Schedule 1

Computation of Revenue Deficiency - Sewer

For the Test Year Ended December 31, 2009

	<u>Actual</u>	<u>Proforma</u>
Rate Base (Schedule 2)	\$68,594	\$82,703
Rate of Return (Schedule 3)	9.36%	<u>8.65%</u>
Operating Income Required	\$6,421	\$7,151
Net Operating Income (Schedule 4)	<u>9,854</u>	<u>7,151</u>
Operating Income Deficiency (Surplus)	(\$3,433)	\$0
Tax Effect		<u>0</u>
Revenue Deficiency (Surplus)	<u>(\$3,433)</u>	<u>\$0</u>

Lakeland Management Company

Rate Base - Sewer

		December	December	Average	Proforma	Proforma
		2009	2008	Year End	Adjustments	Year End
Line	Account Title	Balance	Balance	Balance		Balance
No.	(a)	(p)	(c)	(d)	(e)	(f)
~	Plant in Service	\$100,000	\$100,000	\$100,000	\$12,771	\$112,771
7	Less: Accumulated Depreciation	45,000	43,000	44,000	494	44,494
ო	Net Utility Plant	55,000	92,000	56,000	12,277	68,277
4	Cash Working Capital (1)	11,090	11,636	11,090	1,832	12,922
2	Material and Supplies	0	0	0		0
9	Prepayments	1,490	1,519	1,505		1,505
_	Accumulated Deferred Income Taxes	ol	ol	0		0
∞	Total Rate Base	\$67,580	\$70,155	\$68,594	\$14,109	\$82,703
	(1) Cash Working Capital Average Year End Balance is the same as December 2009 Balance.	End Balance is t	ne same as Dec	ember 2009 Ba	ance.	
Waster 440,000 Mg						

Lakeland Management Company Rate Base – Sewer Proforma Adjustments	Schedule 2A Page 1 of 1				
Plant in Service					
Proforma Year End Balance	\$101,600				
Average Year End Balance	100,000				
Proforma Adjustment	\$1,600				
To adjust test year plant in service for 2009 purchase of 2 SS grinders for se	ewer pumps				
Proforma Year End Balance	\$112,771				
Average Year End Balance	101,600				
Proforma Adjustment	\$11,171				
To adjust test year plant in service for 2010 purchase of rebuilt motor, wiring and grinder pump					
Total Proforma Adjustments to Plant in Service	\$12,771				
Accumulated Depreciation					
Proforma Year End Balance	\$44,080				
Average Year End Balance	44,000				
Proforma Adjustment	\$80				
To adjust test year accumulated depreciation for 2009 purchase of 2 SS grid	nders for sewer pumps				
Proforma Year End Balance	\$44,494				
Average Year End Balance	44,080				
Proforma Adjustment	\$414				
To adjust test year plant in service for 2010 purchase of rebuilt motor, wiring	g and grinder pump				
Total Proforma Adjustments to Accumulated Depreciation	\$494				
Cash Working Capital					
Proforma Year End Balance	\$12,922				
Average Year End Balance	11,090				
Proforma Adjustment	\$1,832				
To adjust test year cash working capital balance					
Total Proforma Adjustments to Cash Working Capital For additional support, please see schedule 2B	\$1,832				

Schedule 2B

Plant / Accumulated Depreciation / Depreciation Expense

	2009				
PUC Acct. No.	<u>Description</u>	Cost	Depr. <u>Rate</u>	Annual <u>Cost</u>	Accum <u>Depr.</u>
371.3	Pumping Equipment - 2 SS grinders for pumps	<u>\$1,600</u>	10.00%	<u>\$160</u>	\$80
	Total 2009 Additions	<u>\$1,600</u>		<u>\$160</u>	<u>\$80</u>
	2010				
354.3 371.3 371.3	Pumping Plant - Wiring Pumping Equipment - Rebuilt motor for P2 Pumping Equipment - Myers grinder pump for P2	\$3,855 2,777 <u>4,539</u>	2.50% 10.00% 10.00%	\$96 278 <u>454</u>	\$48 139 <u>227</u>
	Total 2010 Additions	<u>\$11,171</u>		<u>\$828</u>	<u>\$414</u>
	Total 2009 and 2010 Additions	\$12,771		<u>\$988</u>	<u>\$494</u>

