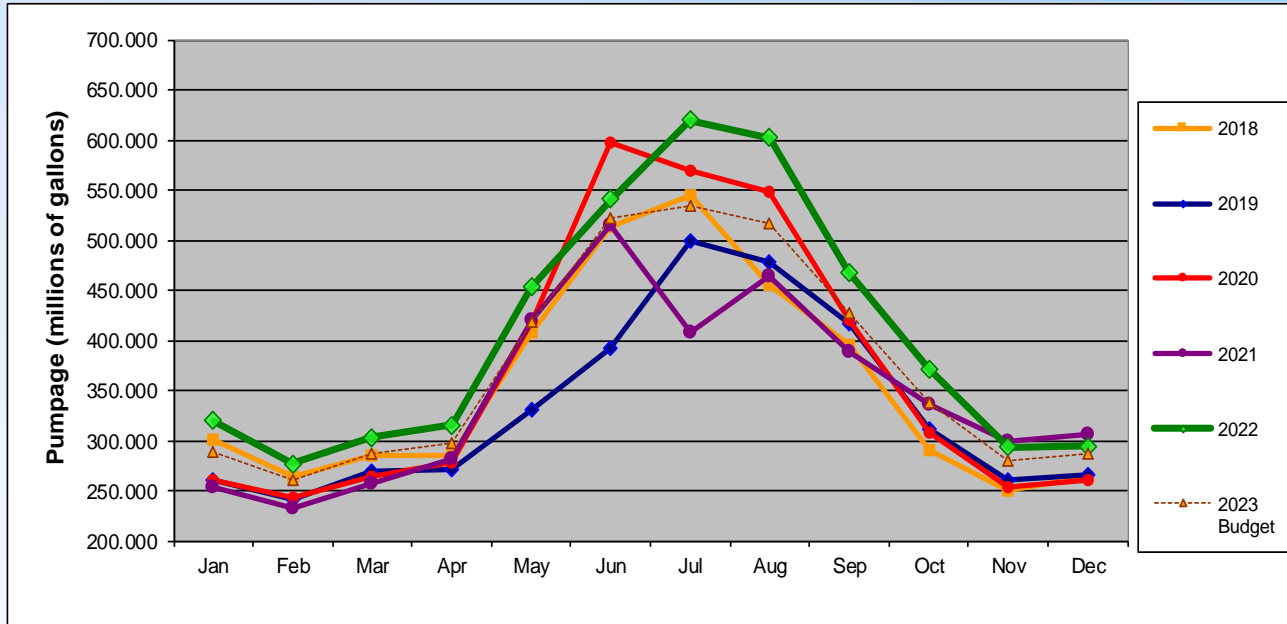


Pennichuck Corporation

2023 Operating Budget

As of January 27, 2023

Pennichuck Corporation 2023 PWW Pumpage



Pumpage Data (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
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
2022	319.760	277.040	303.130	315.450	453.040	540.960	619.770	602.570	468.420	371.560	293.720	294.170	4,859.590

Pumpage Data - Budget (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2023 Budget	289.234	261.055	286.641	297.225	419.107	522.039	534.665	516.258	426.554	338.107	280.245	287.393	4,458.523

Pennichuck Corporation
2023 Capital Expenditure Budget, including 2024 and 2025 Plans
(In thousands)

