

Granite State Electric Company

d/b/a Liberty Utilities

Docket DE 13-063

ATTACHMENT CGM/MRS-2 (CU)

Page 1 of 2

Index **Granite State Electric Company**
vCU **Index to Revenue Requirements Schedules**
IN **Test Year Ended Dec. 31, 2012**

ATTACHMENT CGM/MRS-2 (CU)

10/15/2013

Line	Title	Reference
1	Computation of Revenue Deficiency and Revenue Requirement- CU	<u>Schedule RR-1 (CU)</u>
2	Computation of Gross-up Factor for Revenue Requirement	<u>Schedule RR-1-1 (CU)</u>
3	Reconciliation of Proposed Increase	<u>Schedule RR-1-2 (CU)</u>
4	Operating Income Statement	<u>Schedule RR-2 (CU)</u>
5	Operating Income Statement- Detail	<u>Schedule RR-2-1 (CU)</u>
6	Reconcile Form 1	<u>Schedule RR-2-1A (CU)</u>
7	Summary of Adjustments	<u>Schedule RR-3 (CU)</u>
8	Balance Sheets	<u>Schedule RR-4 (CU)</u>
9	Rate Base	<u>Schedule RR-5 (CU)</u>
10	Rate Base Quarterly Balances	<u>Schedule RR-5-1 (CU)</u>
11	Materials & Supplies	<u>Schedule RR-5-2 (CU)</u>
12	Cash Working Capital	<u>Schedule RR-5-3 (CU)</u>
13	Rate Base Adjustments-Capital Additions	<u>Schedule RR-5-4 (CU)</u>
14	Rate Base Adjustments-CWIP In Service	<u>Schedule RR-5-4A (CU)</u>
15	Rate Base Adjustments- Plant-Related ADIT	<u>Schedule RR-5-5 (CU)</u>
16	Rate Base Adjustments- Actual ADIT on Historical Assets	<u>Schedule RR-5-6 (CU)</u>
17	Rate Base Adjustments- Pro Forma ADIT on Historical Assets (Absent Acquisition)	<u>Schedule RR-5-7 (CU)</u>
18	Rate Base Adjustments- ADIT on Post-Acquisition Additions	<u>Schedule RR-5-8 (CU)</u>
19	Weighted Average Cost of Capital	<u>Schedule RR-6 (CU)</u>
20	Weighted Average Cost of Long-Term Debt	<u>Schedule RR-6-1 (CU)</u>
21	Historical Capital Structure and Capitalization Ratios	<u>Schedule RR-6-2 (CU)</u>
22	Rate Case Expense	<u>Schedule RR 7 (CU)</u>
23		

Granite State Electric Company

d/b/a Liberty Utilities

Docket DE 13-063

ATTACHMENT CGM/MRS-2 (CU)

Page 2 of 2

Index **Granite State Electric Company**
vCU **Index to Revenue Requirements Schedules**
IN **Test Year Ended Dec. 31, 2012**

ATTACHMENT CGM/MRS-2 (CU)

10/15/2013

Line	Title	Reference
24	Adjustments	
25	Adjustment 01- Payroll Expense	Schedule RR-3-01 (CU)
26	Adjustment 01A- Response to OCA 2-2 (Updated)	Schedule RR-3-01A (CU)
27	Adjustment 02- Payroll Taxes	Schedule RR-3-02 (CU)
28	Adjustment 03- Pension and Benefits Expense	Schedule RR-3-03 (CU)
29	Adjustment 04- Property and Liability Insurance	Schedule RR-3-04 (CU)
30	Adjustment 04A- Property and Liability Insurance- Adjusted	Schedule RR-3-04A (CU)
31	Adjustment 05- Leased Vehicles	Schedule RR-3-05 (CU)
32	Adjustment 06- General Inflation	Schedule RR-3-06 (CU)
33	Adjustment 07- Non-Recurring Costs in Test Year- Pre-Acquisition	Schedule RR-3-07 (CU)
34	Adjustment 08- Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	Schedule RR-3-08 (CU)
35	Adjustment 09- Post-closing entries	Schedule RR-3-09 (CU)
36	Adjustment 10- Major Storm Reserve Fund	Schedule RR-3-10 (CU)
37	Adjustment 11- Depreciation Annualization and Rates	Schedule RR-3-11 (CU)
38	Adjustment 12- Depreciation Reserve Deficiency Amortization	Schedule RR-3-12 (CU)
39	Adjustment 13- Algonquin / Liberty Support Costs	Schedule RR-3-13 (CU)
40	Adjustment 14- Property Taxes	Schedule RR-3-14 (CU)
41	Adjustment 14- Support- Property Taxes	Schedule RR-3-14A (CU)
42	Adjustment 15- Other Revenue	Schedule RR-3-15 (CU)
43	Adjustment 16- Rate Case Expense	Schedule RR-3-16 (CU)
44	Adjustment 17- Income Tax Expense- Test Year Actual	Schedule RR-3-17 (CU)
45	Adjustment 18- Income Tax Expense- Test Year Adjusted at Current Rates	Schedule RR-3-18 (CU)
46	Adjustment 19- Revenue at Current Rates	Schedule RR-3-19 (CU)
47	Adjustment 20- Bad Debt Expense	Schedule RR-3-20 (CU)

RR-1 (CU) **Granite State Electric Company**

vCU **Computation of Revenue Deficiency and Revenue Requirement- CU**

RR **Test Year With Known and Measurable Changes**

Date: 10/15/2013

Schedule RR-1 (CU)

Line	Description	Reference	Amount			
1	Rate Base	Schedule RR-5 (CU)	68,290,607			
2						
3	Target Rate of Return on Rate Base	Schedule RR-6 (CU)	8.46%			
4						
5	Operating income requirement	Line 1 X Line 3	5,777,385			
6						
7	Operating income at present rates	Schedule RR-2 (CU)	(2,018,002)			
8						
9	Operating income deficiency	Line 5 - Line 7	7,795,387			
10						
11	Gross-up Factor for Additional income taxes and Bad Debt expense	Schedule RR-1-1 (CU)	1.6648			
12						
13	Revenue deficiency	Line 9 X Line 11	12,978,141			
14	<i>Original Filing</i>		<i>14,168,940</i>			
15	Difference		(1,190,799)			
16						
				Adjustment Amount		
				Expense / Revenue	Rate Base	Reference
17	Correct income tax calculation	RR-3-17	(1,161,800)	(1,075,968)		RR-3-17
18	Remove TSA from O&M	RR-3-08	(410,045)	(394,275)		Staff 1-7, Load Dispatching
19	IT Transition cost credit (Staff 5-1)	RR-3-07	108,987	106,341		Staff 5-1
20	Insurance (Staff 5-14)	RR-3-04	(260,437)	(254,143)		Staff 5-14
21	PR and Benefits (OCA 2-2)	RR-3-01A	39,509	40,718		OCA 2-2 (Updated) (approximate)
22	Remove REP/VMP from Acct 593 (Audit 29)	RR-3-07	(36,942)	(36,045)		Audit 29
23	EN costs in Acct 921 (Audit 30)	RR-3-07	(7,218)	(7,043)		Audit 30
24	Interest on Customer deposits (Audit 25)	RR-3-09	(15,132)	(15,051)		Audit 25
25	Rate case costs not deferred (Audit 31)	RR-3-16	(12,121)	(11,876)		Audit 31
26	Over-paid (Audit 32); Costs capitalized (Audit 33)	RR-3-09	(3,742)	(3,666)		Audit 32, Audit 33
27	GSE Property taxes (Audit 41)	RR-5-1	(663)		(26,899)	Audit 41 (adjust rate base, 12/31/2012)

RR-1 (CU) **Granite State Electric Company**

vCU **Computation of Revenue Deficiency and Revenue Requirement- CU**

RR **Test Year With Known and Measurable Changes**

Date: 10/15/2013

Schedule RR-1 (CU)

Line	Description	Reference	Amount		
28	Prepayments (Audit 2)	RR-5-1	80	3,228	Audit 2 (adjust rate base, 12/31/2012)
29	Expense account over-payment (Audit 28)	RR-3-09	(193)	(189)	Audit 28
30	Below the line items (Audit 34)	RR-3-09	(1,794)	(1,758)	Audit 34
31	Prepaid Property Tax (Audit 42)	RR-5-1	1,590	21,496	Audit 42 (adjust rate base, 6/30/2012)
32	Remove REM Credit from Rate Year revenue (Audit 17-19)	RR-3-19	(343,963)	342,113	Audit 17-19
33	Remove Fairpoint / REP/VMP revenue (Audit 17-19)	RR-3-15	477,592	(475,023)	Audit 17-19
34	Flow-through items, CWC effects (Audit 17-19)		6,970		Audit 17-19
35	Adjust to proposed REP/VMP expenses in base rates	RR-3-09	217,388	213,000	Audit 17-19
36	Actual CWIP in service	RR-5-4	163,295	4,046,931	Staff 6-25
37	Post-closing entries	AcctData	(27)		Effect of post-closing entries on Cash Working Capital
38	DSM eliminated should be \$57,036 (Staff 6-36)	RR-3-15	(10,564)	10,507	Staff 6-36
39	Update Cost of debt	RR-6-1	(19,160)		Update rates and amounts for 12/21/2012 Debt issue
40	Remove assumed new debt issue (2013)	RR-6-1	114,961		Remove debt issue that was assumed for 2013
41	Federal tax rate to 34%	RR-3-17	(37,369)		Update Federal tax rate (RR 1-1, RR 3-17, RR 5-5, RR 5-6, RR 5-7)
			(1,190,799)		
			(1,190,799)		

RR-1-1 (CU) **Granite State Electric Company**
vCU **Computation of Gross-up Factor for Revenue Requirement**
RR **Test Year With Known and Measurable Changes**

Schedule RR-1-1 (CU)

Line	Description	Reference	Rate	Factor
1	Federal income tax rate		34.00%	
2				
3	New Hampshire state income tax rate		8.50%	
4				
5	Combined income tax rate	Line 1 + Line3 - (Line 1 X Line 3)	39.61%	
6				
7	Gross-up for Income Tax	1 / (1- Line 5)		1.6559
8				
9	Bad Debt Expense (% of Revenue)	RR-3-20 (CU)	0.54%	
10				
11	Gross-up for Bad Debt Expense	1 / (1- Line 9)		1.0054
12				
13	Total Gross-up Factor	Line 7 X Line 11		1.6648

RR-1-2 (CU) Granite State Electric Company
vCU Reconciliation of Proposed Increase
GL Rate Year Ending Dec. 31, 2013
Schedule RR-1-2 (CU)

Line		Rate Base	NOI	Return
1	GROUPED BY TIME PERIOD			
2	Historic Test Year Distribution	97,377,922	(183,651)	(0.19%)
3				
4	<u>Adjustments to Normalize Historic Year:</u>			
5	Remove Non-recurring Test Year costs		4,339,205	
6	Depreciation Reserve deficiency		(316,017)	
7	Property tax expense		(302,009)	
8	Adjust Income tax rates to Statutory		(1,108,184)	
9	Adjust Bad debt expense		(91,245)	
10	Adjustments to Normalize Historic Year	0	2,521,749	
11	Historic Test Year Normalized	97,377,922	2,338,098	2.40%
12				
13	<u>Changes in Expenses:</u>			
14	Higher Payroll, Pension, Benefits		(4,395,958)	
15	Amortize Pension valuation asset on acquisition (FAS 158)		(2,118,870)	
16	Higher Insurance		15,848	
17	Leased vehicles		(252,288)	
18	Remove Non-recurring Post-Acquisition costs		1,155,458	
19	Additional Storm Fund		(609,141)	
20	Additional Depreciation expense		(339,515)	
21	Full year Algonquin / Liberty support		(616,709)	
22	Property tax expense		(103,603)	
23	Rate case expense		(378,124)	
24	General inflation		(55,235)	
25	Other corrections		(192,336)	
26	Income tax expense at current rates		2,857,181	
27	Revenue at current rates and Other Revenue		677,192	
28		0	(4,356,100)	(4,356,100)
29	<u>Changes in Rate Base:</u>			
30	Remove CWIP	(9,379,107)		
31	Pre-Acquisition ADIT	(21,183,915)		
32	Remove Deferred Debits / Credits	(7,021,484)		
33	Cash Working Capital	5,137,517		
34	Other, net	3,359,675		
35	Changes in Expenses and Rate Base	(29,087,315)	(4,356,100)	
36	Rate Year at Current Rates	68,290,607	(2,018,002)	(2.96%)
37				
38	To increase achieved return to target return		7,795,387	
39	Rate Year at Proposed Rates	68,290,607	5,777,385	8.46%
40	Check=0		0	8.46%
41	Proposed increase in revenue		12,978,141	

RR-1-2 (CU) Granite State Electric Company
vCU Reconciliation of Proposed Increase
GL Rate Year Ending Dec. 31, 2013
Schedule RR-1-2 (CU)

Line				
42				
43	LIKE ITEMS GROUPED	Rate Base	NOI	Return
44	Historic Test Year Distribution	97,377,922	(183,651)	(0.19%)
45				
46	Remove Non-recurring Test Year costs		4,339,205	
47	Remove Non-recurring Post-Acquisition costs		1,155,458	
48	Higher Payroll, Pension, Benefits		(4,395,958)	
49	Full year Algonquin / Liberty support		(616,709)	
50	Payroll-related		481,997	
51				
52	Depreciation Reserve deficiency		(316,017)	
53	Additional Depreciation expense		(339,515)	
54	Depreciation-related		(655,532)	
55				
56	Income tax expense at current rates		2,857,181	
57	Adjust Income tax rates to Statutory		(1,108,184)	
58			1,748,996	
59				
60	Amortize Pension valuation asset on acquisition (FAS 158)		(2,118,870)	
61	Additional Storm Fund		(609,141)	
62	Property tax expense		(405,612)	
63	Rate case expense		(378,124)	
64	Leased vehicles		(252,288)	
65	Adjust Bad debt expense		(91,245)	
66	Other corrections		(192,336)	
67	General inflation		(55,235)	
68	Higher Insurance		15,848	
69	Revenue at current rates and Other Revenue		677,192	
70	Other expense items		(1,290,942)	
71				
72	Remove CWIP	(9,379,107)		
73	Pre-Acquisition ADIT	(21,183,915)		
74	Remove Deferred Debits / Credits	(7,021,484)		
75	Cash Working Capital	5,137,517		
76	Other, net	3,359,675		
77	Changes in Rate Base:	(29,087,315)		
78				
79	To increase achieved return to target return		5,676,518	
80	Rate Year at Proposed Rates	68,290,607	5,777,385	8.46%
81	Check=0		0	8.46%
82	Proposed increase in revenue		12,978,141	

R-2 (CU) **Granite State Electric Company**
vCU **Operating Income Statement**
RR **Test Year With Known and Measurable Changes**

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-2 (CU)
Page 1 of 2

Schedule RR-2 (CU)

Source					RR-3 (CU)		RR-3 (CU)		RR-1 (CU)	
Line	Account	Test Year Ended Dec. 31, 2012	Flow- Through Items	Distribution Operating Income	Normalizing Adjustments	Test Year Normalized	Known and Measurable Adjustments	Test Year At Current Rates	Proposed Increase	Distribution Operating Income With Proposed Increase
1	Operating Revenue									
2	Distribution	23,869,650		23,869,650	0	23,869,650	1,137,564	25,007,214	12,978,141	37,985,355
3	Flow-through revenue	52,354,371	(52,354,371)	0	0	0	0	0		0
4	Other operating revenue	2,002,514		2,002,514	0	2,002,514	(460,372)	1,542,142		1,542,142
5		78,226,534	(52,354,371)	25,872,164	0	25,872,164	677,192	26,549,356	12,978,141	39,527,497
6										
7	Operating Expenses									
8	Purchased Power	36,983,140	(36,983,140)	0	0	0	0	0		0
9	Transmission Expenses-O&M	15,622,966	(15,627,749)	(4,783)	0	(4,783)	0	(4,783)		(4,783)
10	Distribution O&M	5,319,666		5,319,666	(1,197,253)	4,122,413	2,447,326	6,569,739		6,569,739
11	Customer Accounting	1,322,827		1,322,827	(118,338)	1,204,488	1,128,438	2,332,927		2,332,927
12	Customer Service & Information	174,901		174,901	(146,535)	28,367	101,122	129,488	69,734	199,222
13	Administrative & General	11,947,898		11,947,898	(2,621,817)	9,326,082	3,601,658	12,927,739		12,927,739
14	Depreciation Expense	4,867,174		4,867,174	316,017	5,183,192	339,515	5,522,706		5,522,706
15	General Taxes	3,166,041		3,166,041	137,992	3,304,032	287,466	3,591,498		3,591,498
16	Income Taxes	(774,408)		(774,408)	1,108,184	333,776	(2,857,181)	(2,523,405)	5,113,020	2,589,616
17	Revenue Taxes	0		0	0	0	0	0		0
18	Interest on Customer Deposits	36,499		36,499	0	36,499	(15,051)	21,448		21,448
19	Total Expenses	78,666,703	(52,610,889)	26,055,814	(2,521,749)	23,534,065	5,033,292	28,567,358	5,182,754	33,750,112
20										
21	Net operating income (loss)	(440,169)	256,518	(183,651)	2,521,749	2,338,098	(4,356,100)	(2,018,002)	7,795,387	5,777,385
22	Check	(440,169)	256,518		2,521,749		(4,356,100)	(2,018,002)		5,777,385
23										
24	Rate Base			97,377,922		97,377,922	(29,087,315)	68,290,607		68,290,607
25										
26	Rate of Return on Rate Base			(0.19%)		2.40%		(2.96%)		8.46%
27	Rate of Return Based on Filed Rate Base			(0.27%)						
28	Income tax rate					12.49%		55.56%	39.61%	30.95%

