



James J. Bonner Jr.  
Acting Director/Head  
Regulatory, Government & Community  
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August 2, 2013

**Via Electronic and U.S. Mail**

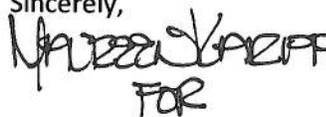
Debra A. Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2429

**Re: Granite State Electric Company  
FERC Form No. 1 Annual Report**

Dear Ms. Howland:

On behalf of Granite State Electric Company and pursuant to Puc 308.10, enclosed please find the Company's FERC Form No. 1 Annual Report of the year ending December 31, 2012. Please note that this report has been filed electronically via the Commission's Electronic Report Filing system.

Thank you for your assistance with this matter. Please do not hesitate to call if you have any questions.

Sincerely,  
  
FOR

James J. Bonner Jr.

Enclosure

cc: Rorie E.P. Hollenberg

THIS FILING IS

Item 1:  An Initial (Original) Submission OR  Resubmission No. \_\_\_\_

Form 1 Approved  
OMB No.1902-0021  
(Expires 12/31/2014)  
Form 1-F Approved  
OMB No.1902-0029  
(Expires 12/31/2014)  
Form 3-Q Approved  
OMB No.1902-0205  
(Expires 05/31/2014)



# FERC FINANCIAL REPORT

## FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

**Exact Legal Name of Respondent (Company)**

Granite State Electric Company

**Year/Period of Report**

**End of** 2012/Q4

## INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

### GENERAL INFORMATION

#### I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

#### II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

#### III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_, we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas>.

#### **IV. When to Submit:**

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

#### DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies\*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

### **General Penalties**

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent Granite State Electric Company		02 Year/Period of Report End of <u>2012/Q4</u>
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 11 Northeastern Boulevard, , Salem, NH 03079		
05 Name of Contact Person Kevin McCarthy		06 Title of Contact Person Vice President - Finance
07 Address of Contact Person (Street, City, State, Zip Code) 11 Notheastern Boulevard, Salem NH 03079		
08 Telephone of Contact Person, Including Area Code (603) 328-2778	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 07/31/2013

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Victor Del Vecchio	03 Signature  Victor Del Vecchio	04 Date Signed (Mo, Da, Yr) 07/31/2012
02 Title President		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	
18	Electric Plant Held for Future Use	214	
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	
24	Extraordinary Property Losses	230	
25	Unrecovered Plant and Regulatory Study Costs	230	
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	
49	Transmission of Electricity by ISO/RTOs	331	
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	
57	Amounts included in ISO/RTO Settlement Statements	397	
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	
65	Pumped Storage Generating Plant Statistics	408-409	
66	Generating Plant Statistics Pages	410-411	

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	

**Stockholders' Reports** Check appropriate box:

- Two copies will be submitted
- No annual report to stockholders is prepared

Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Kevin McCarthy - Vice President - Finance  
11 Northeastern Boulevard  
Salem, NH 03079

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Incorporated in New Hampshire on September 9, 1912 under Chapter 147 of Public Statutes of New Hampshire.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

N/A

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

New Hampshire: Retail electric distribution service to customers

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1)  Yes...Enter the date when such independent accountant was initially engaged: 07/03/2012  
(2)  No

Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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**CONTROL OVER RESPONDENT**

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Granite State Electric Company, a New Hampshire corporation was 100% owned by  
 Liberty Energy Utilities (New Hampshire) Corp., a Delaware corporation which was 100% owned by  
 Liberty Energy Utilities Co., a Delaware corporation which was 100% owned by  
 Liberty Utilities Co., a Delaware corporation which was 100% owned by  
 Liberty Utilities (America) Holded Inc., a Delaware corporation which was 100% owned by  
 Liberty Utilities (America) Co., a Delaware corporation which was 100% owned by  
 Liberty Utilities (Canada) Corp., a Canada corporation which was 100% owned by  
 Algonquin Power & Utilities Corp., a Canada corporation

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
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OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.

2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman and CEO	Ian Robertson	12,821
2	President	Victor Del Vecchio - Salary	
3	Secretary and Treasurer	David Bronicheski	9,828
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Name of Respondent Granite State Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

**Schedule Page: 104 Line No.: 1 Column: c**  
Salary disclosure amounts that have been allocated to Granite State Electric Company.

**Schedule Page: 104 Line No.: 2 Column: c**  
Salary information has been redacted.

**Schedule Page: 104 Line No.: 3 Column: c**  
Salary disclosure amounts that have been allocated to Granite State Electric Company.

**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Gregory Sorensen (Director)	12725 W Indian School Rd, D-101, Avondale AZ 85392
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INFORMATION ON FORMULA RATES  
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	--

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
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Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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INFORMATION ON FORMULA RATES  
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	--

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1			N/A		
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INFORMATION ON FORMULA RATES  
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s).	Schedule	Column	Line No
1		N/A		
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Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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**IMPORTANT CHANGES DURING THE QUARTER/YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Changes in Franchise Rights:

None

2. Information on consolidations, mergers, and reorganizations:

None

3. Purchase or sale of an operating unit or system:

The Company was sold on July 3, 2012 to Liberty Energy Utilities (New Hampshire) Corp., as assignee of Liberty Energy Utilities Co., a subsidiary of Algonquin Power & Utilities Corp.

4. Important Leaseholds:

None

5. Important extension or reduction of transmission or distribution system:

None

6. Issuance of securities or assumption of liabilities or guarantees:

On December 21, 2012 Granite State Electric Company issued \$17 million of debt to Liberty Utilities Co. a related company. Refer to - Notes to the Financial Statements – Note 9. Related Party Transactions.

7. Changes in Articles of Incorporation:

None

8. Wage Scale Increase:

None

9. Status of Legal Proceedings:

Refer to - Notes to Financial Statements - Note 15. Commitments and Contingencies

10. Additional Material Transactions Not Reported Elsewhere in this Report:

None

11. Reserved:

None

12. N/A

13. Changes in General Officers:

**Appointments:**

Ian Robertson – Chairman, CEO, and Director effective 7/3/2012

Victor Del Vecchio – President effective 7/3/2012

David Bronicheski - Secretary & Treasurer effective 7/3/2012

Gregory Sorensen – Director effective 7/3/2012

**Resignations:**

Timothy E. McAllister, resigned as Assistant Secretary effective 07/03/2012

James P. Meehan, resigned as Assistant Secretary effective 07/03/2012

William T. Sherry, resigned as Vice President and Assistant Secretary effective 07/03/2012

Reshmi Das, resigned as Assistant Secretary effective 07/03/2012

Malcolm Cooper, resigned as Assistant Treasurer effective 07/03/2012

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

David Bonar, resigned as Assistant Treasurer effective 07/03/2012  
Bradley B. White, resigned as Vice President and Controller effective 07/03/2012  
Timothy F. Horan, resigned as Director and President effective 07/03/2012  
John G. Cochrane, resigned as Director effective 07/03/2012  
Christopher E. Root, resigned as Director and Senior Vice President effective 07/03/2012  
Ellen Smith, resigned as Executive Vice President effective 07/03/2012  
James S. Madej, resigned as Senior Vice President effective 07/03/2012  
Colin Owyang, resigned as Senior Vice President and Clerk effective 07/03/2012  
Raymond Schlaff, resigned as Senior Vice President and Chief Procurement Officer effective 07/03/2012  
Robert D. Teetz, resigned as Vice President effective 07/03/2012  
Ross W. Turrini, resigned as Vice President effective 07/03/2012  
Edward White, resigned as Vice President effective 07/03/2012  
David H. Campbell, resigned as Vice President effective 07/03/2012  
Charles V. DeRosa, resigned as Vice President effective 07/03/2012  
Michael Laflamme, resigned as Vice President effective 07/03/2012  
Lorraine Lynch, resigned as Vice President and Treasurer effective 07/03/2012

Ian Robertson – resigned as Chairman, CEO, and Director effective 11/27/2012  
David Bronicheski - resigned as Secretary & Treasurer effective 11/27/2012  
Gregory Sorensen – resigned as Director effective 11/27/2012

14. N/A

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	134,312,580	153,972,280
3	Construction Work in Progress (107)	200-201	9,379,107	2,226,663
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		143,691,687	156,198,943
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	55,447,764	56,701,087
6	Net Utility Plant (Enter Total of line 4 less 5)		88,243,923	99,497,856
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		88,243,923	99,497,856
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		32,086	32,086
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	36,445
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	1,104,442
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		32,086	1,172,973
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		531,494	636,637
36	Special Deposits (132-134)		3,275,990	3,271,307
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		10,139,755	10,345,549
41	Other Accounts Receivable (143)		428,698	1,082,613
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		385,624	657,004
43	Notes Receivable from Associated Companies (145)		0	2,425,000
44	Accounts Receivable from Assoc. Companies (146)		3,011,884	129,671
45	Fuel Stock (151)	227	0	0
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	408,084	617,980
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	7,848	-10,076
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		1,929,773	2,353,992
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	705
60	Rents Receivable (172)		0	231,364
61	Accrued Utility Revenues (173)		1,181,036	999,000
62	Miscellaneous Current and Accrued Assets (174)		183,521	6,367
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		20,712,459	21,433,105
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		29,399	32,018
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	28,512,224	5,452,728
73	Prelim. Survey and Investigation Charges (Electric) (183)		170,737	21,363
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		350,682	-146,119
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	254,471	2,567
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	1,574,697	6,524,249
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		30,892,210	11,886,806
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		139,880,678	133,990,740

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	6,040,000	6,040,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	58,984,913	40,053,584
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	-506,849	33,302,155
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-744,012	-5,962,261
16	Total Proprietary Capital (lines 2 through 15)		63,774,052	73,433,478
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	15,000,000	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	17,000,000	15,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		32,000,000	15,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		378,249	850,000
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		129,688	111,414
35	Total Other Noncurrent Liabilities (lines 26 through 34)		507,937	961,414
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		7,104,264	7,693,449
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		515,456	878,656
41	Customer Deposits (235)		667,231	653,995
42	Taxes Accrued (236)	262-263	1,944,963	665,414
43	Interest Accrued (237)		165,002	158,793
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)** (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		65,305	48,485
48	Miscellaneous Current and Accrued Liabilities (242)		6,509,799	3,804,011
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		16,972,020	13,902,803
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		0	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	0	134,741
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	21,214,329	6,115,756
60	Other Regulatory Liabilities (254)	278	5,412,341	2,171,409
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		0	17,466,714
64	Accum. Deferred Income Taxes-Other (283)		0	4,804,425
65	Total Deferred Credits (lines 56 through 64)		26,626,670	30,693,045
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		139,880,679	133,990,740

**STATEMENT OF INCOME**

**Quarterly**

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

**Annual or Quarterly if applicable**

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	78,226,535	83,243,723		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	67,978,848	70,044,606		
5	Maintenance Expenses (402)	320-323	3,582,550	3,327,153		
6	Depreciation Expense (403)	336-337	4,867,035	4,788,762		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	140	236		
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		36,499	239,487		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	3,166,041	3,283,269		
15	Income Taxes - Federal (409.1)	262-263	-720,125	-2,294,977		
16	- Other (409.1)	262-263	-198,552	257,568		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	1,557,303	4,347,745		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	1,827,080	1,772,903		
19	Investment Tax Credit Adj. - Net (411.4)	266	-17,178	-37,854		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		78,425,481	82,183,092		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		-198,946	1,060,631		

STATEMENT OF INCOME FOR THE YEAR (Continued)

- 9. Use page 122 for important notes regarding the statement of income for any account thereof.
- 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
- 12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
- 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
- 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
- 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
78,226,535	83,243,723					2
						3
67,978,848	70,044,606					4
3,582,550	3,327,153					5
4,867,035	4,788,762					6
140	236					7
						8
						9
						10
						11
36,499	239,487					12
						13
3,166,041	3,283,269					14
-720,125	-2,294,977					15
-198,552	257,568					16
1,557,303	4,347,745					17
1,827,080	1,772,903					18
-17,178	-37,854					19
						20
						21
						22
						23
						24
78,425,481	82,183,092					25
-198,946	1,060,631					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		-198,946	1,060,631		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)		127,000	146,000		
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		233,581	151,336		
38	Allowance for Other Funds Used During Construction (419.1)		85,960	84,917		
39	Miscellaneous Nonoperating Income (421)		5,380	12,129		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		197,921	102,382		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		15,164	10,913		
46	Life Insurance (426.2)		-7,235	6,397		
47	Penalties (426.3)					
48	Exp. for Certain Civic, Political & Related Activities (426.4)		13,480	158,493		
49	Other Deductions (426.5)		-71,091	9,290		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		-49,682	185,093		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263	56,408	28,698		
54	Income Taxes-Other (409.2)	262-263	14,972	5,123		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	-46,354	-42,851		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		25,026	-9,030		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		222,577	-73,681		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		1,130,500	1,130,500		
63	Amort. of Debt Disc. and Expense (428)		2,605	2,619		
64	Amortization of Loss on Reaquired Debt (428.1)					
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		18,321	61		
68	Other Interest Expense (431)		90,589	105,435		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		133,288	10,548		
70	Net Interest Charges (Total of lines 62 thru 69)		1,108,727	1,228,067		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		-1,085,096	-241,117		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		-1,085,096	-241,117		

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		33,302,155	33,543,272
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Reduction due to sale of Company		-32,723,908	
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)		-32,723,908	
16	Balance Transferred from Income (Account 433 less Account 418.1)		-1,085,096	( 241,117)
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		-506,849	33,302,155
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

**STATEMENT OF RETAINED EARNINGS**

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		-506,849	33,302,155
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

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**STATEMENT OF CASH FLOWS**

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	-1,085,096	-241,117
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	4,867,175	4,788,998
5	Amortization of Debt Discount and Expense		2,619
6	amortization of Regulatory Debits		239,487
7			
8	Deferred Income Taxes (Net)		2,531,991
9	Investment Tax Credit Adjustment (Net)		-37,854
10	Net (Increase) Decrease in Receivables	-2,243,851	-846,160
11	Net (Increase) Decrease in Inventory	191,972	-114,189
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	3,069,217	2,615,707
14	Net (Increase) Decrease in Other Regulatory Assets	-23,059,496	-3,824,044
15	Net Increase (Decrease) in Other Regulatory Liabilities	-1,038,548	-215,793
16	(Less) Allowance for Other Funds Used During Construction		84,917
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-45,076,634	2,795,809
19	Net (Increase) Decrease In Prepaid and Other current assets	15,098,573	-1,580,274
20	New Increase (Decrease) in Deferred Credits	247,065	-1,832,881
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	-49,029,623	4,197,382
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-8,400,888	-5,778,900
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction		-84,917
31	Other (provide details in footnote):	18,932,495	-179,640
32	Plant Retirement Costs Net of Salvage Value		-840,501
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	10,531,607	-6,714,124
35			
36	Acquisition of Other Noncurrent Assets (d)	36,544	-5,292
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

