

Computation of Revenue Deficiency
Test Year ending Dec. 31, 2015

	13 Month ave Test Period	Utility Proformed Adjustments	Total Proformed Test Period
Rate Base (Schedule 3)	\$ 5,905,585	\$ -	\$ 5,905,585
Rate of Return	7.80%		7.70%
Income Required	\$ 460,533		\$ 454,730
Adjusted Net Operating Income	\$ (307,059)	\$ 309,346	\$ 2,287
Tax effect (60.39%)	\$ 302,065		\$ 298,259
Revenue deficiency	<u>\$ (1,069,658)</u>		<u>\$ (750,702)</u>
After tax revenue requested	\$ 460,533		\$ 454,730
÷ .6039 = required taxable income	762,599		752,989
Total Taxes to be paid	\$ 302,065		\$ 298,259

Mlbs of steam projected to be sold 124,691

Increase in Usage Rate - Revenue ÷ Steam Sales 6.02

New Usage rates based on these sales:

	Existing	Proposed	Increase
First 500 Mlbs	\$ 21.50	27.52	28%
500>2000	\$ 20.34	26.36	30%
2000>	\$ 16.85	22.87	36%

Revenue from existing usage rate 2,352,583

Additional revenue from rate increase \$ 750,702

New usage rate revenue 3,103,285

Usage rate increase 31.91%

2015 2016/17

Energy revenue 3,522,507 2,712,019

Total rate % increase including reduction in COE -1.02%

Increase in total rate with no reduction in COE 12.78%

Existing Usage	Existing Energy	New Usage	Projected New Energy	Total Old	Total New	Increase in Rates
\$ 21.50	\$ 28.25	\$ 27.52	21.75	49.75	\$ 49.27	-0.96%
\$ 20.34	\$ 28.25	\$ 26.36	21.75	48.59	\$ 48.11	-0.99%
\$ 16.85	\$ 28.25	\$ 22.87	21.75	45.10	\$ 44.62	-1.06%

**Concord Steam
DG 16 - 294**

Schedule 1

Operating Income Statement
Test Year ending Dec. 31, 2015

	Test Year Ended 12/31/15	Proforma Adjustments	Test Year as Proformed 12/31/15	First Preceding Year 12/31/14	Second Preceding Year 12/31/13
Operating Revenues					
Usage Rate (Sched 1-1)	2,195,951	156,632	2,352,583	2,602,469	2,469,209
Fuel Charge (Sched 1-5)	3,316,261	251,835	3,568,096	3,044,601	2,858,955
Meter Charge	53,928	(1,082)	52,846	59,462	41,907
Electricity sales	91,278	(35,000)	56,278	116,341	110,565
Other	87,491		87,491	112,520	146,138
Total Revenues	5,744,909	372,385	6,117,294	5,935,393	5,626,774
Revenues net of Fuel Charge	2,428,648	120,550	2,549,198	2,890,792	2,767,819
Operating Expenses					
Production					
Fuel Costs (see note 1)	3,568,096		3,568,096	3,217,292	2,815,196
Other (Sched 1-2)	1,006,604	19,277	1,025,881	989,226	831,357
Distribution					
Customer Accounting (Sched 1B)	41,294	1,239	42,533	41,784	40,599
Sales and New Business	1,500		1,500	1,436	3,460
Admin and General(Sched 1-3)	630,566	42,522	673,088	654,636	657,672
Write off uncollectable accounts	-	-	-	-	-
Taxes					
Federal Income Tax/BET	14,557	0	14,557	93,054	156,771
Property	188,569		188,569	137,422	135,981
Depreciation	242,073		242,073	222,744	233,241
Amortization	-		-	(9,668)	(8,504)
Total Revenue Deductions	5,951,453	63,038	6,014,491	5,612,170	5,100,465
Operating Rents, net	100,516		100,516	100,516	100,516
Net Operating Income	(307,059)	309,346	2,287	222,707	425,793
Misc. Non-operating Revenue				15,336	22,250
Interest expense - Short Term	40,840		40,840	52,315	56,417
Interest expense - Long term	16,530		16,530	19,823	20,900
Miscellaneous expense	26,349		26,349	36,518	40,641
Contributions	7,075	-	7,075	7,530	7,780
Amortization	(9,668)		(9,668)	(8,504)	2,793
Net income	(388,185)		(52,490)	130,361	319,512

Notes

1 Fuel costs include cost of wood and gas fuels as well as all other operations costs that are allowed to be included in the Cost of Energy. These include all wood yard expenses such as rent, loader rental, yard utilities, property taxes, diesel fuel, contract grinding, equipment maintenance, etc.

**Concord Steam
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Schedule 1
Attachment 1

Proforma Adjustments - Revenue
Test Year ending Dec. 31, 2015

Steam sales adjustments	Steam sales Mlbs Increase(decrease)	<u>Usage Rate Revenue</u>
Steam sales - change in customer use	(1,637)	\$ (33,223)
Change in steam sales due to correction to 30 yr average Degree Day	(3,548)	\$ (72,022) Note 1
Total change in Mlbs	<u>(5,184)</u>	
Discount given to Concord High School		\$ 202,496
Discount given to Abbot Downing./Christa McCauliffe		\$ 59,381
Total Net change in Base Rate Revenue due to correction in Mlb sales		<u>\$ 156,632</u>

Total change to Usage Rate \$ 156,632

Notes:

1) Average Usage Rate used \$ 20.30

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Schedule 1
Attachment 2

Proforma Adjustments - Expenses
Test Year ending Dec. 31, 2015

Production expenses

Cost of increased steam production		\$	(780)
See Schedule 1.4 (\$/Mlb)	\$	0.15	
Change in Mlbs (Sched 1-C)		(5,184)	
Production Labor change		\$	20,058
Change in Production Expense		\$	19,277