Schedule 2C

Working Capital - Sewer

	2009 Proforma <u>Amount</u>	2009 Actual <u>Amount</u>	2008 Actual <u>Amount</u>
Operating and Maintenance Expenses	\$62,879	\$53,964	\$56,621
75/365	<u>20.55%</u>	<u>20.55%</u>	<u>20.55%</u>
Working Capital	<u>\$12,922</u>	<u>\$11,090</u>	<u>\$11,636</u>

Rate of Return Information

Proforma Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	73.27%	9.75%	7.14%
Long Term Debt	26.73%	5.62%	1.50%
Total Capital	100.00%		8.65%

Actual Overall Rate of Return	Component Ratio	Component Cost Rate	Weighted Average Cost Rate
Equity Capital	85.87%	9.75%	8.37%
Long Term Debt	14.13%	7.00%	0.99%
Total Capital	100.00%		9.36%

Capital Structure for	2009 Prof	2009 Prof	2009 Actual	2009 Actual
Ratemaking Purposes	<u>Amounts</u>	<u>Ratios</u>	<u>Amounts</u>	<u>Ratios</u>
Common Stock				
Other Paid in Capital	212,987	54.40%	212,987	63.76%
Retained Earnings	73,892	18.87%	73,892	22.12%
Total Equity	\$286,879	73.27%	\$286,879	85.87%
Long Term Debt	\$104,671	26.73%	\$47,192	14.13%
Total Capital	\$391,550	100.00%	\$334,071	100.00%

Capital Structure for	2009	2009	2008	2007
2009 - 2007	Proforma	Amounts	Amounts	Amounts
Common Stock	\$-	\$-	\$-	\$-
Other Paid in Capital	212,987	212,987	212,987	254,401
Retained Earnings	73,892	73,892	82,250	71,391
Total Equity	\$286,879	\$286,879	\$295,237	\$325,792
Long Term Debt	\$104,671	\$47,192	\$41,036	\$-

Total Capital \$391,550 \$334,071 \$336,273 \$325,792

Schedule 3 Page 2 of 2

Capital Structure	2009 Prof	2009 Actual	2008	2007
Ratios for 2009 - 2007	Ratios	Ratios	Ratios	Ratios
Common Stock	0.00%	0.00%	0.00%	0.00%
Other Paid in Capital	54.40%	63.76%	63.34%	78.09%
Retained Earnings	18.87%	22.12%	24.46%	21.91%
Total Equity	73.27%	85.87%	87.80%	100.00%
Long Term Debt	26.73%	14.13%	12.20%	0.00%
Total Capital	100.00%	100.00%	100.00%	100.00%

Long Term Debt	2009 Prof	200	9 Actual	2008 Actual	ACCOUNTY OF THE PROPERTY OF TH	2007 Actual
	Amount	A	mount	Amount		Amount
2009 Owner Loan	\$47,192		\$47,192	\$41,036		
2010 ARRA/SRF Loan	40,752					
2010 Qwner Loan	16,727					
Total Long Term Debt	\$104,671		\$47,192	\$41,036		\$0

Proforma	2009 Prof	Interest	Interest	Amortization	Total	Cost
Cost of Debt	Amount	Rate	Expense	Of Fin Costs	Interest	Rate
2009 Owner Loan	\$47,192	7.00%	\$3,303	\$0	\$3,303	7.00%
2010 ARRA/SRF Loan	40,752	2.34%	954	457	1,410	3.46%
2010 Owner Loan	16,727	7.00%	1,171		1,171	7.00%
Total Cost of Debt	\$104,671	ſ	\$5,428	\$457	\$5,885	5.62%

Actual Cost of Debt	2009 Act Amount	Interest Rate		Amortization Of Fin Costs		Cost Rate
2009 Owner Loan	\$47,192	7.00%	\$3,303	\$0	\$3,303	7.00%
Total Cost of Debt	\$47,192		\$3,303	\$0	\$3,303	7.00%

		/ Capital

The Company is utilizing the Commission determined cost of common equity of 9.75%.