**STATEMENT OF CASH FLOWS**

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54	(Increase) Decrease in Notes Receivables from Associated Companies	2,425,000	3,075,000
55	New (Increase) Decrease in Special Deposits		4,805
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	12,993,151	-3,639,611
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)		
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):	35,931,329	
77			
78	Net Decrease in Short-Term Debt (c)		
79	Notes Payable to Associated Company	17,000,000	
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-17,000,000	
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	35,931,329	
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-105,143	557,771
87			
88	Cash and Cash Equivalents at Beginning of Period	636,637	78,866
89			
90	Cash and Cash Equivalents at End of period	531,494	636,637

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Granite State Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 07/31/2013	2012/Q4
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 18 Column: b**

**Other Operating Activities:**

Special Deposits	(4,683)
Unamortized Debt Expenses	2,619
Asset Retirement Obligations	18,273
Clearing Accounts	(496,801)
Miscellaneous Deferred Debits	(251,904)
Accumulated Deferred Income Taxes	(17,321,587)
Accumulated Deferred Investment Tax Credits	(134,741)
Accumulated Other Comprehensive Income	5,218,249
Accumulated Provision for Injuries and Damages	(471,752)
Other Investments	(99)
Special Funds	1,163,086
Preliminary Survey and Investigation	(73,387)
Retained Earnings	(32,723,908)
Total	<u>(45,076,634)</u>

**Schedule Page: 120 Line No.: 18 Column: c**

**Other Operating Activities:**

Change in Miscellaneous Deferred Debits	5,989.00
Change in Clearing Accounts	268,003.00
Change in Accumulated Deferred Income Taxes	823,495.00
Change in Pension and OPEB	1,348,318.00
Change in Accumulated Provision for Injuries and Damages	350,000.00
Change in Asset Retirement Obligations	4.00
Total	<u>2,795,809.00</u>

**Schedule Page: 120 Line No.: 31 Column: b**

**Footnote - Other Investing Activities movement**

Goodwill	20,420,763
Accum Amort GW	(1,068,676)
Other Change Accum Depr	(340,485)
Other Comprehensive Income Jan-June 2012 per NG.	(58,644)
Change in Precap Transformers	(20,463)
Total Other Investing Activities Movement	18,932,495

**Schedule Page: 120 Line No.: 31 Column: c**

**Other Investment Activities:**

Change in Special Funds \$ (24,924)	(24,924.00)
Change in Cost of Removal (154,716)	(154,716.00)
Total	<u>(179,640.00)</u>

**Schedule Page: 120 Line No.: 76 Column: b**

Capital Contribution	35,931,329.00
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Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

## 1. Description of business and basis of presentation

Granite State Electric Company (the "Company") is an electric retail distribution company providing electric service to approximately 43,000 customers in 21 communities in the State of New Hampshire. The properties of the Company consist principally of substations and distribution lines.

The Company is a wholly-owned subsidiary of Liberty Utilities Co. ("Liberty Utilities"), a holding company for water distribution and wastewater treatment assets, electric utility assets, and natural gas utility assets. Prior to July 3, 2012, the Company was a wholly owned subsidiary of National Grid USA ("NGUSA"), a public holding company with regulated subsidiaries engaged in the generation of electricity and the transmission, distribution and sale of both natural gas and electricity. On July 3, 2012 ("the acquisition date"), Liberty Utilities completed the acquisition of all issued and outstanding shares of the Company, for total cash consideration of \$82 million ("the Acquisition").

The Acquisition was accounted for using the acquisition method of accounting. Acquisition accounting impacts, including goodwill recognition, have been "pushed down", resulting in assets and liabilities of the Company being recorded at their fair values as of the acquisition date. Refer to Note 2 for additional information related to the application of acquisition accounting.

### Basis of Presentation

The financial statements are prepared in accordance with accounting requirements of the FERC as set forth in its applicable Uniform System of Accounts. This is a comprehensive basis for accounting other than accounting principles generally accepted in the United States ("GAAP"). The significant differences consist of the following:

- for FERC reporting, deferred tax assets and liabilities are presented on a gross basis and are classified as non-current. For GAAP reporting, deferred tax assets and liabilities are presented on a net basis, with current and non-current amounts segregated.
- for FERC reporting, regulatory assets and liabilities are classified as non-current. For GAAP reporting, regulatory assets and liabilities are segregated between current and non-current classifications.
- for FERC reporting, the liability for uncertain tax positions related to temporary differences is not recognized pursuant to FERC guidance and deferred taxes are recognized based on the difference between positions taken in filed tax returns and amounts reported in the financial statements. For GAAP reporting, the liability for uncertain tax positions related to temporary differences is recognized and deferred taxes are recognized based on the difference between the positions taken in filed tax returns adjusted for uncertain tax positions related to temporary differences and amounts reported in the financial statements.
- the accumulated reserve for depreciation for estimated cost of removal is included in accumulated depreciation for FERC reporting and is included as a regulatory liability for GAAP reporting.

The preparation of financial statements in conformity with FERC requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure

The financial information included in these financial statements as of March 31, 2012 and for the year then ended were prepared in accordance with U.S. GAAP, including the principles for rate-regulated entities, and were required to be audited.

## 2. The acquisition

The acquisition of the Company was made concurrently with the acquisition of EnergyNorth Natural Gas Inc. ("EnergyNorth") for a total price of \$285 million plus or minus closing date working capital and less assumed long term debt, and subject to final closing adjustments. The allocation of the purchase price for the businesses has been done

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

using a relative fair value methodology. The Company has determined the relative fair value of each entity using an income based approach and discounted cash flows. The methodology maximized the use of cash flow assumptions approved or submitted to the regulator and discounted using a rate of 6.25%. The allocated purchase price for the Company adjusted for preliminary purchase price closing adjustments approximates \$82 million.

Transaction costs related to the acquisition incurred by Liberty Utilities are \$802.

The following table (in \$000) summarized the preliminary determination of the fair value of the assets acquired and liabilities assumed at the acquisition date:

Cash	\$ 390
Restricted cash	3,273
Working capital	1,757
Utility plant	85,861
Regulatory assets	31,672
Deferred financing	31
Other assets	170
Goodwill	-
Customer deposits	(653)
Long-term debt	(15,000)
Other long-term liabilities	(1,178)
Regulatory liabilities	(5,426)
Pension and other post-employment benefits	(18,872)
	\$82,025
Less: Cash acquired	(390)
Acquisition cost	\$81,635

The preliminary determination of the fair value of assets and liabilities acquired has been based upon management's preliminary estimates and certain assumptions with respect to the fair values of the assets acquired and liabilities assumed. In addition, the purchase agreements provide for a final purchase price adjustment based on final agreed working capital and rate base balances at the acquisition date. The Company will continue to review information and perform further analysis prior to finalizing the fair value of the consideration paid and the fair value of the assets acquired and liabilities assumed. The actual fair values of the assets acquired and liabilities assumed may differ from the amounts above.

As part of the acquisition agreement, NGUSA entered into Transition Service Agreements ("TSAs") dated July 3, 2012 with the Company. The TSAs provide transition services commencing with the close of the sale and continuing for a period defined by each particular service. The services are to be terminated as soon as practicable. However, the agreement also allows the modification, reduction or increase of scope if mutually agreed. The original list of services included: Human Resources, Finance, Operations, Energy Solutions Deliver and Efficiency, Energy Control and Supply, Project Management, Health, Safety and Environment, Security, Supply Chain and Inventory, Customer service, Regulatory Support, Records Management and IT. Some of the services have been terminated by mutual agreement, while other services continue to be provided.

NGUSA and the Company were formerly members of a consolidated group for federal income tax purposes. As part of the acquisition agreement, the Company and NGUSA jointly agreed, under Internal Revenue Code Sec. 338(h)(10), to treat the Company as having sold its assets to a new corporation in a taxable transaction immediately followed by a liquidation of such new corporation, while still a member of the selling consolidated group. For United States tax

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purposes, the gain on the sale of assets is recognized at the corporate level and is borne economically by the seller. The Company is in the process of completing the 338(h)(10) election and has reflected the impact of the election in the preliminary purchase price allocation. The tax basis in its assets have accordingly been revalued to reflect the purchase price allocated to such assets, and as such the deferred taxes assets and/or liabilities are calculated based on the new tax basis of the acquired assets.

### 3. Significant accounting policies

(a) Accounting for rate regulated operations:

The Company is subject to rate regulation overseen by the New Hampshire Public Utilities Commission (“the NHPUC”). The NHPUC provides the final determination of the rates charged to customers. The Company’s activities are accounted for under the principles of U.S. Financial Accounting Standards Board ASC Topic 980 Regulated Operations (“ASC 980”). Under ASC 980, regulatory assets and liabilities that would not be recorded under U.S. GAAP for non-regulated entities are recorded to the extent that they represent probable future revenues or expenses associated with certain charges or credits that will be recovered from or refunded to customers through the rate making process. Included in Note 8, Regulatory matters, are details of regulatory assets and liabilities, and their current regulatory treatment.

In the event the Company determines that its net regulatory assets are not probable of recovery, it would no longer apply the principles of the current accounting guidance for rate regulated enterprises and would be required to record an after-tax, non-cash charge (credit) against income for any remaining regulatory assets (liabilities). The impact could be material to the Company’s reported financial condition and results of operations.

The Company’s accounts are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (“FERC”).

b) Cash and cash equivalents:

Cash and cash equivalents includes all highly liquid instruments with an original maturity of three months or less.

c) Restricted cash:

Restricted cash represent reserves and amounts set aside pursuant to requirements of various debt agreements (note 10) and requirements of ISO New England Inc. Cash reserves segregated from the Company’s cash balances are maintained in accounts administered by a separate agent and disclosed separately as restricted cash in these financial statements. The Company cannot access restricted cash without the prior authorization of parties not related to the Company.

d) Accounts receivable:

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable

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portfolio. In establishing the required allowance, management considers the receivables aging. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

e) Supplies and consumables inventory:

Supplies and consumables inventory (other than capital spares and rotatable spares, which are included in property, plant, and equipment) are charged to inventory when purchased and then capitalized to plant or expensed, as appropriate, when installed, used or become obsolete. These items are stated at the lower of cost and replacement cost.

f) Utility plant:

Amounts for utility plant are recorded at cost.

The costs of acquiring or constructing utility plant include the following: materials, labor, contractor and professional services, construction overhead directly attributable to the capital project (where applicable), and allowance for equity funds used during construction ("AFUDC").

AFUDC represents the cost of borrowed funds (allowance for borrowed funds used during construction) and a return on other funds (allowance for equity funds used during construction). Under ASC 980, an allowance for funds used during construction projects that are included in rate base is capitalized. This allowance is designed to enable a utility to capitalize financing costs during periods of construction of property subject to rate regulation. The interest capitalized that relates to debt reduces interest expense on the income statement. The AFUDC capitalized that relates to equity funds is recorded as other income on the Statement of Comprehensive Income. The AFUDC capitalized that relates to borrowed funds and equity funds was \$68,000 and \$35,000, respectively, for the period from July 3, 2012 to December 31, 2012 (Year ended March 31, 2012 - \$33,000 and \$97,000).

Improvements that increase or prolong the service life or capacity of an asset are capitalized. Maintenance and repair costs are expensed as incurred.

Depreciation of utility plant in service is based on the estimated useful lives of the depreciable assets in each category and is determined using the straight-line basis. The range of estimated useful lives is 8-75 years and the weighted average useful life is 51 years.

In accordance with regulator-approved accounting policies, when depreciable utility plant of the Company is replaced or retired, the original cost plus any removal costs incurred (net of salvage) are charged to accumulated depreciation with no gain or loss reflected in results of operations. Gains and losses will be charged to results of operation in the future through adjustments to depreciation expense. In the absence of regulator-approved accounting policies, gains and losses on the disposition of utility plant are charged to net earnings as incurred.

g) Impairment of long-lived assets:

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The Company reviews long lived assets, including utility plant, regulatory assets subject to amortization and other long lived assets for potential impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount of an asset to undiscounted expected future cash flows. If the carrying amount exceeds the recoverable amount, the asset is written down to its fair value. There was no impairment recorded from July 3, 2012 to December 31, 2012.

h) Pension and other post retirement plans:

The Company has established a defined contribution pension plan, defined benefit pension plan, and an other post-employment benefit ("OPEB") plan for its various employee groups in Canada and the United States. The Company recognizes the funded status of its defined benefit pension plans and other post employment benefit plans on the Balance Sheets. The Company's expense and liabilities are determined by actuarial valuations, using assumptions that are evaluated annually at December 31, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The impact of modifications to those assumptions is recorded as actuarial gains and losses in accumulated other comprehensive income and amortized to net periodic cost over future periods using the corridor method. The costs of the Company's pension for employees are expensed over the periods during which employees render service and are recognized as part of administrative expenses in the Statements of Operations. The portion of pension and OPEB costs capitalized as cost of construction of plant and equipment is insignificant.

i) Asset retirement obligations:

The Company recognizes a liability for asset retirement obligations based on the fair value of the liability when incurred, which is generally upon acquisition, construction, development or through the normal operation of the asset. Concurrently, the Company also capitalizes an asset retirement cost, equal to the estimated fair value of the asset retirement obligation, by increasing the carrying value of the related long-lived asset. The asset retirement costs are depreciated over the asset's estimated useful life and are included in depreciation expense on the Statements of Operations, or regulatory assets when the amount is recoverable through rates. Increases in the asset retirement obligation resulting from the passage of time are recorded as accretion of asset retirement obligation in the Statements of Operations, or regulatory assets when the amount is recoverable through rates. Actual expenditures incurred are charged against the accumulated obligation.

j) Recognition of revenue:

Customers are generally billed on a monthly basis. Revenues include unbilled amounts related to the estimated electric usage that occurred from the most recent meter reading to the end of the month.