Administrative and General Expenses
Test Year ending Dec. 31, 2015

	12 Months Ended 12/31/15	Proforma Adjustments	Proformed 12 Months Ended 12/31/15
General Office Salaries	25,965	793	26,758
General Office Supplies and Expense	25,797	1,290	27,087
Supervision Fees and Special Services	145,781	7,289	153,070
Regulatory Commission Expense	28,619	1,431	30,050
Insurance	145,920	7,296	153,216
Employees Welfare and Relief	214,662	21,466	236,128
Miscellaneous General Expense	23,983	1,199	25,182
Maintenance of General Property	4,512	226	4,738
Transportation Expense	15,327	1,533	16,860
	<u>630,566</u>	<u>42,522</u>	<u>673,088</u>
Total	<u>630,566</u>	<u>42,522</u>	<u>673,088</u>

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Schedule 1
Attachment 4

Incremental operating cost of steam sold

Test Year ending Dec. 31, 2015

	Annual cost based on sale of 130,000 Mlbs	Incremental cost to Produce Additional 50,000 Mlbs	Cost per Mlb
Electricity	\$ 75,268	\$ 7,527	\$ 0.15
Total	\$ 75,268	\$ 7,527	\$ 0.15

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Schedule 1
Attachment 5

Calculation of Revenue from Energy Charge
Test Year ending Dec. 31, 2015

	Mlbs Steam 2015 Sales	Cost of Energy \$/Mlb	Revenue From Energy Charge	Cost of Energy	Over/(under) charge
January	28,543	25.10	716,440	\$ 638,427	\$ 78,013
February	30,135	25.10	756,399	\$ 588,862	\$ 167,537
March	19,099	26.10	498,494	\$ 420,884	\$ 77,610
April	11,484	26.10	299,733	\$ 369,054	\$ (69,321)
May	2,063	26.10	53,839	\$ 151,322	\$ (97,483)
June	1,235	26.10	31,994	\$ 111,150	\$ (79,156)
July	1,064	26.10	27,526	\$ 104,767	\$ (77,241)
August	986	26.10	25,731	\$ 103,709	\$ (77,978)
September	947	26.10	24,500	\$ 115,619	\$ (91,119)
October	7,251	26.10	189,244	\$ 284,895	\$ (95,651)
November	11,597	25.22	296,152	\$ 316,046	\$ (19,894)
December	15,471	25.61	396,209	\$ 363,362	\$ 32,847
Insurance reimbursement			\$ 217,441		
	129,875		3,533,702	\$ 3,568,096	\$ (34,394)

Insurance reimbursement from overuse of gas due to fire in January and February

Adjustments to COE	Cost of Energy
Undercharge of COE for FY 2015	\$ 34,394 Note 1
Insurance reimbursement applied to COE	217,441 Note 2
Total change to COE	\$ 251,835

- 1) Adjustment made due to undercharge of energy component as of December 31, 2015
- 2) Insurance reimbursement for natural gas consumed instead of wood due to 1/15 fire.

PROPERTY TAXES
Test Year ending Dec. 31, 2015

Detail of property taxes paid to the city of Concord, State of NH and Town of Pembroke:

Tax Period:	State Utility	City	Pembroke Wood Yard (in COE)	Combined
	\$ 48,971	\$ 139,598	\$ 14,725	\$ 203,294
Total property taxes	48,971	139,598	14,725	203,294

Payroll
 Test Year ending Dec. 31, 2015

	12 Months Ended 12/31/15	Proforma Adjustments (Note 1)	Proformed 12 Months Ended 12/31/15
Operation			
Production	582,878	17,486	600,364
Storage		-	-
Distribution	162,863	4,886	167,749
Customer Accounts	41,294	1,239	42,533
Customer Service		-	-
Sales		-	-
Admin and General	<u>26,421</u>	<u>793</u>	<u>27,214</u>
Total Operation	<u>813,456</u>	<u>24,404</u>	<u>837,860</u>
Maintenance			
Production	<u>85,717</u>	<u>2,572</u>	<u>88,289</u>
Total Maintenance	<u>85,717</u>	<u>2,572</u>	<u>88,289</u>
Total Payroll	<u><u>899,173</u></u>	<u><u>26,975</u></u>	<u><u>926,148</u></u>

Note:

- 1) 3% Increase in labor rates

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Degree Day Correction

Schedule 1-C

	2015 Actual Sales Mlbs	Steam sold non heating	Steam sold heating	Sales Adjustments	Actual Deg Days 2015	Deg Days 30 yr ave	Adjusted Base rate Sales
Jan-15	28,543	1,200	27,343	(693)	1449	1339	25,827
Feb-15	30,135	1,200	28,935	(604)	1569	1170	22,327
Mar-15	19,099	1,200	17,899	(234)	1000	960	18,158
Apr-15	11,484	1,200	10,284	(105)	625	586	10,744
May-15	2,063	1,200	863	(0.7)	156	286	2,781
Jun-15	1,235	1,235	0	-	79	82	1,235
Jul-15	1,064	1,064	0	-	8	14	1,064
Aug-15	986	986	0	-	0	29	986
Sep-15	947	947	0	-	80	179	947
Oct-15	7,251	1,200	6,051	(0.2)	184	505	7,500
Nov-15	11,597	1,200	10,397	-	697	800	13,133
Dec-15	15,471	1,200	14,271	-	894	1177	19,989
	129,875	13,832	116,043	-1,637	6741	7127	124,691

129,875

Difference in degree days - 2015 vs average 94.58%
1.0572615

Adjusted total sales before DD correction 128,238
Change in steam sales due to degree day corrections only (3,548)
Net change in steam sales afer all corrections and adjustments (5,184)

FEDERAL AND STATE INCOME TAXES
Test Year ending Dec. 31, 2015

	Total 2015
Federal and state income tax	-
Deferred income taxes	<u>6,559</u>
State BET Tax	7,998
Total taxes	<u><u>\$ 14,557</u></u>

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Balance Sheets
Assets and Deferred Charges
Test Year ending Dec. 31, 2015

