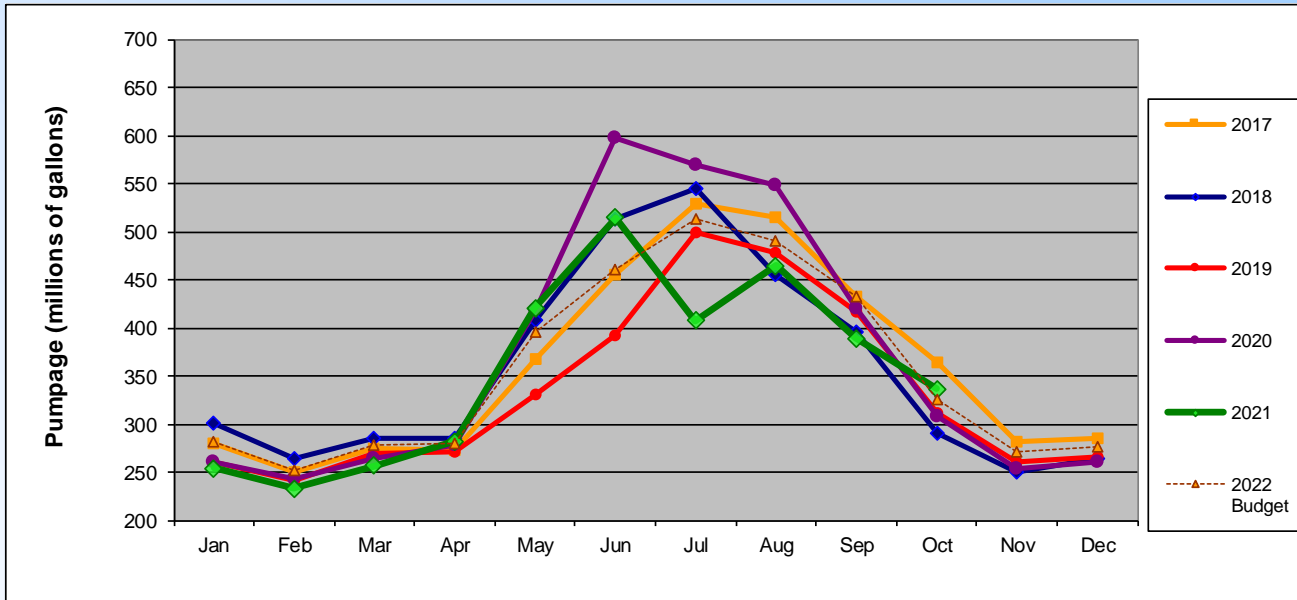


Pennichuck Corporation

2022 Operating Budget

As of January 28, 2022

Pennichuck Corporation 2022 PWW Pumpage Budget



Pumpage Data (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2017	279.330	249.500	274.680	273.160	366.790	455.660	529.650	514.210	432.840	364.900	281.650	285.860	4,308.230
2018	300.940	263.970	284.930	285.380	407.240	512.830	544.480	455.820	395.690	289.960	250.230	264.060	4,255.530
2019	260.370	240.390	269.960	271.300	330.760	391.640	498.650	477.710	417.220	310.770	261.280	266.650	3,996.700
2020	259.710	243.430	264.260	278.920	417.600	597.850	569.160	548.440	420.920	308.680	254.120	260.320	4,423.410
2021	253.700	232.920	256.480	282.210	420.230	514.850	407.890	464.110	389.090	336.650	298.980	306.730	4,163.840

Pumpage Data - Budget (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2022 Budget	257.927	238.913	255.065	277.477	390.630	453.377	524.260	505.357	416.668	320.744	255.210	263.677	4,159.303

Pennichuck Corporation
2022 Capital Expenditure Budget, including 2023 and 2024 Plans
(In thousands)