Revenues are based on billing rates authorized by the NHPUC. The Company records revenues in an amount management believes to be recoverable pursuant to provisions of approved tariffs, settlement agreements and state legislation. The Company defers for future recovery from or refunds to electric customers the difference between revenue and expenses from default service, transmission service, and

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contract termination charges ("CTC"). The Company also records the distribution component of revenue for electricity delivered but not yet billed.

k) Income taxes:

*Predecessor:*

National Grid Holdings Inc. ("NGHI") files consolidated federal tax returns including all of the activities of its subsidiaries. Each subsidiary company is treated as a member of the consolidated group and determines its current and deferred taxes based on the separate return method. As a member, the Company settles its current tax liability or benefit each year with NGHI pursuant to a tax sharing arrangement between NGHI and its members. Benefits allocated by NGHI are treated as capital contributions.

*Successor:*

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against deferred tax assets to the extent that it is considered more likely than not that the deferred tax asset will not be realized. The effect on deferred assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment. Income tax credits are treated as a reduction to current income tax expense in the year the credit arises or future periods to the extent that realization of such benefit is more likely than not.

l) Customer deposits:

Customer deposits result from the Company's obligation by the NHPUC to collect a deposit from customers of its facilities under certain circumstances when services are connected. The deposits are refundable as allowed under the facilities' regulatory agreement. The deposits bear monthly interest and are applied to the customer account after 12 months if the customer is found to be credit worthy.

m) Financial instruments and derivatives:

The Company has classified its cash and cash equivalents and restricted cash as held-for-trading, which are measured at fair value. Long-term liabilities are measured at amortized cost using the effective interest method, adjusted for the amortization or accretion of premiums or discounts. Transaction costs that are directly attributable to the issuance of financial liabilities are recorded in deferred financing costs.

Deferred financing costs, premiums and discounts on long-term debt are amortized using the effective interest method over the life on the related debt vehicles.

The Company enters into Power Purchase Agreements ("PPA") for load serving requirements. These

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contracts meet the exemption for normal purchase and normal sales and as such, are not required to be recorded at fair value as derivatives and are accounted for on an accrual basis. Counterparties are evaluated on an on-going basis for non-performance risk to ensure it does not impact the conclusion with respect to this exemption.

n) Fair value measurements:

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principle or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

o) Commitments and contingencies:

Liabilities for loss contingencies arising from environmental remediation, claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

p) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

**4. Recently issued accounting pronouncements**

(a) Recently adopted accounting pronouncements

In May 2011, the FASB issued ASU No. 2011-04 "Fair Value Measurement (Topic 820)". This ASU amends the accounting and disclosure requirements for fair value measurements. The new guidance expands the disclosures about fair value measurements categorized within Level 3 of the fair value hierarchy and requires categorization by level of the fair value hierarchy for items that are not measured at fair value in the statement

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of financial position but for which the fair value is required to be disclosed. The adoption of this guidance in 2012 did not have a material impact on the Company's financial statements.

The FASB issued ASU 2013-02, "Comprehensive Income (Topic 220)". This newly issued accounting standard requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. This ASU is required to be applied prospectively for fiscal years, and interim periods beginning after December 15, 2012. The Company adopted this standard for the period ended December 31, 2012.

(b) Recent accounting guidance not yet adopted

The FASB issued ASU 2011-11, "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" and ASU 2013-01 "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities". These newly issued accounting standards require an entity to disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position as well as instruments and transactions executed under a master netting or similar arrangement and was issued to enable users of financial statements to understand the effects or potential effects of those arrangements on an entity's financial position. These ASU are required to be applied retrospectively and are effective for fiscal years, and interim periods beginning on or after January 1, 2013. As these accounting standards only require enhanced disclosure, the adoption of these standards is not expected to have an impact the Company's financial position or results of operations.

**5. Accounts receivable**

Accounts receivable as of December 31, 2012, includes unbilled revenue of \$1.2 million. The unbilled revenue is an estimate of the amount of revenue since the date the meters were last read that has not yet been billed to customers.

**6. Utility plant**

Utility plant consists of electricity distribution assets used to distribute electricity within a specific geographic service territory to end users of electricity. These assets include poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

**7. Renewable energy credits**

New Hampshire has implemented regulations to encourage the use of renewable energy which requires load serving entities ("LSEs") to purchase a minimum percentage of their electric supplies from qualified renewable energy sources. The State of New Hampshire has given various incentives like renewable energy certificates ("REC") to the producers of renewable energy. LSEs need to purchase RECs associated with renewable energy

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and not necessarily the energy itself to demonstrate compliance with the State regulations.

RECs purchased in the open market are expensed and since the costs of these RECs are recovered from the rate payers, the Company records a regulatory asset. In addition, any RECs that have been contracted for but not yet paid/received or any obligation not met at the end of the year is recorded as a current liability and regulatory assets. At December 31, 2012 and 2011 the Company recorded regulatory assets of \$2.2 million and \$1.4 million, respectively.

## 8. Regulatory matters

The Company is subject to regulation by the NHPUC, and the FERC in some instances. The NHPUC has jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions and other matters. The Company operates under cost-of-service regulation as administered by the NHPUC

### *Rate Matters:*

### *Predecessor:*

In July 2007, the NHPUC approved a settlement agreement related to issues surrounding the merger of NGUSA and KeySpan Corporation ("KeySpan"), which also contained a five-year distribution rate plan for the Company, effective January 1, 2008. During the rate plan, distribution rates are frozen except for rate adjustments in the event of certain uncontrollable exogenous events and annual rate adjustments related to the Reliability Enhancement Plan and Vegetation Management Plan ("REP/VMP"). In June 2010, the NHPUC approved the Company's REP/VMP rate increase effective July 1, 2010 of \$1.1 million. In June 2011, the NHPUC approved the Company's fourth REP/VMP rate adjustment, effective July 1, 2011, which resulted in a revenue decrease of \$1.7 million. The rate plan also includes an earnings sharing mechanism based on an imputed capital structure of 50% debt and 50% equity and a return on equity of 11%. Earnings above 11% are shared equally between customers and the Company. The rate plan also establishes a storm contingency fund and customer service commitments by the Company.

In April 2010, the Company filed a request with the NHPUC for a temporary increase in funding to its storm contingency fund of \$0.7 million annually over three years to replenish the Company's newly formed fund after a major ice storm in December 2008. An initial rate adjustment was approved by the NHPUC to increase funding by \$0.4 million annually effective July 1, 2010. A decision regarding the remaining balance of \$0.3 million in annual funding will occur in conjunction with the NHPUC's review of costs related to two additional storms—a February 2010 storm and a March 2011 storm.

The February 2010 winter storm had approximately \$1.7 million in restoration costs that were reported to the NHPUC in the Company's April 2011 storm fund report. In March 2011, the Company experienced another significant storm event for which the Company incurred approximately \$1.8 million in restoration costs. The August 2011 Hurricane Irene and October 2011 Winter Storm caused extensive damage to the Company's service territory. As of March 31, 2012, the Company incurred \$2.5 million on repairs resulting from these storms, which is expected to be recovered by the Company's rate payers. On September 30, 2011, the Company submitted a request to the NHPUC for an increase in collections to the storm fund. The Company asked for recovery of the estimated negative balance in the storm fund at December 31, 2011 at a rate of \$0.9 million per year over five

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years plus a permanent increase in collections of \$1.3 million per year to offset future storms. The NHPUC approved the Company's proposal in December 2011, subject to minor changes identified in the NHPUC staff's audit which was subsequently concluded.

*Successor:*

In September 2012, the Company incurred approximately \$1.7 million of restoration costs due to Hurricane Sandy.

In March 2013, the Company filed a rate case with the NHPUC seeking an increase in distribution base rates. The filing is based on a 2012 test year, with revenues and expenses adjusted to reflect known and measurable changes. In addition, the Company requested approval to implement a "rate year" step adjustment to reflect certain capital additions to rate base after the test year. Among other things, the Company is also seeking to continue current cost-recovery tracking mechanisms, including long-term continuation of the REP/VMP Program and a modification to allow for recovery of pre-staging personnel and equipment for qualifying storms. The case is expected to be concluded in mid-2014; in accordance with general New Hampshire regulatory practice, interim rates were implemented on July 1, 2013.

Regulatory assets and liabilities consist of the following:

	<b>Successor</b>	<b>Predecessor</b>
	<b>Dec 31, 2012</b>	<b>Mar 31, 2012</b>
<b>Regulatory assets:</b>		
Pension and post-retirement benefits (a)	\$ 21,637	\$ -
Storm costs deferral (b)	6,761	6,665
Deferred energy costs (c)	2,824	1,908
Rate case costs (d)	6	-
Asset retirement obligation (e)	108	104
Other	-	2,610
Total regulatory assets	\$ 31,336	\$ 11,287
Less current regulatory assets	(2,824)	(4,518)
Non-current regulatory assets	\$ 28,512	\$ 6,769
<b>Regulatory liabilities</b>		
Cost of removal (f)	\$ 4,279	\$ 4,332
Regulatory tax liabilities	-	2,523

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Pension and post-retirement benefits (a)	1,133	1,467
Other	-	1,224
Total regulatory liabilities	\$ 5,412	\$ 9,546
Less current regulatory liabilities	-	(1,224)
Non-current regulatory liabilities	\$ 5,412	\$ 8,322

- (a) Pension and post-retirement benefits: As part of a business acquisition, a regulatory asset or liability is set up for the amounts of pension and post-retirement benefits that have not yet been recognized in net periodic cost and were presented as accumulated comprehensive income prior to the acquisition. The portion currently recovered through rates is amortized over the future service years of the employees. The portion related to the acquisition of the Company which amounts to \$21.6 million as of December 31, 2012 was authorized by the NHPUC as a regulatory asset and recovery is expected to start following the next rate case.
- (b) Storm costs: The Company incurred repair costs resulting from certain storms, which are expected to be recovered through rates.
- (c) Deferred energy cost: The revenue includes a component which is designed to recover the cost of electricity through rates charged to customers. Under deferred energy accounting, to the extent actual purchased power costs differ from purchased power costs recoverable through current rates that difference is not recorded on the statement of operations but rather is deferred and recorded as a regulatory asset or liability on the balance sheet. These differences are reflected in adjustments to rates and recorded as an adjustment to cost of natural gas or electricity in future time periods, subject to regulatory review.
- (d) Rate case costs: The costs to file, prosecute and defend rate case applications are referred to as rate case costs. These costs are capitalized and amortized over the period of rate recovery granted by the regulator.
- (e) Asset retirement obligation: Asset retirement obligations incurred by the Company are expected to be recovered through rates.
- (f) Cost of removal: The regulatory liability for cost of removal represents amounts that have been collected from ratepayers for costs that are expected to be incurred in the future to retire the utility plant.

The regulatory items above are not included in the utility rate base at the time the expense is incurred or the revenue is billed. The Company records carrying charges on the regulatory items related to energy costs, storm costs and rate adjustment mechanisms for which cash expenditures have been made and are subject to recovery or for which cash has been collected and is subject to refund. Carrying charges are not recorded on items for which expenditures have not yet been made. The Company anticipates recovering these costs in the rates concurrently with future cash expenditures. If recovery is not concurrent with the cash expenditures, the Company will record the appropriate level of carrying charges.

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As recovery of regulatory assets is subject to regulatory approval, if there are any changes in regulatory positions that indicate recovery is not probable, the related cost would be charged to income in the period of such determination.

## 9. Related party transactions

### *Predecessor:*

#### *Money Pool*

NGUSA and certain affiliates, including the Company, participate in money pools to more effectively utilize cash resources and to reduce external short-term borrowings. The money pool in which the Company participates is administered by the NGUSA service company as the agent for the participants. Short-term borrowing needs are met first by available funds of the money pool participants. Borrowings from the money pool bear interest in accordance with the money pool agreement. Companies that invest in the money pool share the interest earned on a basis proportionate to their average monthly investment in the money pool. Funds may be withdrawn from or repaid to the money pool at any time without prior notice. At March 31, 2012 the Company had short-term money pool investment of \$2.2 million. The average interest rates for the money pool were 0.17% for the year ended March 31, 2012.

#### *Accounts Receivable from Affiliates/Accounts Payable to Affiliates*

NGUSA and its affiliates also provide various services to the Company, including executive and administrative, financial (including accounting, auditing, risk management, tax and treasury/finance), human resources, information technology, legal and strategic planning that are charged between the companies and charged to each company appropriately. In addition, the Company has a tax sharing agreement with NGHI, a NGUSA affiliate, in filing consolidated tax returns. The Company's share of the tax liability is allocated resulting in a payment to or refund from NGHI.

The Company records short-term payables to and receivables from certain of its affiliates in the ordinary course of business. The amounts payable to and receivable from its affiliates do not bear interest and are settled through the money pool. In the current year, the company adopted a policy of gross settlement and the presentation has changed accordingly. At March 31, 2012, the Company had a net outstanding accounts payable of \$2.0 million consisting of \$0.6 million payable to Energy North Gas Co., \$0.5 million payable to New England Power Co., \$0.5 million to NGUSA Service Co., and \$0.3 million to other related parties.

#### *Service Company Charges*

The affiliated service companies of NGUSA provide certain services to the Company at their cost. The service company costs are generally allocated to associated companies through a tiered approach. First and foremost, costs are directly charged to the benefited company whenever practicable. Secondly, in cases where direct charging cannot be readily determined, costs are typically allocated using cost/causation principles linked to the relationship of that type of service, such as meters, square footage, number of employees, etc. Lastly, all other costs are allocated based on a general allocator.

The Company's service company charges for the year March 31, 2012 include operating and capital expenditures

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as follows:

	<u>Year Ended March 31,</u>
	<u>2012</u>
	<i>(in thousands of dollars)</i>
Operating expenses	\$ 8,969
Capital expenditures	<u>2,583</u>
	<u>\$ 11,552</u>

*Successor:*

On December 21, 2012, Liberty Utilities issued \$17 million in unsecured promissory notes to the Company. \$3.4 million bearing interest of 3.51%, maturing December 20, 2017, \$7.9 million bearing interest of 4.49%, maturing in December 20, 2022 and \$5.7 million bearing interest of 4.89% maturing December 20, 2027. The notes are interest only and interest is payable semi-annually.