Schedule 2
Page 1 of 2

	12/31/15	12/31/14	12/31/13	12/31/12
Fixed Capital - Steam Plant				
Distribution Equipment	\$ 4,156,042	\$ 4,134,766	\$ 4,032,581	\$ 3,982,782
Production Equipment	7,750,002	7,497,597	7,041,924	6,815,861
Structures	706,590	706,590	706,590	706,590
General Equipment	191,067	190,350	158,724	272,823
Land	2,655	2,655	2,655	2,655
Intangible Property	139	139	139	139
Unfinished Construction	166,844	156,844	38,785	90,687
	<u>12,973,339</u>	<u>12,688,942</u>	<u>11,981,398</u>	<u>11,871,537</u>
Less Depreciation Reserve	<u>(6,529,327)</u>	<u>(6,287,254)</u>	<u>(5,997,586)</u>	<u>(6,079,583)</u>
Total Fixed Capital	<u>6,444,013</u>	<u>6,401,688</u>	<u>5,983,812</u>	<u>5,791,954</u>
Current Assets				
Cash	-	-	-	-
Special deposits	-	-	-	12,250
Accounts Receivable	729,896	884,603	1,067,435	833,782
Materials and Supplies	100,840	144,942	238,691	177,185
Prepayments	81,391	22,709	97,780	87,784
Income tax refund	0	0	0	0
	<u>912,127</u>	<u>1,052,254</u>	<u># 1,403,906</u>	<u>1,111,001</u>
Total Current Assets	<u>912,127</u>	<u>1,052,254</u>	<u># 1,403,906</u>	<u>1,111,001</u>
Deferred Debits				
Unamortized Debt Discount and Expense		-	-	1,164
Deferred Tax Assets	594,584	550,026	613,630	776,642
	<u>594,584</u>	<u>550,026</u>	<u># 613,630</u>	<u># 777,806</u>
Total Assets	<u>\$ 7,950,724</u>	<u>\$ 8,003,968</u>	<u>\$ 8,001,348</u>	<u>\$ 7,680,761</u>

Balance Sheets
Stockholders Equity and Liabilities
Test Year ending Dec. 31, 2015

	12/31/15	12/31/14	12/31/13	12/31/12
Capitalization				
Common Stock	\$ 91,200	\$ 91,200	\$ 91,200	\$ 91,200
Capital Surplus	220,653	220,653	220,653	220,653
Earned Surplus	3,723,475	3,579,872	3,271,356	3,458,542
Total Capitalization	<u>4,035,328</u>	<u>3,891,725</u>	<u>3,021,367</u>	<u>3,770,395</u>
Long-Term Debt				
Bonds and Notes	<u>182,067</u>	<u>465,313</u>	<u>376,341</u>	<u>452,639</u>
Current and Accrued Liabilities				
Notes Payable	1,740,013	1,338,869	1,026,204	1,386,945
Accounts Payable	1,023,676	1,005,386	1,053,232	851,677
Payables to Affiliated Companies			58,994	200,000
Customers' Deposits	1,100	1,100	1,300	500
Taxes Accrued	66	498	1,912	6,716
Cash Overdrafts	71,111	284,385	621,004	181,074
Miscellaneous Current Liabilities	(21,615)	11,122	3,229	41,534
Deferred Revenue				
Total Current and Accrued Liabilities	<u>2,814,351</u>	<u>2,641,361</u>	<u>2,765,875</u>	<u>2,668,446</u>
Deferred Credits				
Deferred Income Taxes	<u>1,225,740</u>	<u>1,187,741</u>	<u>1,165,789</u>	<u>1,177,492</u>
Reserves				
Amortization				
Contribution in Aid of Construction	(128,051)	(118,383)	(108,715)	(99,047)
Contribution in Aid of Construction	<u>671,975</u>	<u>671,975</u>	<u>671,975</u>	<u>671,975</u>
Total Reserves	<u>543,924</u>	<u>553,592</u>	<u>671,975</u>	<u>572,928</u>
Total Stockholders Equity and Liabilities	<u>\$ 8,801,410</u>	<u>\$ 8,739,732</u>	<u>\$ 8,001,347</u>	<u>\$ 8,641,900</u>
	#	#	#	#

MATERIALS AND SUPPLIES
Test Year ending Dec. 31, 2015

Oil inventory	\$ -
Wood	\$ 34,066
Parts and supplies inventory	\$ 61,281
Chemicals - fuel and water treatment	\$ 5,493
	<u>\$ 100,840</u>

CONTRIBUTION IN AID OF CONSTRUCTION
Test Year ending Dec. 31, 2015

Contribution in Aid of Construction

Balance at beginning of year	\$ 671,975
Change during year	<u>-</u>
Balance end of year	<u><u>\$ 671,975</u></u>

Rate Base
Test Year ending Dec. 31, 2015

	Jurisdictional Test Year Average	Jurisdictional 13 month Average	Adjustments	Total Proformed Test year
Plant in service (Sched 3B)	12,844,491	12,832,526	0	12,832,526
Less: accumulated Depreciation	(6,418,376)	(6,408,290)	0	(6,408,290)
Plant Held for future use				
Net Utility Plant	6,426,115	6,424,236	0	6,424,236
Plus				
Cash working capital Schedule 3-A	734,117	734,117		734,117
Materials and supplies Schedule 3-B	107,453	110,337		110,337
Prepayments	69,517	66,262		66,262
Deferred Taxes (sched 2)	553,739	553,454		553,454
Less				
Deferred Taxes (Sched 2)	1,190,907	1,190,664		1,190,664
Investment tax credit				
Customer deposits (Sched 3-B)	1,050	1,054		1,054
Customer advances				
Contribution in aid of construction	671,975	671,975		671,975
CIAC accum amortization	(119,189)	(119,127)		(119,127)
Rate Base	5,907,820	5,905,585		5,905,585
Net Operating Income applied to rate base	(307,059)	(307,059)		2,287
Rate of return	-5.20%	-5.20%		0.04%

**Concord Steam
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Schedule 3-A

Cash Working Capital
Test Year ending Dec. 31, 2015

Operational Expenses for Proformed Test Year Schedule 1	\$ 6,115,007
Less: Depreciation and Amortization Schedule 1	\$ 242,073
Monthly Average	\$ 489,411
1.5 Times Average	\$ 734,117