	Total Budgeted for 2021	Total Budgeted in 2022 for Carryover/Multi-year Projects	Total Budgeted in 2022 for New Projects	Total Budgeted for 2022	Total Planned in 2023 for Carryover & New Projects	Total Planned in 2024 for Carryover & New Projects
Mains and Main Replacements	\$ 2,891	\$ 673	\$ 2,718	\$ 3,391	\$ 2,273	\$ 4,340
Booster Stations, Tanks, Generators and Pumps	110	-	-	-	-	-
Water Treatment Media and Miscellaneous Water Supply Upgrades	-	-	-	-	-	-
Service, Hydrants and Meters	1,243	-	1,064	1,064	1,123	1,123
IT, Applications and System Monitoring	720	87	436	523	504	434
Asset Management System	-	-	-	-	-	-
All Other	2,428	29	2,441	2,470	1,757	1,594
Subtotals	7,392	789	6,669	7,447	5,657	7,491
Bowers Pond Spillway Reconstruction	-	-	1,850	1,850	-	-
Harri's Dam	965	-	-	-	-	-
Coburn Woods Mains	-	300	-	300	200	1,600
Coburn Woods Booster Station	-	-	1,350	1,350	-	-
Kessler Farm Tank Replacement	4,000	300	-	300	-	-
WTP - Carbon Media Filter Bed Replacement	-	-	1,300	1,300	500	-
WTP Chemical Storage Bldg.	-	-	-	-	300	3,000
Rotork Pakscan Valve Control	-	-	-	-	400	-
Snow Station Addition	-	-	-	-	1,200	-
Snow Station Main	-	-	-	-	850	-
Milford Booster Station Rebuild	-	-	60	60	850	-
W&E System Improvements	-	489	-	489	-	-
Londonderry System Improvements	1,600	1,600	-	1,600	-	-
Locke Lake - Surface Water Intake, Treatment and Mains Upgrade	200	-	-	-	-	-
Supply Pond Spillway	750	-	-	-	-	-
English Woods Interconnect	-	-	310	310	-	-
Atkinson Station & Tank	-	-	-	-	-	800
Sunrise Estates Station & Tank	-	-	-	-	500	-
Pittsfield Tank	-	-	-	-	50	750
Capitalized Interest (FALOC)	-	-	-	175	164	128
Total Capex Budgeted 2022-2024	\$ 14,907	\$ 3,478	\$ 11,529	\$ 15,181	\$ 10,670	\$ 13,768
Total Capex Budgeted 2022 - 2024 approved 12/17/21	\$ 14,907	\$ 3,414	\$ 11,529	\$ 15,117	\$ 10,670	\$ 13,768
Variance	\$ 0	\$ 64	\$ (0)	\$ 64	\$ 0	\$ 0

Amount	Funding
11,462.00	Bond
155.00	FALOC Int. (PWW)
2,352.00	CoBank
20.00	FALOC Int. (PEU)
315.00	SRF
485.00	DWTF
260.00	D3RR 0.1
124.00	Intercompany
15,181.00	Total