On December 21, 2012, the Company paid a \$17 million dividend to Liberty Energy Utilities (New Hampshire) Corp.

Due from related parties represents advances for current operating costs and reimbursement for management and accounting services provided by Liberty Utilities as well as other third party costs incurred by Liberty Utilities on behalf of the Company. These amounts do not bear interest and have no fixed repayment terms. Total amounts allocated for the period from July 3, 2012 to December 31, 2012 were \$0.5 million.

Periodically there are advances due to and from Liberty Utilities to manage working capital. Such advances do not bear interest and are due on demand. At December 31, 2012, the net amount receivable from related parties amounts to \$1,841.

**10. Long-term liabilities**

At December 31, 2012 and March 31, 2012, the Company had outstanding \$15 million of unsecured long-term notes. The interest rates on these unsecured notes range from 7.30% to 7.94% and the maturity dates extend from November 2023 to June 2028. These unsecured notes have certain restrictive covenants and acceleration clauses. These covenants stipulate that note holders may declare the debt to be due and payable if total debt becomes greater than 70% of total capitalization. Management believes the Company was in compliance with its covenants at December 31, 2012.

**11. Pension and other post-retirement benefits**

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*Predecessor:*

The Company participates with certain other NGUSA subsidiaries in a qualified and non-qualified non-contributory defined benefit plan (the "NGUSA Pension Plan") and PBOP (together with the NGUSA Pension Plan (the "NGUSA Plan")), covering substantially all employees. The NGUSA Pension Plan provides union employees with a retirement benefit and non-union employees hired before January 1, 2011 with a retirement benefit. Supplemental nonqualified, non-contributory executive retirement programs provide additional defined pension benefits for certain executives. The Company participates in the following plans - The Final Average Pay Pension Plan (FAPP), National Grid USA Companies' Executive SERP (Version I-FAPP) (ESRP), National Grid Deferred Compensation Plan, National Grid Retirees Health and Life Plan I (Nonunion), National Grid Retirees Health and Life Plan II (Union).

During the year ended March 31, 2012, the Company made contributions of approximately \$0.9 million to the NGUSA Plan.

The NGUSA Plan's assets are commingled and cannot be allocated to an individual company. The NGUSA Plan's costs are first directly charged to the Company based on the Company's employees that participate in the NGUSA Plan. Costs associated with affiliated service companies' employees are then allocated as part of the labor burden for work performed on the Company's behalf. In addition, certain changes in the funded status of the NGUSA Plan are also allocated based on the employees associated with the Company through an intercompany payable account and are presented as postretirement benefits in the accompanying balance sheets. Pension and PBOP expense is included in operations and maintenance expenses in the accompanying statements of income.

NGUSA's unfunded obligations at March 31, 2012 are as follows:

	<u>March 31,</u> <u>2012</u>	
	<i>(in thousands of dollars)</i>	
Pension	\$ 493,600	
PBOP	<u>384,800</u>	
	<u>\$ 878,400</u>	

The Company's net Pension Plan and PBOP expenses directly charged and allocated from affiliated service companies, net of capital, for the year ended March 31, 2012 is as follows:

	<u>Years Ended March 31,</u> <u>2012</u>	
	<i>(in thousands of dollars)</i>	
Pension Plan	\$ 725	
PBOP	<u>638</u>	
	<u>\$ 1,363</u>	

*Successor:*

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
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NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company has a noncontributory defined pension plan covering substantially all employees. Benefits are based on each employee's years of service and compensation. The Company's policy is to make contributions within the range determined by generally accepted actuarial principles. The Company also has another OPEB plan providing health care and life insurance coverage to eligible retired employees. Eligibility is based on age and length of service requirements and retirees must cover a portion of the cost of their coverage.

The following table sets forth the projected benefit obligations, fair value of plan assets, and funded status of the Company's plans at December 31, 2012, which are recognized on the Balance Sheet as noncurrent liabilities:

In \$000	Pension benefits Successor Dec 31	OPEB Successor Dec 31
Projected benefit obligation	\$ (32,056)	\$ (17,640)
Fair value of plan assets	20,798	8,080
Unfunded status	\$ (11,258)	\$ (9,560)

The accumulated benefit obligation for the pension plan was \$29 million at December 31, 2012.

The following table sets forth the benefit cost reflected in earnings for the 12 months ended March 31, 2012, and the period from July 3, 2012 to December 31, 2012:

In \$000	Pension benefits Successor Dec 31	OPEB Successor Dec 31
Benefit Cost	\$172	\$521

Weighted average assumptions used to determine net benefit cost for the period from July 3, 2012 to December 31, 2012 are as follows:

	Pension benefits Dec 31	OPEB Dec 31
Discount rate	3.85%	3.89%
Expected return on assets	5.50%	N/A
Rate of compensation increase	4.00%	N/A
Healthcare cost trend rate		
Before Age 65		8.0%
Age 65 and after		7.50%
Year in which Ultimate Rate is reached		2018

Weighted average assumptions used to determine net benefit obligation as at December 31, 2012 and July 3, 2012:

	Pension benefits	OPEB
--	------------------	------

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	Dec 31	Dec 31
Discount rate	3.70%	3.77%
Expected return on assets	5.50%	N/A
Rate of compensation increase	4.00%	N/A

In selecting an assumed discount rate, the Company uses a modeling process that involves selecting a portfolio of high-quality corporate debt issuances (AA- or better) whose cash flows (via coupons or maturities) match the timing and amount of the Company's expected future benefit payments. The Company considers the results of this modeling process, as well as overall rates of return on high-quality corporate bonds and changes in such rates over time, to determine its assumed discount rate.

The Company recognizes the unamortized gains and losses and past service costs in accumulated other comprehensive income ("AOCI"). The AOCI balance at December 31, 2012 included \$1.2 million of unamortized actuarial gains and losses, all of which were incurred during the period from July 3, 2012 to December 31, 2012. The net actuarial loss for the defined benefit pension and OPEB plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are \$0 and \$0, respectively.

The Company contributed \$nil to its pension plan in fiscal year 2012 and expects to contribute \$1.4 million in 2013. The benefit payments for 2012 were \$0.8 million.

The expected benefit payments over the next ten years are as follows:

In \$000	2013	2014	2015	2016	2017	2018-2022
Pension plan	\$ 1,230	\$ 1,301	\$ 1,326	\$ 1,357	\$ 1,387	\$ 7,671
OPEB	663	692	724	746	771	4,496

## 12. Other long-term liabilities

Included in other long-term liabilities as at December 31, 2012 are asset retirement obligations of \$0.1 million and a provision for injuries and damages of \$0.4 million.

The asset retirement obligations mainly relate to legal requirements to remove asbestos upon major renovation or demolition of structures and facilities.

## 13. Shareholder's capital

In connection with the acquisition on July 3, 2012, the basis in the common shares has been pushed down adjusted to \$82 million.

## 14. Income taxes

### *Predecessor:*

The Company is a member of the NGHI and subsidiaries consolidated federal income tax return. The Company has joint and several liability for any potential assessments against the consolidated group.

The accounting guidance for uncertainty in income taxes provides that the financial effects of a tax position shall initially be recognized in the financial statements when it is more likely than not, based on the technical merits, that

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NOTES TO FINANCIAL STATEMENTS (Continued)			

the position will be sustained upon examination, assuming the position will be audited and the taxing authority has full knowledge of all relevant information.

As of March 31, 2012, the Company's unrecognized tax benefits totaled \$2.3 million of which \$0.4 million would affect the effective tax rate, if recognized. The unrecognized tax benefits are included in other deferred liabilities in the accompanying balance sheets.

The following table reconciles the changes to the Company's unrecognized tax benefits for the year ended March 31, 2012:

	<u>Year Ended March 31,</u> <u>2012</u>
	<i>in thousands of dollars</i>
Balance at the beginning of the year	\$ 3,407
Reductions for tax positions of prior years	(1,078)
Additions based on tax positions related to the current year	(3)
Settlements with tax authorities	-
Balance at the end of the year	<u>\$ 2,326</u>

As of March 31, 2012, the Company has accrued for interest related to unrecognized tax benefits of \$0.1 million. During the year ended March 31, 2012, the Company recorded interest expense of \$50,000. A payment of \$60,000 in interest was paid in fiscal year 2012. The Company recognizes accrued interest related to unrecognized tax positions in other

interest and related penalties, if applicable, in non-operating expenses. No penalties were recognized during the year ended March 31, 2012.

It is reasonably possible that other events will occur during the next twelve months that would cause the total amount of unrecognized tax benefits to increase or decrease. However, the Company does not believe any such increases or decreases would be material to its results of operations, financial position, or liquidity.

During the year ended March 31, 2011, the NGHI consolidated group reached an agreement with the IRS that contained a settlement of the majority of the income tax issues related to the years ended March 31, 2005 through March 31, 2007 as well as an acknowledgment that certain discrete items remained disputed.

The Company is in the process of appealing certain disputed issues with the IRS Office of Appeals relating to its tax returns for March 31, 2005 through March 31, 2007. The Company does not anticipate a change in its unrecognized tax positions in the next twelve months as a result of filing the appeals. During the calendar year, the IRS began a new audit examination cycle covering fiscal years ended March 31, 2008 and March 31, 2009. The years ended March 31, 2010 through March 31, 2012 remain subject to examination by the IRS.

The Company participates with certain other NGHI subsidiaries in filing a unitary New Hampshire business profits tax return. The New Hampshire unitary returns have been amended for all agreed IRS adjustments. There is currently no ongoing audit by the State on New Hampshire, although the tax returns for the years ended March 31, 2009 through March 31, 2012 are open under the statute of limitations.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

*Successor:*

The Company files a consolidated tax return with its parent company, Liberty Utilities. Liberty Utilities pays all income taxes on behalf of the Company. The Company has a tax-sharing agreement with Liberty Utilities to pay an amount equal to the tax that would be paid if the Company filed tax returns on a stand-alone basis. \$0.7 million in taxes was payable to the Parent for the period July 3, 2012 to December 31, 2012.

A valuation allowance against deferred tax assets is required if, based on the weight of available evidence, it is more likely than not that some of all of the deferred tax assets will not be realized. Based upon the level of historical taxable income and projections for future taxable income over the period in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits related to the deferred tax assets and therefore no valuation allowance is required.

As of March 31, 2012, and December 31, 2012 the Company's unrecognized tax benefits totaled \$2.3 million. As part of the stock purchase agreement, there is a contractual agreement where NGUSA would indemnify of any losses asserted against, resulting from, imposed upon or suffered by the Company, arising out of or related to all taxes imposed on or payable with respect to the Company or its business relating or attributable to any taxable period ending on or before the acquisition date. The Company has recorded an indemnification asset for \$2.3 million which management believes is collectible from NGUSA under the indemnification provisions.

The provision for income taxes in the Statement of Operations represents an effective tax rate different than the enacted statutory rate of 39.61% for the period from July 3, 2012 to December 31, 2012. The difference was due to the equity allowance for funds used during construction ("AFUDC") and other permanent items.

The tax effect of temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases that give rise to significant portions of the future tax assets and future tax liabilities are presented below:

	<b>Successor</b>	<b>Predecessor</b>
In \$000	<b>Dec 31, 2012</b>	<b>March 31, 2012</b>
<b>Deferred tax assets:</b>		
Intangible assets	\$ 3,682	\$ -
Pension and other post-retirement obligation	168	4,129
Other items	425	2,064
<b>Total deferred tax assets</b>	<b>\$ 4,275</b>	<b>\$ 6,193</b>
<b>Deferred tax liabilities:</b>		
Property, plant and equipment	\$ (1,349)	\$ (18,149)
Regulatory accounts	(1,351)	(1,710)
Deferred investment tax credit	-	(126)

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Other items	-	(152)
Total deferred tax liabilities	\$ (2,700)	\$ (20,137)
Net deferred assets (liabilities)	\$ 1,575	\$ (13,944)

Deferred income taxes are classified in the financial statements as:

	Successor	Predecessor
In \$000	Dec 31, 2012	March 31, 2012
Current deferred income tax assets	\$ 125	\$ 393
Non-current deferred income tax assets	1,450	(14,337)
	\$ 1,575	\$ (13,944)

## 15. Commitments and contingencies

### a) Contingencies

The normal ongoing operations and historic activities of the Company are subject to various federal, state and local environmental laws and regulations and are regulated by agencies such as the United States Environmental Protection Agency and the New Hampshire Department of Environmental Services ("NHDES"). Like most other industrial companies, an electric distribution utility generates some hazardous wastes. Under federal and state Superfund laws, potential liability for historic contamination of property may be imposed on responsible parties jointly and severally, without fault, even if the activities were lawful when they occurred. In the case of regulated utilities these costs are often allowed in rate case proceedings to be recovered from rate payers over a specified period.

The Company is involved in various claims and litigation arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to such litigation to be material to these financial statements. Accruals for any contingencies related to these items are recorded in the financial statements at the time it is concluded that its occurrence is probable and the related liability is estimable.

The Company has been named as a potentially responsible party for the remediation of a sites at which hazardous waste is alleged to have been disposed. The Company believes that obligations imposed on it because of those sites will not have a material impact on its results of operations or financial position.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

As at December 31, 2012 and 2011, the Company had reserves related to its environmental obligations of \$0.1 million and \$0.1 million respectively, included as other long-term liabilities in the accompanying balance sheets, which represents management's best estimate of the future costs to investigate and remediate the sites as necessary. These environmental reserves are recorded on a discounted basis. Remediation costs for each site may be materially higher than noted, depending on changing technologies and regulatory standards, selected end use for each site, and actual environmental conditions encountered.

b) Commitments

The Company has several types of contracts for the purchase of electric power. Substantially all of these contracts require power to be delivered before the Company is obligated to make payment. The Company's commitments under these contracts are \$13.2 million at December 31, 2012.

**16. Financial instruments**

*Predecessor:*

Available for sale securities are included in other assets in the accompanying balance sheets and primarily include equities and investments based on quoted market prices (Level 1) and municipal and corporate bonds based on quoted prices of similar traded assets in open markets (Level 2).