**Concord Steam
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Schedule 3-B

Rate Base Components	Dec-14	January	February	March	April	May	June	July	August	September	October	November	December	Test Year Average	13 Month Average
Organization	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139
Miscellaneous Intangible Property															
Total Intangible Property	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution System Land	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655
Total Land	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655
Structures															
Production Plant Structures	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407	671,407
General and Misc Structures	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184
Total Structures	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590	706,590
Production Equipment															
Power Plant Equipment	\$7,497,597	7,509,477	7,545,829	7,566,663	7,573,137	7,577,173	7,638,186	7,655,732	7,690,752	7,712,655	7,713,376	7,717,686	7,750,002	7,637,556	7,626,790
Total Production Equipment	\$7,497,597	\$7,509,477	\$7,545,829	\$7,566,663	\$7,573,137	\$7,577,173	\$7,638,186	\$7,655,732	\$7,690,752	\$7,712,655	\$7,713,376	\$7,717,686	\$7,750,002	7,637,556	7,626,790
Distribution Equipment															
Mains	\$3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,473,314	3,476,690	3,479,376	3,481,806	3,483,519	3,469,201	3,468,665
Services	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258
Customer's Meters and Installations	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265
Total Distribution Equipment	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,145,837	4,149,213	4,151,899	4,154,329	4,156,042	4,141,723	4,141,188
General Equipment															
Office Equipment	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152
Transportation Equipment	142,275	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,936
Shop Equipment	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392
Laboratory Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Tools and Implements	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370
Misc. General Equipment	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162
Total General Equipment	190,350	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,012
Unfinished Construction															
Unfinished Construction	156,844	156,844	159,344	159,344	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	164,152
Total Unfinished Construction	156,844	156,844	159,344	159,344	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	164,152	165,370
Total Plant in Service	12,688,942	12,701,538	12,740,390	12,761,224	12,775,198	12,779,234	12,840,247	12,857,793	12,903,884	12,929,163	12,932,570	12,939,310	12,973,339	12,844,491	12,832,526
Accumulated Depreciation	(6,287,254)	(6,307,426)	(6,327,599)	(6,347,772)	(6,367,945)	(6,388,117)	(6,408,290)	(6,428,463)	(6,448,636)	(6,468,808)	(6,488,981)	(6,509,154)	(6,529,327)	(6,418,376)	(6,408,290)
Cash Working Capital	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117	734,117
Materials and Supplies															
Oil Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wood	\$74,738	106,825	93,622	93,083	51,428	40,876	19,203	18,440	8,588	9,183	4,844	15,366	34,066	41,294	43,866
Parts and Supplies	\$61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281
Chemicals/salt	\$8,923	9,082	5,851	7,530	8,010	5,117	2,614	3,481	2,383	32	3,775	5,174	5,493	4,879	5,190
Total Materials and Supplies	144,942	177,188	160,754	161,894	120,719	107,274	83,098	83,202	72,252	70,496	69,900	81,821	100,840	107,453	110,337
Prepayments (Annual Report at Table 18)	27,190	51,323	37,817	61,948	48,443	108,226	94,721	82,506	70,291	58,076	45,861	93,606	81,391	69,517	66,262
Deferred Taxes (Annual Report at Table 36)	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	594,584	553,739	553,454
Deferred Taxes (Annual Report at Table 32)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,225,740)	(1,190,907)	(1,190,664)
Customer Deposits (at Annual Report p. 101)	(1,100)	(1,100)	(500)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,050)	(1,054)
Contr. in Aid of Constr. (CIAC) (Table 10)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)
Less Accum. Amort of CIAC (Table 10)	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	128,051	119,189	119,127
Sub-total CIAC less Amortization	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(543,924)	(552,787)	(552,849)
Rate Base	5,565,504	5,614,306	5,603,645	5,628,978	5,568,099	5,598,301	5,601,459	5,586,722	5,589,475	4,861,029	5,551,034	5,597,267	5,589,596	5,532,493	5,535,032

Calculation of Operating Revenues
 Test Year ending Dec. 31, 2015

Revenues Usage Rate	2015 Actual		2015 as Proformed	
	Mlbs Steam	Revenue	Mlbs Steam	Revenue
January	28,543	\$ 403,572	25,827	\$ 487,292
February	30,135	504,331	22,327	421,247
March	19,099	326,571	18,158	342,596
April	11,484	210,856	10,744	202,703
May	2,063	38,161	2,781	52,468
June	1,235	28,431	1,235	23,301
July	1,064	12,039	1,064	20,075
August	986	24,903	986	18,603
September	947	24,325	947	17,867
October	7,251	139,871	7,500	141,505
November	11,597	215,338	13,133	247,793
December	15,471	267,553	19,989	377,132
	129,875	2,195,951	124,691	2,352,583
Fuel Charge		3,316,261		3,568,096
Meter Charge		52,846		52,846
Other		87,491		87,491
Electricity Sales		91,278		56,278
				Less: insurance revenue for excess gas use (217,441)
Proposed revenues				
Additional revenue requested			750,702	
Usage revenue as proformed			2,352,583	
Total requested revenue from Usage Rates			3,103,285	
Total Revenue from Fuel Charge and Other			3,490,992	
Total Revenue from Electricity Sales			56,278	
Total Proposed Revenues			6,650,555	