R-2 (CU) **Granite State Electric Company**
vCU **Operating Income Statement**
RR **Test Year With Known and Measured**

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-2 (CU)
Page 2 of 2

Schedule RR-2 (CU)		From FERC Form 1	
Source			
Line	Account	Calendar Year 2011	Calendar Year 2010
1	Operating Revenue		
2	Distribution	21,226,000	21,078,000
3	Flow-through revenue	280,000	(189,000)
4	Other operating revenue	3,349,000	3,433,000
5		24,855,000	24,322,000
6			
7	Operating Expenses		
8	Purchased Power		
9	Transmission Expenses-O&M		
10	Distribution O&M	5,816,000	3,593,000
11	Customer Accounting	1,728,000	1,781,000
12	Customer Service & Information	290,000	203,000
13	Administrative & General	7,149,000	6,966,000
14	Depreciation Expense	4,789,000	4,539,000
15	General Taxes	3,283,000	2,934,000
16	Income Taxes	242,000	1,550,000
17	Revenue Taxes		
18	Interest on Customer Deposits		
19	Total Expenses	23,297,000	21,566,000
20			
21	Net operating income (loss)	1,558,000	2,756,000
22	<i>Check</i>		
23			
24	Rate Base	86,698,404	78,786,552
25			
26	Rate of Return on Rate Base	1.80%	3.50%
27	Rate of Return Based on Filed Rat		
28	Income tax rate		

2-2-1 (C) **Granite State Electric Company**
 vCU **Operating Income Statement- Detail**
 RR **Test Year Ended Dec. 31, 2012**
Test Year With Known and Measurable Changes
 Schedule RR-2-1 (CU)

Granite State Electric Company
 d/b/a Liberty Utilities
 Docket DE 13-063
 Schedule RR-2-1 (CU)
 Page 1 of 4

Source			RR-3 (CU)			RR-3 (CU)		At Current Rates	
Line	Account	Acct. No.	Test Year Ended Dec. 31, 2012	Flow-Through Items	Distribution Operating Income	Normalizing Adjustments	Test Year Normalized	Known and Measurable Adjustments	Test Year At Current Rates
1	Purchased Power	555	36,983,140	(36,983,140)	0	0	0	0	0
2									
3	Transmission- Open Access		15,627,749	(15,627,749)	0	0	0	0	0
4	Transmission- Other		(4,783)		(4,783)	0	(4,783)	0	(4,783)
5	Transmission Expenses-O&M		15,622,966	(15,627,749)	(4,783)	0	(4,783)	0	(4,783)
6									
7	Distribution O&M								
8	Supervision & Eng	580	105,786		105,786	(32,805)	72,981	61,175	134,155
9	Load Dispatching	581	570,698		570,698	(26,430)	544,268	715,857	1,260,126
10	Substations	582	201,093		201,093	(45,013)	156,080	23,712	179,792
11	Overhead Lines	583	615,857		615,857	(125,758)	490,099	438,681	928,780
12	Underground Lines	584	81,063		81,063	(16,234)	64,830	14,631	79,461
13	Outdoor Lighting	585	10,422		10,422	(12,101)	(1,679)	5,168	3,489
14	Electric Meters	586	103,492		103,492	(99,843)	3,649	47,168	50,817
15	Customer Installation	587	47,565		47,565	(56,000)	(8,436)	24,005	15,570
16	Misc Expenses	588	472,357		472,357	(295,826)	176,531	414,535	591,066
17	Rents	589	2,161		2,161	0	2,161	0	2,161
18	Supervision & Eng	590	59		59	(55)	4	10	14
19	Structures	591	4,370		4,370	(4,925)	(556)	2,158	1,603
20	Substations	592	43,149		43,149	(37,266)	5,882	15,837	21,719
21	Substations-Trouble	592	10,283		10,283	0	10,283	3,774	14,057
22	Overhead Lines	593	1,581,308		1,581,308	(368,711)	1,212,596	329,148	1,541,745
23	OH Lines-Trouble	593	379,726		379,726	0	379,726	90,495	470,221
24	OH Lines-Veg Mgmt	593	939,445		939,445	0	939,445	223,886	1,163,332
25	Underground Lines	594	47,957		47,957	(18,311)	29,646	12,509	42,155
26	Line Transformers	595	37,445		37,445	(4,992)	32,453	4,190	36,643
27	Outdoor Lighting	596	62,969		62,969	(52,283)	10,685	20,246	30,931
28	Misc Distr Plant	597	2,462		2,462	(700)	1,763	139	1,901
29	Total Distribution O&M		5,319,666	0	5,319,666	(1,197,253)	4,122,413	2,447,326	6,569,739
30									
31	Customer Accounting								
32	Supervision	901	9,724		9,724	(8,455)	1,268	5,034	6,303

2-2-1 (C) **Granite State Electric Company**
 vCU **Operating Income Statement- Detail**
 RR **Test Year Ended Dec. 31, 2012**
Test Year With Known and Measurable Changes
 Schedule RR-2-1 (CU)

Granite State Electric Company
 d/b/a Liberty Utilities
 Docket DE 13-063
 Schedule RR-2-1 (CU)
 Page 2 of 4

Source					RR-3 (CU)	RR-3 (CU)	At Current Rates		
Line	Account	Acct. No.	Test Year Ended Dec. 31, 2012	Flow-Through Items	Distribution Operating Income	Normalizing Adjustments	Test Year Normalized	Known and Measurable Adjustments	Test Year At Current Rates
33	Meter Reading	902	529,994		529,994	(81,970)	448,023	250,142	698,165
34	Customer Records & Collection	903	448,716		448,716	(117,343)	331,373	871,960	1,203,333
35	Uncollectible Accounts	904	326,926		326,926	91,245	418,171	0	418,171
36	Uncollectible Accounts- Commodity	904	0		0	0	0	0	0
37	Misc Expenses	905	7,467		7,467	(1,815)	5,653	1,303	6,955
38	Total Customer Accounting		1,322,827	0	1,322,827	(118,338)	1,204,488	1,128,438	2,332,927
39									
40	Customer Service & Information								
41	Cust Service-Supervision	907	37		37	0	37	0	37
42	Cust Assistance Expenses	908	84,858		84,858	(143,232)	(58,374)	49,072	(9,302)
43	Cust Service-Misc Expenses	910	90,006		90,006	(3,302)	86,704	52,049	138,753
44	Total Customer Service & Info.		174,901	0	174,901	(146,535)	28,367	101,122	129,488
45	Total Customer Accounts		1,497,728	0	1,497,728	(264,873)	1,232,855	1,229,560	2,462,415
46									
47	Administrative & General								
48	A&G-Salaries	920	2,196,920		2,196,920	(644,816)	1,552,104	972,803	2,524,906
49	A&G-Office Supplies	921	1,136,866		1,136,866	(65,343)	1,071,522	40,238	1,111,760
50	A&G-Outside Services Employed	923	3,595,737		3,595,737	(949,982)	2,645,755	(1,600,680)	1,045,075
51	Property Insurance	924	2,145,707		2,145,707	(2,554)	2,143,154	656,846	2,800,000
52	Injuries & Damages Insurance	925	427,811		427,811	(28,716)	399,096	(15,848)	383,248
53	Employee Pensions & Benefits	926	1,698,758		1,698,758	(894,631)	804,126	3,134,467	3,938,594
54	Regulatory Comm Expenses	928	535,251		535,251	(18,594)	516,657	391,894	908,551
55	A&G-Institutional/Goodwill Adv	930	18,211		18,211	(7,818)	10,393	2,986	13,379
56	A&G-Misc Expenses	930	83,566		83,566	0	83,566	13,400	96,966
57	A&G-Rents	931	94,492		94,492	0	94,492	0	94,492
58	A&G Maint-General Plant-Elec	935	14,578		14,578	(9,362)	5,217	5,552	10,769
59	Total Administrative & General		11,947,898	0	11,947,898	(2,621,817)	9,326,082	3,601,658	12,927,739
60	Total O&M Expense		71,371,398	(52,610,889)	18,760,509	(4,083,943)	14,676,566	7,278,544	21,955,110
61									
62	Depreciation Expense								
63	Intangible assets		0		0	0	0	0	0
64	Land Rights, Substations, Structures		282,609		282,609	72,068	354,678	(123,248)	231,430

2-2-1 (C) **Granite State Electric Company**
 vCU **Operating Income Statement- Detail**
 RR **Test Year Ended Dec. 31, 2012**
Test Year With Known and Measurable Changes
 Schedule RR-2-1 (CU)

Granite State Electric Company
 d/b/a Liberty Utilities
 Docket DE 13-063
 Schedule RR-2-1 (CU)
 Page 3 of 4

Source			RR-3 (CU)				RR-3 (CU)	At Current Rates	
Line	Account	Acct. No.	Test Year Ended Dec. 31, 2012	Flow-Through Items	Distribution Operating Income	Normalizing Adjustments	Test Year Normalized	Known and Measurable Adjustments	Test Year At Current Rates
65	Poles, Towers, Fixtures		560,890		560,890	(242,876)	318,014	134,425	452,439
66	Overhead Conductors		558,067		558,067	352,715	910,782	(47,458)	863,323
67	Underground Conduits & Conductors		171,180		171,180	79,274	250,454	(81,440)	169,013
68	Line Transformers		361,624		361,624	231,149	592,773	48,792	641,565
69	Services		163,501		163,501	(26,290)	137,211	9,645	146,856
70	Meters		97,744		97,744	13,464	111,209	77,187	188,396
71	Lighting		114,725		114,725	(112,115)	2,610	52,342	54,952
72	Other		2,556,835		2,556,835	(51,372)	2,505,463	269,269	2,774,732
73	Total Depreciation Expense		4,867,174	0	4,867,174	316,017	5,183,192	339,515	5,522,706
74									
75	General Taxes								
76	Municipal tax	2.28%	2,778,746		2,778,746	302,009	3,080,755	103,603	3,184,358
77	Payroll tax		387,295		387,295	(164,017)	223,277	183,862	407,140
78	Other tax		0		0	0	0	0	0
79	Total General taxes		3,166,041	0	3,166,041	137,992	3,304,032	287,466	3,591,498
80									
81	Income Taxes								
82	FIT Expense		(357,780)		(357,780)	1,108,184	750,405	(2,857,181)	(2,106,776)
83	SIT Expense		(416,629)		(416,629)	0	(416,629)		(416,629)
84	Total Income Tax		(774,408)	0	(774,408)	1,108,184	333,776	(2,857,181)	(2,523,405)
85									
86	Revenue Taxes		0		0	0	0	0	0
87									
88	Interest on Customer Deposits		36,499		36,499	0	36,499	(15,051)	21,448
89									
90	Total Expenses		78,666,703	(52,610,889)	26,055,814	(2,521,749)	23,534,065	5,033,292	28,567,358
91									
92	Operating Revenue								
93	Distribution	456Dx	23,869,650		23,869,650	0	23,869,650	1,137,564	25,007,214
94	Commodity	440	36,808,834	(36,808,834)	0	0	0	0	0
95	Wholesale Transmission	456Tx	15,545,537	(15,545,537)	0	0	0	0	0
96	Forfeited discounts	450	117,251		117,251	0	117,251	17,588	134,839

R-2-1 (C) **Granite State Electric Company**
 vCU **Operating Income Statement- Detail**
 RR **Test Year Ended Dec. 31, 2012**
Test Year With Known and Measurable Changes
 Schedule RR-2-1 (CU)

Granite State Electric Company
 d/b/a Liberty Utilities
 Docket DE 13-063
 Schedule RR-2-1 (CU)
 Page 4 of 4

Source			RR-3 (CU)				RR-3 (CU)	At Current Rates	
Line	Account	Acct. No.	Test Year Ended Dec. 31, 2012	Flow-Through Items	Distribution Operating Income	Normalizing Adjustments	Test Year Normalized	Known and Measurable Adjustments	Test Year At Current Rates
97	Misc. service revenue	451	303,243		303,243	0	303,243	(57,036)	246,207
98	Rent from Electric property	454	283,642		283,642	0	283,642	0	283,642
99	Other revenue	456	965,880		965,880	0	965,880	314,464	1,280,344
100	Border/Fairpoint		18,033		18,033	0	18,033	(420,924)	(402,891)
101	Miscellaneous revenue		314,464		314,464	0	314,464	(314,464)	0
102			78,226,534	(52,354,371)	25,872,164	0	25,872,164	677,192	26,549,356
103									
104	Net operating income (loss)		(440,169)	256,518	(183,651)	2,521,749	2,338,098	(4,356,100)	(2,018,002)
105	Check		(440,169)		(183,651)	2,521,749	2,338,098	(4,356,100)	(2,018,002)
106	Rate of Return on Rate Base		(0.5%)		(0.2%)		2.4%		(3.0%)

-2-1A ((Granite State Electric Company

vCU **Reconcile Form 1**

RR **Test Year Ended Dec. 31, 2012**

Test Year With Known and Measurable Changes

Schedule RR-2-1A (CU)

<i>Source</i>							
Line	Account	Aect. No.	RR-2-1	Post-closing	Adjusted	Form 1	Difference
1	Total Plant in Service		134,515,402		134,515,402	134,515,402	(0)
2							
3	<i>Total Accum. Depr. & Amort.</i>		<u>55,447,764</u>		55,447,764	<u>55,447,767</u>	3
4							
5	Other Rate Base Items						
6	Materials and Supplies	154	415,932		415,932	415,932	
7	Prepayments	165	1,929,380		1,929,380	1,929,380	
8	Cash Working Capital		0		0		
9	CWIP	107	9,379,107		9,379,107	9,379,107	
10	Deferred Tax Debit	183	231,612		231,612	283,870	
11	Accumulated Deferred FIT	190	0	444,000	444,000	1,574,697	
12	Other Deferred Credits	253	(21,042,739)		(21,042,739)	(21,214,329)	
13	Deferred Tax Credit	282	0		0	(1,132,859)	
14	Other Rate Base Items	182	28,064,224		28,064,224	28,512,224	
15	Customer Deposits		(667,231)		(667,231)	(667,231)	
16	<i>Total Other Rate Base Items</i>		<u>18,310,284</u>	<u>444,000</u>	<u>18,754,284</u>	<u>19,080,791</u>	<u>326,507</u>
17	Total Rate Base		<u>97,377,922</u>	<u>444,000</u>	<u>97,821,922</u>	<u>98,148,426</u>	<u>326,504</u>
18							
19	Purchased Power	555	36,983,140		36,983,140	36,982,140	(1,000)
20							
21	Transmission- Open Access		15,627,749	326,568	15,954,317	15,611,701	
22	Transmission- Other		(4,783)		(4,783)	11,265	
23	Transmission Expenses-O&M		<u>15,622,966</u>	<u>326,568</u>	<u>15,949,534</u>	<u>15,622,966</u>	<u>(326,568)</u>
24							
25	Distribution O&M						
26	Supervision & Eng	580	105,786		105,786	151,349	
27	Load Dispatching	581	570,698		570,698	807,602	
28	Substations	582	201,093		201,093	214,244	
29	Overhead Lines	583	615,857		615,857	(291,326)	
30	Underground Lines	584	81,063		81,063	89,470	
31	Outdoor Lighting	585	10,422		10,422	14,049	
32	Electric Meters	586	103,492		103,492	135,685	
33	Customer Installation	587	47,565		47,565	64,515	
34	Misc Expenses	588	472,357		472,357	575,211	
35	Rents	589	2,161		2,161	2,161	
36	Supervision & Eng	590	59		59	64	
37	Structures	591	4,370		4,370	5,882	
38	Substations	592	43,149		43,149	66,052	
39	Substations-Trouble	592	10,283		10,283		
40	Overhead Lines	593	1,581,308		1,581,308	3,311,291	
41	OH Lines-Trouble	593	379,726		379,726		
42	OH Lines-Veg Mgmt	593	939,445		939,445		
43	Underground Lines	594	47,957		47,957	55,493	
44	Line Transformers	595	37,445		37,445	39,761	
45	Outdoor Lighting	596	62,969		62,969	75,627	

-2-1A ((Granite State Electric Company

vCU **Reconcile Form 1**

RR **Test Year Ended Dec. 31, 2012**

Test Year With Known and Measurable Changes

Schedule RR-2-1A (CU)