	Total Budgeted for 2022	Total Budgeted in 2023 for Carryover/Multi- year Projects	Total Budgeted in 2023 for New Projects	Total Budgeted for 2023	Total Planned in 2024 for Carryover & New Projects	Total Planned in 2025 for Carryover & New Projects
Mains and Main Replacements	\$ 3,391	\$ 4,953	\$ 2,441	\$ 7,394	\$ 4,518	\$ 3,447
Booster Stations, Tanks, Generators and Pumps	-	-	-	-	-	1,000
Water Treatment Media and Miscellaneous Water Supply Upgrades	-	-	-	-	-	-
Service, Hydrants and Meters	1,064	-	1,210	1,210	1,212	1,213
IT, Applications and System Monitoring	523	359	635	994	400	400
All Other	2,470	1,497	2,604	4,101	3,233	2,950
Subtotals	<u>7,447</u>	<u>6,809</u>	<u>6,890</u>	<u>13,699</u>	<u>9,363</u>	<u>9,010</u>
Bowers Pond Spillway Reconstruction	1,850	-	-	-	2,300	-
Coburn Woods Mains	300	40	-	40	2,300	-
Coburn Woods Booster Station	1,350	-	-	-	-	-
Kessler Farm Tank Replacement	300	10	-	10	-	-
WTP - Carbon Media Filter Bed Replacement	1,300	-	600	600	-	1,500
WTP Chemical Storage Bldg.	-	-	600	600	8,500	3,900
Milford Booster Station Rebuild	60	-	-	-	-	-
W&E System Improvements	489	-	-	-	-	-
Londonderry System Improvements	1,600	600	-	600	1,100	-
English Woods Interconnect	310	-	350	350	-	-
Capitalized Interest (FALOC)	175	-	344	344	175	139
Total Capex Budgeted 2023-2025	<u>\$ 15,181</u>	<u>\$ 7,459</u>	<u>\$ 8,784</u>	<u>\$ 16,243</u>	<u>\$ 23,738</u>	<u>\$ 14,549</u>
Total Capex Budgeted 2023 - 2025 approved 12/16/22	<u>\$ 15,181</u>	<u>\$ 7,468</u>	<u>\$ 8,744</u>	<u>\$ 16,212</u>	<u>\$ 22,648</u>	<u>\$ 15,076</u>
Variances	<u>\$ 0</u>	<u>\$ (9)</u>	<u>\$ 40</u>	<u>\$ 31</u>	<u>\$ 1,090</u>	<u>\$ (527)</u>

Amount	Funding
11,725.00	Bond
303.00	FALOC Int. (PWW)
2,686.00	CoBank
41.00	FALOC Int. (PEU)
510.00	SRF
-	DWGTf
877.00	DSRR 0.1
101.00	Intercompany
<u>16,243.00</u>	<u>Total</u>