The following table presents assets and liabilities measured and recorded at fair value in the accompanying balance sheet on a recurring basis and their level within the fair value hierarchy as of March 31, 2012:

	<b>March 31, 2012</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>(in thousands of dollars)</i>			
Assets:				
Available for sale securities	\$ 521	\$ 672	\$ -	\$ 1,193

A transfer into Level 3 represents existing assets or liabilities that were previously categorized at a higher level for which the inputs became unobservable. A transfer out of Level 3 represents assets and liabilities that were previously classified as Level 3 for which the inputs became observable based on the criteria discussed previously for classification in Level 2. These transfers, which are recognized at the end of each period, result from changes in the observability of forward curves from the beginning to the end of each reporting period. There were no transfers between Level 1 and Level 2 or transfers into or transfers out of Level 3 during the years ended March 31, 2012.

*Successor:*

(a) Fair value of financial instruments

The Company has determined that the carrying value of its short-term financial assets and liabilities approximates

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NOTES TO FINANCIAL STATEMENTS (Continued)			

fair value at December 31, 2012 due to the short-term maturity of these instruments.

Long-term liabilities are at fixed interest rates. The fair value of long-term liabilities is approximately \$17.3 million at December 31, 2012.

Fair value estimates are made at a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision.

(b) Risk Management

In the normal course of business, the Company is exposed to financial risks that potentially impact its operating results. The Company employs risk management strategies with a view to mitigating these risks to the extent possible on a cost effective basis. The Company does not enter into derivative financial agreements for speculative purposes.

*Credit Risk*

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. The Company limits its exposure to credit risk with respect to cash equivalents by ensuring available cash is deposited with its senior lenders all of which have a credit rating of A or better.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, to the extent possible, that it will always have sufficient liquidity to meet liabilities when due.

**17. Subsequent events**

On January 1, 2013, Algonquin acquired the 109.5 MW Sandy Oaks wind powered generating facility by assuming the existing long-term debt of approximately U.S. \$150 million for no additional cash. The purchase agreement provides for final purchase price adjustments based on working capital at the acquisition date, energy generated by the project and basis differences between the relevant node and hub prices.

On February 1, 2013, Liberty Utilities acquired United Water Arkansas Inc. a regulated water distribution utility (the "Arkansas Utility") located in Pine Bluff, Arkansas. Total purchase price for the Arkansas Utility is approximately U.S.\$27.6 million subject to certain working capital and other closing adjustments.

On February 11, 2013, Liberty Utilities entered into an agreement with The Laclede Group, Inc. to assume the rights to purchase the assets of New England Gas Company ("New England Gas") located in the State of Massachusetts. Total purchase price for the New England Gas is approximately U.S. \$74 million subject to certain working capital and other closing adjustments. Closing of the transaction is subject to certain conditions including state and federal regulatory approval, and is expected to occur in the second half of 2013.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

On April 1, 2013, Liberty Utilities acquired the natural gas distribution assets of Atmos Energy Corporation located in Georgia ("Georgia Utility"). Total purchase price for the Georgia Utility is approximately U.S. \$140.7 million subject to certain working capital and other closing adjustments.

Effective January 22, 2013 Ian E. Robertson, Gregory S. Sorensen and Victor Del Vecchio were elected as directors of the Company. Effective January 22, 2013 all of the following are all officers of the Company: Ian E. Robertson was elected Chief Executive Officer and Chairman of the Board. David Bronicheski elected as Chief Financial Officer, Treasurer and Secretary of the Company. Victor Del Vecchio was elected President of the Company. Christopher K. Jarratt was elected Vice-President of the Company.

DE 13-063 Rate Case – On June 27, 2013, the NHPUC authorized; 1) a temporary annual distribution service revenue increase of \$6.5 million, to be collected by applying a uniform increase in distribution revenue of 26.35% to each of Liberty's current rate schedules and rates, effective July 1, 2013.

On July 15, 2013, The Company filed a proposal to increase its Storm Recovery Factor, which if approved corresponds to an annual increase of approximately \$1.6 million for effect with rates on November 1, 2013.

On June 28, 2013 in DG 13-149 –FY 2013 Cast Iron/Bare Steel program was approved by the NHPUC. The new rates are effective July 1, 2013. The total annual impact on revenue is an increase of approximately \$158,000.

On June 27, 2013, DE 13-150 - GSE's FY 2013 REP/VMP capital expenditures and O&M costs were approved by Commission Order No. 25,536. The new rates are effective July 1, 2013, and results in a net increase to annual distribution rates of \$371,284.





**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	134,312,580	134,312,580
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	134,312,580	134,312,580
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	9,379,107	9,379,107
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	143,691,687	143,691,687
14	Accum Prov for Depr, Amort, & Depl	55,447,764	55,447,764
15	Net Utility Plant (13 less 14)	88,243,923	88,243,923
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	55,447,764	55,447,764
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	55,447,764	55,447,764
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	55,447,764	55,447,764

Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
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					25
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					31
					32
					33

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year
			Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)		
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)		
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)		
15	Estimated net Salvage Value of Nuclear Materials in line 9		
16	Estimated net Salvage Value of Nuclear Materials in line 11		
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing		
18	Nuclear Materials held for Sale (157)		
19	Uranium		
20	Plutonium		
21	Other (provide details in footnote):		
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)		

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Changes during Year		Balance End of Year (f)	Line No.
Amortization (d)	Other Reductions (Explain in a footnote) (e)		
			1
			2
			3
			4
			5
			6
			7
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			12
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			14
			15
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			21
			22

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents	24,808	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	24,808	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights		
9	(311) Structures and Improvements		
10	(312) Boiler Plant Equipment		
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units		
13	(315) Accessory Electric Equipment		
14	(316) Misc. Power Plant Equipment		
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)		
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights		
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators		
42	(345) Accessory Electric Equipment		
43	(346) Misc. Power Plant Equipment		
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)		

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	<b>3. TRANSMISSION PLANT</b>		
48	(350) Land and Land Rights		
49	(352) Structures and Improvements		
50	(353) Station Equipment		
51	(354) Towers and Fixtures		
52	(355) Poles and Fixtures		
53	(356) Overhead Conductors and Devices		
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)		
59	<b>4. DISTRIBUTION PLANT</b>		
60	(360) Land and Land Rights	1,525,395	102,046
61	(361) Structures and Improvements	369,982	
62	(362) Station Equipment	17,300,841	62,072
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	25,621,635	897,675
65	(365) Overhead Conductors and Devices	34,667,534	969,496
66	(366) Underground Conduit	4,595,778	9,909
67	(367) Underground Conductors and Devices	9,665,604	219,235
68	(368) Line Transformers	16,555,011	96,574
69	(369) Services	7,438,292	266,303
70	(370) Meters	4,407,304	250,573
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises	1,140,692	29,606
73	(373) Street Lighting and Signal Systems	4,283,924	47,077
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	127,571,992	2,950,566
76	<b>5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT</b>		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	<b>6. GENERAL PLANT</b>		
86	(389) Land and Land Rights	1,618,694	
87	(390) Structures and Improvements	2,240,270	
88	(391) Office Furniture and Equipment	28,780	
89	(392) Transportation Equipment	82,354	
90	(393) Stores Equipment	61,654	
91	(394) Tools, Shop and Garage Equipment	195,476	
92	(395) Laboratory Equipment	236,238	
93	(396) Power Operated Equipment		
94	(397) Communication Equipment	1,476,251	
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	5,939,717	
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant	15,000	
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	5,954,717	
100	TOTAL (Accounts 101 and 106)	133,551,517	2,950,566
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	133,551,517	2,950,566

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
			24,808		3
					4
			24,808		5
					6
					7
					8
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					46

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
				48
				49
				50
				51
				52
				53
				54
				55
				56
				57
				58
				59
			1,627,441	60
			369,982	61
			17,362,913	62
				63
92,656	-799,036		25,627,618	64
169,233	-618,337		34,849,460	65
160	-28,437		4,577,090	66
20,114	-138,473		9,726,252	67
21,328	50,121		16,680,378	68
15,493	-136,847		7,552,255	69
98,081	-1,582		4,558,214	70
				71
			1,170,298	72
14,792	-91,055		4,225,154	73
				74
431,857	-1,763,646		128,327,055	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			1,618,694	86
			2,240,270	87
			28,780	88
			82,354	89
			61,654	90
			195,476	91
			236,238	92
				93
			1,476,251	94
				95
			5,939,717	96
				97
	6,000		21,000	98
	6,000		5,960,717	99
431,857	-1,757,646		134,312,580	100
				101
				102
				103
431,857	-1,757,646		134,312,580	104

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
FOOTNOTE DATA			

**Schedule Page: 204 Line No.: 64 Column: e**

Column E, lines 64 - 73, the credit adjustments resulted in general ledger account, #106 - CCNC. National Grid reversed all charges in that account prior to the sale of Granite State Electric to Liberty Utilities because Liberty does not utilize general ledger account 106.

**Schedule Page: 204 Line No.: 68 Column: e**

**Plant FERC 106 adjustments and Precap Transformers**

Adjustment of GL FERC106	29,658
Adjustment PreCap Transformers Account 368	20,463
Total	50,121

Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
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12					
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41					
42					
43					
44					
45					
46					
47	TOTAL				

**ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)**

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23				
24				
25				
26				
27				
28				
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36				
37				
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39				
40				
41				
42				
43				
44				
45				
46				
47	Total			0

**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Electric	
2	Materials Accrual Capital	1,176,610
3	01640 2352 Line Reconductoring Salem NH	522,668
4	Michael Ave Substation	871,696
5		
6	Minor Projects - See attached footnote	6,808,133
7		
8		
9		
10		
11		
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43	TOTAL	9,379,107

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Granite State Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 07/31/2013	2012/Q4
FOOTNOTE DATA			

**Schedule Page: 216 Line No.: 6 Column: b**

Job/Project Number	Name	Construction Work In Progress Electric
8830-CNN022	GSE-Dist-3rd Party Attach Blanket	414,140.14
8830-PH1-EAST	ERP Phase1 Implem	403,534.27
8830-COGS-0001	COGSDALE System Implementation	369,479.35
8830-CD0188	NHDOT#13933E Exit 2 Pelham RD in	302,361.42
8830-C32279	01757 NN ARP Breakers & Reclosers	293,995.31
8830-CNN013	GSE-Dist-Public Require Blanket	292,396.57
8830-CD0376	ENFIELD SUPPLY	264,132.43
8830-C32029	01760 Regulator Repl- NE North NH	254,303.61
8830-CD0525	Hypertherm	231,023.78
8830-C21595	01663 GS Storm Program Proj	180,639.70
8830-PH2-EAST	ERP Phase2 Implem	170,920.26
8830-C27906	6L4 LEBANON ST UG - DARTMOUTH	157,852.24
8830-INF-EAST	Infrastructure Implem	157,417.53
8830-C06318	Co 41 Acctg Entries, Accruals, etc	156,388.84
8830-CNN006	GSE-Dist-Genl Equip Blanket	143,130.84
8830-CNN002	01737 GSE-Dist-Subs Blanket	142,219.32
8830-CD0094	10869 NH Third Party - Large Projects	133,782.22
8830-CNN010	GSE-Dist-New Bus-Resid Blanket	123,661.46
8830-AFUDC-ACCR UE	AFUDC Accrual	121,693.87
8830-CNN011	GSE-Dist-New Bus-Comm Blanket	116,886.62
8830-CNN017	GSE-Dist-Asset Replace Blanket	107,284.45
8830-LUC APUC-4F	LUC APUC 4 FACTOR ALLOCATE	105,547.53
8830-C32399	Slaton Hill Sub- Add new Cap Bank	103,780.96
8830-CD0982	Mt Support Rd, Lebanon - Pole Reloc	103,472.09
8830-C22157	Pine Tree Cemetary Devl. OH & UG	96,612.49
8830-CNN014	Dist-Damage&Failure Blanket	86,839.31
8830-CD0120	11113 NH DOT Lighting Request, I-89 Exit 20	60,569.56
8830-CNN015	GSE-Dist-Reliability Blanket	54,483.93
8830-CD0347	NHOS Broadband Fiber Project	51,845.43
8830-C20473	IE - NN Recloser Installations	44,116.75
8830-CAP041	Capital Overheads	38,695.75
8830-CD0272	11255 Michael Ave Getaway	38,223.79
8830-C26263	NN D-Line Work Found by Insp.	30,207.73
8830-GSEC0001	BOOKCASE GUNLOCKE & TABLE MEET	25,146.31
8830-E06013	Storm Expense Project	25,134.62
8830-CD0955	Lebanon Battery and Charger Replacement	21,821.72
8830-CD0291	Sky View URD - Salem, NH	20,732.97
8830-C26838	01695 Mercury Vapor Replacement	20,686.88
8830-OSI-EAST	Oasys-Scada Implem	19,777.47
8830-C20193	01648 DOT--Brookdale Bridge relo (I-93)	18,608.13
8830-CD0030	09282 Hayes Hill URD	15,936.24

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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FOOTNOTE DATA			

8830-CNN004	GSE-Dist-Meter Blanket	15,829.17
8830-CNN016	GSE-Dist-Load Relief Blanket	15,694.81
8830-18602	Pelham Double Rotary NH DOT	15,066.44
8830-C13968	PS&I Activity - New Hampshire	13,339.35
8830-CD0785	Whelen Engineering Charlestown, NH	12,967.28
8830-CD0701	Darhmouth College: Hanover, MA	10,978.96
8830-CD0332	sherburne RD, Pelham 3 phase extension	10,294.71
8830-GSEXM100	Distribution Overhead Maintenance	8,442.77
8830-CD0032	09061 DOT-NHDOT-13933 Lowell Road	7,711.21
8830-GSEXO100	Distribution Overhead Operations	7,386.86
8830-CNN012	GSE-Dist-St Light Blanket	7,088.77
8830-CNN020	Dist-Transf/Capac Blanket	6,765.91
8830-LOAD-EAST	Electric Load Research Settlem	5,892.43
8830-C21051	01687 IE - NN Targeted Pole Replace	5,182.17
8830-GSEC0004	LIBERTY TV PROJECT SAMSUNG	4,866.63
8830-GIS-EAST	GIS Implem	4,597.33
8830-CNN009	GSE-Dist-Land/Land Rights Blanket	4,195.82
8830-CN4120	01660 Granite St Transformer Purchases	3,162.80
8830-C10285	IE - NN Cutout Replacements	3,053.88
8830-CD0164	11306 NH DOT Project, Route 123, Alstead	2,673.20
8830-SER-EAST	FI SERV WEB DEVELOPMENT	2,614.88
8830-C05456	01653 FH - NN Feeder Hardening	2,233.48
8830-WEB-EAST	Web site development	1,517.92
8830-CN4104	01659 Granite St Meter Purchases	1,203.22
8830-RES-EAST	OMS(Responder Implem)	1,127.57
8830-CNN007	GSE-Dist-Water Heater Blanket	837.72
8830-C36413	Install Regulators 6L2 Hanover	553.10
8830-GSEXM200	Distribution Underground Maintenance	292.56
8830-CD0873	Spicket River Feeder Reclosers	117.52
8830-IVR-EAST	INTERACTIVE VOICE RECOGNITION	92.01
8830-C42829	IN 3295D Intrusion Detection Sys	18.23
8830-GSEC315933	State of NH ByPass Windham NH	0.00
8830-CZZ041	RDV Work Delivery Alloc	(9.07)
8830-C32831	01694 KUA Underground Study	(4,133.61)
	Total CWIP Assigned to Jobs	5,691,139.92
	CWIP 1072 Not Assigned to Jobs	825,392.04
	CWIP 1072 Not Assigned to Jobs	154,852.99
	CWIP 1072 Not Assigned to Jobs	136,747.65
	Total CWIP Not Assigned to Jobs	1,116,992.68
	Total Minor Projects/Jobs	6,808,132.60