Lakeland Management Company

Statement of Income - Sewer

(a) Adjustments (Number) Vear End Balance (a) Adjustments (b) Vear End Balance (b) Vear End Balance (c) Vear End Balance (d)			Actual 2009	Proforma	Proforma 2009	Actual 2008	Actual 2007
UTILITY OPERATING INCOME (a) (b) (c) (d) (e) Operating Expenses: UTILITY OPERATING INCOME \$69,388 \$8,261 \$77,649 \$62 Operating Expenses: Operating Expenses: 53,964 8,915 62,879 56 Operating and Maintenance Expense (401) 2,000 988 2,988 <td< th=""><th>Line</th><th></th><th>Year End Balance</th><th>Adjustments</th><th>Year End Balance</th><th>Year End Balance</th><th>Year End Balance</th></td<>	Line		Year End Balance	Adjustments	Year End Balance	Year End Balance	Year End Balance
UTILITY OPERATING INCOME \$69,388 \$8,261 \$77,649 \$62 Operating Revenues(400) Operating Expenses: 53,964 8,915 62,879 56 Operating Expenses: 400 2,000 988 2,988 2 Operating and Maintenance Expense (401) 2,000 988 2,988 2 Amonization Expenses (403) Amonization for Utility Plant Acquisition 4,190 3,432 2 Amonization Expense (403) Amonization Expenses (403) 3,940 (508) 3,432 2 Amonization Expenses (400) 4,101,411,412,11 559,534 \$10,964 \$70,498 \$60 Increase Other Income (Loss) 1,139 1,139 1,139 2 Net Operating Income (Loss) 4,854 (2,703) 7,151 (1 Nondility Income (421) Allow. for funds Used During Construction (420) Allow. for funds Used During Construction (420) Allow. for funds Used During Construction (420) Allow. for funds Used During Construction (400, 2, 410.2, etc.) \$7,151 \$7,151 \$7,151 \$7,151 \$7,151 \$1,151 \$1,151	Š.	(a)	(Q)	(c)	(p)	(e)	(f)
Operating Revenues(400) \$69,388 \$8,261 \$77,649 \$62 Operating Expenses: 62,879 56		UTILITY OPERATING INCOME					
Operating Expenses: Operating Expenses: 62,879 56 Operating and Maintenance Expense (401) 2,000 988 2,988 2 Operating and Maintenance Expense (403) 2,000 988 2,988 2 Amorization Amorization of Contribution in Aid of Construction (405) Amorization Expenses (405) 3,432 2 Amorization Expense-Other (407) 3,940 (508) 3,432 2 Amorization Expense Other (407) 3,940 \$1,569 1,199 2 Taxes Other Than Income (408) 1,412.1) \$5,940 \$1,569 \$1,199 \$2 Not Operating Income (1208) 1,199 \$1,569 \$1,199 \$2 \$1,199 \$2 Nother Income (149) Allow for funds Used During Construction (420) Allow for funds Used During Construction (420) \$1,150 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,151 \$1,152 \$1,151 \$1,151 \$1,152	_	Operating Revenues(400)	\$69,388	\$8,261	\$77,649	\$62,571	\$61,734
Operating and Maintenance Expense (401) 53,964 8,915 62,879 56 Depreciation Expense (403) 2,000 968 2,988 2 Amortization of Contribution in Aid of Construction (405) 3,940 (508) 3,432 2 Amortization of Utility Plant Acquisition Adjustment (406) 3,940 (508) 3,432 2 Amortization Expense-Other (407) 40.1 41.1 41.1 1.199 2 Amortization Expense-Other (406) Amortization Expense (403) 3,432 2 2 Amortization Expense-Other (406) Amortization Expense (403) \$1.199 2 2 Amortization Expense (403) \$1.401.1 41.1 41.1 1 Amortization Expense (403) \$1.402.1 \$1.199 2 Allow Coperating Income (419) \$1.402.1 \$1.199 2 Other Income (419) Allow (410) \$1.102.1 \$1.102.1 Allow for funds Used During Construction (420) \$2.402.1 \$1.102.1 \$1.102.1 Miscellaneous Nonutility Expenses (427) Taxes Applicable to Other Than Income (409)	7	Operating Expenses:					
Depreciation Expense (403) Amortization of Contribution in Aid of Construction (405) Amortization of Utility Plant Acquisition Adjustment (406) Amortization of Utility Plant Acquisition Adjustment (407) Amortization Expense-Other (407) Amortization of Utility Plant Acquisition Adjustment (408) Amortization of Utility Plant Acquisition Adjustment (406) Amortization of Utility Plant Acquisition Adjustment (406) Amortization of Utility Plant Acquisition Adjustment (406) Amortization Expense Adjustment (405) Amortization Expense Adjustment (406) Amortization Acquisition Adjustment (406) Amortization Acquisition Adjustment (406) Amortization Expense Adjustment (406) Amortization Expense Adjustment (406) Adjustment (407) Adjustment (407) Adjustment (407) Adjustment (408) Adjustment (408) Adjustment (407) Adjustment (407) Adjustment (408) Adjustmen	က	Operating and Maintenance Expense (401)	53,964	8,915		56,621	54,670
Amortization of Contribution in Aid of Construction (405) Amortization of Utility Plant Acquisition Adjustment (406) Advoictation Expense-Other (407) Taxes Other Than Income (408.1-408.13) Income Taxes (409.1, 410.1, 412.1) Total Operating Expenses Amortization Expense-Cother (407) Taxes Other Than Income (408.1-408.13) Sep. 554 Sep. 534 Sep. 569 Sep. 3,432 Sep. 569 Sep. 560	4	Depreciation Expense (403)	2,000	988		2,000	
Construction (405) Amortization of Utility Plant Acquisition Adjustment (406) Amortization of Utility Plant Acquisition Adjustment (406) Amortization Expense-Other (407) Taxes Other Than Income (408.1-408.13) Income Taxes (409.1, 410.1, 411.1, 412.1) Income Taxes (409.1, 410.1, 411.1, 412.1) S59,534 Total Operating Expenses Interest and Deductions Interest and Deductions Interest and Dividend Income (419) Allow, for funds Used During Construction (420) Nonutility Income (421) Gains (Losses) From Disposition of Nonutility Property (421) Miscellaneous Nonutility Expenses (426) Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Taxes Applicable to Other Than Income and Deductions S9,854 S1,569 T,7151 (1) S59,534 S10,364 S7,151 (1) S70,498 S50,534 S7,151 (1) S70,498 S50,534 S7,151 (1) S70,498 S60,534 S7,151	2	Amortization of Contribution in Aid of					