<i>Source</i>							
Line	Account	Acct. No.	RR-2-1	Post-closing	Adjusted	Form 1	Difference
46	Misc Distr Plant	597	2,462		2,462	2,537	
47	<i>Total Distribution O&M</i>		5,319,666	0	5,319,666	5,319,667	1
48							
49	Customer Accounting						
50	Supervision	901	9,724		9,724	9,724	
51	Meter Reading	902	529,994		529,994	529,994	
52	Customer Records & Collection	903	448,716		448,716	448,716	
53	Uncollectible Accounts	904	326,926		326,926	326,926	
54	Uncollectible Accounts- Commodity	904	0		0		
55	Misc Expenses	905	7,467		7,467	7,467	
56	<i>Total Customer Accounting</i>		1,322,827	0	1,322,827	1,322,827	0
57							
58	Customer Service & Information						
59	Cust Service-Supervision	907	37		37	37	
60	Cust Assistance Expenses	908	84,858		84,858	84,858	
61	Cust Service-Misc Expenses	910	90,006		90,006	90,006	
62	<i>Total Customer Service & Info.</i>		174,901	0	174,901	174,901	(0)
63	<i>Total Customer Accounts</i>		1,497,728	0	1,497,728	1,497,728	0
64							
65	Administrative & General						
66	A&G-Salaries	920	2,196,920		2,196,920	2,319,098	
67	A&G-Office Supplies	921	1,136,866		1,136,866	1,137,057	
68	A&G-Outside Services Employed	923	3,595,737		3,595,737	3,473,368	
69	Property Insurance	924	2,145,707		2,145,707	2,145,707	
70	Injuries & Damages Insurance	925	427,811	190,000	617,811	617,811	
71	Employee Pensions & Benefits	926	1,698,758	(319,082)	1,379,676	1,698,757	
72	Regulatory Comm Expenses	928	535,251		535,251	535,267	
73	A&G-Institutional/Goodwill Adv	930	18,211		18,211	18,211	
74	A&G-Misc Expenses	930	83,566		83,566	83,551	
75	A&G-Rents	931	94,492		94,492	94,492	
76	A&G Maint-General Plant-Elec	935	14,578		14,578	14,578	
77	<i>Total Administrative & General</i>		11,947,898	(129,082)	11,818,816	12,137,897	319,081
78	<i>Total O&M Expense</i>		71,371,398	197,486	71,568,884	71,560,398	(8,486)
79							
80	Depreciation Expense						
81	Intangible assets		0				
82	Land Rights, Substations, Structures		282,609				
83	Poles, Towers, Fixtures		560,890				
84	Overhead Conductors		558,067				
85	Underground Conduits & Conductors		171,180				
86	Line Transformers		361,624				
87	Services		163,501				
88	Meters		97,744				
89	Lighting		114,725				
90	Other		2,556,835				
91	<i>Total Depreciation Expense</i>		4,867,174		4,867,174	4,867,175	1

-2-1A ((Granite State Electric Company

vCU **Reconcile Form 1**

RR **Test Year Ended Dec. 31, 2012**

Test Year With Known and Measurable Changes

Schedule RR-2-1A (CU)

<i>Source</i>							
Line	Account	Aect. No.	RR-2-1	Post-closing	Adjusted	Form 1	Difference
92							
93	Total General taxes		3,166,041		3,166,041	3,166,041	0
94	Total Income Tax		(774,408)		(774,408)	(1,205,632)	(431,224)
95	Revenue Taxes		0		0	0	0
96	Interest on Customer Deposits		36,499		36,499	36,499	0
97	Total Expenses		78,666,703	197,486	78,864,189	78,424,481	(439,708)
98							
99	Operating Revenue						
100	Distribution	456Dx	23,869,650		23,869,650	77,825,642	
101	Commodity	440	36,808,834		36,808,834		
102	Wholesale Transmission	456Tx	15,545,537	326,568	15,872,105		
103	Forfeited discounts	450	117,251		117,251	117,251	
104	Misc. service revenue	451	303,243		303,243		
105	Rent from Electric property	454	283,642		283,642	283,642	
106	Other revenue	456	965,880		965,880		
107	Border/Fairpoint		18,033		18,033		
108	Miscellaneous revenue		314,464		314,464		
109			78,226,534	326,568	78,553,102	78,226,535	(326,567)
110							
111	Net operating income (loss)		(440,169)	129,082	(311,087)	(197,946)	113,141
112	<i>Check</i>		<i>(440,169)</i>		<i>(311,087)</i>	<i>(197,646)</i>	

[Adjustment 01](#) [Adjustment 02](#) [Adjustment 03](#) [Adjustment 04](#) [Adjustment 05](#) [Adjustment 06](#) [Adjustment 07](#)

Summary of Adjustments

1,834,351	3,196,497	183,862	3,134,467	(15,848)	252,288	55,235	(4,339,205)
-----------	-----------	---------	-----------	----------	---------	--------	-------------

% Normalizing	-	-	-	-	-	-	100.0%
---------------	---	---	---	---	---	---	--------

[illegible]

[Adjustment 01](#) [Adjustment 02](#) [Adjustment 03](#) [Adjustment 04](#) [Adjustment 05](#) [Adjustment 06](#) [Adjustment 07](#)

1,834,351	3,196,497	183,862	3,134,467	(15,848)	252,288	55,235	(4,339,205)
% Normalizing	-	-	-	-	-	-	100.0%

% Normalizing

[illegible]

[Adjustment 01](#) [Adjustment 02](#) [Adjustment 03](#) [Adjustment 04](#) [Adjustment 05](#) [Adjustment 06](#) [Adjustment 07](#)

[illegible]

61

105

RR-3-01 (C) **Granite State Electric Company**

vCU **Adjustments to Test Year**

AD **Adjustment 01**

Payroll Expense

Schedule RR-3-01 (CU)

Labor Complement at 12/31/12

	Description	Note	Union	Non-Union	Customer Care	Total
Line	Regular Payroll- 2012		2,353,021	2,594,868	364,833	5,312,722
1	2013 Increases	% on Line 33	37,648	77,846	10,945	126,439
2	Proformed for 2013 increase		2,390,669	2,672,714	375,778	5,439,162
3	Amount Capitalized	% on Line 34	775,294	866,761	0	1,642,055
4	Regular Payroll to O&M		1,615,375	1,805,953	375,778	3,797,106
5						
6	Overtime comp.- 2012		598,504	98,888	4,806	702,198
7	2013 Increases	% on Line 33	9,576	2,967	144	12,687
8	Proformed for 2013 increase		608,080	101,855	4,950	714,885
9	Amount Capitalized	% on Line 34	197,200	33,032	0	230,232
10	Overtime comp. to O&M		410,879	68,823	4,950	484,653
11						
12	Premium comp.- 2012		59,214	4,584	0	63,798
13	2013 Increases	% on Line 33	947	138	0	1,085
14	Proformed for 2013 increase		60,161	4,721	0	64,882
15	Amount Capitalized	% on Line 34	19,510	1,531	0	21,041
16	Premium comp. to O&M		40,651	3,190	0	43,841
17						
18	Incentive comp.- 2012		82,356	398,387	43,301	524,043
19	2013 Increases	% on Line 33	1,318	11,952	1,299	14,568
20	Proformed for 2013 increase		83,673	410,338	44,600	538,611
21	Amount Capitalized	% on Line 34	27,135	133,073	0	160,208
22	Incentive comp. to O&M		56,538	277,266	44,600	378,403
23						

2-3-01 (C) **Granite State Electric Company**

vCU **Adjustments to Test Year**

AD **Adjustment 01**

Payroll Expense

Schedule RR-3-01 (CU)

Labor Complement at 12/31/12

	Description	Note	Union	Non-Union	Customer Care	Total
24	2012 Total and 2013 New Hires		3,093,094	3,096,727	412,940	6,602,761
25	2013 Increases		49,490	92,902	12,388	154,780
26	Total Payroll 2013		3,142,584	3,189,628	425,328	6,757,540
27	Total capitalized		1,019,140	1,034,397	0	2,053,536
28	Total to O&M		2,123,444	2,155,232	425,328	4,704,004
29	Total to O&M- 2012					
30	Non-Recurring Costs in Test Year- Pre-Acquisition					
31	Adjusted Test Year					
32	Increase for 2013 over Adjusted Test Year					
33	Increases for 2013		1.6%	3.0%	3.0%	
34	Portion Capitalized	Line 36 / Line 24	32.43%	32.43%		30.40%
35						
36	Amount Capitalized in 2012		1,003,090	1,004,268	0	2,007,359
37	Total Payroll in 2012					7,091,219
38	To O&M in 2012					5,083,860

RR-3-01 (CU) Granite State Electric Company

vCU Adjustments to Test Year

AD Adjustment 01

Payroll Expense

Schedule RR-3-01 (CU)

New Hires For 12/31/13

	Description	Union	Non-Union	Customer Care	Total	Total
Line	Regular Payroll- 2012	1,014,370	483,090	76,706	1,574,166	6,886,888
1	2013 Increases				0	126,439
2	Proformed for 2013 increase	1,014,370	483,090	76,706	1,574,166	7,013,328
3	Amount Capitalized	328,960	156,666	0	485,626	2,127,681
4	Regular Payroll to O&M	685,410	326,424	76,706	1,088,540	4,885,646
5						
6	Overtime comp.- 2012	372,822	23,980	0	396,802	1,099,000
7	2013 Increases				0	12,687
8	Proformed for 2013 increase	372,822	23,980	0	396,802	1,111,687
9	Amount Capitalized	120,906	7,777	0	128,683	358,915
10	Overtime comp. to O&M	251,916	16,203	0	268,119	752,772
11						
12	Premium comp.- 2012	28,439	0	0	28,439	92,237
13	2013 Increases				0	1,085
14	Proformed for 2013 increase	28,439	0	0	28,439	93,322
15	Amount Capitalized	9,223	0	0	9,223	30,264
16	Premium comp. to O&M	19,217	0	0	19,217	63,058
17						
18	Incentive comp.- 2012	33,982	62,923	7,671	104,576	628,618
19	2013 Increases				0	14,568
20	Proformed for 2013 increase	33,982	62,923	7,671	104,576	643,187
21	Amount Capitalized	11,020	20,406	0	31,426	191,634
22	Incentive comp. to O&M	22,961	42,517	7,671	73,149	451,552
23						

Adjust

43,462

From RR-3-01A (CU)

RR-3-01 (CU) Granite State Electric Company

vCU Adjustments to Test Year

AD Adjustment 01

Payroll Expense

Schedule RR-3-01 (CU)

New Hires For 12/31/13

	Description	Union	Non-Union	Customer Care	Total	Total
24	2012 Total and 2013 New Hire	1,449,613	569,993	84,377	2,103,983	8,706,744
25	2013 Increases				0	154,780
26	Total Payroll 2013	1,449,613	569,993	84,377	2,103,983	8,861,524
27	Total capitalized	470,110	184,849	0	654,958	2,708,495
28	Total to O&M	979,504	385,144	84,377	1,449,025	6,153,029
29	Total to O&M- 2012					5,083,860
30	Non-Recurring Costs in Test Y					(2,127,329)
31	Adjusted Test Year					2,956,531
32	Increase for 2013 over Adjusted					3,196,497
33	Increases for 2013					
34	Portion Capitalized	32.43%	32.43%	0.00%	31.13%	
35						
36	Amount Capitalized in 2012	470,110	184,849	0	654,958	
37	Total Payroll in 2012					
38	To O&M in 2012	5,083,860				

Adjust

[illegible]

R-3-02 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 02**
Payroll Taxes
Schedule RR-3-02 (CU)

Line	Description	Ref.	Expense Amounts Based on Adjusted Labor			
			Union	Non-Union	Customer Care	Amount
1	Labor Complement at 12/31/2012					
2	<i>Payroll Taxes</i>		222,620	192,942	28,087	443,649
3	Applicable Salary- 2013	RR-3-01 (CU)	3,142,584	3,189,628	425,328	6,757,540
4	% of Applicable Salary	Line 2 / Line 3	7.1%	6.0%	6.6%	6.6%
5						
6	New Hires in 2013					
7	Salary- 2013	RR-3-01 (CU)	1,449,613	569,993	84,377	2,103,983
8	<i>Salary-related Benefits</i>	Line 7 / Line 4	102,690	34,479	5,572	142,741
9						
10	Total Payroll Taxes	Sum Lines 2, 8	325,310	227,422	33,659	586,391
11	Portion Capitalized	RR-3-01 (CU)	32.4%	32.4%	0.0%	
12	Amount Capitalized	Line 10 X Line 11	105,498	73,753	0	179,251
13	Payroll Taxes to O&M	Line 10 - Line 12	219,812	153,669	33,659	407,140
14						
15	Test Year Expense- Account 408.4					387,295
16	Non-Recurring Costs in Test Year- RR-3-07 (CU)					(164,017)
17	Adjusted Test Year Expense					223,277
18	Increase for 2013 over Adjusted Test Year					183,862
19						
20	Note:					
21	This adjustment aligns Payroll taxes with the Labor costs reflected on RR-3-01 (CU)					

R-3-03 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 03**
Pension and Benefits Expense
Schedule RR-3-03 (CU)

Line	Description	Ref.	Expense Amounts Based on Adjusted Labor				Capitalized	Net
			Union	Non-Union	Customer Care	Amount		
1	Labor Complement at 12/31/2012						Labor Complement at 12/31/	
2	Pension		335,878	263,383	51,877	651,138	194,340	456,798
3	OPEB		223,262	112,655	34,022	369,939	108,938	261,001
4	401K		110,724	92,815	13,710	217,249	66,008	151,241
5	Workers Compensation	RR-3-04 (CU)	110,643	77,442	16,453	204,537	60,996	143,541
6	<i>Salary-related Benefits</i>		<u>780,507</u>	<u>546,294</u>	<u>116,061</u>	<u>1,442,863</u>	<u>430,282</u>	<u>1,012,581</u>
7	Total Salary paid- 2013	RR-3-01 (CU)	3,142,584	3,189,628	425,328	6,757,540		
8	% of Salary paid	Line 6 / Line 7	24.8%	17.1%	27.3%	21.4%		
9								
10	Medical		362,700	248,021	46,281	657,002	198,057	458,946
11	Other Health Care		72,142	73,323	10,918	156,383	47,174	109,209
12	<i>Per FTE-related Benefits</i>		<u>434,842</u>	<u>321,344</u>	<u>57,199</u>	<u>813,385</u>	<u>245,231</u>	<u>568,154</u>
13	FTE Employees		39.0	19.8	4.4	63.2		
14	Per FTE	Line 12 / Line 13	11,150	16,229	13,017	12,871		
15								
16	New Hires in 2013						New Hires in 2013	
17	Salary- 2013	RR-3-01 (CU)	1,449,613	569,993	84,377	2,103,983		
	Pension		154,934	47,067	10,291	212,292	65,509	146,784
	OPEB		102,986	20,132	6,749	129,867	39,927	89,940
	401K		51,075	16,586	2,720	70,381	21,943	48,438
	Workers Compensation		51,038	13,839	3,264	68,140	21,039	47,101
23	<i>Salary-related Benefits</i>	Line 17 X Line 8	<u>360,033</u>	<u>97,624</u>	<u>23,024</u>	<u>480,681</u>	<u>148,418</u>	<u>332,263</u>
24								
25	FTE Employees		13.0	5.9	0.9	19.8		
	Medical		120,900	73,286	9,479	203,665	62,975	140,690
	Other Health Care		24,047	21,666	2,236	47,949	14,825	33,124
29	<i>Per FTE-related Benefits</i>	Line 14 X Line 25	<u>144,947</u>	<u>94,952</u>	<u>11,715</u>	<u>251,614</u>	<u>77,799</u>	<u>173,815</u>

R-3-03 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 03**
Pension and Benefits Expense
Schedule RR-3-03 (CU)

Line	Description	Ref.	Expense Amounts Based on Adjusted Labor				Capitalized	Net
			Union	Non-Union	Customer Care	Amount		
30								
31	Total Pension and Benefits	Sum Lines 6, 12, 23, 29	1,720,329	1,060,214	208,000	2,988,544	901,730	2,086,813
32	Portion Capitalized	RR-3-01 (CU)	32.4%	32.4%				
33	Amount Capitalized	Line 31 X Line 32	557,903	343,827	0	901,730		
34	Pension and Benefits to O&M- Active Employees	Line 31 - Line 33	1,162,427	716,387	208,000	2,086,813	901,730	2,086,813
35	Inactive employees- Pension and OPEB					128,133		128,133
36	Pension and Benefits to O&M	Line 34 + Line 35				2,214,946		2,214,946
37								
38	Deferred items to Pension expense	NEES Acquisition (Credit)				(395,222)		(395,222)
39		Liberty Acquisition Deferred Debit				2,118,870		2,118,870
40	Rate Year Expense- Account 926					3,938,594		3,938,594
41								
42	Test Year Expense- Account 926					1,698,758		
43	Non-Recurring Costs in Test Year- Pre-Acqui RR-3-07 (CU)					(894,631)		
44	Adjusted Test Year Expense					804,126		
45	Increase for 2013 over Adjusted Test Year					3,134,467		
46								
47	<u>Deferred Debits (Credits) Amortized to Pension expense</u>							
48	NEES Acquisition (Credit)	(1,270,604)				(395,222)		
49	Liberty Acquisition Deferred Debit	21,188,697				2,118,870		
50	Adjustment to Rate Year Expense					1,723,648		