Pennichuck Consolidated 2022 Budgeted Statement of Income

	Budget				Budget	Fcstd 2021	Change --	
	Q1	Q2	Q3	Q4	2022		Amount	Percent
Revenues:								
Water Utility Operations	\$ 11,992,050	\$ 12,159,003	\$ 16,399,362	\$ 12,310,299	\$ 52,860,714	\$ 48,644,297	\$ 4,216,417	8.7%
Water Management Services	763,523	748,543	484,289	449,946	2,446,301	3,257,350	\$ (811,049)	-24.9%
Total Water Revenues	12,755,573	12,907,546	16,883,651	12,760,245	55,307,015	51,901,647	\$ 3,405,368	6.6%
Real Estate Operations	-	-	-	-	0	0	\$ -	0.0%
Other	3,216	3,216	3,216	3,216	12,864	12,766	\$ 98	0.8%
Total Revenues	12,758,789	12,910,762	16,886,867	12,763,461	55,319,879	51,914,413	\$ 3,405,466	6.6%
Operating Expenses:								
Water Utility Operations	9,685,583	10,613,897	10,852,507	9,849,015	41,001,002	38,975,550	\$ 2,025,452	5.2%
Water Management Services	675,685	705,740	484,373	482,932	2,348,730	2,913,223	\$ (564,493)	-19.4%
Total Water Expenses	10,361,268	11,319,637	11,336,880	10,331,947	43,349,732	41,888,773	\$ 1,460,959	3.5%
Real Estate Operations	-	-	-	-	0	0	\$ -	0.0%
Other	8,462	8,124	8,127	8,123	32,836	98,376	\$ (65,540)	-66.6%
Total Expenses	10,369,730	11,327,761	11,345,007	10,340,070	43,382,568	41,987,149	\$ 1,395,419	3.3%
Operating Income	2,389,059	1,583,001	5,541,860	2,423,391	11,937,311	9,927,264	\$ 2,010,047	20.2%
Other Income, Net	-	-	-	-	0	338,745	\$ (338,745)	-100.0%
Interest Income	-	-	-	-	0	0	\$ -	0.0%
Interest Expense:								
Long Term Debt	(3,509,448)	(3,565,006)	(3,589,596)	(3,581,775)	(14,245,825)	(13,896,522)	\$ (349,303)	-2.5%
Intercompany Interest	-	-	-	-	0	0	\$ -	0.0%
Line of Credit Expense	(77,814)	(41,128)	(90,643)	(115,790)	(325,375)	(112,528)	\$ (212,847)	-189.2%
Total Interest Expense	(3,587,262)	(3,606,134)	(3,680,239)	(3,697,565)	(14,571,200)	(14,009,050)	\$ (562,150)	-4.0%
Income Before Provision for Income Taxes	(1,198,203)	(2,023,133)	1,861,621	(1,274,174)	(2,633,889)	(3,743,041)	\$ 1,109,152	29.6%
Tax Provision								
Existing Operations	(217,856)	(221,370)	(203,273)	(217,702)	(860,201)	(279,529)	\$ 580,672	207.7%
Total Tax Provision	(217,856)	(221,370)	(203,273)	(217,702)	(860,201)	(279,529)	\$ 580,672	207.7%
Net Income (Loss)	\$ (980,347)	\$ (1,801,763)	\$ 2,064,894	\$ (1,056,472)	\$ (1,773,688)	\$ (3,463,512)	\$ 1,689,824	48.8%
EBITDA	\$ 4,665,897	\$ 3,871,364	\$ 7,809,841	\$ 4,705,337	\$ 21,052,439	\$ 18,910,108	\$ 2,142,331	11.3%
Add Back: Extraordinary Items	-	-	-	-	-	-	\$ -	0.0%
Normalized EBITDA	\$ 4,665,897	\$ 3,871,364	\$ 7,809,841	\$ 4,705,337	\$ 21,052,439	\$ 18,910,108	\$ 2,142,331	11.3%
Less: P&I on External Debt	(2,402,474)	(3,209,429)	(2,196,970)	(1,560,656)	(9,369,529)	(8,694,777)		
Less: CBFRR payments to City	(2,190,000)	(2,190,000)	(2,190,000)	(2,190,000)	(8,759,999)	(8,765,734)		
Less: Special Dividend to City (ED Costs)	-	-	-	-	-	-		
Net Remainder	\$ 73,423	\$ (1,528,064)	\$ 3,422,871	\$ 954,681	\$ 2,922,910	\$ 1,449,597		

Pennichuck Corporation and Subsidiaries - Consolidated
Quarterly Budgeted Balance Sheet
For the year ended December 31, 2022

ASSETS	Estimated <u>Dec-21</u>	BUD <u>Q1 22</u>	BUD <u>Q2 22</u>	BUD <u>Q3 22</u>	BUD <u>Q4 22</u>
Land	5,955,631	5,955,631	5,955,631	5,955,631	5,955,631
Buildings	74,882,570	74,890,070	74,967,570	74,975,070	76,582,570
Equipment & software	246,745,067	247,060,367	249,541,467	254,179,067	260,051,367
	<u>327,583,267</u>	<u>327,906,067</u>	<u>330,464,667</u>	<u>335,109,767</u>	<u>342,589,567</u>
Accumulated depreciation	(88,323,053)	(90,321,888)	(92,324,662)	(94,308,411)	(96,307,510)
	<u>239,260,214</u>	<u>237,584,179</u>	<u>238,140,005</u>	<u>240,801,356</u>	<u>246,282,057</u>
Work in process	6,741,435	7,020,435	12,270,435	13,666,435	6,741,435
Net Plant and Equipment	<u>246,001,650</u>	<u>244,604,615</u>	<u>250,410,441</u>	<u>254,467,792</u>	<u>253,023,493</u>
CURRENT ASSETS					
Cash	1,482,323	3,202,753	1,735,570	5,453,471	5,790,828
Short term investments: FHLB	-	-	-	-	-
Short term investments: MM	-	-	-	-	-
Restricted cash	12,920,920	12,693,350	11,658,768	11,636,585	12,250,655
Accounts receivable-billed, net	3,149,789	4,262,078	4,099,378	5,501,668	4,181,949
Accounts receivable- unbilled, net	6,277,010	7,138,408	7,465,277	7,052,165	6,719,712
Accounts receivable-other	352,220	140,720	140,720	140,720	140,720
Inventory	802,722	765,180	743,110	700,342	683,838
Prepaid expenses	467,246	401,633	232,477	5,620	(79,333)
Prepaid property taxes	925,051	275,808	1,278,267	720,816	1,687,829
Prepaid income taxes	148,148	148,148	148,148	148,148	148,148
	<u>26,525,429</u>	<u>29,028,077</u>	<u>27,501,714</u>	<u>31,359,534</u>	<u>31,524,345</u>
OTHER ASSETS					
Deferred land costs	-	-	-	-	-
Debt issuance expenses	4,741	4,741	4,741	4,741	4,741
Investment in partnerships	-	-	-	-	-
Regulated Asset - Acquisition Premium	65,082,363	64,477,467	63,866,583	63,255,700	62,644,816
Other Regulated Assets	16,044,062	16,064,243	16,124,424	16,156,605	16,197,227
	<u>81,131,166</u>	<u>80,546,451</u>	<u>79,995,748</u>	<u>79,417,046</u>	<u>78,846,784</u>
TOTAL ASSETS	<u>353,658,245</u>	<u>354,179,143</u>	<u>357,907,903</u>	<u>365,244,372</u>	<u>363,394,622</u>

