156 | |
| 33 | DEBT ISSUANCE COST | | | \$ 10,500 |
| 34 | | | | |
| 35 | To expense one tenth of expenses associated with the issuance of the Bond less prior debt amortization | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | 5 INCOME TAX PAYABLE | \$ | 52,605 | |
| 40 | INCOME TAX EXPENSE | | | \$ 52,605 |
| 41 | | | | |
| 42 | To decrease the state and federal income taxes to reflect the increase in interest expense and amortization of debt issuance costs (\$193,462+ \$1,344) x 27.004% | | | |
| 43 | | | | |
| 44 | | | | |
| 45 | | | | |
| 46 | | | | |
| 47 | | | | |
| 48 | | | | |
| 49 | | | | |
| 50 | | | | |
| 51 | | | | |
| 52 | Effective tax rate | | | |
| 53 | State rate | 7.60% | 6.004% | Net of fed |
| 54 | Federal rate | | 21.000% | |
| 55 | Effective tax rate | | 27.004% | |
| 56 | | | | |
| 57 | | | | |
| 58 | Calculation of tax expense | | | |
| 59 | Interest expense (net) | | 193,462 | |
| 60 | Amortization of debt issuance cost (net) | | 1,344 | |
| 61 | Taxable income | | 194,806 | |
| 62 | | | | |
| 63 | | | | |
| 64 | Income tax | | 52,605 | |
| 65 | | | | |

Statement of Capitalization, Actual and Pro Forma to Reflect Issuance of General Mortgage Bond

Line
No.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

| | September 30, 2022 | | September 30, 2022 | |
|----------------------|----------------------|----------------|----------------------|----------------|
| | <u>Actual</u> | <u>Percent</u> | <u>Pro Forma</u> | <u>Percent</u> |
| LONG TERM DEBT | \$ 8,900,000 | 24.7% | \$ 16,900,000 | 40.8% |
| PREFERRED EQUITY | 2,000 | 0.0% | 2,000 | 0.0% |
| COMMON EQUITY | 27,139,000 | 75.3% | 24,496,799 | 59.2% |
| TOTAL CAPITALIZATION | <u>\$ 36,041,000</u> | 100.0% | <u>\$ 41,398,799</u> | 100.0% |

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
(Directors Written Consent)
(Effective: December 15, 2022)

The undersigned, being all of the Directors of Aquarion Water Company of New Hampshire, Inc. (the “Company”), hereby consent to the following action, which consent shall have the same effect as a vote in favor of such action taken at a meeting of the Company's Directors:

RESOLVED, that the financing program for Aquarion Water Company of New Hampshire (the “Company”) consisting of the issuance and sale of up to \$11,000,000 of General Mortgage Bonds (the “Bonds”) to be issued under the Company's Indenture of Mortgage dated as of May 1, 1968, as amended by a First Supplemental Indenture dated as of March 1, 1971, a Second Supplemental Indenture dated as of October 1, 1975, a Third Supplemental Indenture dated as of September 1, 1977, a Fourth Supplemental Indenture dated as of October 1, 1982, a Fifth Supplemental Indenture dated as of June 1, 1989, a Sixth Supplemental Indenture dated as of June 1, 1993, a Seventh Supplemental Indenture dated as of November 1, 1997, an Eighth Supplemental Indenture dated as of August 1, 2005, a Ninth Supplemental Indenture dated as of July 5, 2012 and a Tenth Supplemental Indenture (defined below), be and hereby is in all respects approved subject to the approval of the New Hampshire Public Utilities Commission (“PUC”);

RESOLVED, that each of the President and Chief Operating Officer, the Executive Vice President, Chief Financial Officer and Treasurer, the Vice President, Operations and Utility Innovation, and the Vice President, Engineering and Real Estate of the Company and the Assistant Treasurer-Corporate Finance and Cash Management of Eversource Energy Service Company (the “Authorized Officers”), acting singly, is hereby authorized to execute and deliver, in the name and on behalf of the Company, an agreement providing for the issue and sale by the Company of up to \$11,000,000 principal amount of the Bonds (the “Bond Purchase Agreement”), such Bond Purchase Agreement to be in form and substance approved by the President or Chief Financial Officer of the Company, such approval to be conclusively evidenced by the execution of any such agreement in the name and on behalf of the Company;