Notes:

This adjustment aligns Pension and Benefits expense with the Labor costs reflected on RR-3-01 (CU)

RR-3-04 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 04**
Property and Liability Insurance
Schedule RR-3-04 (CU)

Staff 5-14

Line	Description	Annual Premium- Test Year	Projected Increase	Fee	Annual Cost- Rate Year	Capitalized Portion from RR-3-01 (CU)	Expense to O&M- Rate Year
1	Property insurance:		1.90%	7.16%		30.40%	
2	All risk	51,712	983	3,702	56,396		56,396
3		51,712	983	3,702	56,396	0	56,396
4							
5	Liability insurance:						
6	Comprehensive General Liability	110,868	2,106	7,937	120,911	36,759	84,152
7	Umbrella	138,173	2,625	9,891	150,690	45,813	104,878
8	Excess	61,955	1,177	4,435	67,567	20,542	47,026
9	Automobile	119,622	2,273	8,563	130,458	39,662	90,797
10		430,619	8,182	30,827	469,627	142,775	326,852
11	Total Property and liability insurance in O&M- Rate Year						383,248
12							
13	Total Property and liability insurance in O&M- Test Year Account 925						427,811
14	Non-Recurring Costs in Test Year- Pre-Acquisition					RR-3-07 (CU)	(28,716)
15							399,096
16	Adjustment to Rate Year						(15,848)
17							
18	Workers Compensation insurance:	187,548	3,563	13,426	204,537	To RR-3-03 (CU)	
19	Totals	669,878	12,728	47,955	730,561		
20	Reconciliation		Ref.	CU	Original	Change	
21	Annual premium		Above	669,878	922,187	(252,309)	
22	Increase		Above	12,728	17,522	(4,794)	
23	Fee		Above	47,955	93,971	(46,016)	
24	Capitalized		Above	(142,775)	(178,273)	35,498	
25	Capitalized Workers Comp- 2012 employees		RR-3-03 (CU)	(60,996)	(111,836)	50,840	
26	Workers Comp- 2012 hires		RR-3-03 (CU)	68,140	122,130	(53,989)	
27	Capitalized Workers Comp- 2013 hires		RR-3-03 (CU)	(21,039)	(37,666)	16,626	
28				573,891	828,034	(254,143)	

vCU **Adjustments to Test Year**AD **Adjustment 04A****Property and Liability Insurance- Adjusted**

Schedule RR-3-04A (CU)

Response to Staff 6-25

Line		Policy #	Invoice Amount	Basis for Split (a)	Granite State	Energy North	Period Covered	Granite State Annual
1	<u>LIABILITY PROGRAM</u>							
2	Commercial General Liability (\$1,000,000 limit) - Zurich							
3	\$50,000 - Self-Insured Retention	GI03792974-03	218,237	Plant Expense (portion to Atmos)	79,030	139,207	7/1/12-6/1/13	86,215
4	CGL difference in conditions	8836390	81,829		22,599	59,230	7/1/12-6/1/13	24,653
5								
6	Umbrella (\$20,000,000 limit)- AEGIS	XI5115701P	342,306	Plant	126,659	215,647	7/1/12-6/1/13	138,173
7								
8	First Ex (\$15,000,000 limit) - Chartis	CE9785136	156,692	Plant	56,792	99,900	7/1/12-6/1/13	61,955
9								
10	Auto	AS1-B71-170910-012	192,713	Labor costs	109,654	83,059	7/1/12-6/1/13	119,622
11			991,777		394,734	597,043		430,619
12								
13	Worker Comp	WC2-B71-072505-012	302,142	Labor costs	171,919	130,223	7/1/12-6/1/13	187,548
14								
15	<u>PROPERTY PROGRAM</u>							
16	Property	5308942	89,171	Replacement value declared	26,498	62,673	7/1/12-6/1/13	28,907
17	Machinery Breakdown	01850019	25,036	Replacement value declared	9,502	15,534	7/3/12-12/1/12	22,805
18			1,408,126		602,652	805,474		669,878
19								
20	Brokerage Fee		233,435					
21	Applicable to Other companies	32%	74,699					
22	Brokerage Fee		158,736	42.80%	67,936		7/1/12-12/1/13	47,955
23								7.16%
24								

R-3-05 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 05**
Leased Vehicles
Schedule RR-3-05 (CU)

Line	Description	Amount
1	Annual cost for leased vehicles, starting 2013	252,288
2		
3		
4	Adjustment for Leased Vehicles	252,288
5		

6 Note:
7 The Company has included the cost of leased vehicles in the revenue requirement.
8 The cost of vehicles which the Company plans to purchase to replace the leased vehicles
9 is in the Step Increase the Step Increase was reduced by the revenue requirement effect of the leased vehicles.
10
11

R-3-06 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 06**
General Inflation
Schedule RR-3-06 (CU)

Line	Description	Reference	Amount
1	Total Test Year O&M expense	RR-2-1 (CU)	18,760,509
2	Less: Purchased power	RR-2-1 (CU)	0
3			18,760,509
4	Less: Items normalized or not subject to general inflation	<i>Included in Line 3</i>	
5	Payroll Expense	RR-3-01 (CU)	5,083,860
6	Pension and Benefits Expense	RR-3-03 (CU)	1,698,758
7	Property and Liability Insurance	RR-3-04 (CU)	427,811
8	Non-Recurring Costs in Test Year- Pre-Acquisition	RR-3-07 (CU)	4,339,205
9	Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	RR-3-08 (CU)	1,155,458
10	Post-closing entries	RR-3-09 (CU)	
11	Major Storm Reserve Fund	RR-3-10 (CU)	2,190,859
12	Algonquin / Liberty Support Costs	RR-3-13 (CU)	630,516
13	Bad Debt Expense	RR-3-20 (CU)	326,926
14			15,853,393
15	Test Year O&M expenses subject to general inflation		2,907,116
16	Genreal inflation rate		1.90%
17	Increase for general inflation		55,235
18			
19	Long term inflation forecast	Year over Year	
20	2011	100.000	
21	2012	102.200	2.20%
22	2013	104.142	1.90%
23	2014	106.954	2.70%

Source: U.S. Macro Baseline Forecast Summary, Moody's Analytics, April 2012

Note: This adjustment provides for general inflation on items not specifically adjusted.

R-3-07 (CU) Granite State Electric Company

vCU Adjustments to Test Year

AD Adjustment 07

Non-Recurring Costs in Test Year- Pre-Acquisition

Schedule RR-3-07 (CU)

Granite State Electric Company

d/b/a Liberty Utilities

Docket DE 13-063

Schedule RR-3-07 (CU)

Page 1 of 1

Line	Description	Account	IS Transition	Pre-Acquisition Costs		Total
				Payroll	Benefits	
1	Payroll Tax	408		0	(164,017)	(164,017)
2	Supervision & Eng	580		(32,727)	(78)	(32,805)
3	Load Dispatching	581		(26,430)	0	(26,430)
4	Substations	582		(45,013)	0	(45,013)
5	Overhead Lines	583		(125,758)	0	(125,758)
6	Underground Lines	584		(16,234)	0	(16,234)
7	Outdoor Lighting	585		(12,101)	0	(12,101)
8	Electric Meters	586		(99,843)	0	(99,843)
9	Customer Installation	587		(56,000)	0	(56,000)
10	Misc Expenses	588		(290,615)	(5,211)	(295,826)
11	Supervision & Eng	590		(55)	0	(55)
12	Structures	591		(4,925)	0	(4,925)
13	Substations	592		(37,266)	0	(37,266)
14	Overhead Lines	593	(36,045)	(323,732)	(8,935)	(368,711)
15	Underground Lines	594		(18,311)	0	(18,311)
16	Line Transformers	595		(4,992)	0	(4,992)
17	Outdoor Lighting	596		(52,283)	0	(52,283)
18	Misc Distr Plant	597		(700)	0	(700)
19	Supervision	901		(8,455)	0	(8,455)
20	Meter Reading	902		(81,774)	(197)	(81,970)
21	Customer Records & Collection	903		(114,501)	(2,842)	(117,343)
22	Misc Expenses	905		(1,815)	0	(1,815)
23	Cust Assistance Expenses	908		(117,855)	(25,378)	(143,232)
24	Cust Service-Misc Expenses	910		(1,885)	(1,418)	(3,302)
25	A&G Salaries	920	602	(607,582)	(37,836)	(644,816)
26	A&G Office Supplies	921	(63,576)	(37)	(1,730)	(65,343)
27	Outside Services	923	(949,459)	(79)	(445)	(949,982)
28	Property Insurance	924		(2,554)	0	(2,554)
29	Injuries & Damages Insurance	925		(4,786)	(23,930)	(28,716)
30	Employee Pensions & Benefits	926		(4,324)	(890,307)	(894,631)
31	Regulatory Comm Expenses	928		(18,594)	0	(18,594)
32	A&G-Institutional/Goodwill Adv	930		(6,741)	(1,077)	(7,818)
33	A&G Maint-General Plant-Elec	935		(9,362)	0	(9,362)
34	Non-Recurring Costs in Test Year- Pre-Acquisition		(1,048,478)	(2,127,329)	(1,163,398)	(4,339,205)

Audit 29 (36,045)

As filed (56,533)

Audit 30 (7,043)

Adjusted (63,576)

As filed (1,055,800)

Adjust 106,341

Staff 5-1 (949,459)

This adjustment removes non-recurring costs incurred in the Test Year pre-acquisition.

Payroll and benefits were replaced by the cost of the 12/31/2012 labor complement (Schedule RR-3-01 (CU),

Schedule RR-3-02 (CU), Schedule RR-3-03 (CU)). IS Transition costs are non-recurring and were removed.

Line	Description	Disposition	Labor	Non-Labor	Total
1	TSA Invoices, July-November 2012		872,531	1,171,253	2,043,784
2	Less: Capitalized portion of HR		(31,938)	2,962	(28,976)
3	Less: Capitalized portion of Operations	16.15%	(99,679)	(201,316)	(300,994)
4	TSA Invoices charged to P&L- Account 923		740,914	972,900	1,713,813
5					
6	<u>Disposition of TSA Costs Charged to P&L:</u>				
7	Customer Service	Continue	135,634	205,672	341,306
8	Non-Labor	Continue	0	720,090	720,090
9	Transition	Exclude	2,510	12,076	14,586
10	Not Ongoing	Exclude	0	35,061	35,061
11	Labor	Normalize Out	602,769	0	602,769
12			740,914	972,900	1,713,813
13					
14	Removed from P&L- Account 923			38.07%	652,416
15	Remaining TSA Costs in P&L- Account 923			61.93%	1,061,397
16				100.00%	1,713,813
17					
18	TSA Invoices charged to P&L- Account 923, through November 2012				1,713,813
19	Accrued for December			340,729	
20	Less: Portion capitalized (estimated)	16.15%	(55,011)		285,718
21	Total TSA Costs to P&L in Test Year				1,999,531
22					
23	TSA Costs in Test Year to be Normalized Out- Customer			38.07%	761,183
24	TSA Costs in Test Year to be Normalized Out- O&M				394,275 Staff 1-7- L
25	TSA Costs in Test Year to be Normalized Out				1,155,458 844,073
26					
27	<u>Reclass Customer Service from A&G Account 923 to Accounts 902/903</u>				
28	TSA, July-November				341,306
29	TSA, December, estimated				68,261
30	Labor costs January-June		RR-3-07 (CU)		326,284
31					735,852
32	To Account 902	33.33%	To RR-3 (CU)		245,284
33	To Account 903	66.67%	To RR-3 (CU)		490,568
34		100.00%			735,852
35					
36	This adjustment removes non-recurring costs incurred in the Test Year post-acquisition.				
37	Payroll and benefits costs for services under the TSA were replaced by the cost of the 12/31/2012 labor complement				
38	(Schedule RR-3-01 (CU), Schedule RR-3-02 (CU), Schedule RR-3-03 (CU)). Other non-recurring TSA costs were als				

R-3-09 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 09**
Post-closing entries
Schedule RR-3-09 (CU)

Line	Description	Ref.	Amount
1	Interest on Customer deposits	<i>Audit 25</i>	21,448
2	Amount in GL		36,499
3			(15,051)
4			
5	GSE over-paid	<i>Audit 32</i>	(819)
6	Costs to be capitalized	<i>Audit 33</i>	(2,847)
7			(3,666)
8			
9	Expense account over-payment	<i>Audit 28</i>	(189)
10			
11	Office Supplies- Account 921	<i>Audit 34</i>	(1,250)
12	Outside Service- Account 923	<i>Audit 34</i>	(208)
13	Miscellaneous General Expense- Account 930.2	<i>Audit 34</i>	(300)
14			(1,758)
15			
16	REP/VMP expenses in 2012		1,537,000
17	<i>REP/VMP expenses proposed in base rates- Testimony of Saad and Demmer, p. 15, line 8</i>		1,750,000
18			213,000
19			
20			\$192,336

R-3-10 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 10**
Major Storm Reserve Fund
Schedule RR-3-10 (CU)

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-3-10 (CU)
Page 1 of 1

Line	Description	Amount		Current	Proposed
1	Proposed in Base Rates	1,600,000	Base rates	120,000	1,600,000
2	Proposed in SRA (Until Storm Fund balance = \$0)	1,200,000			
3	Annual Storm Funding	2,800,000			
4					
5	<u>Storm costs in Test Year O&M</u>		Total	2,181,924	2,800,000
6	Account 924	2,145,707			
7	Account 593	47,705			
8	Non-Recurring Costs in Test Year- Pre-Acquisition	(2,554)			
9	Adjustment to Major Storm Reserve Fund	Account 924			
10		609,141			
11	Adjustment to Major Storm Reserve Fund	Account 924			
12	Adjustment to Remove Costs	Account 593			
13		(47,705)			
14		609,141			

Line	Storm Cost History	Nominal Cost	Inflate to Test Year	Cost in Test Year \$
16	Ice Storm A 12/12/2008	1,372,551	1.05	1,443,658
17	Windstorm 02/23-26/2010	1,713,578	1.04	1,786,594
18	Halloween Snow 10/31/2011	1,560,182	1.02	1,583,742
19	First Snow Storm 03/07/2011	1,713,696	1.02	1,739,573
20	Hurricane Irene 08/20/2011	993,267	1.02	1,008,265
21	Superstorm Sandy 10/29/2012	1,628,452	1.00	1,628,452
22		<u>8,981,726</u>		<u>9,190,284</u>
23	December 2012		247.56	
24	Average Annual Major Storm Cost	5 years		1,838,057

25
26 This adjustment establishes annual Storm Fund contributions in base rates at a level reflecting recent storm costs.
27 It also includes a Storm Recovery Adjustment (SRA) amount designed to recover the current balance in approximately 6 years.
28 NOTE: Changes in revenue and expense resulting from Docket 13-096 will offset with no impact on the revenue requirement.

R-3-12 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 12**
Depreciation Reserve Deficiency Amortization
Schedule RR-3-12 (CU)

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-3-12 (CU)
Page 1 of 1

			Accumulated Depreciation at 12/31/2011			Annual Amortization Expense
Line	Account	Acct. No.	Actual	Theoretical	Difference	
1	Distribution Plant				<i>Years=</i>	<i>10</i>
2	Land and land rights	360			0	0
3	Structures and improvements	361	203,368	159,182	(44,186)	(4,419)
4	Station equipment	362	5,624,191	6,389,061	764,870	76,487
5	Poles, towers and fixtures	364	16,095,788	13,667,029	(2,428,759)	(242,876)
6	Overhead conductors, devices	365	10,264,973	13,792,122	3,527,149	352,715
7	Underground conduit	366	780,594	1,190,063	409,468	40,947
8	Underground conductors, device	367	2,252,393	2,635,662	383,269	38,327
9	Line transformers	368	9,325,592	11,637,078	2,311,486	231,149
10	Services	369	3,945,595	3,682,695	(262,900)	(26,290)
11	Meters	370	1,596,772	1,731,416	134,643	13,464
12	Leased Prop on Customers' Prem	372	1,315,982	338,555	(977,427)	(97,743)
13	Street lighting, signal system	373	2,982,279	1,861,131	(1,121,148)	(112,115)
14	Prime movers	343			0	0
15	<i>Total Distribution Plant</i>		<i>54,387,527</i>	<i>57,083,993</i>	<i>2,696,466</i>	<i>269,647</i>
16						
17	General Plant					
18	Land					
19	Structures and Improvements	390	734,037	1,020,284	286,246	28,625
20	Office Furniture and Equipment	391	21,807	20,769	(1,038)	(104)
21	Transportation Equipment	392	72,060	9,141	(62,919)	(6,292)
22	Stores Equipment	393	42,751	30,726	(12,025)	(1,203)
23	Tools Shop and Garage Equipmen	394	82,494	134,232	51,738	5,174
24	Laboratory Equipment	395	83,208	82,699	(510)	(51)
25	Communication Equipment	397	507,496	709,711	202,216	20,222
26	<i>Total General Plant</i>		<i>1,543,854</i>	<i>2,007,562</i>	<i>463,708</i>	<i>46,371</i>
27						
28	Total		55,931,381	59,091,555	3,160,174	316,017

R-3-13 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 13**
Algonquin / Liberty Support Costs
Schedule RR-3-13 (CU)

Line	Description	Annual Amount
1	Liberty Support Costs- Rate Year	522,636
2	Algonquin Support Costs- Rate Year	724,589
3	Support cost for GSE Costs- Rate Year	1,247,225
4		
5	<u>Costs incurred by GSE- Test Year:</u>	
6	Account 920	58,227
7	Account 921	10,103
8	Account 923	562,185
9		630,516
10	Adjustment	616,709

11
12
13
14
15

This adjustment reflects the cost of support services provided by Liberty / Algonquin,
which acquired Granite State Electric in 2012.