**Pennichuck Corporation and Subsidiaries - Consolidated
Quarterly Budgeted Balance Sheet
For the year ended December 31, 2022**

EQUITY AND LIABILITIES	Estimated Dec-21	BUD Q1 22	BUD Q2 22	BUD Q3 22	BUD Q4 22
Common stock	10	10	10	10	10
Paid in capital	30,561,126	30,492,770	30,424,414	30,356,058	30,287,702
Accumulated other comprehensive income	338,373	338,373	338,373	338,373	338,373
Retained earnings	(33,440,939)	(34,421,286)	(36,223,049)	(34,158,155)	(35,214,627)
Treasury stock and other	-	-	-	-	-
	<u>(2,541,429)</u>	<u>(3,590,132)</u>	<u>(5,460,251)</u>	<u>(3,463,713)</u>	<u>(4,588,541)</u>
LONG TERM DEBT					
Bonds, notes and mortgages	233,269,997	231,985,761	237,521,188	237,618,965	236,338,104
CURRENT LIABILITIES					
Line of credit	-	-	-	-	-
Fixed asset lines of credit	6,607,766	9,642,342	8,548,842	13,392,000	13,816,600
Current portion of long term debt	6,607,250	6,602,089	7,016,992	7,164,314	7,223,150
Accounts payable	2,013,799	2,176,210	2,420,165	2,463,655	2,155,847
Accrued property taxes	145,317	321,407	145,317	408,389	145,317
Accrued interest payable	1,340,753	892,210	1,299,711	1,045,115	1,434,747
Other accrued expenses	1,268,211	970,405	1,001,163	1,086,871	1,099,229
Income taxes payable	(20,583)	(20,583)	(20,583)	(20,583)	(20,583)
Customer deposits & other	1,373,559	1,370,471	1,370,471	1,370,471	1,370,471
	<u>19,336,071</u>	<u>21,954,550</u>	<u>21,782,077</u>	<u>26,910,231</u>	<u>27,224,777</u>
OTHER LIABILITIES AND DEFERRED CREDITS					
Deferred income taxes	15,133,466	15,252,688	15,370,815	15,508,486	15,633,739
Accrued liability pension	15,587,257	15,864,836	16,142,415	16,279,994	16,557,573
Unamortized ITC	371,490	363,231	354,972	346,713	338,454
Regulatory Liability	9,262,171	9,257,182	9,252,193	9,247,204	9,242,215
Customer Advances	84,000	84,000	84,000	84,000	84,000
CIAC, net	57,421,012	57,333,822	57,248,536	57,161,902	57,075,079
Accrued Post Retirement Benefits	5,182,825	5,182,825	5,182,825	5,182,825	5,182,825
Other liability: derivative instrument	318,881	318,881	318,881	318,881	318,881
Other long-term liabilities	232,506	171,501	110,254	48,886	(12,482)
	<u>103,593,607</u>	<u>103,828,965</u>	<u>104,064,890</u>	<u>104,178,890</u>	<u>104,420,283</u>
TOTAL LIABILITIES AND EQUITY	<u>353,658,245</u>	<u>354,179,143</u>	<u>357,907,903</u>	<u>365,244,372</u>	<u>363,394,622</u>