Concord Steam
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Sched 4A

Monthly Sales Amounts
Test Year ending Dec. 31, 2015

	Residential Usage	Residential Energy	Commercial & industrial Usage	Commercial & industrial Energy	Public Authority Usage	Public Authority Energy	Sales Discounts	Total Energy Charges	Total Meter Charges	Total Usage Rate	Total Sales
January	\$0	\$0	\$169,112	\$198,481	\$433,129	\$517,959	(\$198,669)	716,440	\$7,260	403,572	1,127,272
February	\$17	\$20	\$180,148	\$211,494	\$454,245	\$544,885	(\$130,079)	756,399	\$7,240	504,331	1,267,970
March	\$0	\$0	\$107,250	\$130,840	\$298,530	\$367,654	(\$79,209)	498,494	\$7,240	326,571	832,305
April	\$0	\$0	\$61,989	\$75,644	\$183,536	\$224,089	(\$34,669)	299,733	\$7,180	210,856	517,769
May	\$0	\$0	\$13,961	\$17,049	\$30,306	\$36,790	(\$6,106)	53,839	\$3,300	38,161	95,300
June	\$0	\$0	\$7,823	\$9,558	\$18,482	\$22,436	\$2,126	31,994	\$572	28,431	60,997
July	\$0	\$0	\$8,214	\$10,036	\$14,407	\$17,490	(\$10,582)	27,526	\$368	12,039	39,933
August	\$0	\$0	\$8,258	\$10,074	\$12,897	\$15,657	\$3,748	25,731	\$304	24,903	50,938
September	\$0	\$0	\$8,472	\$10,325	\$11,677	\$14,175	\$4,176	24,500	\$384	24,325	49,209
October	\$0	\$0	\$37,347	\$45,514	\$107,144	\$143,730	(\$4,620)	189,244	\$6,330	139,871	335,445
November	\$0	\$0	\$67,646	\$79,676	\$168,333	\$216,476	(\$20,641)	296,152	\$6,910	215,338	518,400
December			\$83,453	\$103,766	\$225,382	\$292,443	(\$41,282)	\$ 396,209	\$ 6,840	267,553	670,602
	\$ 17	\$ 20	\$ 753,673	\$ 902,457	\$ 1,958,068	\$ 2,413,784	\$ (515,807)	\$ 3,316,261	\$ 53,928	\$ 2,195,951	\$ 5,566,140

Rate Case Expenses

Estimated

Accountants	\$	2,000
Legal	\$	10,000
Total	\$	12,000

Overall Rate of Return

	Component Ratio	Component Cost Rate	Weighted Ave Cost Rate
Common Stock	67.74%	9.75%	6.60%
Preferred Stock	0.00%	0.00%	0
Long Term Debt	3.06%	9.08%	0.28%
Short Term Debt	17.46%	5.25%	0.92%
		TOTAL	7.80%

Capital Structure for Rate Making Purposes

Item	Amount	Ratio
Common Equity		
Stock	91,200	
Surplus	220,653	
Retained Earnings	3,723,475	
(Capital Stock Expense)	-	
Total	<u>4,035,328</u>	67.74%
Preferred Stock Equity		
Stock	-	
(Capital Stock Expense)	-	
Total	<u>-</u>	0.00%
Long Term Debt	182,067	
Mortgage Debt	-	
Long Term Notes	-	
Bonds	-	
Capitalized Lease	-	
(Unamortized Premium and Discount)	-	
(Unamortized Expenses)	-	
Total	<u>182,067</u>	3.06%
Short Term Debt	1,040,013	17.46%
Notes Payable	700,000	0.00%
Deferred Taxes	(1,225,740)	0.00%
Total Capital	5,957,408	88.25%

Historical Capital Structure for Ratemaking Purposes

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Common Equity	4,035,328	3,891,725	3,021,367	3,770,395	4,034,741
Preferred Stock Equity	-	-	-	-	-
Long Term Debt	182,067	465,313	465,313	376,341	552,762
Short Term Debt	1,740,013	1,338,869	1,338,869	1,026,204	1,062,642
Deferred Taxes	1,225,740	1,187,741	1,165,789	1,177,492	1,168,377
Total	<u>7,183,148</u>	<u>6,150,972</u>	<u>5,991,338</u>	<u>6,350,432</u>	<u>6,818,522</u>

Capitalization Ratios at December 31 for Each Year

	2015	2014	2013	2012	2011
Common Equity	56.18%	51.36%	50.43%	59.37%	59.17%
Preferred Stock Equity	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Debt	2.53%	7.56%	7.77%	5.93%	8.11%
Short Term Debt	24.22%	21.77%	22.35%	16.16%	15.58%
Deferred Taxes	17.06%	19.31%	19.46%	18.54%	17.14%
Total	100%	100%	100%	100%	100%

Cost of Long Term Debt
Test Year ending Dec. 31, 2015

		Interest Rate	Maturity	Amount Authorized	Outstanding Amount	Annual Interest cost
TD Bank	11/8/06	4.07%	10/1/16	\$ 1,245,580	132,585	11,740
Ford	3/7/12	2.90%	3/21/17	\$ 12,869	\$ 3,358	198
Royal Bank	5/1/13	4.90%	4/30/18	\$ 43,317	\$ 23,986	3,895
MCSB	6/4/15	2.99%	9/26/20	\$ 31,540	\$ 22,138	697
TOTAL					182,067	16,530

Average total interest rate for year 9.08%

Cost of Short Term Debt
Test Year ending Dec. 31, 2015

	Interest Rate	Term	Amount Authorized	Outstanding Amount	Annual Interest cost
Line of Credit	5.25%	Annual	\$ 1,200,000	\$ 1,040,013	\$ 40,840

Concord Steam
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Schedule 6
Exhibit 7

Cost of Preferred Stock
Test Year ending Dec. 31, 2015

Not applicable - no preferred stock issued

Computation of Revenue Deficiency
Test Year ending Dec. 31, 2015 vs Repowered plant

First full year of operation

Rate Base (Schedule 3)	\$ 25,162,902	\$ 25,162,902
Rate of Return	6.54% Allowed	4.15% Requested
Income Required	\$ 1,646,001	\$ 1,044,260
Adjusted Net Operating Income	\$ 1,734,855	\$ 1,734,855
Tax effect (60.39%)	\$ 1,079,618	\$ 684,934
Revenue deficiency	\$ (990,764)	\$ 5,661
After tax revenue requested	\$ 1,646,001	\$ 1,044,260
÷ .6039 = required taxable income	2,725,619	1,729,194
Total Taxes to be paid	\$ 1,079,618	\$ 684,934

Mlbs of steam projected to be sold 124,691

New Usage rates based on these sales:

	Requested in DG 16-294	Proposed w. repowering	Change
First 500 Mlbs	\$ 27.52	26.00	-6%
500>2000	\$ 26.36	26.00	-1%
2000>	\$ 22.87	26.00	14%

Revenue from proposed usage rate in DG 16-294 3,103,285

New usage rate revenue 3,241,953
Usage rate increase 4.47%

	2015	2016/17
Energy revenue	3,522,507	734,427
Total rate % change including reduction in COE		-39.99%
Increase in total rate with no reduction in COE		2.09%