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Granite State Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 07/31/2013	2012/Q4
FOOTNOTE DATA			

**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	55,632,411	55,632,411		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	4,867,035	4,867,035		
4	(403.1) Depreciation Expense for Asset Retirement Costs	140	140		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	4,867,175	4,867,175		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	431,857	431,857		
13	Cost of Removal	340,485	340,485		
14	Salvage (Credit)				
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	772,342	772,342		
16	Other Debit or Cr. Items (Describe, details in footnote):	-4,279,480	-4,279,480		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	55,447,764	55,447,764		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production				
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission				
26	Distribution	53,500,826	53,500,826		
27	Regional Transmission and Market Operation				
28	General	1,946,938	1,946,938		
29	TOTAL (Enter Total of lines 20 thru 28)	55,447,764	55,447,764		

Name of Respondent Granite State Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

**Schedule Page: 219 Line No.: 16 Column: c**

FAS 143 Adjustment - \$4,279,480

**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)**

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)  
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.  
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1				
2				
3				
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5				
6				
7				
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9				
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36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 \$	0	TOTAL	

**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)**

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
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				42

Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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**MATERIALS AND SUPPLIES**

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	617,980	408,084	
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	617,980	408,084	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	-10,076	7,848	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	607,904	415,932	

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2013	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year				
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year				
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

- 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
- 7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
- 8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
- 9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
- 10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2014		2015		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								1
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Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2013	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year				
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year				
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

- 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
- 7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
- 8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
- 9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
- 10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2014		2015		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
								1
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**EXTRAORDINARY PROPERTY LOSSES (Account 182.1)**

Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
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19						
20	TOTAL					

Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
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48						
49	TOTAL					

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2					
3					
4					
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11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22					
23					
24					
25					
26					
27					
28					
29					
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36					
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40					

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Statement of Financial Accounting Standards (SFAS)	( 1,806,690)	1,944,191	282/283	137,501	
2						
3	Deferred Merger Costs to Achieve (CTA)	36,499		407	36,499	
4	(Rate Order 24,777)					
5	Storm Costs	7,126,505	3,049,104	593/924/58	3,414,668	6,760,941
6						
7	Asset Retirement Obligation Regulatory Asset	96,414	12,438			108,852
8						
9	FAS 158		30,017,699	926/21	8,381,002	21,636,697
10						
11	Deferred Rate Case		5,734			5,734
12						
13						
14						
15						
16						
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42						
43						
44	TOTAL	5,452,728	35,029,166		11,969,670	28,512,224

Name of Respondent Granite State Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

**Schedule Page: 232 Line No.: 3 Column: a**  
Docket number DG 06-107

**Schedule Page: 232 Line No.: 5 Column: a**  
Docket number DG06-107

**Schedule Page: 232 Line No.: 7 Column: a**  
Persuant to D.P.U. 08-27, the company is allowed to recover the cost of retiring an asset through base rates

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Construction Advance	732		143	165	567
2						
3	Cash Over/Short	1,582	33,692	131,142	12,415	22,859
4						
5	Suspense-Mapping	253	97,350	183	253	97,350
6						
7	Misc Deferred Debits		222,825		89,130	133,695
8						
9						
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46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	2,567				254,471

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Pension, OPEB and Other Employee Benefits	2,643,756	
3	Unbilled Revenue	955,260	
4	Other Items	2,925,233	1,574,697
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	6,524,249	1,574,697
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	6,524,249	1,574,697

Notes

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	Common Stock	60,400	100.00	
2				
3	Total Common Stock	60,400		
4				
5				
6				
7				
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
60,400	6,040,000					1
						2
60,400	6,040,000					3
						4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 211 - Miscellaneous Paid in Capital	
2		
3		
4	Purchase Accounting -	
5	Acquisition by Liberty Utilities Energy (New Hampshire) Corp.	58,984,913
6		
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40	TOTAL	58,984,913

Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.  
 2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1		
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21		
22	TOTAL	

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 224		
2			
3	Other Long Term Debt-7.37%	5,000,000	60,143
4	Other Long Term Debt-7.94%	5,000,000	18,430
5	Other Long Term debt-7.30%	5,000,000	
6	Intercompany Long Term debt - 3.51%	3,434,343	
7	Intercompany Long Term debt - 4.49%	7,898,990	
8	Intercompany Long Term debt - 4.89%	4,121,212	
9	Intercompany Long Term debt - 4.89%	1,545,455	
10			
11	The Company has an unsecured Long-term note currently outstanding for \$5,000,000		
12	with a 7.37% interest rate maturing on November 1, 2023, with the principle due at		
13	maturity.		
14			
15	The Company has an unsecured Long-term note currently outstanding for \$5,000,000		
16	with a 7.94% interest rate maturing on July 1, 2025, with the principle due at		
17	maturity.		
18			
19	The Company has an unsecured Long-term note currently outstanding for \$5,000,000		
20	with a 7.30% interest rate maturing on June 15, 2028, with the principle due at		
21	maturity.		
22			
23	Intercompany Debt 3.51% interest rate - See Footnote		
24			
25	Intercompany Debt 4.49% interest rate - See Footnote		
26			
27	Intercompany Debt 4.89% interest rate - See Footnote		
28			
29	Intercompany Debt 4.89% interest rate - See Footnote		
30			
31			
32			
33	TOTAL	32,000,000	78,573

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
11/04/93	11/01/23	11/01/93	11/01/23	5,000,000	368,500	3
07/13/95	07/01/25	07/01/95	07/01/25	5,000,000	397,000	4
05/15/98	06/15/28	05/15/98	06/15/2028	5,000,000	365,000	5
12/21/2012	12/20/2017	12/21/2012	12/20/2017	3,434,343		6
12/21/2012	12/20/2022	12/21/2012	12/20/2022	7,898,990		7
12/21/2012	12/20/2027	12/21/2012	12/20/2027	4,121,212		8
12/21/2012	12/20/2027	12/21/2012	12/20/2027	1,545,455		9
						10
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						30
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						32
				32,000,000	1,130,500	33

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
FOOTNOTE DATA			

**Schedule Page: 256 Line No.: 23 Column: a**

The Company has a Long-term note with a related company currently outstanding for \$3,434,343.43 with a 3.51% interest rate maturing on December 20, 2017, with the principle due at maturity. NH PUC Order No. 25370.

The 3.51% is the effective interest rate on the long-term debt pursuant to the First Amended and Restated Promissory Note issued on July 18, 2013, effective as of December 21, 2012.

**Schedule Page: 256 Line No.: 25 Column: a**

The Company has a Long-term note with a related company currently outstanding for \$7,898,989.90 with a 4.49% interest rate maturing on December 20, 2022, with the principle due at maturity. NH PUC Order No. 25370.

The 4.49% is the effective interest rate on the long-term debt pursuant to the First Amended and Restated Promissory Note issued on July 18, 2013, effective as of December 21, 2012.

**Schedule Page: 256 Line No.: 27 Column: a**

The Company has a Long-term note with a related company currently outstanding for \$4,121,212.12 with a 4.89% interest rate maturing on December 20, 2027, with the principle due at maturity. NH PUC Order No. 25370.

The 4.89% is the effective interest rate on the long-term debt pursuant to the First Amended and Restated Promissory Note issued on July 18, 2013, effective as of December 21, 2012.

**Schedule Page: 256 Line No.: 29 Column: a**

The Company has a Long-term note with a related company currently outstanding for \$1,545,454.55 with a 4.89% interest rate maturing on December 20, 2027, with the principle due at maturity. NH PUC Order No. 25370.

The 4.89% is the effective interest rate on the long-term debt pursuant to the First Amended and Restated Promissory Note issued on July 18, 2013, effective as of December 21, 2012.

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	-1,085,096
2		
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	3,870
6	Employee Stock Purchase Plan Discount	1,926
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	See footnote page for further details	7,882,286
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	See footnote page for further details	140,467
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	See footnote page for further details	3,138,974
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	2,744,517
28	Show Computation of Tax:	
29	See Footnote Pages for further details	-663,716
30		
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43		
44		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Granite State Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 07/31/2013	2012/Q4
FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 10 Column: b**

Expenses Recorded on Books not Included on Return:	
Unamortized Debt Exp	1,295
AFUDC Debt	133,035
Accrued Interest	12,310
Depreciation	4,097,169
Employee Compensation And Benefits	44,366
Insurance Reserve	101,608
Lobbying Expenses	13,481
Meals and Entertainment	1,529
Opeb Liability	(178,081)
Pension Liability	1,309,922
Reg Asset - Opeb	1,412,347
Reserve - Environmental	14,467
Reserve - Other	78,337
Vacation Accrual	(9,628)
Workers' Compensation	(16,736)
Pension Accual	329,385
Allowance for Doubtful Accounts	315,000
Depreciation Cost of Removal	222,480
 Total Line 5	 <u>7,882,286</u>

**Schedule Page: 261 Line No.: 15 Column: b**

Income Recorded on Books not included on Return:	
AFUDC Equity	120,963
Dividend Received	3,644
Deduction	
Tax Exempt Interest	15,737
AR Bad Debt Recovery	123
 Total Line 7	 <u>140,467</u>

**Schedule Page: 261 Line No.: 20 Column: b**

Deductions on Return not Charged Against Book Income:	
Bad Debts	208,386
Cost Of Removal	445,348
Deferred Compensation	3,267
ESOP Dividends	10,643

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Granite State Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 07/31/2013	2012/Q4
FOOTNOTE DATA			

Reg Asset - Other	1,166,450
Reg Asset - Storm Cost	(983,394)
Repairs Deduction	296,430
State	(14,240)
Taxes	
Tax Depreciation	1,442,559
Tax Goodwill	320,458
Amortization	
Pension Payment	115,639
Other Accrued Liabilities	127,428
 Total Line 8	 <u>3,138,974</u>

**Schedule Page: 261 Line No.: 29 Column: b**

**RECONCILIATION TO FEDERAL INCOME TAX REPORTED ON INCOME STATEMENT**

Tax Reported on Page 114	(720,125)
Tax Reported on Page 117	56,409
Total	<u>(663,716)</u>
 Current Year Net Allocated Tax	 1,036,868
Parent Loss Allocation	
Prior Year Adjustment	(1,700,584)
Total	<u>(663,716)</u>

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Property Taxes		674,385	2,778,746	2,619,027	21,496
2	Company - State Unemploy		318	36,546	36,170	
3	Company - FICA Tax	49,024		346,261	380,643	
4	Company - Fed Unemploy	274		5,155	4,488	
5						
6	Federal Income Taxes		1,620,048	-1,319,189	-150,687	2,788,550
7	State, New Hampshire					
8	Income Tax	616,116	40,575	-183,579	155,268	-236,694
9	Other					
10						
11						
12						
13						
14						
15						
16						
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39						
40						
41	TOTAL	665,414	2,335,326	1,663,940	3,044,909	2,573,352

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

- 5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
- 6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
- 7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
- 8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
- 9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
1,274,791	1,810,953	2,778,746				1
58		36,546				2
14,642		346,261				3
	393	4,488				4
						5
655,472		-720,125		2,788,550		6
						7
		-198,552		-236,694		8
						9
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1,944,963	1,811,346	2,247,364		2,551,856		41

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	134,741			420	134,741	
6							
7							
8	TOTAL	134,741				134,741	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
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15							
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Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
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			48

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Def Cr-Miscellaneous	-17,370	106,107,582	11,462	89,798	60,966
2						
3	Deferred Cr- Highway Reloc Billed	157,944	107	157,944		
4						
5	Deferred Compensation	434,073	926,242	385,812	47,255	95,516
6						
7	Pension Cost	998,444	232	353,917	15,035,892	15,680,419
8						
9	Hazardous Waste Reserves	109,776	234	396	19,320	128,700
10						
11	FAS 106	3,825,923	219,926	521,175	1,833,295	5,138,043
12						
13	FAS 112	109,613			1,072	110,685
14						
15	Long term Int/FIN48 FIT/SIT Perm I	493,412	Various	725,652	232,240	
16						
17	Hazwaste Prov-Unwind Discount	3,941	253	3,941		
18						
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46						
47	TOTAL	6,115,756		2,160,299	17,258,872	21,214,329

**ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1  (c)	Amounts Credited to Account 411.1  (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES \_ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
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							12
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NOTES (Continued)

**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1  (c)	Amounts Credited to Account 411.1  (d)
1	Account 282			
2	Electric	17,466,714	2,830,131	21,511,333
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	17,466,714	2,830,131	21,511,333
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	17,466,714	2,830,131	21,511,333
10	Classification of TOTAL			
11	Federal Income Tax	14,804,025	2,273,948	18,552,753
12	State Income Tax	2,662,689	556,183	2,958,580
13	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		182	260,292	182	1,474,780		2
							3
							4
			260,292		1,474,780		5
							6
							7
							8
			260,292		1,474,780		9
							10
				182	1,474,780		11
			260,292				12
		182					13

NOTES (Continued)

