

EXHIBIT 3

DE 13-150

ORIGINAL
N.H.P.U.C. Case No. <u>DE 13-150</u>
Exhibit No. <u>3</u>
Witness _____
DO NOT REMOVE FROM FILE

Granite State Electric Company d/b/a/ Liberty Utilities
Fiscal Year 2013 Reliability Enhancement and Vegetation Management Plan Results and
Reconciliation

Date Record Request Received: June 14, 2013

Date of Response: June 17, 2013

Witness: ChristiAne G. Mason

REQUEST:

Please show the derivation of the \$371,284 net increase to its annual distribution rates proposed by the Company.

RESPONSE:

The Company is proposing a net increase to its annual distribution rates of \$371, 284 commencing July 1, 2013. The increase of \$371,284¹ is composed of the following: (i) \$368,955, as shown on CGM-1, Page 1, Column (f), Line 9; (ii) less a refund of \$47,994, as shown on Schedule CGM-2, Page 3, Line 2; (iii) less an interest refund of \$2,435, as shown on Schedule CGM-2, Page 3, Line 3; (iv) plus the FY 2012 refund of \$44,492, as shown on Schedule WRR-2, Page 3, Line 2 (from DE 12-13) and attached as CGM-2A; and (v) the FY 2012 interest refund of \$8,265, as shown on Schedule WRR-2, Page 3, Line 3. This resulting amount is the proposed rate adjustment effective for usage on and after July 1, 2013 associated with the REP Capital Investment Allowance and the REP/VMP Adjustment Provision.

¹ Although the mathematical sum of the component parts (i) through (v) of the total increase of \$371,284 shown above equals \$371,283 when added directly, the actual total in fact rounds to \$371,284. The actual calculation carried out in dollars and cents is as follows: \$368,955.43 - \$47,993.51 - \$2,434.98 + \$44,492.00 + \$8,265.00 = \$371,283.94

Granite State Electric Company
Rate Settlement
Calculation of Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor
Rates Effective July 1, 2012

(1) O&M Expense Below Base O&M Expense	(\$295,207)
(2) Final Balance of Reconciliation of Recovery of FY 2010 Incremental O&M Expense Above Base O&M Expense	<u>(\$44,492)</u>
(3) Reliability Enhancement Program and Vegetation Management Plan Expense	(\$339,699)
(4) Estimated Interest During Refund Period	<u>(\$8,265)</u>
(5) Reliability Enhancement Program and Vegetation Management Plan Expense, Including Interest	(\$347,964)
(6) Estimated kWh deliveries	934,220,907
(7) Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor	(\$0.00037)

- (1) Schedule WRR-1, Page 1
- (2) Schedule WRR-3, Page 1
- (3) Line (1) + Line (2)
- (4) Page 4
- (5) Line (3) + Line (5)
- (6) Per Company forecast
- (7) Line (5) ÷ Line (6), truncated after 5 decimal places