

**SUMMARY OF PRO FORMA ADJUSTMENTS TO O&M EXPENSE**

Aquarion Water Company of New Hampshire, Inc.  
Case No. DW 20-184

Test Year: Twelve Months Ended 12/31/19  
Schedule No. 1B  
Page 1 of 1

Line No.	Adjustment Title	Detail on Schedule	Source of Supply	Pumping	Treatment	Transmission & Distribution	Customer Accounting	Information Technology	Administrative & General	Other Income	Total Amount
1											
2	Salaries and Wages	C	\$ 1,327	\$ 12,959	\$ 2,632	\$ 22,216	\$ 1,461		\$ 29,260	\$ 106	\$ 69,962
3											
4	Employee Welfare Expenses	D							32,331		32,331
5											
6	Employee Bonus Program	E							2,454		2,454
7											
12	Legal Expense	F							4,101		4,101
13											
14	Chemical Costs	G			17,303						17,303
15											
16	Purchased Power - Electric	H		16,655					667		17,322
17											
18	Building Lease	I							3,986		3,986
19											
20	Corporate Insurance	J							(49,672)		(49,672)
21											
22	Tax Cut and Jobs Act	K							(143,534)		(143,534)
23											
24	Rate Case Studies	L							27,151		27,151
25											
26	Customer Programs	M					23,886				23,886
27											
28	Shared Facility Costs	N							(3,093)		(3,093)
29											
30	Management Allocation	O							(1,033)		(1,033)
31											
32	Shared Customer Service Costs	P					(2,550)				(2,550)
33											
34	Shared Technology Costs	Q						(80,662)			(80,662)
35											
36	Eversource Aquarion merger cost recovery	X							24,967		24,967
37											
38	Other adjustments to O&M	Y				(900)			(42,236)		(43,136)
39											
40											
39	Total Proforma Adjustments at present Rates		\$ 1,327	\$ 29,614	\$ 19,935	\$ 21,316	\$ 22,797	\$ (80,662)	\$ (114,650)	\$ 106	\$ (100,218)

**REVENUE REQUIREMENT FROM PROFORMA ADJUSTMENT - STEP 1**

Aquarion Water Company of New Hampshire, Inc.  
Case No. DW 20-184

Test Year: Twelve Months Ended 12/31/19  
Schedule No. 6(a)  
Page 1 of 1

Line No.	Account Description	Pro Forma 3/31/2021	Proposed Increase	Proposed 3/31/2021	
1					
2	Operating Revenues	-	646,621	646,621	281,015
3					
4	O&M Expenses	59,000		59,000	
5	Depreciation	101,231		101,231	
6	Property tax	85,356		85,356	
7	Income Taxes	(110,521)	175,124	64,603	
8	Total Operating Expense	<u>135,066</u>	175,124	310,191	
9					
10	Utility Operating Income	<u>(135,066)</u>	471,497	336,430	
11					
12	Projects completed for Step 1 Adjustment				
13	Source of Supply	139,852		139,852	
14	Pumping	112,207		112,207	
15	Water Treatment	312,983		312,983	
16	Transmission & Distribution	3,130,957		3,130,957	
17	General Plant	431,982		431,982	
18	Rate Base Investment	<u>4,127,981</u>		<u>4,127,981</u>	
19					
20	Return on Rate Base	<u>-3.27%</u>		<u>8.15%</u>	
21					
22					
23	<b><u>Tax Calculation</u></b>				
24	Income before Income Taxes	(245,587)		401,034	
25	Interest Expense	<u>(162,496)</u>		<u>(162,496)</u>	
26	State Taxable Income	(408,084)		238,537	
27	State Income Tax at 7.7%	(31,422)		18,367	
28					
29	Federal Taxable Income	(376,661)		220,170	
30	Federal Income Tax at 21%	(79,099)		46,236	
31					
32	Total Current Income Taxes	(110,521)		64,603	
33					
34	Total Income Taxes	<u>(110,521)</u>		<u>64,603</u>	
35					

