ORIGINAL

M.II.P.U.C. Case No. 13-063

Exhibit No. # 13

Vitness Panel #3

NO NOT REMOVE FROM FILE

## STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

RE: GRANITE STATE ELECTRIC COMPANY D/B/A LIBERTY UTILITIES

DOCKET NO. DE 13-063

SETTLEMENT AGREEMENT – STEP INCREASE AND RATE CASE EXPENSES

This Settlement Agreement ("Agreement") is entered into as of the day of October, 2014, by and among Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities ("Granite State" or the "Company"), the Staff ("Staff") of the New Hampshire Public Utilities Commission (the "Commission"), and the Office of Consumer Advocate (the "OCA") (hereinafter referred to collectively as the "Settling Parties"). This Agreement resolves all issues regarding Liberty's request for a step increase and the recovery of rate case expenses in this proceeding.

### I. INTRODUCTION

On March 17, 2014, the Commission issued Order 25,638 approving the Company's request for a permanent increase in distribution rates in the amount of \$9.760 million. In addition, the Commission also approved the Company's request for a step increase in distribution rates effective April 1, 2014, the same date that the Company's permanent rate increase was scheduled to take effect. Specifically, the Commission approved an estimated \$1.115 million step increase. Per Order 25,638, "[t]he amount of the step increase would be subject to a final audit by Staff and would take effect with service rendered on and after April 1, 2014." Order 25,638, page 11. The Order also approved recovery of \$390,000 of rate case expense over two years subject to an audit by Staff.

On July 8, 2014, the Commission Staff issued its Final Audit Report on the step adjustment approved by Order 25,638. The report noted that the plant additions identified in the settlement agreement approved by Order 25,638 were originally anticipated to cost \$7,462,500. The Company's actual costs of those capital investments as of December 31, 2013 were \$5,947,984. The Final Audit report concluded that of the total plant additions included in the step adjustment, \$677,827 was posted to the FERC plant accounts while the remaining balance remained in account 107, Construction Work in Progress, as opposed to account 106, Completed Construction Not Classified. In response, on July 29, 2014, Staff filed a memorandum recommending that the Commission order the Company to reduce its current rates for the step adjustment from \$0.00121/kWh to \$0.00011/kWh and refund the revenues over-collected since April 1, 2014. On August 6, 2014, the Company responded to the Staff's recommendation, stating that all of the capital additions in the step increase were used and useful as of December 31, 2013 despite the account in which they resided, and requested a hearing on Staff's proposed rate decrease. OCA also filed a response on August 6, 2014 requesting a hearing on the issue.

On September 25, 2014, the Commission Staff issued its Final Audit Report on Follow up Review. In that report, the total plant costs were revised to \$5,896,598 after certain adjustments. From that total, the Company has removed costs related to a portion of a project that was not included in the original request for a step adjustment, resulting in final total agreed-upon capital costs to be recovered through the step adjustment of \$4,803,459. (See Attachment 1).

On April 29, 2014, the Commission Staff issued its Final Audit Report on Rate Case Expenses. That audit confirmed that the actual expense incurred by Liberty was \$318,944.

On October 7, 2014, the Settling Parties engaged in a settlement discussion at which agreement was reached on the amount of step increase as well as the amount of rate case expense to be recovered by Granite State.

#### II. TERMS OF AGREEMENT

## A. Revenue Requirement for Step Increase

The Settling Parties agree that the Commission should authorize an annual distribution revenue requirement of \$719,224, as calculated on Attachment 1, effective December 1, 2014. In addition, Granite State should refund to customers an overcollection of \$263,919 that accrued from April 1, 2014 through November 30, 2014, plus carrying charges.

In order to incorporate such changes, Granite State's annual revenue level will be reduced by \$395,878 on December 1, 2014 on a going forward basis to reduce the step increase revenue requirement to an annual level of \$719,224. That reduction will be accomplished by adjusting all rates and charges by the same percentage, since the step increase was included in rates using that methodology. The refund of the \$263,919 overcollection will be combined with a refund of rate case expenses (see Section B below) and accomplished by a per kWh reduction to rates for the months of December 2014 through April 2015. The calculation of that reduction is shown on Attachment 2.

## B. Rate Case Expense

The Settling Parties agree that the Commission should authorize a temporary reduction to the current rate level of rate case expense authorized by Order 25,638 to refund the difference between the actual rate case expense of \$318,944 and the estimated amount of \$390,000 that is being recovered through rates over a two-year period. The refund will be combined with the refund described in Section A above and accomplished by a per kWh reduction to rates for the

months of December 2014 through April 2015. The calculation of that reduction is shown on Attachment 2.