Amortization of Utility Plant Acquisition Adjustment (406) Amortization Expense-Other (407) Taxes Other Than Income (408.1-408.13) Total Operating Expenses Total Operating Income (419) Allow. for funds Used During Construction of Nonutility Income (421) Miscellaneous Nonutility Expenses (426) Interest Expense (427) Total Operation of Nonutility Property (421) Miscellaneous Nonutility Expenses (426) Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Amortization of Utility Property (421) Sp. 854 (508) Sp. 853 (508) Sp. 854 (608) Sp. 854 (608) Sp. 855 (608) Sp. 855	(ampodila	Construction (405)					
Adjustment (406) Amortization Expense-Other (407) Taxes Other Than Income (408.1-408.13) Income Taxes (409.1, 410.1, 412.1) Taxes Other Than Income (408.1-408.13) Income Taxes (409.1, 410.1, 412.1) September September (409.1, 410.1, 412.1) September September (409.1, 410.1, 412.1) September Income and Deductions September Income and Deductions September Income (407.1) September Income (409.1, 410.1, 412.1) September Income (407.1) September Income (409.1, 410.1, 412.1) Se	9	Amortization of Utility Plant Acquisition					
Amortization Expense-Other (407) Taxes Other Than Income (408.13) Taxes Other Than Income (408.140.1) Taxes Other Than Income (409.2, 410.2, etc.) Amortization Expenses Sey 534 S1,569		Adjustment (406)					
Taxes Other Than Income (408.1-408.13) 3,940 (508) 3,432 2 Income Taxes (409.1, 410.1, 412.1) \$59,534 \$1,569 1,199 2 Total Operating Expenses \$59,534 \$10,964 \$70,498 \$63 Net Operating Income (Loss) 9,854 (2,703) 7,151 (1 Other Income and Deductions Interest and Dividend Income (421) 7,151 (1 Allow. for funds Used During Construction (420) Nonutility Property (421) Riscellaneous Nonutility Expenses (426) \$63 Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) \$- </td <td>7</td> <td>Amortization Expense-Other (407)</td> <td></td> <td></td> <td></td> <td></td> <td></td>	7	Amortization Expense-Other (407)					
Income Taxes (409.1, 410.1, 412.1)	∞	Taxes Other Than Income (408.1-408.13)	3,940	(208)			
Total Operating Expenses \$59,534 \$10,964 \$70,498 \$63 Net Operating Income (Loss) 9,854 (2,703) 7,151 (1 Other Income and Deductions Interest and Dividend Income (419) 7,151 (1 Allow, for funds Used During Construction (420) Allow (419) 7,151 (1 Allow for funds Used During Construction (420) Nonutility Property (421) 8 8 Miscellaneous Nonutility Expenses (426) Interest Expense (427) 8 8 8 Total Other Than Income (409.2, 410.2, etc.) \$- \$- \$- \$- Total Other Income and Deductions \$- \$- \$- \$- NET INCOME (LOSS) \$(2,703) \$7,151 \$(1)	6	Income Taxes (409.1, 410.1, 411.1, 412.1)	(370)	\$1,569	1,199	2,270	2,353
Net Operating Income (Loss) 9,854 (2,703) 7,151 (1 Other Income and Deductions Other Income (419) 7,151 (1 Allow for funds Used During Construction (420) Allow for funds Used During Construction (420) (421) (5ains (Losses) From Disposition of Nonutility Property (421) Miscellaneous Nonutility Expenses (426) (427) (432) (433) (433) (434) (434) (434) (435)	9	Total Operating Expenses	\$59,534	\$10,964	\$70,498	\$63,765	\$61,384
Other Income and Deductions Interest and Dividend Income (419) Allow. for funds Used During Construction (420) Nonutility Income (421) Gains (Losses) From Disposition of Nonutility Expenses (426) Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Total Other Income and Deductions \$5.2.703 \$7,151 \$(1)		Net Operating Income (Loss)	9,854	(2,703)		(1,194)	350
Interest and Dividend Income (419) Allow. for funds Used During Construction (420) Nonutility Income (421) Gains (Losses) From Disposition of Nonutility Property (421) Miscellaneous Nonutility Expenses (426) Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Total Other Income and Deductions \$5.2.703 \$7,151 \$(1)	12						
Allow. for funds Used During Construction (420) Nonutility Income (421) Gains (Losses) From Disposition of Nonutility Property (421) Miscellaneous Nonutility Expenses (426) Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Total Other Income and Deductions \$5.7.151 \$(1.703)	13					-	195
Nonutility Income (421) Gains (Losses) From Disposition of Nonutility Expenses (426) Miscellaneous Nonutility Expenses (426) Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Total Other Income and Deductions Sp. 854 \$(2,703) \$(151)	14						
Gains (Losses) From Disposition of Nonutility Property (421) Miscellaneous Nonutility Expenses (426) Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Total Other Income and Deductions S9.854 \$(2,703) \$(151)	15				-		
Miscellaneous Nonutility Expenses (426) Miscellaneous Nonutility Expenses (426) Interest Expense (427) \$- \$- \$- Taxes Applicable to Other Than Income and Deductions \$- \$- \$- \$- NET INCOME (LOSS) \$7,151 \$(1,703) \$7,151 \$(1,151) \$(1	16	Gains (Losses) From Disposition of Nonutility Property					
Interest Expense (427) Taxes Applicable to Other Than Income (409.2, 410.2, etc.) Total Other Income and Deductions S9.854 \$9.854 \$(2,703) \$7,151 \$(2,703)	17	Miscellaneous Nonutility Expenses (426)				(584)	
Taxes Applicable to Other Than Income (409.2, 410.2, etc.) \$- \$- \$- Total Other Income and Deductions \$- \$- \$- NET INCOME (LOSS) \$7,151 \$(2,703) \$7,151 \$(2,703)	9						
Total Other Income and Deductions \$- \$- NET INCOME (LOSS) \$2,703) \$7,151 \$(2,703)	19						
NET INCOME (LOSS) \$9,854 \$(2,703) \$7,151	20	Total Other Income and Deductions	\$		\$	\$(584)	\$195
	21	NET INCOME (LOSS)	\$9,854	\$(2,703)		\$(1,778)	\$545