R-3-14 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 14**
Property Taxes
Schedule RR-3-14 (CU)

			<i>Schedule RR-3-14A (CU)</i>		
Line	Municipality	Parcel	Total 2012 Taxes	Average Increase in Rate, 2012-2009	Total 2013 Taxes
1	Acworth	999-00000-999D	9,742	4.5%	10,176
2	Alstead	999-UTIL-001	45,240	(1.3%)	44,657
3	Bath	00	1,920	7.8%	2,070
4	Canaan	00UTIL-00ELEC-000001	98,392	5.5%	103,821
5	Charlestown	119-033	2,731	9.5%	2,991
6	Charlestown	000-003	55,987	9.5%	61,322
7	Charlestown	103-050	30	9.5%	32
8	Charlestown	103-051	14	9.5%	16
9	Charlestown	107-001	50	9.5%	55
10	Charlestown	107-004	1,266	9.5%	1,386
11	Cornish	000UTL - 000UTL - 00ELEC	4,784	1.1%	4,838
12	Derry	11-100	3,263	5.4%	3,440
13	Enfield	33-034	1,471	5.1%	1,545
14	Enfield	UTL-001	51,271	5.1%	53,879
15	Franconia	00UTIL-0ELECT-00003	149	1.7%	151
16	Grafton	000UTL-00001-00000	558	6.2%	593
17	Hanover	0-11	173,504	3.5%	179,494
18	Langdon	1-00000.-0	13,284	2.6%	13,624
19	Lebanon	103-14	138,553	0.6%	139,413
20	Lebanon	105-105	3,110	0.6%	3,129
21	Lebanon	116-4	87	0.6%	88
22	Lebanon	117-17	1,391	0.6%	1,400
23	Lebanon	6-1	4,859	0.6%	4,889
24	Lebanon	999-2	655,471	0.6%	659,540
25	Marlow	U7C	155	4.5%	162
26	Monroe	000000-000002-000000	7,182	7.4%	7,715
27	Orange	00UTLS-000GSE-000000	1,586	4.4%	1,655
28	Pelham	0-14-3	243,046	10.0%	267,461

R-3-14 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 14**
Property Taxes
Schedule RR-3-14 (CU)

			<i>Schedule RR-3-14A (CU)</i>		
Line	Municipality	Parcel	Total 2012 Taxes	Average Increase in Rate, 2012-2009	Total 2013 Taxes
29	Pelham	22-8-21	5,813	10.0%	6,397
30	Plainfield	000233-000020-000000	45,192	3.7%	46,844
31	Salem	67-9809	2,671	5.1%	2,806
32	Salem	68-10101	343	5.1%	360
33	Salem	68-10102	386	5.1%	405
34	Salem	68-10103	196	5.1%	206
35	Salem	89-1099	1,581	5.1%	1,661
36	Salem	89-10115	1,821	5.1%	1,913
37	Salem	114-10116	1,576	5.1%	1,656
38	Salem	116-9915	20,689	5.1%	21,734
39	Salem	116-9915-2	1,927	5.1%	2,024
40	Salem	136-9903	2,680	5.1%	2,815
41	Salem	157-9715	898,608	5.1%	943,990
42	Surry	000UTL-000003-000GSE	2,070	14.4%	2,368
43	Walpole	00UTIL-00UTIL-00001B	68,358	1.8%	69,585
44	Walpole	00UTIL-00UTIL-00001A	23,181	1.8%	23,597
45	Windham	00B-00000-02795	35,044	4.6%	36,661
46	State of New Hampshire		449,523		449,794
47			<u>3,080,755</u>		<u>3,184,358</u>
48	Property Tax expense, Test Year				2,778,746
49	Increase in Property tax expense				<u>405,612</u>
50					
51	Correct 2012			74.5%	302,009
52	Normalize 2013			25.5%	103,603
53				100.0%	<u>405,612</u>

RR-3-14A (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 14- Support**
Property Taxes
Schedule RR-3-14A (CU)

Line	Municipality	2013 F	Tax 2012	Average Increase	Incr 2012/2011	Incr 2011/2010	Incr 2010/2009	Rate 2012	Rate 2011	Rate 2010	Rate 2009	Assessed 2012
1	Acworth	10,176	9,742	4.5%	1.6%	7.7%	4.0%	1.9%	1.9%	1.7%	1.7%	513,250
2	Alstead	44,657	45,240	(1.3%)	(8.9%)	(10.4%)	15.4%	1.9%	2.1%	2.3%	2.0%	2,377,050
3	Bath	2,070	1,920	7.8%	10.3%	(1.9%)	14.9%	1.6%	1.4%	1.5%	1.3%	121,700
4	Canaan	103,821	98,392	5.5%	12.3%	4.2%	0.1%	2.1%	1.9%	1.8%	1.8%	4,645,500
5	Charlestown	65,803	60,078	9.5%	14.6%	8.7%	5.3%	3.0%	2.6%	2.4%	2.3%	1,988,878
6	Cornish	4,838	4,784	1.1%	1.2%	4.0%	(1.8%)	1.7%	1.7%	1.6%	1.7%	276,200
7	Derry	3,440	3,263	5.4%	12.6%	(4.7%)	8.4%	2.8%	2.5%	2.6%	2.4%	117,000
8	Enfield	55,425	52,742	5.1%	0.9%	(0.3%)	14.7%	1.8%	1.8%	1.8%	1.6%	2,890,050
9	Franconia	151	149	1.7%	6.9%	(0.6%)	(1.3%)	1.4%	1.3%	1.3%	1.3%	11,000
10	Grafton	593	558	6.2%	15.3%	(7.0%)	10.3%	1.8%	1.6%	1.7%	1.5%	31,000
11	Hanover	179,494	173,504	3.5%	2.0%	2.5%	5.9%	1.6%	1.6%	1.5%	1.5%	10,743,300
12	Langdon	13,624	13,284	2.6%	5.7%	0.9%	1.0%	2.4%	2.3%	2.2%	2.2%	557,164
13	Lebanon	808,458	803,471	0.6%	(1.1%)	6.7%	(3.7%)	2.2%	2.2%	2.1%	2.2%	36,368,600
14	Marlow	162	155	4.5%	(21.6%)	38.1%	(3.0%)	2.1%	2.7%	1.9%	2.0%	7,449
15	Monroe	7,715	7,182	7.4%	(5.6%)	12.5%	15.3%	0.9%	1.0%	0.9%	0.8%	770,350
16	Orange	1,655	1,586	4.4%	(5.7%)	11.1%	7.7%	1.7%	1.8%	1.7%	1.5%	91,600
17	Pelham	273,858	248,859	10.0%	18.6%	8.4%	3.2%	2.2%	1.8%	1.7%	1.7%	11,358,200
18	Plainfield	46,844	45,192	3.7%	2.5%	0.3%	8.2%	2.2%	2.1%	2.1%	2.0%	2,051,400
19	Salem	979,570	932,478	5.1%	(2.1%)	9.9%	7.3%	1.7%	1.7%	1.6%	1.4%	55,833,927
20	Surry	2,368	2,070	14.4%	28.4%	7.3%	7.5%	1.9%	1.5%	1.4%	1.3%	110,850
21	Walpole	93,182	91,539	1.8%	15.7%	(23.2%)	12.9%	1.8%	1.5%	2.0%	1.8%	5,135,600
22	Windham	36,661	35,044	4.6%	1.3%	8.8%	3.8%	2.1%	2.0%	1.9%	1.8%	1,702,000
23	Municipalities	<u>2,734,564</u>	<u>2,631,232</u>	2.2%	1.6%	4.3%	0.6%	1.9%	1.9%	1.8%	1.8%	<u>137,702,067</u>
24												
25	NH DRA											<u>68,109,546</u>
26	Property Tax											<u>205,811,613</u>

Check from Detail
Difference

RR-3-14A (CU) Granite State Electric Company
vCU Adjustments to 1
AD Adjustment 14-5
Property Taxes
Schedule RR-3-14A

Line	Municipality	Assessed 2011	Assessed 2010	Assessed 2009	Tax 2012	Tax 2011	Tax 2010	Tax 2009	Tax 2008	Tax 2007
1	Acworth	515,879	469,879	429,500	9,742	9,637	8,148	7,160	8,053	7,479
2	Alstead	2,250,756	2,069,368	2,089,270	45,240	46,996	48,221	42,196	43,409	14,134
3	Bath	121,700	43,000	43,000	1,920	1,740	627	546	640	479
4	Canaan	5,110,561	3,931,700	3,931,700	98,392	96,394	71,203	71,124	75,213	75,528
5	Charlestown	1,777,511	1,719,962	1,726,477	60,078	46,861	41,726	39,763	38,533	36,120
6	Cornish	276,200	276,200	264,054	4,784	4,729	4,549	4,427	3,571	3,365
7	Derry	117,000	117,000	123,418	3,263	2,899	3,042	2,959	2,690	2,294
8	Enfield	2,528,800	2,528,800	2,716,613	52,742	45,746	45,898	42,983	48,436	49,004
9	Franconia	12,000	11,142	12,000	149	152	142	155	153	-
10	Grafton	31,000	31,000	13,800	558	484	520	210	237	274
11	Hanover	10,526,800	10,288,500	10,164,921	173,504	166,639	158,957	148,331	140,178	135,456
12	Langdon	531,700	488,152	506,979	13,284	11,995	10,910	11,213	10,805	10,280
13	Lebanon	36,368,600	37,148,723	36,458,900	803,471	812,796	778,126	792,909	810,362	405,934
14	Marlow	6,998	7,569	6,732	155	186	145	133	117	133
15	Monroe	632,972	596,054	676,400	7,182	6,248	5,230	5,147	4,694	4,756
16	Orange	91,600	91,600	45,890	1,586	1,681	1,513	704	1,062	907
17	Pelham	11,625,589	11,383,000	11,759,298	248,859	214,784	194,080	194,307	170,630	155,155
18	Plainfield	2,051,400	2,051,400	2,051,400	45,192	44,105	43,962	40,638	40,515	42,231
19	Salem	52,359,000	42,917,213	27,614,713	932,478	893,338	666,167	399,304	374,241	323,380
20	Surry	93,900	93,900	93,900	2,070	1,366	1,273	1,184	1,628	1,581
21	Walpole	6,884,400	5,350,000	5,691,400	91,539	106,094	107,309	101,122	100,567	89,641
22	Windham	1,726,166	1,667,362	1,350,467	35,044	35,095	31,165	24,319	12,292	10,799
23	Municipalities	135,640,532	123,281,524	107,770,833	2,631,232	2,549,966	2,222,913	1,930,834	1,888,025	1,368,931
24										
25	NH DRA	-	-	-	22,197	432,875	328,387	397,690	441,514	344,897
26	Property Tax	135,640,532	123,281,524	107,770,833	2,653,429	2,982,841	2,551,300	2,328,524	2,329,539	1,713,828
		135,640,532	123,281,524	107,770,833	2,653,429					
		-	-	-						
	Check from Detail				2,653,429	2,982,841	2,551,300	2,328,524	2,329,539	1,713,828
	Difference				-	-	-	-	-	-
					0.0%	3.2%	18.4%	36.3%	39.4%	92.2%

R-3-15 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 15**
Other Revenue
Schedule RR-3-15 (CU)

Line	Description	Actual	Adjustment	Adjusted	
1	Forfeited discounts	117,251	(a) 17,588	134,839	15%
2	Miscellaneous service revenue	303,243	(b) (57,036)	246,207	Original (eliminated) (67,543)
3	Rent from Electric property	283,642	(c)	283,642	Staff 6-36 (57,036)
4	Other revenue	490,857	(d) 314,464	805,321	Adjustment 10,507
5	Border sales	18,033	(e) 54,099	72,132	
6	Fairpoint REP/VMP revenue	475,023	(f) (475,023)	0	Audit 17-19
7	Miscellaneous revenue	314,464	(314,464)	0	
8		2,002,514	(460,372)	1,542,142	
9			Adjustment		
10	(a) Increase by estimated total bill increase of 15%				
11	(b) Remove incentive revenue for energy efficiency programs				
12	(c) Pole attachment revenue, not affected by distribution rates				
13	(d) Represents CIAC and other revenue, which are not changing in this rate case				
14	(e) Customers and sales are not included in weather normalized sales				
15	Actual revenue is for October-December 2012; the adjustment is to add revenue for January-September				
16	(f) Remove Fairpoint and REP / VMP revenue				
17					
18	Fairpoint revenue	106,562			
	Fairpoint amortization	493,305			

R-3-16 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 16**
Rate Case Expense
Schedule RR-3-16 (CU)

Line	Description	Reference	Amount
1	Rate case expense, excluding Depreciation study		300,000
2	Depreciation study		90,000
3			390,000
4			
5	Number of years amortization		1
6	Annual amortization expense		390,000
7	Rate case costs not deferred	<i>Audit 31</i>	(11,876)
8	Annual amortization expense		378,124

R-3-17 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 17**
Income Tax Expense- Test Year Actual
Schedule RR-3-17 (CU)

Line	Description	Reference	Amount	Original Filing
1	Test Year Actual to Statutory Rates			
2	Normalized Revenue	RR-2 (CU), line 5	25,872,164	25,872,164
3	Normalized Expenses, excluding income tax	RR-2 (CU), lines 8-15, line 18	23,200,289	23,454,049
4	Income (loss) before taxes		2,671,874	2,418,115
5				
6	Rate base	RR-1 (CU)	68,290,607	
7	Debt Portion	RR-6 (CU)	45.00%	
8	Debt Component		30,730,773	
9	Debt cost	RR-6 (CU)	5.95%	
10	Synchronized Interest expense		1,829,218	
11	Pre-tax income		842,656	
12				
13	Combined income tax rate	Line 20	39.61%	40.53%
14	Income tax expense (credit) at Statutory rates		333,776	980,062
15	Income tax expense (credit) recorded		(774,408)	(774,408)
16	Adjustment to Normalize Historic Test Year		1,108,184	1,754,470
17				
18	Federal statutory rate		34.00%	
19	New Hampshire Business tax rate		8.50%	
20	Combined income tax rate		39.61%	
21				
22	This adjustment normalizes income tax expense in the Test Year before adjustments to reflect statutory rates.			
23				
24	Original		1,754,470	
25	Corrected		1,108,184	
26	Increase in Income tax expense		(646,286)	
27	Increase in Revenue requirement- Gross-up factor RR-1-1 (CU)		(1,075,968)	1.66485
28				

R-3-18 (CU) **Granite State Electric Company**

vCU **Adjustments to Test Year**

AD **Adjustment 18**

Income Tax Expense- Test Year Adjusted at Current Rates

Schedule RR-3-18 (CU)

Line	Description	Reference	% Applicable	Adjustment	Adjustment Amount
1	Adjustments to increase (decrease) taxable income:		<u>RR-3 (CU)</u>	<u>RR-3 (CU)</u>	
2	Payroll Expense	RR-3-01 (CU)	100%	(3,196,497)	(3,196,497)
3	Payroll Taxes	RR-3-02 (CU)	100%	(183,862)	(183,862)
4	Pension and Benefits Expense	RR-3-03 (CU)	100%	(3,134,467)	(3,134,467)
5	Property and Liability Insurance	RR-3-04 (CU)	100%	15,848	15,848
6	Leased Vehicles	RR-3-05 (CU)	100%	(252,288)	(252,288)
7	General Inflation	RR-3-06 (CU)	100%	(55,235)	(55,235)
8	Non-Recurring Costs in Test Year- Pre-Acquisition	RR-3-07 (CU)	0%	4,339,205	0
9	Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	RR-3-08 (CU)	100%	1,155,458	1,155,458
10	Post-closing entries	RR-3-09 (CU)	100%	(192,336)	(192,336)
11	Major Storm Reserve Fund	RR-3-10 (CU)	100%	(609,141)	(609,141)
12	Depreciation Annualization and Rates	RR-3-11 (CU)	100%	(339,515)	(339,515)
13	Depreciation Reserve Deficiency Amortization	RR-3-12 (CU)	0%	(316,017)	0
14	Algonquin / Liberty Support Costs	RR-3-13 (CU)	100%	(616,709)	(616,709)
15	Property Taxes	RR-3-14 (CU)	26%	(405,612)	(103,603)
16	Other Revenue	RR-3-15 (CU)	100%	(460,372)	(460,372)
17	Rate Case expense	RR-3-16 (CU)	100%	(378,124)	(378,124)
18	Income Tax Expense- Test Year Actual	RR-3-18 (CU)	0%	(1,108,184)	
19	Income Tax Expense- Test Year Adjusted at Current Rates	<i>This Schedule</i>			
20	Revenue	RR-3-19 (CU)	100%	1,137,564	1,137,564
21	Bad Debt expense	RR-3-20 (CU)	0%	(91,245)	0
22				<u>(4,691,532)</u>	(7,213,281)
23	Tax rate				39.61%
24	Adjustment to Test Year at Current Rates				<u>(2,857,181)</u>
25					
26	This adjustment reflects income tax expense computed at statutory rates, related to the Company's adjustments.				
27					