#### III. CONDITIONS

This Agreement is expressly conditioned upon the Commission's acceptance of all its terms, without change or condition. If the Commission does not accept this Agreement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Agreement, and any of the Settling Parties notify the Commission within five business days of their disagreement with any such changes, conditions or findings, the Agreement shall be deemed to be withdrawn, in which event it shall be deemed to be null and void and without effect, shall not constitute any part of the record in this proceeding, shall not be relied upon by Staff or any party to this proceeding or by the Commission for any other purpose.

The Settling Parties agree that the Commission's approval of this Agreement will not constitute continuing approval of or precedent for, any particular principle or issue, but such acceptance does constitute a determination that the adjustments and provisions set forth herein in their totality are just and reasonable and consistent with the public interest and that the revenues contemplated will be just and reasonable under the circumstances.

The discussions that produced this Agreement have been conducted on the understanding that all offers of settlement and settlement discussions relating to this docket shall be confidential, shall not be admissible as evidence in this proceeding, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

The identification of the resolution of any specific issue in this Agreement does not indicate any of the Settling Parties' agreement to such resolution for purposes of any future proceeding or constitute an admission by any party to this Agreement, nor does the reference to

any other document bind the Settling Parties to the contents of, or recommendations in, such document for purposes of any future proceeding.

This Agreement may be executed by facsimile and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all parties hereto.

Dated: October 20, 2014

LIBERTY UTILTIES (GRANITE STATE ELECTRIC) CORP.