Lakeland Management Company Statement of Income - Sewer Proforma Adjustments	Schedule 4A Page 1 of 3	
Operating Revenues		
Proforma 2009 Year End Balance	\$77,649	
Actual 2009 Year End Balance	<u>69,388</u>	
Proforma Adjustment	\$8,261	
To adjust test year revenues for the additional revenue needed in order for the Company its rate of return and to recover its expenses.	to earn	
Total Proforma Adjustment to Operating Revenues	\$8,261	
Contracted Services		
Proforma 2009 Year End Balance	\$9,753	
Actual 2009 Year End Balance	<u>11,353</u>	
Proforma Adjustment	(\$1,600)	
To adjust test year contracted services for capitalizing the purchase of 2 SS grinders for p	oumps	
Proforma 2009 Year End Balance	\$20,268	
Actual 2009 Year End Balance	<u>9,753</u>	
Proforma Adjustment	\$10,515	
To adjust test year contracted services for the annualization of YTD August 2010 contract	ted services	
Total Proforma Adjustment to Operation and Maintenance Expense	\$8,915	
Depreciation Expenses		
Proforma 2009 Year End Balance	\$2,988	
Actual 2009 Year End Balance	2,000	
Proforma Adjustment	\$988	
To adjust test year depreciation expenses for full year depreciation on 2009 and 2010 additions		