R-3-19 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 19**
Revenue at Current Rates
Schedule RR-3-19 (CU)

Line	Rate Class	Includes	Distribution Revenue at Current Rates (a)
1	Domestic	D	11,963,644
2	Domestic Off Peak 6	D-6	15,803
3	Domestic-Opt. Peak	D-10	133,499
4	General TOU	G-1	4,986,358
5	General Long Hour	G-2	3,068,341
6	General Service	G-3	3,446,059
7	Outdoor Lighting	M	582,429
8	Limited All Electric	T	460,428
9	Ltd Comm Space	V	8,540
10	<i>Remove REM Credit- This credit reduced Distribution revenue and is being added back</i>	<i>Rate per kWh in 2012</i>	<i>0.00037</i> <i>342,113</i>
11			25,007,214
12	Test Year Distribution Revenue	RR-2-1 (C)	23,869,650
13	Adjustment to Rate Year at Current Rates		1,137,564
14			
15	Based on delivered kWh=		924,629,419
16			
17	(a) Source: Marginal Cost Study Schedule 19		
18			

R-3-20 (CU) **Granite State Electric Company**
vCU **Adjustments to Test Year**
AD **Adjustment 20**
Bad Debt Expense
Schedule RR-3-20 (CU)
(\$000s)

Line		Total	2012	2011	2010	2009	2008
1							
2	Net Charge-Offs of Customer Accounts	2,309,197	418,277	445,905	376,043	530,092	538,880
3							
4	Total revenue	432,042,534	78,226,534	83,244,000	82,899,000	83,886,000	103,787,000
5	Less: Forfeited discounts	(745,251)	(117,251)	(118,000)	(143,000)	(136,000)	(231,000)
6	Less: Rental revenue	(1,533,642)	(283,642)	(324,000)	(401,000)	(312,000)	(213,000)
7		429,763,641	77,825,641	82,802,000	82,355,000	83,438,000	103,343,000
8							
9	Charge-Offs as % of Revenue	0.54%	0.54%	0.54%	0.46%	0.64%	0.52%
10							
11	<u>Adjustment for 2012</u>						
12	Revenue subject to Bad Debt Expense		77,825,641				
13	Bad Debt Ratio		0.54%				
14	Computed Bad Debt Expense		418,171				
15	Bad Debt Expense per Books		326,926				
16	Adjustment to Bad Debt Expense- Test Year		91,245				
17							

18 This adjustment reflects bad debt expense computed at the historical average rate, for the Test Year before adjustments.
19 It also develops the bad debt expense rate to be applied to the Company's requested revenue increase.
20

R-4 (CU) **Granite State Electric Company**
vCU **Balance Sheets**
RR **Test Year Ended Dec. 31, 2012**

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-4 (CU)
Page 1 of 2

Schedule RR-4 (CU)

Line	Description	Test Year Ended Dec. 31, 2012	FERC Form 1	FERC Form 1
			Calendar Year Ending Dec. 31, 2011	Calendar Year Ending Dec. 31, 2010
1	Assets			
2	Utility plant	134,515,402	133,552,000	129,413,000
3	Depreciation reserve	(55,447,764)	(56,701,000)	(53,699,000)
4	CWIP	9,379,107	2,227,000	1,157,000
5	Net Utility plant	88,446,745	79,078,000	76,871,000
6				
7	Other property & investments	0	1,173,000	1,143,000
8				
9	Current assets			
10	Cash	3,830,343	3,908,000	3,355,000
11	Accounts receivable	10,194,712	10,772,000	9,144,000
12	Due from affiliates	3,000,000	2,555,000	6,342,000
13	Matls and supplies, Prepayments	2,345,312	2,962,000	1,246,000
14	Accrued revenues and other	1,715,239	1,237,000	1,328,000
15	Total Current assets	21,085,606	21,434,000	21,415,000
16				
17	Deferred debits	28,325,234	11,887,000	9,958,000
18	Goodwill	(5,497,205)	20,421,000	20,421,000
19	Total Other assets	22,828,030	32,308,000	30,379,000
20				
21	Total Assets	132,360,381	133,993,000	129,808,000
22				

28,773,234 Audit 11

R-4 (CU) **Granite State Electric Company**
vCU **Balance Sheets**
RR **Test Year Ended Dec. 31, 2012**

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-4 (CU)
Page 2 of 2

Schedule RR-4 (CU)

Line	Description	Test Year Ended Dec. 31, 2012	FERC Form 1	FERC Form 1
			Calendar Year Ending Dec. 31, 2011	Calendar Year Ending Dec. 31, 2010
23	Capitalization & Liabilities			
24	<u>Capitalization</u>			
25	Common stock	55,651,708	6,040,000	6,040,000
26	Preferred stock	0	0	0
27	Other Paid-in capital	0	40,054,000	40,054,000
28	Retained Earnings	(1,077,156)	33,302,000	33,543,000
29	Retained Earnings adjustments	0	(5,962,000)	(7,311,000)
30	Total Proprietary capital	<u>54,574,552</u>	<u>73,434,000</u>	<u>72,326,000</u>
31				
32	Long-term debt	<u>32,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>
33	Total Capitalization	<u>86,574,552</u>	<u>88,434,000</u>	<u>87,326,000</u>
34				
35	<u>Current & accrued liabilities</u>			
36	Notes payable	0	0	0
37	Accounts payable	10,980,264	7,693,000	6,617,000
38	Due to affiliates	469,201	879,000	965,000
39	Customer deposits	667,231	654,000	326,000
40	Accrued expenses	<u>12,438,371</u>	<u>4,676,000</u>	<u>3,313,000</u>
41	Total Current & accrued liabilities	<u>24,555,067</u>	<u>13,902,000</u>	<u>11,221,000</u>
42				
43	Deferred credits	21,230,761	8,422,000	10,509,000
44	Other Non-current liabilities		964,000	613,000
45	Customer advances for construction	0	0	0
46	Deferred income taxes	<u>0</u>	<u>22,271,000</u>	<u>20,139,000</u>
47	Total Capitalization & Liabilities	<u>132,360,381</u>	<u>133,993,000</u>	<u>129,808,000</u>
48	Check	0	0	0

R-5 (CU) **Granite State Electric Company**
vCU **Rate Base**
RR **Balances at Dec. 31, 2012**

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-5 (CU)
Page 1 of 1

Schedule RR-5 (CU)							
Description		Test Year 2-point Average	5-Quarter Average	End of Test Year	Ref.	Description	Pro Forma Rate Base
Source:		RR-5-1 (CU)	RR-5-1 (CU)	RR-5-1 (CU)			
1	Utility plant in service						
2	Utility plant	133,479,804	134,059,185	134,515,402	RR-5-4 (CU)	Additional in-service	139,392,833
3	Depreciation reserve	(54,720,071)	(55,619,574)	(55,447,764)	RR-5-4 (CU)	Additional in-service	(55,662,702)
4	Net Utility plant	78,759,732	78,439,611	79,067,638			83,730,131
5							
6	Materials and Supplies	481,876	506,777	415,932		5 quarter avg	506,777
7	Prepayments	1,295,167	758,805	1,927,205		5 quarter avg	758,805
8	Cash Working Capital	0	0	0	RR-5-3 (CU)	45 days	5,137,517
9	CWIP	5,357,954	5,032,516	9,379,107	Remove		0
10	Deferred Tax Debit	122,247	63,497	231,612	Remove		0
11	Accumulated Deferred FIT	2,610,398	3,450,139	0	RR-5-5 (CU)	Computed	(21,183,915)
12	Other Deferred Credits	(14,057,711)	(11,032,625)	(21,042,739)	Remove		0
13	Deferred Tax Credit	(10,567,223)	(13,055,264)	0	Remove		0
14	Other Rate Base Items	15,611,335	11,619,345	28,064,224	Remove		0
15	Customer Deposits	(655,886)	(658,708)	(667,231)		5 quarter avg	(658,708)
16		78,957,889	75,124,093	97,375,747			68,290,607
17	Rate Base	78,957,889	75,124,093	97,375,747			68,290,607
18							
19	Net Operating Income	(183,651)	(183,651)				(2,018,002)
20							709,010
21	Rate of Return on Rate Base	(0.23%)	(0.24%)				(2.96%)
22							
23							
24							

Schedule RR-5-1 (CU) **Granite State Electric Company**
Rate Base Quarterly Balances
Test Year Ended Dec. 31, 2012

Granite State Electric Company
 d/b/a Liberty Utilities
 Docket DE 13-063
 Schedule RR-5-1 (CU)
 Page 1 of 1

Line	Description	2-Point Average	5-Quarter Average	Dec. 31, 2011	Mar. 31, 2012	Jun. 30, 2012	Sep. 30, 2012	Dec. 31, 2012
1	Utility plant in service							
2	Utility plant	133,479,804	134,059,185	132,444,205	134,616,164	134,406,902	134,313,250	134,515,402
3	Depreciation reserve	(54,720,071)	(55,619,574)	(53,992,379)	(56,785,628)	(57,454,912)	(54,417,187)	(55,447,764)
4	Net Utility plant	78,759,732	78,439,611	78,451,827	77,830,536	76,951,990	79,896,063	79,067,638
5								
6	Materials and Supplies	481,876	506,777	547,820	668,126	600,994	301,012	415,932
7	Prepayments	1,295,167	758,805	663,128	75,373	544,949	583,370	1,927,205
8	Cash Working Capital	0	0	0	0	0	0	0
9	CWIP	5,357,954	5,032,516	1,336,801	2,909,061	4,542,885	6,994,724	9,379,107
10	Deferred Tax Debit	122,247	63,497	12,882	914	1,103	70,971	231,612
11	Accumulated Deferred FIT	2,610,398	3,450,139	5,220,795	5,995,344	6,034,557	0	0
12	Other Deferred Credits	(14,057,711)	(11,032,625)	(7,072,683)	(9,071,488)	(8,702,210)	(9,274,005)	(21,042,739)
13	Deferred Tax Credit	(10,567,223)	(13,055,264)	(21,134,447)	(22,031,889)	(22,109,985)	0	0
14	Other Rate Base Items	15,611,335	11,619,345	3,158,447	4,894,172	4,385,740	17,594,139	28,064,224
15	Customer Deposits	(655,886)	(658,708)	(644,541)	(657,032)	(655,421)	(669,312)	(667,231)
16		78,957,889	75,124,093	60,540,030	60,613,119	61,594,604	95,496,962	97,375,747
17	Rate Base	78,957,889	75,124,093					
18								
19	Prepayments							
20	Original			663,128	75,373	523,453	561,874	1,929,380
21	Audit 41- Property taxes							(26,899)
22	Audit 2- Prepayments							3,228
23	Audit 42					21,496	21,496	21,496
24				663,128	75,373	544,949	583,370	1,927,205

RR-5-2 (C) **Granite State Electric Company**
vCU **Materials & Supplies**
RR **Test Year Ended Dec. 31, 2012**

Schedule RR-5-2 (CU)

Line	Description	5-Quarter Average		
		Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
1	Materials & Supplies	506,777	554,220	461,824
2		506,777	554,220	461,824
3				
4				
5				
6	December 31 (prior year)	547,820	607,904	447,264
7	March 31	668,126	499,369	429,857
8	June 30	600,994	540,089	412,450
9	September 30	301,012	575,920	411,644
10	December 31 (this year)	415,932	547,820	607,904
11	Average	506,777	554,220	461,824
12				

RR-5-3 (C) **Granite State Electric Company**
vCU **Cash Working Capital**
RR **Test Year Ended Dec. 31, 2012**

Schedule RR-5-3 (CU)

Line	Description	Reference	Test Year Actual	Adjustments	Test Year Pro Forma
1	O&M Expenses				
2	Transmission Expenses-O&M	Schedule RR-2 (C	15,622,966	0	15,622,966
3	Distribution O&M	Schedule RR-2 (C	5,319,666	2,447,326	7,766,992
4	Customer Accounting	Schedule RR-2 (C	1,322,827	1,128,438	2,451,265
5	Customer Service & Information	Schedule RR-2 (C	174,901	101,122	276,023
6	Administrative & General	Schedule RR-2 (C	11,947,898	3,601,658	15,549,556
7			34,388,258	7,278,544	41,666,802
8					
9	Cash Working Capital Required- 45 days		12.33%	12.33%	12.33%
10					
11	Cash Working Capital Required		4,240,072	897,444	5,137,517
12					
13					
14					
15					

RR-5-4 (CU) Granite State Electric Company
vCU Rate Base Adjustments-Capital Additions
RR Test Year Ended Dec. 31, 2012

Schedule RR-5-4 (CU)

Line	Description	Cost	Book Depreciation		Tax Depreciation		
			Rate	Expense	Method	Rate	Deduction
1	Capital Additions to March 31, 2013		RR-3-11 (CU)				
2	Fleet- See below	\$830,500	7.50%	\$62,288	MACRS5	20.00%	\$166,100
3		830,500		62,288			166,100
4		From RR-5-4A (CU)					
5	In service at 12/31/2012, not yet closed out of CWIP (Staff 6-25)	4,046,931	3.77%	152,651	MACRS20	3.75%	151,760
6	Total Capital Additions	\$4,877,431		\$214,938			\$317,860
7		To RR-5 (CU)		To RR-5 (CU)			To RR-5-6 (CU)
8				To RR-5-6 (CU)			
9	Capital Additions to March 31, 2013						
10	45' Aerial Bucket Truck	157,000					
11	50' MH Aerial Bucket Truck	200,250					
12	50' MH Aerial Bucket Truck	200,250					
13	Digger Derrick	207,000					
14	2500 Pickup	35,000					
15	Dodge Dakota Pickup	31,000					
16		830,500					
17							
18	Original filing	3,000,000					
19							

-5-4A ((Granite State Electric Company
vCU **Rate Base Adjustments-CWIP In Service**
RR **Test Year Ended Dec. 31, 2012**
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
1	8830-10002634	23,502.11	12/31/2012	10002634	DR100036820
2	8830-10006354	90.46	12/31/2012	10006354	DC117936400
3	8830-10049454	2,094.28	12/31/2012	10049454	DC117936400
4	8830-10085637	1,329.88	12/31/2012	10085637	DC117936400
5	8830-10087657	24,969.99	12/31/2012	10087657	DR118136400
6	8830-10087681	141,445.71	12/31/2012	10087681	DR118136400
7	8830-10135604	679.80	12/31/2012	10135604	DC117936400
8	8830-10136235	706.09	12/31/2012	10136235	DC117936400
9	8830-10136655	2,975.00	12/31/2012	10136655	DC117936400
10	8830-10149550	268.52	12/31/2012	10149550	DR118136400
11	8830-10192575	946.67	7/26/12	10192575	DR118136400
12	8830-10197361	2,544.97	12/17/10	10197361	DC117936400
13	8830-10216963	7,316.47	9/19/12	10216963	DC117936400
14	8830-10221316	2,971.40	12/31/2012	10221316	DC117936400
15	8830-10221348	3,239.17	12/31/2012	10221348	DR118136400
16	8830-10293000	8,706.95	12/31/2012	10293000	DC117936400
17	8830-10320549	32,001.35	3/12/12	10320549	DC117936400
18	8830-10343010	2,338.97	12/31/2012	10343010	DR118136400
19	8830-10385190	12,412.46	8/17/12	10385190	DC117936400
20	8830-10394137	2,143.93	1/10/11	10394137	DC117936400
21	8830-10436043	228.31	12/31/2012	10436043	DC117936400
22	8830-10449627	2,399.06	12/31/2012	10449627	DR118136400
23	8830-10549189	1,999.58	3/21/11	10549189	DR118136400
24	8830-10549835	9,071.25	12/13/11	10549835	DR118136400
25	8830-10562543	1,580.78	12/31/2012	10562543	DC117936400
26	8830-10594961	488.74	12/31/2012	10594961	DC117936400
27	8830-10598259	504.76	12/31/2012	10598259	DR118136400
28	8830-10630827	488.74	12/31/2012	10630827	DC117936400
29	8830-10659173	236.65	12/31/2012	10659173	DC117936400
30	8830-10677187	245.35	12/31/2012	10677187	DC117936400
31	8830-10677917	353.58	7/13/11	10677917	DC117936400
32	8830-10720154	6,048.10	12/31/2012	10720154	DC127936500
33	8830-10766130	883.53	12/31/2012	10766130	DC127936500
34	8830-10813340	373.38	12/31/2012	10813340	DC127936500
35	8830-10826840	236.63	12/31/2012	10826840	DC127936500
36	8830-10827265	1,018.45	12/31/2012	10827265	DC127936500
37	8830-10832887	250.12	12/31/2012	10832887	DC127936500
38	8830-10863925	1,350.58	12/31/2012	10863925	DC127936500
39	8830-10873828	14,737.71	6/29/11	10873828	DC127936500
40	8830-10903963	2,733.50	12/31/2012	10903963	DC127936500
41	8830-10929272	255.86	12/31/2012	10929272	DC127936500
42	8830-10936821	489.79	12/31/2012	10936821	DC127936500
43	8830-10945582	126.40	5/2/12	10945582	DC127936500
44	8830-10947377	5,510.67	12/31/2012	10947377	DR128136500
45	8830-10968665	1,664.70	12/31/2012	10968665	DR128136500
46	8830-10989373	2,672.65	5/27/11	10989373	DR128136500
47	8830-11037527	907.90	12/31/2012	11037527	DR128136500
48	8830-11066872	72,783.46	12/31/2012	11066872	DR128136500
49	8830-11066895	1,316.74	2/27/12	11066895	DR128136500