By its Attorney Sarah Knowlton

Dated: October, 2014

STAFF OF THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

By its Attorney Suzanne Amidon

Dated: October \_\_, 2014

OFFICE OF CONSUMER ADVOCATE

By its Attorney Susan Chamberlin

## Liberty Utilities (Granite State Electric) Corp. Step Adjustment- 2013 Capital Additions

	<del></del>						115				
_ine#	Description	Distribution Structures	Cubeasia	OH	OH Conductors	UG Conduits	UG Conductors Devices	Line Transformers	Cinctume	Fleet	Total
Line #	FERC Account	361	362	364	365	366	367	368	390	392	TOTAL
1	Deferred Tax Calculation	301	302	304	303	300	30/	300	330	332	
2	Capital Spending	1,094,222	665,707	1,284,922	744,371	106,508	46,597	58,116	803,016	_	4,803,459
3		-,,	,	-,,	,	200,000	,	5-4,	200,020		,,550,
4	Tax method	MACR520	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS5	
5	Tax Depr. Rate, 20-year MACRS	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	20.00%	
6											
7	Annual Tax Depreciation- Year 1	41,033	24,964	48,185	27,914	3,994	1,747	2,179	30,113		180,130
8											
9	Book Depreciation Rate- Year 1	1.28%	1.40%	1.63%	1.60%	1.00%	1.59%	1.76%	0.84%	3.75%	
10	Annual Book Depreciation	14,006	9,320	20,880	11,873	1,065	739	1,020	6,745	-	65,648
11	T	27 027	45.644	27 205	45.044	2.000	4 000	4.450	22.250		444.400
12 13	Tax over (under) Book Deferred Tax Balance @ 39.61%	27,027 10,706	15,644 6,197	27,305 10,815	16,041	2,929 1,160	1,009	1,159 459	23,368 9,256	<del></del>	114,482 45,346
14	Deferred Tax Balance @ 39.01%	10,708	6,197	10,815	6,354	1,160	400	439	9,236		43,346
15	Rate Base Calculation										
16	Plant in Service	1,094,222	665,707	1,284,922	744,371	106,508	46,597	58,116	803,016	_	4,803,459
17	Accumulated Depreciation	(14,006)	(9,320)	(20,880)	(11,873)	(1,065)	(739)	(1,020)	(6,745)	-	(65,648)
18	Deferred Tax Balance	(10,706)	(6,197)	(10,815)	(6,354)	(1,150)	(400)	(459)	(9,256)	-	(45,346)
19	Rate Base	1,069,510	650,190	1,253,227	726,144	104,283	45,459	56,637	787,015	-	4,692,465
20					·						
21	Revenue Requirement Calculation										
22	Return on Rate Base @ 11.36%	121,534	73,884	142,410	82,515	11,850	5,166	6,436	89,432		533,228
23	Depreciation Expense	14,006	9,320	20,880	11,873	1,065	739	1,020	6,745		65,648
24	Property Tax, Insurance @ 2.51%	27,415	16,679	32,193	18,650	2,669	1,167	1,456	20,119		120,349
25	Annual Revenue Requirement	162,955	99,883	195,483	113,038	15,584	7,072	8,912	116,297		719,224
26	Less: Leased vehicles in rates (including CWC and return)										
27	Annual Revenue Requirement	162,955	99,883	195,483	113,038	15,584	7,072	8,912	116,297	<u> </u>	719,224
28	Annual kWh Delivered										924,629,419
29	Rate per kWh										\$ 0.00078
30 31	Bata of Batum Calculation		D		46 T C4	WACC			Pre-Tax	Bad Debt	
32	Rate of Return Calculation  Equity		Portion 55.0%		After-Tax Cost 9.55%	5.25%			8.69%	8.69%	
33	Debt		45.0%		5.95%	2.67%			2.67%	2.67%	
34	Debt	,	100.0%		3.33%	7.92%			11.36%	11.36%	
35	Bad Debt adder							11		-	
36											
		Distribution		Poles,	ОН	ug	UG	Line			
37	2013 Capital Projects	Distribution Structures	Substation	Towers,	OH Conductors	UG Conduits	Conductors,	Line Transformers	Structures	Fleet	Total
37	2013 Capital Projects	Distribution Structures	Substation	1001010101010	OH Conductors	UG Conduits			Structures	Fleet	Total
	2013 Capital Projects  04381 Michael Ave Substation		Substation 600,290	Towers,			Conductors,		Structures	Fleet	Total 1,579,711
38		Structures		Towers,			Conductors,		Structures	Fleet	
38 39	04381 Michael Ave Substation	Structures 979,421	600,290	Towers,			Conductors,		Structures	Fleet	1,579,711 136,668 43,550
38 39 40 41	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs	Structures 979,421	600,290 21,867	Towers, Fixtures	Conductors		Conductors,		Structures	Fleet	1,579,711 136,668 43,550 282,592
38 39 40 41 42	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub-New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105	Conductors 359,464		Conductors,		Structures	Fleet	1,579,711 136,668 43,550 282,592 665,674
38 39 40 41 42 43	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub-New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105 840,000	359,464 360,000	Conduits	Conductors, Devices	Transformers	Structures	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000
38 39 40 41 42 43	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105	Conductors 359,464	Conduits	Conductors, Devices			Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248
38 39 40 41 42 43 44	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital Improvements	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105 840,000	359,464 360,000	Conduits	Conductors, Devices	Transformers	11,627	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627
38 39 40 41 42 43 44 45	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital Improvements Capital Improvements to existing buildings	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105 840,000	359,464 360,000	Conduits	Conductors, Devices	Transformers	11,627	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627
38 39 40 41 42 43 44 45 46	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital improvements Capital improvements to existing buildings Security Conversion GSE	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105 840,000	359,464 360,000	Conduits	Conductors, Devices	Transformers	11,627 - 16,937	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627
38 39 40 41 42 43 44 45 46 47	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105 840,000	359,464 360,000	Conduits	Conductors, Devices	Transformers	11,627	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 16,937 774,452
38 39 40 41 42 43 44 45 46 47 48 49	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital Improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452
38 39 40 41 42 43 44 45 46 47 48 49	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out	Structures 979,421	600,290 21,867	Towers, Fixtures 282,592 153,105 840,000	359,464 360,000	Conduits	Conductors, Devices	Transformers	11,627 - 16,937	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 16,937 774,452
38 39 40 41 42 43 44 45 46 47 48 49 50 51	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital Improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452
38 39 40 41 42 43 44 45 46 47 48 49 50 51	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital Improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452
38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles Total	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452 - 4,803,459
38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital Improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles Total	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452 - 4,803,459
37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 55 55 56	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 1111 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles Total  Municipal taxes Injuries and Damage (Insurance expense in Staff's Adj to R	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452 4,803,459
38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 11L1 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital Improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles Total	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452 - 4,803,459 3,105,076 376,580 10,769
38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56	04381 Michael Ave Substation 04384 Hanover Sub-New 6L2 Regs 04383 Craft Hill Sub- New 1111 Regs 1L4 Replacement Regulators 11255 Michael Ave Getaway 11484 Enfield Supply 7L1 Line Regulator Upgrade - Canaan Other Capital improvements Capital improvements to existing buildings Security Conversion GSE 9 Lowell Rd. Salem Build Out Replacement Vehicles Total  Municipal taxes Injuries and Damage (Insurance expense in Staff's Adj to R	979,421 114,801	600,290 21,867 43,550	70wers, Fixtures 282,592 153,105 840,000 9,225	359,464 360,000 24,907	106,508	Conductors, Devices 46,597	Transformers 58,116	11,627 - 16,937 774,452	Fleet	1,579,711 136,668 43,550 282,592 665,674 1,200,000 92,248 11,627 - 16,937 774,452 4,803,459