Pennichuck Consolidated 2023 Budgeted Statement of Income

	Budget				Budget	Fcstd 2022	Change –	
	Q1	Q2	Q3	Q4	2023		Amount	Percent
Revenues:								
Water Utility Operations	\$ 11,162,515	\$ 12,598,575	\$ 17,265,150	\$ 11,803,750	\$ 52,829,990	\$ 53,210,246	\$ (380,256)	-0.7%
Water Management Services	538,586	524,313	553,314	515,528	2,131,741	2,857,867	\$ (726,126)	-25.4%
Total Water Revenues	11,701,101	13,122,888	17,818,464	12,319,278	54,961,731	56,068,113	\$ (1,106,382)	-2.0%
Real Estate Operations	-	-	-	-	0	0	\$ -	0.0%
Other	3,216	3,216	3,216	3,216	12,864	12,860	\$ 4	0.0%
Total Revenues	11,704,317	13,126,104	17,821,680	12,322,494	54,974,595	56,080,973	\$ (1,106,378)	-2.0%
Operating Expenses:								
Water Utility Operations	10,362,207	11,239,627	11,572,606	10,532,751	43,707,191	41,672,418	\$ 2,034,773	4.9%
Water Management Services	532,503	534,665	539,823	534,606	2,141,597	2,708,889	\$ (567,292)	-20.9%
Total Water Expenses	10,894,710	11,774,292	12,112,429	11,067,357	45,848,788	44,381,307	\$ 1,467,481	3.3%
Real Estate Operations	-	-	-	-	0	0	\$ -	0.0%
Other	14,996	14,661	14,655	14,661	58,973	55,009	\$ 3,964	7.2%
Total Expenses	10,909,706	11,788,953	12,127,084	11,082,018	45,907,761	44,436,316	\$ 1,471,445	3.3%
Operating Income	794,611	1,337,151	5,694,596	1,240,476	9,066,834	11,644,657	\$ (2,577,823)	-22.1%
Other Income, Net	-	-	-	-	0	0	\$ -	0.0%
Interest Income	-	-	-	-	0	0	\$ -	0.0%
Interest Expense:								
Long Term Debt	(3,556,999)	(3,614,919)	(3,645,791)	(3,632,940)	(14,450,649)	(14,014,681)	\$ (435,968)	-3.1%
Intercompany Interest	-	-	-	-	0	0	\$ (0)	100.0%
Line of Credit Expense	(83,573)	(37,031)	(56,977)	(145,999)	(323,580)	49,412	\$ (372,992)	754.9%
Total Interest Expense	(3,640,572)	(3,651,950)	(3,702,768)	(3,778,939)	(14,774,229)	(13,965,269)	\$ (808,960)	-5.8%
Income Before Provision for Income Taxes	(2,845,961)	(2,314,799)	1,991,828	(2,538,463)	(5,707,395)	(2,320,612)	\$ (3,386,783)	-145.9%
Tax Provision								
Existing Operations	(455,094)	(370,155)	318,516	(405,919)	(912,652)	289,988	\$ 1,202,640	-414.7%
Total Tax Provision	(455,094)	(370,155)	318,516	(405,919)	(912,652)	289,988	\$ 1,202,640	-414.7%
Net Income (Loss)	\$ (2,390,867)	\$ (1,944,644)	\$ 1,673,312	\$ (2,132,544)	\$ (4,794,743)	\$ (2,610,600)	\$ (2,184,143)	-83.7%
EBITDA								
EBITDA	\$ 3,081,539	\$ 3,631,224	\$ 7,960,292	\$ 3,525,813	\$ 18,198,868	\$ 20,739,127	\$ (2,540,259)	-12.2%
Add Back: Extraordinary Items	-	-	-	-	-	-	\$ -	0.0%
Normalized EBITDA	\$ 3,081,539	\$ 3,631,224	\$ 7,960,292	\$ 3,525,813	\$ 18,198,868	\$ 20,739,127	\$ (2,540,259)	-12.2%
Less: P&I on External Debt								
Less: CBFRR payments to City	(2,447,430)	(3,583,358)	(2,254,326)	(1,745,023)	(10,030,137)	(8,701,557)	\$ (1,328,580)	13.2%
Less: Special Dividend to City (ED Costs)	(2,190,000)	(2,190,000)	(2,190,000)	(2,190,000)	(8,759,999)	(8,765,734)	\$ (576,735)	6.6%
Net Remainder	\$ (1,555,891)	\$ (2,142,134)	\$ 3,515,966	\$ (409,210)	\$ (591,269)	\$ 3,271,836	\$ (907,105)	27.6%