-5-4A ((Granite State Electric Company
vCU Rate Base Adjustments-CWIP In Service
RR Test Year Ended Dec. 31, 2012
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
50	8830-11066918	53,585.90	12/31/2012	11066918	DR128136500
51	8830-11066953	25,191.65	12/31/2012	11066953	DR128136500
52	8830-11074755	39,758.74	12/31/2012	11074755	DR128136500
53	8830-11074778	7,154.35	12/31/2012	11074778	DR128136500
54	8830-11074837	17,159.23	12/31/2012	11074837	DR128136500
55	8830-11074853	50,612.82	12/31/2012	11074853	DR128136500
56	8830-11074900	5,453.46	12/31/2012	11074900	DC121036500
57	8830-11074921	18,659.38	12/31/2012	11074921	DR121236500
58	8830-11074964	86,642.34	2/14/13	11074964	DC127936500
59	8830-11139393	219.63	3/22/12	11139393	DC127936500
60	8830-11147419	13,917.02	7/16/12	11147419	DC127936500
61	8830-11162419	442.92	12/31/2012	11162419	DC127936500
62	8830-11169268	3,668.65	6/20/11	11169268	DR128136500
63	8830-11185823	330.41	12/31/2012	11185823	DR128136500
64	8830-11187871	200.97	12/31/2012	11187871	DR128136500
65	8830-11188442	946.68	12/31/2012	11188442	Not Available
66	8830-11188627	5,731.66	12/31/2012	11188627	DR128136500
67	8830-11211843	61.28	12/31/2012	11211843	DC127936500
68	8830-11237655	572.35	12/31/2012	11237655	DC127936500
69	8830-11252514	449.17	8/7/12	11252514	DC127936500
70	8830-11277129	1,640.35	12/31/2012	11277129	DR128136500
71	8830-11283590	1,442.87	12/31/2012	11283590	DR128136500
72	8830-11324553	4,252.23	12/31/2012	11324553	DR128136500
73	8830-11326231	2,179.61	12/31/2012	11326231	DR128136500
74	8830-11342994	10,952.52	12/31/2012	11342994	DC127936500
75	8830-11414050	23,092.40	6/8/12	11414050	DR128136500
76	8830-11421310	478.53	12/31/2012	11421310	DC127936500
77	8830-11437890	1,425.85	12/31/2012	11437890	DC114536500
78	8830-11460844	7,853.20	7/13/12	11460844	DR114736500
79	8830-11525650	359.27	12/31/2012	11525650	DC177836820
80	8830-11589394	176.16	12/31/2012	11589394	DR178036820
81	8830-11604489	227.33	12/31/2012	11604489	DC127636830
82	8830-11645010	108.77	12/31/2012	11645010	DR127836830
83	8830-11645059	1,147.17	12/31/2012	11645059	DC126236830
84	8830-11663007	3,259.20	12/31/2012	11663007	DR126436830
85	8830-11672053	244.83	12/31/2012	11672053	DR125836910
86	8830-11731790	464.88	12/31/2012	11731790	DR125836910
87	8830-11744328	750.80	12/31/2012	11744328	DC125636910
88	8830-11785700	106.82	12/31/2012	11785700	DR125836910
89	8830-11806842	5,675.34	12/31/2012	11806842	DC125636910
90	8830-11806875	9,374.27	1/16/12	11806875	DR141236921
91	8830-11821269	429.30	12/31/2012	11821269	DC141136921
92	8830-11858145	7,885.16	12/31/2012	11858145	DR161337310
93	8830-11914606	459.16	12/31/2012	11914606	DR161337310
94	8830-11921203	8,972.31	7/9/12	11921203	DC161137310
95	8830-11968098	132.05	12/31/2012	11968098	DC161137310
96	8830-12078447	5,785.41	3/8/12	12078447	DC117936400
97	8830-12079477	507.94	12/31/2012	12079477	DC117936400
98	8830-12085680	227,779.04	7/16/12	12085680	DC121036500

-5-4A (Granite State Electric Company
vCU Rate Base Adjustments-CWIP In Service
RR Test Year Ended Dec. 31, 2012
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
99	8830-12093525	1,340.75	12/31/2012	12093525	DC114536500
100	8830-12103709	903.25	12/21/12	12103709	DC114536500
101	8830-12114432	512.65	12/31/2012	12114432	DC132136620
102	8830-12116235	392.07	12/31/2012	12116235	DC131236710
103	8830-12129438	256.63	9/14/12	12129438	DC131236710
104	8830-12159588	799.37	12/31/2012	12159588	DC131236710
105	8830-12176665	165.74	12/31/2012	12176665	DR131436710
106	8830-12189974	82.88	12/31/2012	12189974	DC131236710
107	8830-12211192	6,381.85	3/27/12	12211192	DR131436710
108	8830-12249645	284.89	12/31/2012	12249645	DC131236710
109	8830-12250452	4,685.58	11/1/12	12250452	DR136636710
110	8830-12262586	1,784.82	5/21/12	12262586	DC131236710
111	8830-12270703	746.89	12/31/2012	12270703	DC136436710
112	8830-12277302	600.30	12/31/2012	12277302	DC131236710
113	8830-12280010	34,665.02	12/31/2012	12280010	DR178336820
114	8830-12288309	5,191.79	1/17/12	12288309	DC178136820
115	8830-12294568	558.62	12/31/2012	12294568	DC127636830
116	8830-12294590	917.56	12/31/2012	12294590	DR127836830
117	8830-12302696	184.32	2/28/12	12302696	DR138836830
118	8830-12302825	428.24	3/9/12	12302825	DC138636830
119	8830-12302904	428.24	2/28/12	12302904	DR138836830
120	8830-12335061	8,198.23	4/6/12	12335061	DC138636830
121	8830-12364700	2,024.56	12/31/2012	12364700	DR138836830
122	8830-12366542	66.82	8/6/12	12366542	DR138836830
123	8830-12379442	859.25	3/29/12	12379442	DC138636830
124	8830-12386712	4,969.29	7/18/12	12386712	DC138636830
125	8830-12387848	137.23	12/31/2012	12387848	DR138836830
126	8830-12390902	405.65	7/13/12	12390902	DC141136921
127	8830-12401873	982.25	10/16/12	12401873	DC141136921
128	8830-12428488	147.32	12/31/2012	12428488	DR141236921
129	8830-12450422	452.07	12/31/2012	12450422	DC100036400
130	8830-12450481	812.79	12/31/2012	12450481	DC100036400
131	8830-12450592	457.74	12/31/2012	12450592	DC100036400
132	8830-12466684	3,862.49	12/31/2012	12466684	DC100036400
133	8830-12475894	924.19	12/31/2012	12475894	DC100036400
134	8830-12488499	1,221.31	3/29/12	12488499	DR100036400
135	8830-12519742	9,585.59	12/31/2012	12519742	DC100036400
136	8830-12526172	484.14	12/31/2012	12526172	DC100036400
137	8830-12556545	255.26	12/31/2012	12556545	DC100036400
138	8830-12557200	1,345.04	6/27/12	12557200	DC100036400
139	8830-12576915	1,484.09	12/31/2012	12576915	DC100036400
140	8830-12576946	2,146.37	12/31/2012	12576946	DC100036400
141	8830-12580462	414.43	12/31/2012	12580462	DC100036400
142	8830-12587442	467.65	12/31/2012	12587442	DR100036400
143	8830-12597299	7,925.69	4/4/12	12597299	DC100036400
144	8830-12610334	14,766.75	10/4/12	12610334	DC100036400
145	8830-12625468	91.74	12/31/2012	12625468	DC100036400
146	8830-12625788	102.64	5/11/12	12625788	DC100036400
147	8830-12628943	204.77	12/31/2012	12628943	DR100036400

-5-4A (Granite State Electric Company
vCU Rate Base Adjustments-CWIP In Service
RR Test Year Ended Dec. 31, 2012
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
148	8830-12633552	187.93	8/6/12	12633552	DR100036400
149	8830-12635011	502.42	6/13/12	12635011	DC100036400
150	8830-12635015	1,494.05	6/13/12	12635015	DC100036400
151	8830-12635684	178.96	7/6/12	12635684	DC100036400
152	8830-12635689	1,475.06	7/6/12	12635689	DR100036400
153	8830-12637089	209.13	12/31/2012	12637089	DR100036400
154	8830-12652597	254.09	12/31/2012	12652597	DC100036400
155	8830-12653760	3,607.43	12/31/2012	12653760	DC100036400
156	8830-12656603	867.78	12/31/2012	12656603	DR100036400
157	8830-12665398	436.15	6/27/12	12665398	DR100036400
158	8830-12673873	2,793.54	12/7/12	12673873	DR100036400
159	8830-12680415	523.59	4/17/12	12680415	DC100036400
160	8830-12689200	84,457.22	5/21/12	12689200	DC100036400
161	8830-12689559	180.07	4/25/12	12689559	DR100036400
162	8830-12690073	641.91	6/11/12	12690073	DC100036400
163	8830-12699412	240.14	7/2/12	12699412	DC100036400
164	8830-12720862	121.66	12/31/2012	12720862	DC100036400
165	8830-12727312	208.33	5/7/12	12727312	DC100036400
166	8830-12735844	762.48	12/31/2012	12735844	DC100036400
167	8830-12736379	288.18	12/31/2012	12736379	DC100036400
168	8830-12737201	16,510.71	12/31/2012	12737201	DC100036400
169	8830-12737482	15,315.65	12/31/2012	12737482	DC100036500
170	8830-12763848	1,099.83	7/2/12	12763848	DC100036500
171	8830-12772055	53,014.99	6/25/12	12772055	DR100036500
172	8830-12774324	6,745.90	9/19/12	12774324	DR100036500
173	8830-12792334	429.05	12/31/2012	12792334	DC100036500
174	8830-12792735	413.55	6/18/12	12792735	DC100036500
175	8830-12793323	211.63	9/17/12	12793323	DC100036500
176	8830-12806167	4,893.61	6/7/12	12806167	DC100036500
177	8830-12823406	313.99	12/31/2012	12823406	DR100036500
178	8830-12826907	535.72	6/29/12	12826907	DC100036500
179	8830-12842288	142.94	12/31/2012	12842288	DC100036500
180	8830-12842322	494.39	12/31/2012	12842322	DC100036500
181	8830-12855779	432.08	5/25/12	12855779	DC100036820
182	8830-12860337	30.55	6/19/12	12860337	DC100036830
183	8830-12863866	244.49	12/31/2012	12863866	DC100036830
184	8830-12880072	388.51	6/29/12	12880072	DR100036910
185	8830-12887275	693.88	6/26/12	12887275	DR100036910
186	8830-12905293	865.69	12/31/2012	12905293	DC100036910
187	8830-12919221	320.25	12/31/2012	12919221	DC100036910
188	8830-12931282	65.64	12/31/2012	12931282	DC100036910
189	8830-12936631	152.62	6/19/12	12936631	DR100036910
190	8830-12947907	330.40	6/25/12	12947907	DR100036910
191	8830-12962066	291.47	12/31/2012	12962066	DR100036910
192	8830-12963120	2,019.35	12/4/12	12963120	DR100036910
193	8830-12963143	17,443.46	12/31/2012	12963143	DR100036910
194	8830-12972067	1,013.76	12/31/2012	12972067	DC100036910
195	8830-12989288	7,127.15	7/9/12	12989288	DR100036910
196	8830-13004786	26,215.96	6/6/12	13004786	DC100036910

-5-4A (Granite State Electric Company
vCU Rate Base Adjustments-CWIP In Service
RR Test Year Ended Dec. 31, 2012
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
197	8830-13005306	750.75	6/8/12	13005306	DR100036910
198	8830-13005372	2,809.51	6/27/12	13005372	DC100036910
199	8830-13008654	77.16	12/31/2012	13008654	DC100036910
200	8830-13009899	259.14	7/2/12	13009899	DC100036910
201	8830-13014728	19,011.66	8/24/12	13014728	DC100036910
202	8830-13026854	1,210.53	12/31/2012	13026854	DC100036400
203	8830-13051325	560.50	6/25/12	13051325	DC100036400
204	8830-13069563	320.25	12/31/2012	13069563	DC100036400
205	8830-13071069	264.47	12/31/2012	13071069	DC100036400
206	8830-13076245	3,122.74	3/1/13	13076245	DC100036400
207	8830-13077176	161.71	12/31/2012	13077176	DC100036400
208	8830-13090080	17,938.45	12/31/2012	13090080	DC100036400
209	8830-13090313	225.83	12/31/2012	13090313	DC100036400
210	8830-13090371	65.11	12/31/2012	13090371	DC100036400
211	8830-13094894	170.85	12/31/2012	13094894	DC100036400
212	8830-13094918	170.85	12/31/2012	13094918	DC100036400
213	8830-13096047	3,070.82	12/31/2012	13096047	DC100036400
214	8830-13096592	4,723.60	11/1/12	13096592	DC100036400
215	8830-13099346	106.74	12/31/2012	13099346	DC100036400
216	8830-13099369	130.20	12/31/2012	13099369	DC100036400
217	8830-13106696	2,374.20	8/7/12	13106696	DC100036400
218	8830-13106785	91.74	8/23/12	13106785	DR100036400
219	8830-13112888	17,206.93	6/22/12	13112888	DR100036400
220	8830-13122014	7,754.62	9/26/12	13122014	DR100036400
221	8830-13131052	929.88	8/20/12	13131052	DR100036400
222	8830-13139431	13,558.30	12/31/2012	13139431	DR100036400
223	8830-13139432	9,111.34	9/4/12	13139432	DR100036400
224	8830-13142280	220.05	6/30/12	13142280	DR100036400
225	8830-13147588	149.14	12/31/2012	13147588	DR100036400
226	8830-13147919	5,673.32	7/23/12	13147919	DR100036400
227	8830-13149762	2,675.07	10/24/12	13149762	DR100036400
228	8830-13150156	103.21	12/6/12	13150156	DR100036400
229	8830-13153877	125.47	7/3/12	13153877	DR100036400
230	8830-13157693	183.48	12/31/2012	13157693	DR100036400
231	8830-13161056	2,794.50	12/31/2012	13161056	DC100036400
232	8830-13161067	2,248.59	8/16/12	13161067	DR100036400
233	8830-13162198	21.35	12/31/2012	13162198	DC100036400
234	8830-13163313	91.74	12/31/2012	13163313	DC100036400
235	8830-13171442	318.33	9/4/12	13171442	DC100036400
236	8830-13180879	31.80	12/31/2012	13180879	DC100036400
237	8830-13181026	31.80	12/31/2012	13181026	DC100036400
238	8830-13181310	31.80	12/31/2012	13181310	DC100036400
239	8830-13181606	31.80	12/31/2012	13181606	DC100036400
240	8830-13186557	31.80	12/31/2012	13186557	DC100036400
241	8830-13186868	31.80	12/31/2012	13186868	DC100036400
242	8830-13187102	31.80	12/31/2012	13187102	DC100036400
243	8830-13187814	31.80	12/31/2012	13187814	DC100036400
244	8830-13190877	363.52	12/31/2012	13190877	DC100036400
245	8830-13198349	991.41	12/31/2012	13198349	DC100036400