Taxes other than Income

State of New Hampshire

Proforma 2009 Year End Balance	\$873
Actual 2009 Year End Balance	1,675
Proforma Adjustment	(\$802)
To adjust test year expenses for the two years of State Utility Property Taxes	
Proforma 2009 Year End Balance adjusted for state utility property taxes on 2009 project	\$883
Proforma 2009 Year End Balance	873
Proforma Adjustment (\$1,600 - \$80 / 1,000 x \$6.60)	<u>\$10</u>
To adjust test year expenses for additional State Utility Property Taxes on 2009 grinders	
Proforma 2009 Year End Balance adjusted for state utility property taxes on 2010 projects	\$954
Proforma 2009 Year End Balance	<u>883</u>
Proforma Adjustment (\$11,171 - \$414 / 1,000 x \$6.60)	<u>\$71</u>
To adjust test year expenses for additional State Utility Property Taxes on 2009 grinders	
Town of Belmont	
Actual 2009 Year End Balance adjusted for Town of Belmont Prop. Taxes on 2009 project	\$2,291
Actual 2009 Year End Balance	2,265
Proforma Adjustment (\$1,600 - \$80 / 1,000 x \$17.34)	<u>\$26</u>
To adjust test year expenses for additional State Utility Property Taxes on 2009 grinders	
Actual 2009 Year End Balance adjusted for Town of Belmont Prop. Tax on 2010 projects	\$2,478
Actual 2009 Year End Balance adjusted for Town of Belmont Prop. Tax on 2009 project	2,291
Proforma Adjustment (\$11,171 - \$414 / 1,000 x \$17.34)	<u>\$187</u>

To adjust test year expenses for additional State Utility Property Taxes on 2010 tanks and VFDs

	Page 3 of 3
Income Taxes	
Federal Income Taxes	
Proforma 2009 Year End Balance	\$1,043
Actual 2009 Year End Balance	(22)
Proforma Adjustment	\$1,065
To adjust test year expenses for the increase in federal income taxes due to the increase in revenue. For additional support, please see schedule 5.	
State Business Taxes	
Proforma 2009 Year End Balance	\$646
Actual 2009 Year End Balance	<u>141</u>
Proforma Adjustment	\$505
To adjust test year expenses for the increase in state business taxes due to the increase in revenue. For additional support, please see schedule 5.	
Total Proforma Adjustments to Income Taxes	\$1,569

Schedule 5

Income Tax Computation

	<u>Actual</u>	<u>Proforma</u>
Total Rate Base	\$68,594	\$82,703
Equity Component of Cost of Capital	<u>8.37%</u>	<u>7.14%</u>
Operating Net Income Required	\$5,743	\$5,908
Tax Effect (.2858)	<u>1,641</u>	<u>1,688</u>
Income Required before Income Taxes	\$7,384	\$7,596
Less: NH Business Profits Tax @ 8.5%	<u>628</u>	<u>646</u>
Income subject to Federal Taxes	\$6,757	\$6,951
Less: Federal Income Tax @ 15%	<u>1,013</u>	<u>1,043</u>
Income after Income Taxes	<u>\$5,743</u>	\$5,908

Schedule 5A

Effective Tax Factor

Taxable Income	100.00%
Less: NH Business Profits Tax	8.50%
	0.0070
Federal Taxable Income	91.50%
Federal Income Tax Rate	15.00%
Effective Federal Income Tax Rate	13.73%
Encouro i edelal meeme faxilate	10.1070
Add: NH Business Profit Tax	8.50%
Effective Tax Rate	22.23%
Percent of Income Available if No Tax	100.00%
Effective Tax Rate	22.23%
Percent Used as a Divisor in Determining	
the Revenue Requirement	77.78%
Tax Multiplier	28.58%

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