Pennichuck Corporation and Subsidiaries - Consolidated

Quarterly Budgeted Stmt of Cash Flows

For the year ended December 31, 2022

	BUD Q1 22	BUD Q2 22	BUD Q3 22	BUD Q4 22	BUD Full Year	2021 (Projected)	Change	
							Amount	%
Operating Activities:								
Net Income	(980,347)	(1,801,763)	2,064,894	(1,056,472)	(1,773,688)	(3,463,512)	1,689,824	48.8%
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization	2,308,737	2,320,574	2,300,192	2,314,157	9,243,660	8,749,676	493,984	5.6%
Gain on sale of land/cell tower leases	-	-	-	-	-	(344,724)	344,724	100.0%
Amortization of deferred investment tax credits	(8,259)	(8,259)	(8,259)	(8,259)	(33,036)	(33,036)	-	0.0%
Provision for deferred income taxes	119,222	118,127	137,671	125,253	500,273	(661,833)	1,162,106	175.6%
Allowance for funds used during construction	-	-	-	-	-	-	-	0.0%
Undistributed earnings in real estate partnerships	-	-	-	-	-	-	-	0.0%
Special shareholder distributions	-	-	-	-	-	-	-	0.0%
Change in assets and liabilities:								
(Increase) decrease in accounts receivable and unbilled revenue	(1,762,187)	(164,169)	(989,178)	1,652,172	(1,263,362)	1,487,099	(2,750,461)	-185.0%
(Increase) decrease in refundable income taxes	-	-	-	-	-	(123,434)	123,434	100.0%
(Increase) decrease in materials and supplies	37,542	22,070	42,768	16,504	118,884	(108,545)	227,429	209.5%
(Increase) decrease in prepaid expenses	714,856	(833,303)	784,308	(882,060)	(216,199)	832,707	(1,048,906)	-126.0%
(Increase) decrease in deferred charges and other assets	(182,047)	(216,059)	(188,060)	(196,500)	(782,666)	725,391	(1,508,057)	-207.9%
Increase (decrease) in accounts payable and accrued expenses	(339,492)	574,480	206,030	(100,534)	340,484	(2,283,506)	2,623,990	114.9%
Increase (decrease) in other	(217,175)	(220,324)	(360,436)	(219,240)	(1,017,175)	669,024	(1,686,199)	-252.0%
Net cash provided by (used in) operating activities	(309,150)	(208,626)	3,989,930	1,645,021	5,117,175	5,445,307	(328,131)	-6.0%
Investing Activities:								
Purchases of property, plant and equipment	(601,800)	(7,808,600)	(6,041,100)	(554,800)	(15,006,300)	(7,765,172)	(7,241,128)	-93.3%
Contributions in aid of construction	-	-	-	-	-	26,110	(26,110)	-100.0%
(Increase) decrease in restricted cash	-	-	-	-	-	-	-	0.0%
Sale (purchase) of investment securities	-	-	-	-	-	-	-	0.0%
Net (increase) decrease in notes receivable	-	-	-	-	-	-	-	0.0%
Proceeds from sale of land	-	-	-	-	-	-	-	0.0%
Net change in investment in real estate partnerships and deferred land costs	-	-	-	-	-	-	-	0.0%
Net cash provided by (used in) investing activities	(601,800)	(7,808,600)	(6,041,100)	(554,800)	(15,006,300)	(7,739,062)	(7,267,238)	-93.9%
Financing Activities:								
(Repayments) advances on line of credit	3,034,576	(1,093,500)	4,843,158	424,600	7,208,834	442,704	6,766,130	1528.4%
Payments on long-term debt	(1,256,168)	(2,865,363)	(1,168,498)	(1,185,509)	(6,475,538)	(6,453,316)	(22,222)	-0.3%
Proceeds on long-term borrowings	(73,005)	8,775,918	1,373,821	(76,291)	10,000,443	10,488,411	(487,968)	-4.7%
Debt issuance costs	766,762	766,762	766,762	766,762	3,067,048	3,066,000	1,048	0.0%
Proceeds from issuance of common stock and dividend reinvestment plan	-	-	-	-	-	-	-	0.0%
Dividends paid	(68,356)	(68,356)	(68,356)	(68,356)	(273,424)	(279,145)	5,721	2.0%
Net cash provided by (used in) financing activities	2,403,809	5,515,461	5,746,887	(138,794)	13,527,363	7,264,654	6,262,709	86.2%
Net increase (decrease) in cash	1,492,859	(2,501,765)	3,695,717	951,427	3,638,238	4,970,899	(1,332,660)	-26.8%
Cash at beginning of period	14,403,243	15,896,103	13,394,338	17,090,055	14,403,243	9,432,345	4,970,898	52.7%
Cash at end of period	15,896,103	13,394,338	17,090,055	18,041,482	18,041,482	14,403,244	3,638,238	25.3%