

DE 16-384 (UES)

Summary of Recommendations

Depreciation, Amortization, Employee Pensions and Benefits

Schedule JJC-1

	Recorded Test Year Ended 31-Dec-15	Ref.	UES Proposal 9/19/2016 Update	Ref.	Staff Recommend	Ref.	Variance From UES Proposal
Depreciation and Amortization:							
Depreciation Expense	\$ 9,639,845	(1)	\$ 9,943,800	(2)	\$ 9,936,299	(3)	\$ (7,501)
Amortization of Software	\$ 541,123		\$ 541,123		\$ 505,274	(4)	\$ (35,849)
Sub-Total Depreciation and Amortization	<u>\$ 10,180,968</u>		<u>\$ 10,484,923</u>		<u>\$ 10,441,573</u>		<u>\$ (43,350)</u>
Employee Pensions and Benefits:							
Pensions	\$ 1,218,569		\$ 1,112,378		\$ 1,112,378	(5)	\$ -
Post Retirement Benefits Other Than Pensions (PBOP's)	\$ 1,252,185		\$ 1,038,139		\$ 1,038,139	(5)	\$ -
Supplementary Executive Retirement Plan (SERP)	\$ 174,402		\$ 174,402		\$ 174,402	(5)	\$ -
401-k Expense	\$ 331,127		\$ 375,227		\$ 361,296	(5)	\$ (13,931)
Medical & Dental Expense	\$ 652,409		\$ 705,413		\$ 594,614	(5)	\$ (110,799)
Sub-Total Employee Pensions and Benefits	<u>\$ 3,628,692</u>		<u>\$ 3,405,559</u>		<u>\$ 3,280,829</u>		<u>\$ (124,730)</u>
Total	<u><u>\$ 13,809,660</u></u>		<u><u>\$ 13,890,482</u></u>		<u><u>\$ 13,722,402</u></u>		<u><u>\$ (168,080)</u></u>

(1) Reference: FERC Form-1, page 114

(2) Reference: September 19, 2016 Update Filing, RevReq 3-8.

(3) Reference: Schedule JJC-2.

(4) Reference: Schedule JJC-3.

(5) Reference: Schedule JJC-4.

DE 16-384 (UES)
Depreciation Expense

Schedule JJC-2

Test Year	Proposal		Staff Recommendation										Increase/ Decrease From 9/19 Update
	Original Dep. Expense	9/19/2016 Update Dep. Expense (1)	Plant Adjustments						Depreciation Accrual Rates			Depreciation Expense Amount	
			12/31/2015		Adjustment for Retirement		Sub-Total Adjustments	Depreciable Plant	Avg. Serv. Life (5)	Net Salv. Percent (5)	Dep. Accrual Percent (5)		
			Balance (2)	Kingston (3)	Issue #2 (4)	Issus #3 (4)							
Distribution Plant:													
343 Prime Movers	\$ 3,847	\$ 3,774	\$ 56,575					\$ 56,575	15	0.00%	6.67%	\$ 3,772	\$ (2)
361 Structures and Improvements	\$ 118,975	\$ 116,596	\$ 167,773	\$ 4,591,246	\$ (55,700)		\$ 4,535,546	\$ 4,703,319	52	-27.50%	2.45%	\$ 115,322	\$ (1,274)
362 Station Equipment	\$ 763,922	\$ 746,691	\$ 23,730,448	\$ 4,988,435			\$ 4,988,435	\$ 28,718,883	51	-32.50%	2.60%	\$ 746,128	\$ (563)
364 Poles Towers and Fixtures	\$ 2,085,492	\$ 2,030,610	\$ 54,781,196	\$ 100,161			\$ 100,161	\$ 54,881,357	41	-51.50%	3.70%	\$ 2,027,933	\$ (2,677)
365 Overhead Conductors and Devices	\$ 2,670,894	\$ 2,599,480	\$ 71,213,961	\$ 200,323			\$ 200,323	\$ 71,414,284	39	-42.00%	3.64%	\$ 2,600,212	\$ 732
366 Underground Conduits	\$ 38,490	\$ 37,569	\$ 1,841,623				\$ -	\$ 1,841,623	56	-14.50%	2.04%	\$ 37,655	\$ 86
367 Underground Conductors and Devices	\$ 476,138	\$ 465,192	\$ 18,242,829				\$ -	\$ 18,242,829	52	-32.50%	2.55%	\$ 464,841	\$ (351)
368.1 Line Transformers	\$ 754,925	\$ 737,712	\$ 24,590,384				\$ -	\$ 24,590,384	35	-5.00%	3.00%	\$ 737,712	\$ (0)
368.2 Line Transformers Installations	\$ 547,902	\$ 536,758	\$ 18,572,941		\$ (75,000)		\$ (75,000)	\$ 18,497,941	35	-1.00%	2.89%	\$ 533,798	\$ (2,960)
369 Services	\$ 1,185,928	\$ 1,153,381	\$ 20,341,811				\$ -	\$ 20,341,811	27	-53.00%	5.67%	\$ 1,152,703	\$ (678)
370.1 Meters	\$ 489,529	\$ 481,820	\$ 9,636,392				\$ -	\$ 9,636,392	20	0.00%	5.00%	\$ 481,820	\$ (0)
370.2 Meter Installations	\$ 204,602	\$ 201,380	\$ 4,027,591				\$ -	\$ 4,027,591	20	0.00%	5.00%	\$ 201,380	\$ (0)
371 Installations on Customers' Premises	\$ 146,992	\$ 142,652	\$ 1,886,935				\$ -	\$ 1,886,935	17	-28.50%	7.56%	\$ 142,630	\$ (22)
373 Street Lighting and Signal Systems	\$ 260,307	\$ 252,213	\$ 3,237,653				\$ -	\$ 3,237,653	17	-32.50%	7.79%	\$ 252,346	\$ 133
Total Distribution	\$ 9,747,943	\$ 9,505,828	\$ 252,328,112	\$ 9,880,165	\$ (55,700)	\$ (75,000)	\$ 9,749,465	\$ 262,077,577	\$ 6,989,420	\$ 2,259,190	3.76%	\$ 9,498,250	\$ (7,578)
General Plant:													
390 Structures & Improvements	\$ 78,777	\$ 78,777	\$ 3,787,332				\$ -	\$ 3,787,332	43	10.50%	2.08%	\$ 78,829	\$ 52
391.10 Office Furniture & Equipment	\$ 15,588	\$ 15,588	\$ 267,375				\$ -	\$ 267,375	15	12.50%	5.83%	\$ 15,597	\$ 9
391.30 Computer Equipment			\$ -				\$ -	\$ -	5	6.50%	18.70%	\$ -	\$ -
393 Stores Equipment	\$ 2,685	\$ 2,685	\$ 79,908				\$ -	\$ 79,908	29	2.50%	3.36%	\$ 2,687	\$ 2
394 Tools, Shop and Garage Equipment	\$ 56,026	\$ 56,026	\$ 1,539,171				\$ -	\$ 1,539,171	25	9.00%	3.64%	\$ 56,026	\$ (0)
395 Laboratory Equipment	\$ 30,916	\$ 30,916	\$ 792,711				\$ -	\$ 792,711	25	2.50%	3.90%	\$ 30,916	\$ (0)
397 Communication Equipment	\$ 248,956	\$ 248,956	\$ 3,772,358				\$ -	\$ 3,772,358	15	1.00%	6.60%	\$ 248,976	\$ 20
398 Miscellaneous Equipment	\$ 5,024	\$ 5,024	\$ 102,943				\$ -	\$ 102,943	20	2.50%	4.88%	\$ 5,018	\$ (6)
Total General Plant	\$ 437,972	\$ 437,972	\$ 10,341,798	\$ -	\$ -	\$ -	\$ -	\$ 10,341,798	\$ 458,571	\$ (20,522)	4.24%	\$ 438,048	\$ 76
Total Distribution and General Plant	\$ 9,639,845	\$ 10,185,915	\$ 9,943,800	\$ 262,669,910	\$ 9,880,165	\$ (55,700)	\$ (75,000)	\$ 9,749,465	\$ 7,447,991	\$ 2,238,667	3.78%	\$ 9,936,299	3.65% \$ (7,501)
		\$ (242,115)											