Requested Usage	Existing Energy	New Usage	Projected New Energy	Total Old	Total New	Increase in Rates
\$ 27.52	\$ 28.25	\$ 26.00	5.89	55.77	\$ 31.89	-42.82%
\$ 26.36	\$ 28.25	\$ 26.00	5.89	54.61	\$ 31.89	-41.60%
\$ 22.87	\$ 28.25	\$ 26.00	5.89	51.12	\$ 31.89	-37.62%

**Concord Steam
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Report of Proposed Rate Changes
Test Year ending Dec. 31, 2015 vs Repowered plant

Rate of Class of Service	Effect of Proposed Changes	# of Customers 2015	Present Rates **	Proposed Rates	Proposed Rate Change Amount	Proposed Change Percentage
G	Increased	85	6,625,792	3,976,381	\$ -	-39.99%

** Includes proformed revenue adjustments reflected in Schedule 1

Effect on customer classes

	Typical use Mlbs/yr	Old Usage rate	New Usage rate	Change Usage rates only	Energy	Increase of Total bill
Small	250	\$ 7,040	\$ 6,660	-5.40%	1,473	-42.33%
Med	1500	\$ 41,216	\$ 39,400	-4.41%	8,835	-42.30%
Large	8000	\$ 209,530	\$ 208,990	-0.26%	47,120	-41.20%

**Concord Steam
DG 16 - 294**

Schedule 1 repower

	Test Year as Proformed 12/31/15	Projected Repowered Plant Operations
Operating Revenues		
Usage Rate (Sched 1-1)	2,352,583	3,241,953
Fuel Charge (Sched 1-5)	3,568,096	734,427
Meter Charge	52,846	52,846
Electricity sales non fuel	56,278	2,467,197
Electricity sales COE		1,386,547
Thermal RECs (Used to offset COE)		1,347,479
Other	87,491	87,491
Total Revenues	6,117,294	9,317,941
Operating Expenses		
Production		
Fuel Costs (see note 1)	3,568,096	3,468,454
Other (Sched 1-2)	1,025,881	1,725,881
Distribution	258,194	258,194
Customer Accounting (Sched 1B)	42,533	42,533
Sales and New Business	1,500	1,500
Admin and General(Sched 1-3)	673,088	673,088
Write off uncollectable accounts	-	
Taxes		
Federal Income Tax/BET	14,557	119,920
Property	188,569	443,000
Depreciation	242,073	750,000
Amortization	-	
Total Revenue Deductions	6,014,491	7,482,570
Operating Rents, net	100,516	100,516
Net Operating Income	(57,094)	1,734,855
Misc. Non-operating Revenue		
Interest expense - Short Term	40,840	20,000
Interest expense - Long term	16,530	1,300,000
Miscellaneous expense	26,349	26,349
Contributions	7,075	7,075
Amortization	(9,668)	(9,668)
Net income	(111,871)	417,448

Notes

- 1 Fuel costs include cost of wood and gas fuels as well as all other operatings costs that are allowed to be included in the Cost of Energy. These include all wood yard expenses such as rent, loader rental, yard utilities, property taxes, diesel fuel, contract grinding, equipment maintenance, etc.

Calculation of Revenue from Energy Charge
 Test Year ending Dec. 31, 2015 vs Repowered plant

	tons, dtherms		\$/ton, \$/dth	
Wood fuel	87,000		28	\$ 2,436,000
Natural Gas	25,000		10	\$ 250,000
Other costs				\$ 791,000
		Total cost of energy		<u>\$ 3,477,000</u>

Note 1

TRECs

Mlbs supplied to distribution system		220,000	
MMBtus		264,000	
TREC MWh		77,374	
Provided to NHEC as part of PPA		10,000	
Remaining for sale		67,374	
TREC per Mlb sold		0.54	
Assumed ave sale price	\$20	\$ 1,347,479	\$ 1,347,479

1) Other costs include Yard operating costs, water, sewer, ash, air emission fees, etc.

PROPERTY TAXES
Test Year ending Dec. 31, 2015 vs Repowered plant

Property taxes to the city of Concord, State of NH and Town of Pembroke:

		State Utility	City	Pembroke Wood Yard (in COE)	Combined
Tax Period:	2019	\$ 109,000	\$ 334,000	\$ 14,725	\$ 457,725
Total property taxes		109,000	334,000	14,725	457,725

Concord Steam
DG 16 - 294

Balance Sheets
Assets and Deferred Charges
Test Year ending Dec. 31, 2015 vs Repowered plant

Schedule 2 repower
Page 1 of 2

	12/31/15	12/31/14	12/31/13	12/31/12
Fixed Capital - Steam Plant				
Distribution Equipment	\$ 4,156,042	\$ 4,134,766	\$ 4,032,581	\$ 3,982,782
Production Equipment	26,547,597	26,547,597	7,041,924	6,815,861
Structures	1,106,590	1,106,590	706,590	706,590
General Equipment	191,067	190,350	158,724	272,823
Land	2,655	2,655	2,655	2,655
Intangible Property	139	139	139	139
Unfinished Construction	166,844	156,844	38,785	90,687
	<u>32,170,935</u>	<u>32,138,942</u>	<u>11,981,398</u>	<u>11,871,537</u>
Less Depreciation Reserve	<u>(6,529,327)</u>	<u>(6,287,254)</u>	<u>(5,997,586)</u>	<u>(6,079,583)</u>
Total Fixed Capital	<u>25,641,608</u>	<u>25,851,688</u>	<u>5,983,812</u>	<u>5,791,954</u>
Current Assets				
Cash	-	-	-	-
Special deposits	-	-	-	12,250
Accounts Receivable	729,896	884,603	1,067,435	833,782
Materials and Supplies	100,840	144,942	238,691	177,185
Prepayments	81,391	22,709	97,780	87,784
Income tax refund	0	0	0	0
	<u>912,127</u>	<u>1,052,254</u>	<u># 1,403,906</u>	<u>1,111,001</u>
Deferred Debits				
Unamortized Debt Discount and Expense		-	-	1,164
Deferred Tax Assets	594,584	550,026	613,630	776,642
	<u>594,584</u>	<u>550,026</u>	<u># 613,630</u>	<u># 777,806</u>
Total Assets	<u>\$ 27,148,319</u>	<u>\$ 27,453,968</u>	<u>\$ 8,001,348</u>	<u>\$ 7,680,761</u>