**REVENUE REQUIREMENT FROM PROFORMA ADJUSTMENT - STEP 2**

Aquarion Water Company of New Hampshire, Inc.  
Case No. DW 20-184

Test Year: Twelve Months Ended 12/31/19  
Schedule No. 6(b)  
Page 1 of 1

Line No.	Account Description	Pro Forma 3/31/2022	Proposed Increase	Proposed 3/31/2022
1				
2	Operating Revenues	-	725,434	725,434
3				
4	O&M Expenses	-		-
5	Depreciation	157,193		157,193
6	Property tax	96,219		96,219
7	Income Taxes	(103,692)	196,469	92,777
8	Total Operating Expense	<u>149,720</u>	196,469	346,190
9				
10	Utility Operating Income	<u>(149,720)</u>	528,965	379,245
11				
12	Projects completed for Step 2 Adjustment			
13	Source of Supply	24,920		24,920
14	Pumping	62,300		62,300
15	Water Treatment	3,951,903		3,951,903
16	Transmission & Distribution	525,189		525,189
17	General Plant	89,000		89,000
18	Rate Base Investment	<u>4,653,312</u>		<u>4,653,312</u>
19				
20	Return on Rate Base	<u>-3.22%</u>		<u>8.15%</u>
21				
22				
23	<b><u>Tax Calculation</u></b>			
24	Income before Income Taxes	(253,412)		472,022
25	Interest Expense	<u>(129,455)</u>		<u>(129,455)</u>
26	State Taxable Income	(382,867)		342,567
27	State Income Tax at 7.7%	(29,481)		26,378
28				
29	Federal Taxable Income	(353,386)		316,190
30	Federal Income Tax at 21%	(74,211)		66,400
31				
32	Total Current Income Taxes	(103,692)		92,777
33				
34	Total Income Taxes	<u>(103,692)</u>		<u>92,777</u>
35				

**REVENUE REQUIREMENT FROM PROFORMA ADJUSTMENT - STEP 3**

Aquarion Water Company of New Hampshire, Inc.  
Case No. DW 20-184

Test Year: Twelve Months Ended 12/31/19  
Schedule No. 6(c)  
Page 1 of 1

Line No.	Account Description	Pro Forma 3/31/2023	Proposed Increase	Proposed 3/31/2023
1				
2	Operating Revenues	-	463,790	463,790
3				
4	O&M Expenses			-
5	Depreciation	105,520		105,520
6	Property tax	60,665		60,665
7	Income Taxes	(67,113)	125,608	58,495
8	Total Operating Expense	<u>99,072</u>	125,608	224,680
9				
10	Utility Operating Income	<u>(99,072)</u>	338,182	239,110
11				
12	Projects completed for Step 3 Adjustment			
13	Source of Supply	24,920		24,920
14	Pumping	133,500		133,500
15	Water Treatment	2,402,000		2,402,000
16	Transmission & Distribution	284,444		284,444
17	General Plant	89,000		89,000
18	Rate Base Investment	<u>2,933,864</u>		<u>2,933,864</u>
19				
20	Return on Rate Base	<u>-3.38%</u>		<u>8.15%</u>
21				
22				
23	<b><u>Tax Calculation</u></b>			
24	Income before Income Taxes	(166,185)		297,605
25	Interest Expense	<u>(81,620)</u>		<u>(81,620)</u>
26	State Taxable Income	(247,805)		215,985
27	State Income Tax at 7.7%	(19,081)		16,631
28				
29	Federal Taxable Income	(228,724)		199,354
30	Federal Income Tax at 21%	(48,032)		41,864
31				
32	Total Current Income Taxes	(67,113)		58,495
33				
34	Total Income Taxes	<u>(67,113)</u>		<u>58,495</u>
35				

**REPORT OF PROPOSED RATE CHANGES (PERM RATES)**

**Aquarion Water Company of New Hampshire, Inc.**  
**Case No. DW 20-184**

**Test Year: Twelve Months Ended 12/31/19**  
**Page 1 of 1**

Line No.	Rate/Class of Service	Est. Annual Revenue		Proposed Change	
		Present Rates	Proposed Rates	Amount	% Change
1					
2					
3	Residential	\$ 4,202,086	\$ 5,161,315	\$ 959,229	22.83%
4	Commercial	1,263,852	1,363,766	99,914	7.91%
5	Industrial	9,150	9,482	331	3.62%
6	Public Authority	112,266	120,229	7,963	7.09%
7	Seasonal	424,134	438,146	14,012	3.30%
8	Private Fire	463,176	512,516	49,340	10.65%
9	Public Fire	926,116	1,125,783	199,668	21.56%
10	Miscellaneous	221,952	227,534	5,582	2.52%
11	Adj for Rate Design		7	7	
12		<u>\$ 7,622,732</u>	<u>\$ 8,958,778</u>	<u>\$ 1,336,046</u>	<u>17.53%</u>
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Signed By: \_\_\_\_\_  
 Donald J. Morrissey

Title: \_\_\_\_\_  
 President