**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Regulatory Assets Other	4,773,310	1,234,236	7,128,206
4	Other	31,115		31,115
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	4,804,425	1,234,236	7,159,321
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	4,804,425	1,234,236	7,159,321
20	Classification of TOTAL			
21	Federal Income Tax	4,196,037	961,734	6,014,899
22	State Income Tax	608,388	272,502	1,144,422
23	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.  
 4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
				282	1,120,660		3
							4
							5
							6
							7
							8
					1,120,660		9
							10
							11
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							17
							18
					1,120,660		19
							20
				182	857,128		21
				182	263,532		22
							23

NOTES (Continued)

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	FAS 109	672,901	190	672,901		
2	FAS 106-Retirement Plan	1,510,982	926	454,139	76,018	1,132,861
3	Misc Def Cr Storm Costs	( 12,474)	930	24,947	37,421	
4	Cost of Removal Reclass				4,279,480	4,279,480
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41	TOTAL	2,171,409		1,151,987	4,392,919	5,412,341

**ELECTRIC OPERATING REVENUES (Account 400)**

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	19,943,839	20,611,191
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	16,620,726	19,924,869
5	Large (or Ind.) (See Instr. 4)	1,319,381	1,951,570
6	(444) Public Street and Highway Lighting	49,895	56,710
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	37,933,841	42,544,340
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	37,933,841	42,544,340
13	(Less) (449.1) Provision for Rate Refunds	1,125,007	-1,537,690
14	TOTAL Revenues Net of Prov. for Refunds	36,808,834	44,082,030
15	Other Operating Revenues		
16	(450) Forfeited Discounts	117,251	117,931
17	(451) Miscellaneous Service Revenues	2,938,348	2,906,510
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	283,643	323,936
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	38,078,459	35,813,316
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	41,417,701	39,161,693
27	TOTAL Electric Operating Revenues	78,226,535	83,243,723

**ELECTRIC OPERATING REVENUES (Account 400)**

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
292,070	293,603	35,694	35,622	2
				3
251,717	279,356	5,288	5,679	4
20,153	26,995	173	184	5
731	809	117	99	6
				7
				8
				9
564,671	600,763	41,272	41,584	10
				11
564,671	600,763	41,272	41,584	12
				13
564,671	600,763	41,272	41,584	14

Line 12, column (b) includes \$ 0 of unbilled revenues.  
 Line 12, column (d) includes 0 MWH relating to unbilled revenues

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
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39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3	Rate D- Domestic Serv	272,182	18,519,222	34,114	7,979	0.0680
4	Rate D-Domestic Service Water He	800	53,632			0.0670
5	Rate D-Off Peak LD Pricing	5,405	347,593	405	13,346	0.0643
6	Rate M-Private Property Lighting	331	5,756			0.0174
7	Rate T- Electric Living	14,965	1,017,634	1,145	13,070	0.0680
8	Rate Refunds, Net	-1,466	-581,438			0.3966
9	Total	292,217	19,362,399	35,664	8,194	0.0663
10						
11	Account 442					
12						
13	Rate G-1 General Service TOU	91,224	5,786,145	56	1,629,000	0.0634
14	Rate G-2 General Long Hour Serv	98,858	5,526,969	623	158,681	0.0559
15	Rate G-3 General Service ERP	78,137	6,311,022	4,629	16,880	0.0808
16	Rate M - Private Property Lighiti	989	70,914			0.0717
17	Rate T- Electric Living	3,262	226,295	35	93,200	0.0694
18	Rate V-Commercial Space Heating	275	18,762			0.0682
19	Rate Refunds, Net	-1,023	-542,110			0.5299
20	Total	271,722	17,397,997	5,343	50,856	0.0640
21						
22	Account 444					
23						
24	Rate M-Outdoor Lighting Service	733	49,895	117	6,265	0.0681
25	Rate Refunds, Net	-2	-1,459			0.7295
26	Total	731	48,436	117	6,248	0.0663
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	564,671	36,808,834	41,124	13,731	0.0652
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	564,671	36,808,834	41,124	13,731	0.0652

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
				0	0	0
				0	0	0
				<b>0</b>	<b>0</b>	<b>0</b>

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
0	0	0	0	0	
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures		
17	(512) Maintenance of Boiler Plant		
18	(513) Maintenance of Electric Plant		
19	(514) Maintenance of Miscellaneous Steam Plant		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)		
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering		
63	(547) Fuel		
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses		
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)		
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)		
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	36,983,140	43,801,989
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	36,983,140	43,801,989
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	36,983,140	43,801,989
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering		3,271
84			
85	(561.1) Load Dispatch-Reliability		55
86	(561.2) Load Dispatch-Monitor and Operate Transmission System		
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services	487,816	544,542
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	12,513	26,989
94	(563) Overhead Lines Expenses	-41,910	1,556
95	(564) Underground Lines Expenses	4,392	
96	(565) Transmission of Electricity by Others	15,152,427	13,979,244
97	(566) Miscellaneous Transmission Expenses	-3,537	21,263
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	15,611,701	14,576,920
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	1,041	468
102	(569) Maintenance of Structures		24
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	967	17,037
108	(571) Maintenance of Overhead Lines	9,257	-7,344
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of lines 101 thru 110)	11,265	10,185
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	15,622,966	14,587,105

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	<b>3. REGIONAL MARKET EXPENSES</b>		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	<b>4. DISTRIBUTION EXPENSES</b>		
133	Operation		
134	(580) Operation Supervision and Engineering	151,349	61,887
135	(581) Load Dispatching	807,602	78,072
136	(582) Station Expenses	214,244	375,599
137	(583) Overhead Line Expenses	-291,326	377,568
138	(584) Underground Line Expenses	89,470	113,160
139	(585) Street Lighting and Signal System Expenses	14,049	27,523
140	(586) Meter Expenses	135,685	273,727
141	(587) Customer Installations Expenses	64,515	167,730
142	(588) Miscellaneous Expenses	575,211	1,055,751
143	(589) Rents	2,161	3,957
144	TOTAL Operation (Enter Total of lines 134 thru 143)	1,762,960	2,534,974
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	64	884
147	(591) Maintenance of Structures	5,882	9,542
148	(592) Maintenance of Station Equipment	66,052	205,221
149	(593) Maintenance of Overhead Lines	3,311,291	2,893,337
150	(594) Maintenance of Underground Lines	55,493	6,152
151	(595) Maintenance of Line Transformers	39,761	71,755
152	(596) Maintenance of Street Lighting and Signal Systems	75,627	80,179
153	(597) Maintenance of Meters	2,537	14,016
154	(598) Maintenance of Miscellaneous Distribution Plant		13
155	TOTAL Maintenance (Total of lines 146 thru 154)	3,556,707	3,281,099
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	5,319,667	5,816,073
157	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
158	Operation		
159	(901) Supervision	9,724	29,853
160	(902) Meter Reading Expenses	529,994	211,434
161	(903) Customer Records and Collection Expenses	448,716	918,558
162	(904) Uncollectible Accounts	326,926	563,405
163	(905) Miscellaneous Customer Accounts Expenses	7,467	4,521
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	1,322,827	1,727,771

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	37	862
168	(908) Customer Assistance Expenses	84,858	70,002
169	(909) Informational and Instructional Expenses	13,310	246
170	(910) Miscellaneous Customer Service and Informational Expenses	35,461	112,305
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	133,666	183,415
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision	59	63
175	(912) Demonstrating and Selling Expenses	41,124	106,667
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses	52	76
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	41,235	106,806
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	2,464,461	1,851,112
182	(921) Office Supplies and Expenses	1,137,057	1,021,743
183	(Less) (922) Administrative Expenses Transferred-Credit	145,363	
184	(923) Outside Services Employed	3,473,368	569,187
185	(924) Property Insurance	2,145,707	489,685
186	(925) Injuries and Damages	617,811	585,705
187	(926) Employee Pensions and Benefits	1,698,757	2,090,156
188	(927) Franchise Requirements	93	
189	(928) Regulatory Commission Expenses	535,174	254,991
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	18,211	15,320
192	(930.2) Miscellaneous General Expenses	83,551	44,641
193	(931) Rents	94,492	190,191
194	TOTAL Operation (Enter Total of lines 181 thru 193)	12,123,319	7,112,731
195	Maintenance		
196	(935) Maintenance of General Plant	14,578	35,869
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	12,137,897	7,148,600
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	71,561,398	73,371,759

PURCHASED POWER (Account 555)  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Dominion Energy Marketing, Inc.	RQ				
2	Hess Corporation	RQ				
3	Macquarie Energy LLC	RQ				
4	NextEra Energy Power Marketing, LLC	RQ				
5	Renewable SO/TSE - SDLRS	OS				
6	NEP CTC	OS				
7	Other	OS				
8						
9						
10						
11						
12						
13						
14						
	Total					

PURCHASED POWER (Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
210,426				13,887,980		13,887,980	1
71,628				3,784,703		3,784,703	2
203,550				9,221,408		9,221,408	3
130,293				6,732,515		6,732,515	4
				2,677,427		2,677,427	5
				788,958		788,958	6
				-109,851		-109,851	7
							8
							9
							10
							11
							12
							13
							14
615,897				36,983,140		36,983,140	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)  
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.  
 2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).  
 3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).  
 4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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28				
29				
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31				
32				
33				
34				
	<b>TOTAL</b>			

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.

6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.

7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
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						30
						31
						32
						33
						34
			0	0	0	0

Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
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				30
				31
				32
				33
				34
0	0	0	0	

**TRANSMISSION OF ELECTRICITY BY ISO/RTOs**

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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35					
36					
37					
38					
39					
40	TOTAL				

**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)**  
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	ISO New England Inc.	FNS					11,252,632	11,252,632
2	New England Power Compy	FNS					3,899,795	3,899,795
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL						15,152,427	15,152,427

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	10,000
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	4,562
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	1,732
6	Network/Mobile Phone costs	33,280
7	Banking Fees	19,387
8	Support Environmental Compliance	6,375
9	Corporate matters/contracts	3,317
10	Meter Data Services Operations	4,898
11		
12		
13		
14		
15		
16		
17		
18		
19		
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44		
45		
46	TOTAL	83,551

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).

2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant					
8	Distribution Plant	4,730,563	140			4,730,703
9	Regional Transmission and Market Operation					
10	General Plant	136,472				136,472
11	Common Plant-Electric					
12	<b>TOTAL</b>	<b>4,867,035</b>	<b>140</b>			<b>4,867,175</b>

**B. Basis for Amortization Charges**

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Dist						
13	361	370	50.00	10.00	2.35		27.10
14	362	17,363	35.00	10.00	3.21		26.81
15	364	25,628	25.00	10.00	4.35		12.78
16	365	34,849	35.00	10.00	3.21		25.78
17	366	4,577	60.00	10.00	2.02		52.32
18	367	9,726	45.00	10.00	2.57		36.25
19	368	16,660	25.00	10.00	4.35		14.54
20	369	7,552	25.00	10.00	4.35		14.32
21	370	4,558	25.00	10.00	4.35		14.22
22	372	1,170	15.00	10.00	7.02		3.88
23	373	4,225	20.00	10.00	5.35		10.09
24							
25	Gen						
26	390	2,240	65.00	-5.00	1.42		43.47
27	391	29	25.00	-5.00	3.88		5.89
28	392	82		-5.00	3.88		
29	393	62	25.00	-5.00	3.88		6.70
30	394	195	25.00	-5.00	3.88		6.89
31	395	236	25.00	-5.00	3.88		15.15
32	397	1,476	25.00	-5.00	3.88		14.35
33							
34							
35							
36							
37							
38							
39							
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41							
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49							
50							

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.  
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Assesment by the New Hampshire Public				
2	Utilities Commission	265,875		265,875	
3					
4	Labor and Expenses Associated with General				
5	Rate Studies		269,299	269,299	
6					
7					
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9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
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44					
45					
46	TOTAL	265,875	269,299	535,174	

REGULATORY COMMISSION EXPENSES (Continued)

- 3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
- 4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
- 5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
Electric	928	265,875					2
							3
							4
Electric	928	269,299					5
							6
							7
							8
							9
							10
							11
							12
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							45
		535,174					46

**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES**

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

**Classifications:**

- |  |  |
|--|--|
| A. Electric R, D & D Performed Internally: | a. Overhead  |
| (1) Generation                             | b. Underground   |
| a. hydroelectric                           | (3) Distribution   |
| i. Recreation fish and wildlife            | (4) Regional Transmission and Market Operation   |
| ii Other hydroelectric                     | (5) Environment (other than equipment)   |
| b. Fossil-fuel steam                       | (6) Other (Classify and include items in excess of \$50,000.)                                    |
| c. Internal combustion or gas turbine      | (7) Total Cost Incurred  |
| d. Nuclear                                 | B. Electric, R, D & D Performed Externally:  |
| e. Unconventional generation               | (1) Research Support to the electrical Research Council or the Electric Power Research Institute |
| f. Siting and heat rejection               |  |
| (2) Transmission                           |  |

Line No.	Classification (a)	Description (b)
1		
2	Other	R&D Operations
3		
4		
5		
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
  - (3) Research Support to Nuclear Power Groups
  - (4) Research Support to Others (Classify)
  - (5) Total Cost Incurred
3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
	4,563	Various	4,563		2
					3
					4
					5
					6
					7
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					38

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission	2,120		
5	Regional Market			
6	Distribution	-37,406		
7	Customer Accounts	102,453		
8	Customer Service and Informational	17,783		
9	Sales	378		
10	Administrative and General	1,549,527		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	1,634,855		
12	Maintenance			
13	Production			
14	Transmission	1,335		
15	Regional Market			
16	Distribution	852,861		
17	Administrative and General	-18		
18	TOTAL Maintenance (Total of lines 13 thru 17)	854,178		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)			
21	Transmission (Enter Total of lines 4 and 14)	3,455		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	815,455		
24	Customer Accounts (Transcribe from line 7)	102,453		
25	Customer Service and Informational (Transcribe from line 8)	17,783		
26	Sales (Transcribe from line 9)	378		
27	Administrative and General (Enter Total of lines 10 and 17)	1,549,509		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	2,489,033	74,840	2,563,873
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminating and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminating and Processing			
47	Transmission			

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	2,489,033	74,840	2,563,873
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	731,189	36,141	767,330
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	731,189	36,141	767,330
72	Plant Removal (By Utility Departments)			
73	Electric Plant	141,971	10,829	152,800
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	141,971	10,829	152,800
77	Other Accounts (Specify, provide details in footnote):			
78	Associated accounts receivable	-312,605	-24,893	-337,498
79	Other miscellaneous receivables	10,459	833	11,292
80	Other miscellaneous payables	1,910	152	2,062
81				
82				
83				
84				
85				
86				
87				
88				
89				
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93				
94				
95	TOTAL Other Accounts	-300,236	-23,908	-324,144
96	TOTAL SALARIES AND WAGES	3,061,957	97,902	3,159,859

Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
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46	TOTAL				

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch						
2	Reactive Supply and Voltage						
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)						

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.  
 (2) Report on Column (b) by month the transmission system's peak load.  
 (3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).  
 (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	52,539								
2	February	46,788								
3	March	46,748								
4	Total for Quarter 1	146,075								
5	April	41,334								
6	May	44,477								
7	June	46,367								
8	Total for Quarter 2	132,178								
9	July	53,928								
10	August	53,154								
11	September	41,197								
12	Total for Quarter 3	148,279								
13	October	43,010								
14	November	46,673								
15	December	48,456								
16	Total for Quarter 4	138,139								
17	Total Year to Date/Year	564,671								

**MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD**

- (1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	564,671
3	Steam		23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	710
7	Other		27	Total Energy Losses	50,516
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	615,897
9	Net Generation (Enter Total of lines 3 through 8)				
10	Purchases	615,897			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	615,897			

Name of Respondent Granite State Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report End of <u>2012/Q4</u>
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**MONTHLY PEAKS AND OUTPUT**

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	52,539		150	16	18
30	February	46,788		140	29	19
31	March	46,748		141	1	19
32	April	41,334		143	16	18
33	May	44,477		149	31	14
34	June	46,367		193	21	16
35	July	53,928		192	17	17
36	August	53,154		188	3	16
37	September	41,197		166	7	16
38	October	43,010		138	15	19
39	November	46,673		141	7	18
40	December	48,456		150	16	18
41	TOTAL	564,671				

**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: (b)	Plant Name: (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		
6	Net Peak Demand on Plant - MW (60 minutes)		
7	Plant Hours Connected to Load		
8	Net Continuous Plant Capability (Megawatts)		
9	When Not Limited by Condenser Water		
10	When Limited by Condenser Water		
11	Average Number of Employees		
12	Net Generation, Exclusive of Plant Use - KWh		
13	Cost of Plant: Land and Land Rights		
14	Structures and Improvements		
15	Equipment Costs		
16	Asset Retirement Costs		
17	Total Cost	0	0
18	Cost per KW of Installed Capacity (line 17/5) Including	0	0
19	Production Expenses: Oper, Supv, & Engr		
20	Fuel		
21	Coolants and Water (Nuclear Plants Only)		
22	Steam Expenses		
23	Steam From Other Sources		
24	Steam Transferred (Cr)		
25	Electric Expenses		
26	Misc Steam (or Nuclear) Power Expenses		
27	Rents		
28	Allowances		
29	Maintenance Supervision and Engineering		
30	Maintenance of Structures		
31	Maintenance of Boiler (or reactor) Plant		
32	Maintenance of Electric Plant		
33	Maintenance of Misc Steam (or Nuclear) Plant		
34	Total Production Expenses		
35	Expenses per Net KWh		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)		
38	Quantity (Units) of Fuel Burned		
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)		
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year		
41	Average Cost of Fuel per Unit Burned		
42	Average Cost of Fuel Burned per Million BTU		
43	Average Cost of Fuel Burned per KWh Net Gen		
44	Average BTU per KWh Net Generation		

Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
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HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)		
2	Plant Construction type (Conventional or Outdoor)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	0	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - Kwh	0	0
13	Cost of Plant		
14	Land and Land Rights	0	0
15	Structures and Improvements	0	0
16	Reservoirs, Dams, and Waterways	0	0
17	Equipment Costs	0	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	0	0
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	0	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Hydraulic Plant	0	0
34	Total Production Expenses (total 23 thru 33)	0	0
35	Expenses per net KWh	0.0000	0.0000

Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."  
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
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0	0	0	18
0	0	0	19
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0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

**PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)**

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)
1	Type of Plant Construction (Conventional or Outdoor)	
2	Year Originally Constructed	
3	Year Last Unit was Installed	
4	Total installed cap (Gen name plate Rating in MW)	
5	Net Peak Demand on Plant-Megawatts (60 minutes)	
6	Plant Hours Connect to Load While Generating	
7	Net Plant Capability (in megawatts)	
8	Average Number of Employees	
9	Generation, Exclusive of Plant Use - Kwh	
10	Energy Used for Pumping	
11	Net Output for Load (line 9 - line 10) - Kwh	
12	Cost of Plant	
13	Land and Land Rights	
14	Structures and Improvements	
15	Reservoirs, Dams, and Waterways	
16	Water Wheels, Turbines, and Generators	
17	Accessory Electric Equipment	
18	Miscellaneous Powerplant Equipment	
19	Roads, Railroads, and Bridges	
20	Asset Retirement Costs	
21	Total cost (total 13 thru 20)	
22	Cost per KW of installed cap (line 21 / 4)	
23	Production Expenses	
24	Operation Supervision and Engineering	
25	Water for Power	
26	Pumped Storage Expenses	
27	Electric Expenses	
28	Misc Pumped Storage Power generation Expenses	
29	Rents	
30	Maintenance Supervision and Engineering	
31	Maintenance of Structures	
32	Maintenance of Reservoirs, Dams, and Waterways	
33	Maintenance of Electric Plant	
34	Maintenance of Misc Pumped Storage Plant	
35	Production Exp Before Pumping Exp (24 thru 34)	
36	Pumping Expenses	
37	Total Production Exp (total 35 and 36)	
38	Expenses per KWh (line 37 / 9)	

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.

7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

FERC Licensed Project No. Plant Name: <span style="float: right;">(c)</span>	FERC Licensed Project No. Plant Name: <span style="float: right;">(d)</span>	FERC Licensed Project No. Plant Name: <span style="float: right;">(e)</span>	Line No.
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**GENERATING PLANT STATISTICS (Small Plants)**

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
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GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
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**TRANSMISSION LINE STATISTICS**

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
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32								
33								
34								
35								
36					TOTAL			

Name of Respondent  
Granite State Electric Company

This Report Is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)  
07/31/2013

Year/Period of Report  
End of 2012/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
								3
								4
								5
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								36

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under-ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1							
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39							
40							
41							
42							
43							
44	TOTAL						

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
									1
									2
									3
									4
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation  (a)	Character of Substation  (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Barron Ave #10 Salem NG	Dist Unattended	23.00	13.20	
2	Charlstown 32, Charlestown NH	Dist Unattended	46.00	13.20	
3	Craft Hill 11, Lebanon NH	Dist Unattended	13.80	13.20	
4	Lebanon 1, Lebanon NH	Dist Unattended	13.80	13.20	
5	Enfield 7, Enfield NH	Dist Unattended	13.80	13.20	
6	Golden Rock 19, Salem NH	Dist Unattended	115.00	23.00	
7	Hanover 6, Hanover NH	Dist Unattended	13.80	13.20	
8	Monroe 15, Monroe NH	Dist Unattended	34.50	2.40	
9	Mount Support 16, Lebanon NH	Dist Unattended	115.00	13.80	
10	Olde Trolley 18, Salem NH	Dist Unattended	23.00	13.20	
11	Pelham 14, Pelham NH	Dist Unattended	115.00	13.20	
12	Salem Depot, 9, Salem NH	Dist Unattended	23.00	13.20	
13	Slayton, Hill 39, Lebanon NH	Dist Unattended	115.00	13.20	
14	Spicket River 13, Salem NH	Dist Unattended	23.00	13.20	
15	Michael Ave, Charlestown NH	Dist Unattended	115.00	13.20	
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
21	3		Capacitor Bank	1	7	1
4	2					2
11						3
22						4
5						5
94	1		Capacitor Bank	2	7	6
25			Capacitor Bank	2	6	7
4	1					8
56	1		Capacitor Bank	1	4	9
39	4					10
28	1					11
19	3					12
28	2		Capacitor Bank	1	4	13
29	3					14
28	1					15
						16
						17
						18
						19
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						21
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**TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES**

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
<b>1</b>	<b>Non-power Goods or Services Provided by Affiliated</b>			
2	Miscellaneous Service and Benefits	Massachusetts Electric	234	439,567
3		New England Power Company	234	378,607
4		National Grid USA Service Company	234	10,216,887
5	47			
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19				
<b>20</b>	<b>Non-power Goods or Services Provided for Affiliate</b>			
21	Miscellaneous Services and Benefits	National Grid USA Service Company	146	317,972
22		New England Power Company	146	-2,520,728
23		Liberty Utilities Company	146	3,000,000
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
FOOTNOTE DATA			

**Schedule Page: 429 Line No.: 2 Column: d**

Company Name	Cost Element Description	Total
Massachusetts Electric Company	Base OT Pay Monthly	2,126.23
	Base OT Pay Weekly	38,498.52
	Consultants	4,427.58
	Contractors Services	23,828.37
	Employee Expenses	501.26
	FAS 106	26,290.58
	FAS 112	3,329.18
	Group Life Insurance	3,133.21
	Health Care	23,768.33
	Incremental OT Pay Monthly	13.76
	Incremental OT Pay Weekly	21,387.20
	Materials From Inventory	9,251.85
	Materials Outside Vendor	14,543.62
	Materials Stores Handling	1,389.75
	Other	(14,398.72)
	Payroll Taxes	13,276.86
	Pension	27,383.90
	Regular Pay Monthly	14,700.05
	Regular Pay Weekly	90,095.03
	Rental/Lease Non-Real Estate	26,987.49
	Supervision & Admin	40,463.23
	Thrift Plan	2,185.04
	Time Not Worked	28,774.10
	Transportation	27,195.29
	Variable & Misc Pay	5,727.08
	Workers Comp	4,687.84
	<b>Massachusetts Electric Company</b>	
<b>Total</b>		

**Schedule Page: 429 Line No.: 3 Column: d**

New England Power Company	Contractors Services	21,229.67
	Materials Stores Handling	(48,874.24)
	Other	387,924.87
	Rental/Lease Non-Real Estate	400.00
	Transportation	17,926.65
<b>New England Power Company</b>		<b>378,606.95</b>
<b>Total</b>		

**Schedule Page: 429 Line No.: 4 Column: d**

National Grid USA Service Co.	Advertising	2,160.98
	AFUDC - Debt	17.91
	Base OT Pay Monthly	26,743.14
	Base OT Pay Weekly	25,511.02
	Claims	8,898.35
	Clothing and Shoes	8.12
	Consultants	951,891.21
	Contractors Services	1,549,380.30
	Donations	20,253.94
	Dues-Permits-Subscriptions	4,290.55
	Employee Expenses	108,445.62
	FAS 106	137,903.99

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
FOOTNOTE DATA			

FAS 112	31,662.65
Fleet Leasing	169.36
Freight	1,762.63
Gasoline - Fuel	74,092.63
Group Life Insurance	(19,164.68)
Hardware	10,083.02
Health Care	131,175.02
Incremental OT Pay Monthly	7,094.44
Incremental OT Pay Weekly	12,857.55
Incentive Programs - Other	4.73
Legal Settlements	6,207.20
Materials From Inventory	591,495.92
Materials Outside Vendor	377,837.18
Materials Stores Handling	346.71
Messenger-Courier-Limo Svcs	0.17
Other	3,721,909.33
Other Benefits	11,993.24
Payments to Governments	213.41
Payroll Taxes	149,109.89
Pension	235,698.43
Police - Sheriffs-Summons	49,979.58
Postage	105,926.87
Printing-Mailing-Non Promo	5.01
Printing-Mailing-Promotional	3,430.94
Regular Pay Monthly	868,334.80
Regular Pay Weekly	211,545.47
Rental/Lease Non-Real Estate	140,272.05
Rental-Lease Real Estate	31,537.28
Research & Development	4,534.94
Sales Tax	8,857.41
Service Co Operating Costs	(4,877.42)
Service Co. Equity	2,672.43
Software	65,423.91
Supervision & Admin	7,437.24
Svcs Purch for Elec Generation	121.30
Thrift Plan	106,327.82
Time Not Worked	85,026.52
Training	2,186.24
Transportation	129,251.93
Variable & Misc Pay	211,530.60
Workers Comp	7,308.35

<b>National Grid USA Service Co.</b>	<b>10,216,887.23</b>
<b>Total</b>	

**Schedule Page: 429 Line No.: 21 Column: d**

National Grid USA Service Co.	Contractors Services	34,420.86
	FAS 106	(395.92)
	FAS 112	13.29
	Group Life Insurance	(40.01)
	Health Care	(227.63)
	Other	287,459.54
	Payroll Taxes	(136.18)
	Pension	(354.40)
	Regular Pay Monthly	(1,681.19)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 07/31/2013	Year/Period of Report 2012/Q4
Granite State Electric Company			
FOOTNOTE DATA			

Supervision & Admin	(701.90)
Thrift Plan	(6.72)
Time Not Worked	(406.85)
Transportation	220.39
Variable & Misc Pay	(91.62)
Workers Comp	(99.36)

**National Grid USA Service Co. 317,972.30**  
**Total**

**Schedule Page: 429 Line No.: 22 Column: d**

New England Power Company	Base OT Pay Weekly	1,570.95
	Contractors Services	56,130.71
	FAS 106	788.35
	FAS 112	120.47
	Group Life Insurance	93.64
	Health Care	682.54
	Incremental OT Pay Weekly	798.70
	Materials Outside Vendor	555.90
	Other	(2,592,900.01)
	Payroll Taxes	244.46
	Pension	739.39
	Regular Pay Weekly	2,436.04
	Supervision & Admin	1,397.30
	Thrift Plan	59.12
	Time Not Worked	583.02
	Transportation	5,681.42
	Variable & Misc Pay	29.70
	Workers Comp	260.54

**New England Power Company (2,520,727.76)**  
**Total**

**Schedule Page: 429 Line No.: 23 Column: d**

Journal Entry	Series	TRX Date	Account Number	Account Description	Amount	Reference
10682	Financial	9/30/2012	8830-2-0000-10-1310-2603	Due from Liberty Utilities Co	\$1,250,000	Cash transfer to LU CANADA
10682	Financial	9/30/2012	8830-2-0000-10-1310-2603	Due from Liberty Utilities Co	\$1,750,000	Cash transfer to LU CANADA
<b>Total</b>					<u>\$3,000,000</u>	

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