Pennichuck Corporation and Subsidiaries - Consolidated

Quarterly Budgeted Balance Sheet

For the year ended December 31, 2023

ASSETS	Estimated <u>Dec-22</u>	BUD <u>Q1 23</u>	BUD <u>Q2 23</u>	BUD <u>Q3 23</u>	BUD <u>Q4 23</u>
Land	5,963,114	5,963,114	5,963,114	5,963,114	5,963,114
Buildings	74,281,829	74,281,829	74,281,829	74,331,829	74,371,829
Equipment & software	257,781,845	257,851,195	259,533,885	265,049,475	273,591,200
	338,026,788	338,096,138	339,778,828	345,344,418	353,926,143
Accumulated depreciation	(92,199,291)	(94,193,085)	(96,187,856)	(98,153,989)	(100,140,818)
	245,827,497	243,903,053	243,590,972	247,190,429	253,785,325
Work in process	1,234,256	1,799,656	3,380,756	5,578,981	1,234,256
Net Plant and Equipment	247,061,753	245,702,709	246,971,728	252,769,410	255,019,581
CURRENT ASSETS					
Cash	3,137,600	3,185,733	3,108,295	5,053,411	5,069,066
Restricted cash	11,189,835	11,847,701	11,365,610	12,212,494	13,568,621
Accounts receivable-billed, net	5,048,319	3,676,644	4,299,532	5,569,213	4,238,444
Accounts receivable-unbilled, net	3,677,985	4,264,542	4,381,520	5,266,158	4,540,050
Accounts receivable-other	(385,216)	(385,216)	(340,690)	(273,901)	(207,112)
Inventory	990,961	951,946	930,000	889,606	871,277
Prepaid expenses	867,834	1,484,524	1,043,306	555,914	114,706
Prepaid property taxes	1,064,607	259,995	1,489,969	736,746	1,941,463
Prepaid income taxes	150,000	150,000	225,000	262,500	300,000
	25,741,924	25,435,869	26,502,542	30,272,141	30,436,515
OTHER ASSETS					
Deferred land costs	-	-	-	-	-
Debt issuance expenses	16,219	13,516	10,813	8,110	5,407
Investment in partnerships	-	-	-	-	-
Regulated Asset - Acquisition Premium	62,899,027	62,275,121	61,644,704	61,014,287	60,383,870
Other Regulated Assets	17,032,203	17,052,982	17,113,763	17,146,140	17,187,279
	79,947,449	79,341,619	78,769,280	78,168,537	77,576,556
TOTAL ASSETS	<u>352,751,126</u>	<u>350,480,198</u>	<u>352,243,550</u>	<u>361,210,089</u>	<u>363,032,652</u>

Pennichuck Corporation and Subsidiaries - Consolidated
Quarterly Budgeted Balance Sheet
For the year ended December 31, 2023

EQUITY AND LIABILITIES	Estimated Dec-22	BUD Q1 23	BUD Q2 23	BUD Q3 23	BUD Q4 23
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	523,918	523,918	523,918	523,918	523,918
Retained earnings	(37,287,908)	(39,678,778)	(41,623,424)	(39,950,115)	(42,082,661)
Treasury stock and other	-	-	-	-	-
	<u>(6,202,854)</u>	<u>(8,662,080)</u>	<u>(10,675,082)</u>	<u>(9,070,129)</u>	<u>(11,271,031)</u>
LONG TERM DEBT					
Bonds, notes and mortgages	232,889,084	233,940,369	238,702,270	237,787,565	236,565,894
CURRENT LIABILITIES					
Line of credit	784,749	-	-	-	-
Fixed asset lines of credit	5,460,825	7,072,160	4,489,557	10,717,840	14,688,490
Current portion of long term debt	7,984,265	6,078,354	6,184,100	6,235,525	6,287,642
Accounts payable	2,904,059	2,439,344	2,739,225	2,786,713	2,420,097
Accrued property taxes	-	48,060	-	91,359	4,273
Accrued interest payable	1,388,424	2,583,414	3,835,367	5,108,067	6,380,838
Other accrued expenses	1,095,184	665,770	668,218	721,491	699,089
Income taxes payable	(24,964)	(24,964)	(24,964)	(24,964)	(24,964)
Customer deposits & other	740,731	736,508	736,508	736,508	736,508
	<u>20,333,273</u>	<u>19,598,646</u>	<u>18,628,011</u>	<u>26,372,539</u>	<u>31,191,973</u>
OTHER LIABILITIES AND DEFERRED CREDITS					
Deferred income taxes	15,926,976	15,816,888	15,945,260	16,870,956	17,190,790
Accrued liability pension	12,477,752	12,624,108	12,645,464	12,416,820	12,688,176
Unamortized ITC	338,454	330,195	321,936	313,677	305,418
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
CLAC, net	57,306,010	57,218,108	57,130,194	57,041,631	56,952,870
Accrued Post Retirement Benefits	4,994,786	4,994,786	4,994,786	4,994,786	4,994,786
Other liability: derivative instrument	9,640	9,640	9,640	9,640	9,640
Other long-term liabilities	5,331,834	5,268,356	5,204,878	5,141,400	5,077,922
	<u>105,731,623</u>	<u>105,603,263</u>	<u>105,588,351</u>	<u>106,120,114</u>	<u>106,545,816</u>
TOTAL LIABILITIES AND EQUITY	<u>352,751,126</u>	<u>350,480,198</u>	<u>352,243,550</u>	<u>361,210,089</u>	<u>363,032,652</u>