# DE 13-063 Liberty Utilities (Granite State Electric) Corp. Settlement Agreement on Step Adjustment and Rate Case Expenses Attachment 2 Page 1 of 3

	Collections Through 11/30/2014			
Step Adjustment				
Estimated Annual Revenue Requirement (per Settlement Agreement)	\$	1,115,102		
Adjusted Annual Revenue Requirement	\$	719,224		
Reduction to Annual Revenue Requirement	\$	(395,878)		
Divide by 12		12		
Monthly Reduction to Revenue Requirement	\$	(32,990)		
Overcollection 4/1/14 - 11/30/14	\$	(263,919)	а	
Overcollection 4/1/14 - 12/31/14				
Rate Case Expenses				
Estimated Rate Case Expenses	\$	390,000		
Actual Rate Case Expenses	\$ \$ \$	318,944		
Excess of Estimated over Actual Expenses	\$	(71,056)	b	
Amount to be Refunded to Customers	\$	(334,975)	a+b	
Interest Beginning April 2014 (see page 2)	\$	(1,412)		
Total Amount to be Refunded to Customers	\$	(336,386)		
Annual kWh Delivered (per Settlement Agreement)	9	924,629,419		
Estimated kWh sales over five-month refund period	5	385,262,258		
Per kWh reduction to Distribution Rates (12/1/2014 - 4/30/2015)	\$	(0.00087)		

DE 13-063 Liberty Utilities (Granite State Electric) Corp.
Settlement Agreement on Step Adjustment and Rate Case Expenses
Attachment 2
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## Interest Calculation (Collections Through 11/30/2014)

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	
Beginning Balance	(	\$ (35,951)	\$ (71,901)	\$ (107,852)	\$ (143,802)	\$ (179,753)	\$ (215,703)	\$ (251,654)	
Step Adjustment	\$ (32,990	\$ (32,990)	\$ (32,990)	\$ (32,990)	\$ (32,990)	\$ (32,990)	\$ (32,990)	\$ (32,990)	
Rate Case Expenses *	\$ (2,961	\$ (2,961)	\$ (2,961)	\$ (2,961)	\$ (2,961)	\$ (2,961)	\$ (2,961)	\$ (2,961)	
Amount Refunded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Ending Balance	\$ (35,951	\$ (71,901)	\$ (107,852)	\$ (143,802)	\$ (179,753)	\$ (215,703)	\$ (251,654)	\$ (287,604)	
Average Balance	\$ (17,975	\$ (28,760)	\$ (43,141)	\$ (57,521)	\$ (71,901)	\$ (86,281)	\$ (100,661)	\$ (115,042)	
Monthly Interest Rate	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	
Interest	\$ (49	\$ (78)	\$ (117)	\$ (156)	\$ (195)	\$ (234)	\$ (273)	\$ (312)	
Cumulative Interest Through 11/30/2014									

<sup>\*</sup> Rate case expenses are recovered over 24 months, so for interest purposes, the reduction in rate case expenses was divided by 24.

DE 13-063 Liberty Utilities (Granite State Electric) Corp.
Settlement Agreement on Step Adjustment and Rate Case Expenses
Attachment 2
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# Refund Schedule (December 2014 thru April 2015)

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	
Beginning Balance (incl. Interest)	\$ (334,828)	\$ (268,367)	\$ (201,453)	\$ (134,418)	\$ (67,262)	
Amount Refunded	\$ 67,277	\$ 67,277	\$ 67,277	\$ 67,277	\$ 67,277	
Ending Balance	\$ (267,551)	\$ (201,090)	\$ (134,175)	\$ (67,140)	\$ 16	
Average Balance	\$ (301,190)	\$ (134,060)	\$ (89,450)	\$ (44,760)	\$ 10	
Monthly Interest Rate	0.2708%	0.2708%	0.2708%	0.2708%	0.2708%	
Interest	\$ (816)	\$ (363)	\$ (242)	\$ (121)	\$ 0	