Balance Sheets
Stockholders Equity and Liabilities
Test Year ending Dec. 31, 2015 vs Repowered plant

	12/31/15	12/31/14	12/31/13	12/31/12
Capitalization				
Common Stock	\$ 91,200	\$ 91,200	\$ 91,200	\$ 91,200
Capital Surplus	220,653	220,653	220,653	220,653
Earned Surplus	3,723,475	3,579,872	3,271,356	3,458,542
Total Capitalization	<u>4,035,328</u>	<u>3,891,725</u>	<u>3,021,367</u>	<u>3,770,395</u>
Long-Term Debt				
Bonds and Notes	<u>22,549,482</u>	<u>465,313</u>	<u>376,341</u>	<u>452,639</u>
Current and Accrued Liabilities				
Notes Payable	1,740,013	1,338,869	1,026,204	1,386,945
Accounts Payable	1,023,676	1,005,386	1,053,232	851,677
Payables to Affiliated Companies			58,994	200,000
Customers' Deposits	1,100	1,100	1,300	500
Taxes Accrued	66	498	1,912	6,716
Cash Overdrafts	71,111	284,385	621,004	181,074
Miscellaneous Current Liabilities	(21,615)	11,122	3,229	41,534
Deferred Revenue				
Total Current and Accrued Liabilities	<u>2,814,351</u>	<u>2,641,361</u>	<u>2,765,875</u>	<u>2,668,446</u>
Deferred Credits				
Deferred Income Taxes	<u>1,225,740</u>	<u>1,187,741</u>	<u>1,165,789</u>	<u>1,177,492</u>
Reserves				
Amortization				
Contribution in Aid of Construction	(128,051)	(118,383)	(108,715)	(99,047)
Contribution in Aid of Construction	<u>671,975</u>	<u>671,975</u>	<u>671,975</u>	<u>671,975</u>
Total Reserves	<u>543,924</u>	<u>553,592</u>	<u>671,975</u>	<u>572,928</u>
Total Stockholders Equity and Liabilities	<u>\$ 31,168,825</u>	<u>\$ 8,739,732</u>	<u>\$ 8,001,347</u>	<u>\$ 8,641,900</u>
	#	#	#	#

Concord Steam
 DG 16 - 294

Schedule 3 repower

Rate Base
 Repowered plant

	Total projected rate base
Plant in service (Sched 3B)	32,153,334
Less: accumulated Depreciation	(6,408,290)
Plant Held for future use	
Net Utility Plant	25,745,043
Plus	
Cash working capital	670,626
Schedule 3-A	
Materials and supplies	110,337
Schedule 3-B	
Prepayments	66,262
Deferred Taxes (sched 2)	553,454
Less	
Deferred Taxes (Sched 2)	1,190,664
Investment tax credit	
Customer deposits (Sched 3-B)	1,054
Customer advances	
Contribution in aid of construction	671,975
CIAC accum amortization	(119,127)
Rate Base	25,162,902
Net Operating Income applied to rate base	1,734,855
Rate of return	6.89%

**Concord Steam
DG 16 - 294**

Rate Base Components	Schedule 3-B repower												Test Year Average	13 Month Average		
	Dec-14	January	February	March	April	May	June	July	August	September	October	November			December	
Organization	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139
Miscellaneous Intangible Property																
Total Intangible Property	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution System Land	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655
Total Land	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655
Structures																
Production Plant Structures	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407	1,071,407
General and Misc Structures	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184	35,184
Total Structures	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590	1,106,590
Production Equipment																
Power Plant Equipment	\$26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597
Total Production Equipment	\$26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597	26,547,597
Distribution Equipment																
Mains	\$3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,462,243	3,473,314	3,476,690	3,479,376	3,481,806	3,483,519	3,469,201	3,468,665
Services	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258	523,258
Customer's Meters and Installations	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265	149,265
Total Distribution Equipment	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,134,766	4,145,837	4,149,213	4,151,899	4,154,329	4,156,042	4,141,723	4,141,188
General Equipment																
Office Equipment	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152	29,152
Transportation Equipment	142,275	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,991	142,936
Shop Equipment	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392	8,392
Laboratory Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Tools and Implements	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370	5,370
Misc. General Equipment	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162	5,162
Total General Equipment	190,350	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,067	191,012
Unfinished Construction																
Unfinished Construction	156,844	156,844	159,344	159,344	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	164,761	164,152
Total Unfinished Construction	156,844	156,844	159,344	159,344	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	166,844	164,152	165,370
Total Plant in Service	32,138,942	32,139,659	32,142,159	32,142,159	32,149,659	32,149,659	32,149,659	32,149,659	32,149,659	32,160,730	32,164,106	32,166,792	32,169,222	32,170,935	32,154,533	32,153,334
Accumulated Depreciation	(6,287,254)	(6,307,426)	(6,327,599)	(6,347,772)	(6,367,945)	(6,388,117)	(6,408,290)	(6,428,463)	(6,448,636)	(6,468,808)	(6,488,981)	(6,509,154)	(6,529,327)	(6,549,500)	(6,418,376)	(6,408,290)
Cash Working Capital	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626	670,626
Materials and Supplies																
Oil Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wood	\$74,738	106,825	93,622	93,083	51,428	40,876	19,203	18,440	8,588	9,183	4,844	15,366	34,066	41,294	43,866	43,866
Parts and Supplies	\$61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281	61,281
Chemicals/salt	\$8,923	9,082	5,851	7,530	8,010	5,117	2,614	3,481	2,383	32	3,775	5,174	5,493	4,879	5,190	5,190
Total Materials and Supplies	144,942	177,188	160,754	161,894	120,719	107,274	83,098	83,202	72,252	70,496	69,900	81,821	100,840	107,453	110,337	110,337
Prepayments (Annual Report at Table 18)	27,190	51,323	37,817	61,948	48,443	108,226	94,721	82,506	70,291	58,076	45,861	93,606	81,391	69,517	66,262	66,262
Deferred Taxes (Annual Report at Table 36)	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	550,026	594,584	553,739	553,454
Deferred Taxes (Annual Report at Table 32)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,187,741)	(1,225,740)	(1,190,907)	(1,190,664)	(1,190,664)
Customer Deposits (at Annual Report p. 101)	(1,100)	(1,100)	(500)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,100)	(1,050)	(1,054)	(1,054)
Contr. in Aid of Constr. (CIAC) (Table 10)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)	(671,975)
Less Accum. Amort of CIAC (Table 10)	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	128,051	119,189	119,127
Sub-total CIAC less Amortization	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(553,592)	(543,924)	(552,787)	(552,849)	(552,849)
Rate Base	24,952,013	24,988,936	24,941,923	24,946,422	24,879,069	24,905,234	24,847,380	24,815,096	24,782,830	4,861,029	24,721,765	24,763,687	24,723,700	23,181,423	23,317,622	23,317,622