Pennichuck Corporation and Subsidiaries - Consolidated

Quarterly Budgeted Stmt of Cash Flows

For the year ended December 31, 2023

	BUD Q1 23	BUD Q2 23	BUD Q3 23	BUD Q4 23	BUD Full Year	2022 (Projected)	Change	
							Amount	%
Operating Activities:								
Net Income	(2,390,870)	(1,944,645)	1,673,309	(2,132,545)	(4,794,751)	(2,610,600)	(2,184,151)	-83.7%
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization	2,319,464	2,326,949	2,298,572	2,318,212	9,263,197	8,749,676	513,521	5.9%
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	(110,088)	128,372	925,696	319,834	1,263,814	(661,833)	1,925,647	291.0%
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	785,118	(784,392)	(2,221,108)	1,990,088	(230,294)	1,487,099	(1,717,393)	-115.5%
(Increase) decrease in refundable income taxes	-	(75,000)	(37,500)	(37,500)	(150,000)	(123,434)	(26,566)	-21.5%
(Increase) decrease in materials and supplies	39,015	21,946	40,394	18,329	119,684	(108,545)	228,229	210.3%
(Increase) decrease in prepaid expenses	187,922	(788,758)	1,240,614	(763,510)	(123,732)	832,707	(956,439)	-114.9%
(Increase) decrease in deferred charges and other assets	(161,805)	(195,296)	(166,892)	(175,654)	(699,647)	725,391	(1,425,038)	-196.5%
Increase (decrease) in accounts payable and accrued expenses	417,277	1,574,578	1,533,176	865,023	4,390,054	(2,283,506)	6,673,560	292.3%
Increase (decrease) in other	(368,020)	(495,317)	(746,228)	(245,370)	(1,854,935)	(259,698)	(1,595,238)	614.3%
Net cash provided by (used in) operating activities	709,754	(239,822)	4,531,773	2,148,648	7,150,353	5,369,497	1,780,857	33.2%
Investing Activities:								
Purchases of property, plant and equipment	(634,750)	(3,263,790)	(7,763,815)	(4,237,000)	(15,899,355)	(7,765,172)	(8,134,183)	-104.8%
Contributions in aid of construction	(0)	(0)	(0)	0	0	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	(634,750)	(3,263,790)	(7,763,815)	(4,237,000)	(15,899,355)	(7,739,062)	(8,160,293)	-105.4%
Financing Activities:								
(Repayments) advances on line of credit	826,586	(2,582,603)	6,228,283	3,970,650	8,442,916	442,704	8,000,212	1807.1%
Payments on long-term debt	(1,275,519)	(3,063,541)	(1,187,311)	(1,201,866)	(6,728,237)	(6,453,316)	(274,921)	-4.3%
Proceeds on long-term borrowings	380,651	7,890,945	283,788	(7,931)	8,547,453	10,488,411	(1,940,958)	-18.5%
Debt issuance costs	767,635	767,635	767,635	767,635	3,070,540	3,066,000	4,540	0.1%
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	630,997	2,944,080	6,024,039	3,460,132	13,059,248	7,264,654	5,794,594	79.8%
Net increase (decrease) in cash	706,000	(559,532)	2,791,997	1,371,780	4,310,247	4,895,089	(584,842)	-11.9%
Cash at beginning of period	14,327,434	15,033,434	14,473,902	17,265,899	14,327,434	9,432,345	4,895,089	51.9%
Cash at end of period	15,033,434	14,473,902	17,265,899	18,637,680	18,637,681	14,327,434	4,310,247	30.1%