RESOLVED, that the Company enter into a Tenth Supplemental Indenture (hereinafter in these resolutions called the “Tenth Supplemental Indenture”) to the Indenture of Mortgage dated as of May 1, 1968, as amended, between the Company and U.S. Bank, N.A., as successor trustee to The Fidelity Bank, as Trustee (hereinafter in these resolutions called the “Trustee”) (said Indenture and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplemental Indentures being hereinafter referred to collectively as the “Indenture”) in order to create a new series of General Mortgage Bonds of the Company, namely, the Bonds, and in order to ratify and confirm the lien of the Indenture;

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
(Directors Written Consent)
(Effective: December 15, 2022)

RESOLVED, that the Authorized Officers of the Company be, and each of them hereby is, authorized, empowered and directed to execute on behalf of the Company to deliver to the Trustee the Tenth Supplemental Indenture in such form, with such changes therein, if any, as may be approved by the President, or any Vice President, or the Treasurer of the Company or the Assistant Treasurer-Corporate Finance and Cash Management of Eversource Energy Service Company, as evidenced by his or her execution thereof; that the Secretary or the Assistant Secretary of the Company be and each of them hereby is authorized and empowered to affix to the Tenth Supplemental Indenture and attest the corporate seal of the Company; and that the Trustee be and hereby is requested to join with the Company in the execution and delivery of the Tenth Supplemental Indenture;

RESOLVED, that the filing with the PUC by the officers of the Company, in the name and on behalf of the Company, of an appropriate petition and ancillary documents with respect to the issuance and sale of the Bonds is hereby authorized and ratified;

RESOLVED, that the Company issue, pursuant to the Indenture, the Bonds in the aggregate principal amount of up to \$11,000,000;

RESOLVED, that the Bonds shall be dated and bear interest in accordance with the Indenture, shall mature not later than thirty years from the date they are issued, shall bear interest at the rate of not more than 300 basis points above the prevailing interest rates on the U.S. Treasury with a comparable maturity per annum, payable quarterly or semi-annually in each year, and the balance of such interest at maturity, shall be subject to redemption as provided in the Indenture and the Bond Purchase Agreement and shall contain such other terms and provisions as are provided by the Indenture;

RESOLVED, that the Bonds shall be typed, printed or lithographed in the form of Tenth Supplemental Indenture and as may be approved by the President, or any Vice President, or the Treasurer of the Company or the Assistant Treasurer-Corporate Finance and Cash Management of Eversource Energy Service Company, as evidenced by his or her execution thereof, and that Bonds in such form, be and hereby are authorized for use by the Company;

RESOLVED, that the President, or any Vice President, or the Treasurer of the Company or the Assistant Treasurer-Corporate Finance and Cash Management of Eversource Energy Service Company, be and each of them hereby is authorized, empowered and directed to execute and deliver to the Trustee for authentication up to \$11,000,000 aggregate principal amount of the Bonds, and such additional Bonds as may be necessary from time to time to provide for transfers or exchanges of said Bonds, and that the Secretary or any Assistant Secretary of the Company be and each of them hereby is authorized, empowered and directed to affix thereto and attest the corporate seal of the Company;

AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
(Directors Written Consent)
(Effective: December 15, 2022)

RESOLVED, that upon execution of the Bonds in the manner aforesaid and delivery of same to the Trustee, and upon compliance by the Company with the provisions of the Indenture with respect to issuance of the Bonds, the Trustee be and hereby is authorized and requested to authenticate up to \$11,000,000 aggregate principal amount of Bonds of the Company, and to deliver the same, when so authenticated, to or upon the order of the President, or any Vice President, the Treasurer or the Secretary of the Company or the Assistant Treasurer-Corporate Finance and Cash Management of Eversource Energy Service Company, and to authenticate and deliver from time to time such additional Bonds as may be necessary to provide for transfers and exchanges of said bonds;