Calculation of Operating Revenues for repowered project
Test Year ending Dec. 31, 2015 vs Repowered plant

Revenues Usage Rate	2015 as Proformed		MW/hs	Steam Usage	Steam COE	Steam	Power	Power	Power	TOTAL
	Mlbs Steam	Revenue	Sold	Revenue	Revenue	TRECs	COE	Energy	Capacity	
			Unit charge	\$ 26.00	\$ 5.89	\$ 20.00	\$ 47.96	\$ 76.00		
January	25,827	\$ 487,292	2,046	\$671,509	\$152,123	\$ 279,105	98,112	155,474	22,500	1,378,821
February	22,327	421,247	1,902	\$580,495	\$131,504	\$ 241,276	91,198	144,517	22,500	1,211,491
March	18,158	342,596	2,638	\$472,111	\$106,951	\$ 196,227	126,539	200,520	22,500	1,124,848
April	10,744	202,703	2,552	\$279,332	\$63,280	\$ 116,101	122,375	193,922	22,500	797,511
May	2,781	52,468	2,118	\$72,303	\$16,379	\$ 30,052	101,559	160,935	22,500	403,728
June	1,235	23,301	2,552	\$32,110	\$7,274	\$ 13,346	122,375	193,922	22,500	391,528
July	1,064	20,075	2,638	\$27,664	\$6,267	\$ 11,498	126,539	200,520	22,500	394,988
August	986	18,603	2,638	\$25,636	\$5,808	\$ 10,655	126,539	200,520	22,500	391,657
September	947	17,867	2,552	\$24,622	\$5,578	\$ 10,234	122,375	193,922	22,500	379,231
October	7,500	141,505	2,291	\$195,000	\$44,175	\$ 81,049	109,885	174,130	22,500	626,740
November	13,133	247,793	2,552	\$341,469	\$77,356	\$ 141,928	122,375	193,922	22,500	899,550
December	19,989	377,132	2,433	\$519,702	\$117,733	\$ 216,008	116,676	184,891	22,500	1,177,510
	124,691	2,352,583		\$3,241,953	\$734,427	\$ 1,347,479	\$ 1,386,547	\$ 2,197,197	\$ 270,000	\$ 9,177,604

Overall Rate of Return

	Component Ratio	Component Cost Rate	Weighted Ave Cost Rate
Common Stock	14.25%	9.75%	1.39%
Preferred Stock	0.00%	0.00%	0
Long Term Debt	79.61%	6.23%	4.96%
Short Term Debt	3.67%	5.25%	0.19%
		TOTAL	6.54%

Capital Structure for Rate Making Purposes

Item	Amount	Ratio
Common Equity		
Stock	91,200	
Surplus	220,653	
Retained Earnings	3,723,475	
(Capital Stock Expense)	-	
Total	<u>4,035,328</u>	14.25%
Preferred Stock Equity		
Stock	-	
(Capital Stock Expense)	-	
Total	<u>-</u>	0.00%
Long Term Debt	22,549,482	
Mortgage Debt	-	
Long Term Notes	-	
Bonds	-	
Capitalized Lease	-	
(Unamortized Premium and Discount)	-	
(Unamortized Expenses)	-	
Total	<u>22,549,482</u>	79.61%
Short Term Debt	1,040,013	3.67%
Notes Payable	700,000	0.00%
Deferred Taxes	(1,225,740)	0.00%
Total Capital	28,324,823	97.53%

Historical Capital Structure for Ratemaking Purposes

	<u>2019</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Common Equity	4,035,328	3,891,725	3,021,367	3,770,395	4,034,741
Preferred Stock Equity	-	-	-	-	-
Long Term Debt	22,549,482	465,313	465,313	376,341	552,762
Short Term Debt	1,740,013	1,338,869	1,338,869	1,026,204	1,062,642
Deferred Taxes	1,225,740	1,187,741	1,165,789	1,177,492	1,168,377
Total	<u>29,550,563</u>	<u>6,150,972</u>	<u>5,991,338</u>	<u>6,350,432</u>	<u>6,818,522</u>

Capitalization Ratios at December 31 for Each Year

	2019	2014	2013	2012	2011
Common Equity	13.66%	51.36%	50.43%	59.37%	59.17%
Preferred Stock Equity	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Debt	76.31%	7.56%	7.77%	5.93%	8.11%
Short Term Debt	5.89%	21.77%	22.35%	16.16%	15.58%
Deferred Taxes	4.15%	19.31%	19.46%	18.54%	17.14%
Total	100%	100%	100%	100%	100%

Cost of Long Term Debt
 Projectede first year of full operation repowered plant

	Interest Rate	Maturity	Amount Authorized	Outstanding Amount	Annual Interest cost	
TD Bank Bonds	12/1/16	6.00%	11/30/36	\$ 23,000,000	22,500,000	1,400,000
Ford	3/7/12	2.90%	3/21/17	\$ 12,869	\$ 3,358	198
Royal Bank	5/1/13	4.90%	4/30/18	\$ 43,317	\$ 23,986	3,895
MCSB	6/4/15	2.99%	9/26/20	\$ 31,540	\$ 22,138	697
TOTAL				22,549,482	1,404,790	

Average total interest rate for year 6.23%