footnotes:

1. Reference: September 19, 2016 Update, RevReq 3-8.
2. Reference: FERC Form-1, page 207.
3. Reference: Included in Original Filing RevReq 3-8 and Temporary Rate Proceeding, Temp. Rate Hearing Transcript at p. 31.
4. Reference: Final Audit Report, August 5, 2016, Audit Issue No. 2 and Audit Issue No. 3.
5. Reference Docket DE 10-055, Settlement Agreement, Attachment 6.

DE 16-384 (Unitil)
Amortization of Software

Schedule JJC-3

	<u>Test Year 2015</u> <u>(1)</u>	<u>Proposed 2016</u> <u>9/19 Update</u>	<u>Staff</u> <u>Recommend</u> <u>(2)</u>	<u>Incr/(Decr)</u> <u>From</u> <u>9/19 Update</u>
Amortization of Software Per FERC Form-1 (page 114, line 8)	\$ 541,123	\$ 541,123	\$ 505,274	\$ (35,849)

footnotes:

(1) Reference FERC Form-1, page 114, line 8.

(2) Reflects following Staff adjustments:

ODI Enhancements, fully amortized

\$ (236)

Reference Staff 2-29 and Staff 2-31

Partial Year remaining for website, CIS and 2010 Telecom

\$ (24,331)

Reference Staff 2-29 and Staff 2-31

Mobile Data Systems (MDS), Removal of Fitchberg Share

\$ (11,282)

Reference Staff 2-29, Staff 2-31, Staff 7-1 and TS 1-4

Total

\$ (35,849)

	<u>Test Year 2015</u>	<u>Proposed 2016 9/16 Update</u>	<u>Staff Recommend</u>	<u>Increase/ (Decrease) From Upd</u>
Pensions:	\$ 1,218,569	\$ 1,112,378	\$ 1,112,378	\$ -
PBOPs	\$ 1,252,185	\$ 1,038,139	\$ 1,038,139	\$ -
SERP	\$ 174,402	\$ 174,402	\$ 174,402	\$ -
401 K:	\$ 331,127	\$ 375,227	\$ 361,296 (1)	\$ (13,931)
Medical Costs:	\$ 652,409	\$ 705,413	\$ 594,614 (1)	\$ (110,799)
Grand Total Employee Pensions and Benefits	<u>\$ 3,628,692</u>	<u>\$ 3,405,559</u>	<u>\$ 3,280,829</u>	<u>\$ (124,730)</u>

(1) 'Staff recommendation excludes UES proposed 2017 rate increase.