RESOLVED, that until otherwise provided by the Board of Directors of the Company the principal office of the Trustee in the City of Philadelphia be and hereby is designated as the office or agency of the Company (a) for payment of the principal of and premium (if any) on the Bonds, (b) where notices, presentations and demands to or upon the Company in respect of the Bonds shall be given or made, and (c) where books for the registration, transfer and exchange of the Bonds shall be kept;

RESOLVED, that all of the actions heretofore and hereafter taken by the Company's officers in arranging for the sale of the aforementioned \$11,000,000 of Bonds to be issued to CoBank are in all respects ratified, confirmed and approved as duly authorized acts on behalf of the Company;

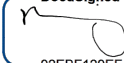
RESOLVED, that the Authorized Officers of the Company be and hereby are authorized, empowered and directed to execute and deliver such papers, documents and instruments and deliver such papers, documents and instruments and to do all other acts and things, including making such payments as they may deem necessary, desirable or convenient in order to fully carry out and consummate all of the actions authorized by the foregoing resolutions;

RESOLVED, that these resolutions shall supersede any and all prior resolutions of the Board which pertain to the Bonds or the Tenth Supplemental Indenture to the extent, if any, that any such prior resolutions are inconsistent with the material terms of these resolutions.

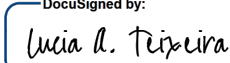
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AQUARION WATER COMPANY OF NEW HAMPSHIRE, INC.
(Directors Written Consent)
(Effective: December 15, 2022)

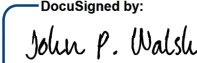
Signed by the Directors as follows:

DocuSigned by:

92EBF129EF42404...

Donald J. Morrissey

DocuSigned by:

84906E9C0F71495...

Lucia A. Teixeira

DocuSigned by:

A9810D6901C44A3...

John P. Walsh

SUMMARY OF TERMS AND CONDITIONS
Aquarion Water Company of New Hampshire
November 30, 2022

The following terms are for discussion purposes only and are not a commitment to lend.

| | |
|------------------------------------|--|
| BORROWER: | Aquarion Water Company of New Hampshire. ("Borrower"). |
| LENDER: | CoBank ("Lender"). |
| USE OF PROCEEDS: | Refinance \$3,000,000 of the Company's maturing long-term debt and provide \$8MM for refinance of short term debt and CAPEX and general corporate purposes. |
| FORM OF SECURITIES: | General Mortgage Bond issued under the existing Mortgage Indenture. |
| FINAL MATURITY: | Up to ten (10) years final maturity for a nonamortizing loan Up to 20 years final maturity for an amortizing loan. |
| PRICING: | Fixed Rate as of 11-30-2022: Bullet 10 year maturity – 6.14% (approximately 10 yr Treasury +240) Amortizing 20 year maturity - 6.72% |
| FEES: | Legal costs up to \$45k |
| SECURITY/ COLLATERAL: | Secured under the existing Mortgage Indenture |
| INTEREST PAYMENTS | Semiannual payments |
| Prepayment: | Variable Rate Loans may be prepaid at the end of any SOFR expiration without penalty. Fixed Rate Loans are subject to CoBank's standard prepayment penalty. |
| REPORTING REQUIREMENTS: | <u>Financial Information from Borrower.</u> <ul style="list-style-type: none"> Quarterly company prepared financial statements to be received within 60 days of quarter end. Annual company prepared fiscal year end statements to be received within 120 days of year-end. |
| FINANCIAL COVENANTS: | Consistent with the Indenture and existing Supplements |
| PATRONAGE: | Borrower will be eligible for CoBank's patronage program as determined by the bank's board of directors. |
| EXPENSES: | Borrower will pay all reasonable costs and expenses incurred by Lender associated with the preparation, due diligence, administration and enforcement of all documentation executed in connection with the Bond, including, without limitation, the legal fees of counsel to Lender whether or not the Bond is closed. |