-5-4A (CU) Granite State Electric Company
vCU Rate Base Adjustments-CWIP In Service
RR Test Year Ended Dec. 31, 2012
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
246	8830-13204933	1,857.92	6/28/12	13204933	DC100036400
247	8830-13217171	587.44	12/4/12	13217171	DC100036400
248	8830-13229619	1,980.08	12/6/12	13229619	DC100036400
249	8830-13229654	7,949.07	12/6/12	13229654	DC100036400
250	8830-13237246	21,421.35	11/28/12	13237246	DC100036400
251	8830-13277802	683.02	10/2/12	13277802	DC100036400
252	8830-13277823	440.66	11/29/12	13277823	DR100036400
253	8830-13303166	958.65	8/29/12	13303166	DR100036400
254	8830-13317534	1,024.70	8/20/12	13317534	DR100036400
255	8830-13330292	1,503.14	8/20/12	13330292	DR100036400
256	8830-13330323	1,437.97	12/28/12	13330323	DR100036400
257	8830-13330435	23,860.13	9/10/12	13330435	DR100036400
258	8830-13331494	1,470.76	10/24/12	13331494	DR100036400
259	8830-13337017	276.85	10/26/12	13337017	DR100036400
260	8830-13362991	858.84	8/21/12	13362991	DR100036400
261	8830-13379249	1,504.20	10/8/12	13379249	DR100036400
262	8830-13398186	4,574.20	9/5/12	13398186	DR100036400
263	8830-13401743	858.84	8/21/12	13401743	DR100036400
264	8830-13405847	1,464.74	10/5/12	13405847	DR100036400
265	8830-13406652	679.94	8/22/12	13406652	DC100036400
266	8830-13415794	958.65	9/25/12	13415794	DC100036400
267	8830-13419488	1,503.14	8/20/12	13419488	DC100036400
268	8830-13424486	878.21	9/13/12	13424486	DC100036400
269	8830-13461837	959.44	8/20/12	13461837	DR100036400
270	8830-13468828	5,551.44	8/28/12	13468828	DR100036400
271	8830-13471324	2,323.96	10/24/12	13471324	DR100036400
272	8830-13490870	3,128.85	8/22/12	13490870	DC100036400
273	8830-13491794	41,210.25	10/16/12	13491794	DC100036400
274	8830-13510483	11,852.27	10/5/12	13510483	DR100036400
275	8830-13517564	6,672.81	8/20/12	13517564	DR100036400
276	8830-13524918	958.65	9/25/12	13524918	DC100036400
277	8830-13533519	400.00	11/13/12	13533519	DC100036400
278	8830-13544785	2,005.60	11/14/12	13544785	DC100036400
279	8830-13561171	2,079.56	10/22/12	13561171	DC100036400
280	8830-13569563	958.65	9/25/12	13569563	DR100036400
281	8830-13575979	958.65	9/25/12	13575979	DR100036400
282	8830-13586054	4,184.53	10/17/12	13586054	DR100036400
283	8830-13607268	2,813.83	10/22/12	13607268	DC100036400
284	8830-13623805	529.26	11/26/12	13623805	DC100036400
285	8830-13643630	1,252.68	9/25/12	13643630	DC100036400
286	8830-13646225	629.49	10/19/12	13646225	DC100036400
287	8830-13646403	1,732.50	10/23/12	13646403	DC100036400
288	8830-13651625	184.00	9/24/12	13651625	DC100036400
289	8830-13683382	2,875.94	10/10/12	13683382	DC100036400
290	8830-13698261	3,731.35	10/15/12	13698261	DC100036400
291	8830-13714423	121.63	12/11/12	13714423	DC100036400
292	8830-13734760	2,591.34	11/27/12	13734760	DC100036400
293	8830-13748569	250.52	10/8/12	13748569	DC100036400
294	8830-13754457	384.00	10/19/12	13754457	DC100036400

-5-4A (Granite State Electric Company
vCU Rate Base Adjustments-CWIP In Service
RR Test Year Ended Dec. 31, 2012
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
295	8830-13758057	501.05	10/9/12	13758057	DC100036400
296	8830-13763664	875.11	10/26/12	13763664	DC100036400
297	8830-13776494	882.41	10/19/12	13776494	DC100036400
298	8830-13776822	844.23	10/9/12	13776822	DC100036400
299	8830-13784088	856.89	10/10/12	13784088	DC100036400
300	8830-13803974	276.85	11/30/12	13803974	DC100036400
301	8830-13827633	408.00	11/7/12	13827633	DC100036400
302	8830-13828268	15.53	11/30/12	13828268	DC100036400
303	8830-13830077	735.35	10/12/12	13830077	DC100036400
304	8830-13847292	5,475.09	10/26/12	13847292	DC100036400
305	8830-13893675	529.26	11/27/12	13893675	DC100036400
306	8830-13910673	4,098.52	11/26/12	13910673	DC100036400
307	8830-2475831	3,104.56	12/31/2012	2475831	DC100036400
308	8830-3842003	5,738.80	12/31/2012	3842003	DC100036400
309	8830-4008530	534,458.43	5/25/12	4008530	DC100036400
310	8830-4042399	291.29	12/31/2012	4042399	DC100036400
311	8830-4296231	424.93	12/31/2012	4296231	DC100036400
312	8830-4324525	2,194.51	12/31/2012	4324525	DC100036400
313	8830-4409006	162,317.93	5/3/12	4409006	DC100036400
314	8830-4461720	4,966.48	12/31/2012	4461720	DC100036400
315	8830-4800338	98,791.93	2/4/10	4800338	DC100036400
316	8830-5068219	1,291.88	12/31/2012	5068219	DC100036400
317	8830-5199965	365.61	12/31/2012	5199965	DC100036400
318	8830-5485318	835.60	12/31/2012	5485318	DC100036400
319	8830-5644827	1,790.19	12/31/2012	5644827	DC100036400
320	8830-5695808	36,278.76	3/27/12	5695808	DC100036400
321	8830-5746320	1,170.43	12/31/2012	5746320	DC100036400
322	8830-6067604	5,120.06	12/31/2012	6067604	DC100036400
323	8830-6359632	228.60	12/31/2012	6359632	DC100036400
324	8830-6458596	417.64	12/31/2012	6458596	DC100036400
325	8830-6568507	6,506.51	12/31/2012	6568507	DR100036400
326	8830-6917398	364.92	8/16/12	6917398	DR100036400
327	8830-7046286	219.56	12/31/2012	7046286	DR100036400
328	8830-7083352	408.82	12/31/2012	7083352	DR100036400
329	8830-7174206	1,241.49	12/31/2012	7174206	DR100036400
330	8830-7221000	9,933.53	12/31/2012	7221000	DR100036400
331	8830-7415595	322.90	12/31/2012	7415595	DR100036400
332	8830-7432385	868.87	12/31/2012	7432385	DR100036400
333	8830-7542782	887.31	12/31/2012	7542782	DR100036400
334	8830-7570001	99.48	12/31/2012	7570001	DR100036400
335	8830-7766788	3,823.79	12/31/2012	7766788	DR100036400
336	8830-7846903	83.10	7/6/12	7846903	DR100036400
337	8830-7855144	168.12	12/31/2012	7855144	DR100036400
338	8830-7899153	933.70	12/31/2012	7899153	DR100036400
339	8830-8011309	11,212.27	12/31/2012	8011309	DR100036400
340	8830-8349486	594.99	12/31/2012	8349486	DR100036400
341	8830-8449446	2,455.18	12/31/2012	8449446	DR100036400
342	8830-8499127	551.88	12/31/2012	8499127	DR100036400
343	8830-8629041	6,765.91	3/5/12	8629041	DR100036400

-5-4A ((Granite State Electric Company
vCU Rate Base Adjustments-CWIP In Service
RR Test Year Ended Dec. 31, 2012
Response to Staff 6-25
Schedule RR-5-4A (CU)

DC - Distribution Capital
DR - Distribution Removal/Retirement
DM - Distribution Maintenance
DO - Distribution OPEX

Count	WS Job Number	Total	Completion Date	Storms Job Number	Storms Classification
344	8830-8650096	1,029.28	12/31/2012	8650096	DR100036400
345	8830-8653128	15,541.92	12/31/2012	8653128	DR100036400
346	8830-8920365	68,799.94	2/10/12	8920365	DR100036400
347	8830-9000041178	837.72	12/31/2012	9000041178	DR100036400
348	8830-9000087563	18,103.66	12/31/2012	9000087563	DR100036400
349	8830-9000092279	21,153.55	12/31/2012	9000092279	DR100036400
350	8830-9000093472	106,152.47	12/31/2012	9000093472	DR100036400
351	8830-9000099367	300,627.41	12/31/2012	9000099367	DC100036400
352	8830-9000108743	568,487.40	12/31/2012	9000108743	DC100036400
353	8830-9000114679	5,558.56	12/31/2012	9000114679	DC100036400
354	8830-9000116080	6,295.55	12/31/2012	9000116080	DC100036400
355	8830-9000117242	3,276.92	12/31/2012	9000117242	DC100036400
356	8830-9000117244	5,083.50	12/31/2012	9000117244	DC100036400
357	8830-9000117304	105,711.76	12/31/2012	9000117304	DC100036400
358	8830-9000117590	57.42	12/31/2012	9000117590	DC100036400
359	8830-9000118092	13,756.86	12/31/2012	9000118092	DC100036400
360	8830-9000118136	11,937.93	12/31/2012	9000118136	DC100036400
361	8830-9252259	11,861.29	12/31/2012	9252259	DC100036400
362	8830-9300576	7,173.83	8/17/12	9300576	DC100036400
363	8830-9310911	777.68	12/31/2012	9310911	DC100036400
364	8830-9471907	236.81	12/31/2012	9471907	DC100036400
365	8830-9600800	3,013.32	12/31/2012	9600800	DC100036400
366	8830-9600802	3,098.21	12/31/2012	9600802	DC100036400
367	8830-9600806	2,964.39	12/31/2012	9600806	DC100036400
368	8830-9600808	3,098.22	12/31/2012	9600808	DC100036400
369	8830-9600882	2,964.41	12/31/2012	9600882	DC100036400
370	8830-9600884	3,355.98	12/31/2012	9600884	DC100036400
371	8830-9600901	1,546.02	12/31/2012	9600901	DC100036400
372	8830-9600903	1,546.02	12/31/2012	9600903	DC100036400
373	8830-9604519	1,546.02	12/31/2012	9604519	DC100036400
374	8830-9604521	1,546.04	12/31/2012	9604521	DC100036400
375	8830-9636602	721.31	12/31/2012	9636602	DC100036400
376	8830-9745332	4,700.19	12/31/2012	9745332	DC100036400
377	8830-9838993	6,406.94	12/31/2012	9838993	DC100036400
378	8830-9856557	775.77	12/31/2012	9856557	DC100036400
379	8830-9860251	412.21	12/31/2012	9860251	DC100036400
380	8830-9869165	320.42	6/26/12	9869165	DC100036400
381	8830-9878126	1,207.21	11/3/11	9878126	DC100036400
382	8830-9900000003	15,829.17	12/31/2012	9900000003	DC100036400
383	8830-9900000122	1,203.22	12/31/2012	9900000122	DC100036400
384	8830-9900000128	3,162.80	12/31/2012	9900000128	DC100036400
385	8830-9934263	1,126.80	12/31/2012	9934263	DC100036400
386	8830-9986322	422.56	12/31/2012	9986322	DC100036400
387	8830-GSEC0001	350.00	8/24/12		Furniture 39100
388	8830-PH1-EAST	44,102.48	9/30/12		Software System 30300
Grand Total		4,046,931.26			

RR-5-5 (CU) **Granite State Electric Company**
vCU **Rate Base Adjustments- Plant-Related ADIT**
RR **Test Year Ended Dec. 31, 2012**
Schedule RR-5-5 (CU)

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-5-5 (CU)
Page 1 of 1

Line	Description	Notes	Federal	State	Combined
1	Balances at 03/31/2012				
2	Depreciation Reserve- Tax	PowerTax report	\$89,039,292	\$92,481,823	
3	Bonus depreciation- Tax	State tax basis - Fed tax basis	15,001,132		
4	Repair Allowance- Tax	Book basis - Tax basis - Bonus	7,650,643	7,650,643	
5	Accumulated Depreciation- Book	Balance 3/31/2012	(56,785,628)	(56,785,628)	
6	Tax depreciation in excess of Book		54,905,439	43,346,838	
7	Statutory Tax Rates		34.00%	8.50%	
8	Tax effect at Statutory Rates		18,667,849	3,684,481	\$22,352,330
9	Federal effect of State				(1,252,724)
10	Rate Base Deferred Tax at 03/31/2012, adjusted				21,099,607
11					
12	Activity 04/01/2012-07/02/2012				
13	Repair Deduction		(327,565)	(327,565)	
14	Book Depreciation		1,221,803	1,221,803	
15	Tax Depreciation		(844,958)	(844,958)	
16	Cost of Removal		(317,829)	(317,829)	
17	Contribution in Aid of Construction		51,620	51,620	
18	AFUDC Debt		58,984	58,984	
19	State modifications			457,309	
20	Total Plant Timing		(157,945)	299,364	
21	Statutory Tax Rates		34.00%	8.50%	
22	Tax effect at Statutory Rates		53,701	(25,446)	28,255
23	Federal effect of State				8,652
24	Rate Base Deferred Tax at 07/02/2012 (Pre-Acquisition ADIT balance)				\$21,136,514
25					
26	Post-Acquisition Capital Additions		Federal	State	Combined
27	Book Depreciation	RR-5-8 (CU)	(107,469)	(107,469)	
28	Tax Depreciation- Regular	RR-5-8 (CU)	158,930	158,930	
29	Tax Depreciation- Bonus	50%	79,465		
30	Tax depreciation in excess of Book		130,926	51,461	
31	Statutory Tax Rates		34.00%	8.50%	
32	Tax effect at Statutory Rates		44,515	4,374	\$48,889
33	Federal effect of State				(1,487)
34	Rate Base Deferred Tax at 12/31/2012 (ADIT related to Post-Acquisition Capital Additions)				\$47,402
35	Total Accumulated Deferred Income Tax Adjustment to Rate Base, 12/31/2012				\$21,183,915

Granite State Electric Company
d/b/a Liberty Utilities
Docket DE 13-063
Schedule RR-5-6 (CU)
Page 2 of 2

[illegible]

RR-5-7 (CU) **Granite State Electric Company**
vCU **Rate Base Adjustments- Pro Forma ADIT on Historical Assets (Absent Acquisition)**
RR **Test Year Ended Dec. 31, 2012**

Schedule RR-5-7 (CU)		Full Year Basis Book Depreciation		Full Year Basis Tax Depreciation		State	Combined
Line	Account	Balance 07/02/2012	Expense	Federal Tax Class	Federal Tax Depreciation		
1	Full year effect	RR-5-6 (CU) 134,425,784	4,979,178		5,745,061		
2	Applicable to 07/03/2012-12/31/2012		50% 2,489,589		2,872,530		
3							
4	Tax Depreciation				2,872,530	2,872,530	
5	Tax Depreciation- Bonus			50%	1,436,265		
6	Book Depreciation				(2,489,589)	(2,489,589)	
7	Tax (Book) depreciation in excess of Book (Tax)				1,819,207	382,942	
8	Statutory Tax Rates				34.00%	8.50%	
9	Tax effect at Statutory Rates				618,530	32,550	\$651,080
10	Federal effect of State						(11,067)
11	Change in ADIT on Historical Assets (Absent Acquisition)- 7/03/2012 to 12/31/2012						640,013
12	ADIT on Historical Assets- 1/01/2012 to 7/02/2012					RR-5-5 (CU)	21,136,514
13	Pro Forma ADIT on Historical Assets (Absent Acquisition)						\$21,776,527
14							
15	Actual ADIT related to Historical assets (Debit), 12/31/2012					RR-5-6 (CU)	(\$55,431)
16	NOTE: Pro Forma ADIT on Historical Assets is greater than Actual ADIT; therefore use Pre-Acquisition ADIT from RR-5-5 (CU), line 24						
17							

RR-5-8 (CU) **Granite State Electric Company**
vCU **Rate Base Adjustments- ADIT on Post-Acquisition Additions**
RR **Test Year Ended Dec. 31, 2012**

Schedule RR-5-8 (CU)						Full Year Basis Book Depreciation		Full Year Basis Tax Depreciation		
Line	Account	Acct. No.	Balance 12/31/2012	Balance 07/02/2012	Post- Acquisition Additions	Rate	Expense	Federal Tax Class	Federal Rate	Federal Tax Depreciation
1	Distribution Plant					<i>RR-3-11 (CU)</i>				
2	<i>Total Distribution Plant</i>		128,550,877	128,421,377	129,500					0
3										
4	General Plant									
5	<i>Total General Plant</i>		6,004,526	6,004,526	0					0
6										
7	Total		134,555,404	134,425,904	129,500		0			0
8	Depreciation on assets not recorded	<i>RR-5-4 (CU)</i>	4,877,431		4,877,431		214,938	MACRS20	3.75%	317,860
9	Full year effect		139,432,835	134,425,904	5,006,931		214,938			317,860
10	Applicable to 07/03/2012-12/31/2012		50%				107,469		50%	158,930
11						<i>To RR-5-5 (CU)</i>				<i>To RR-5-5 (CU)</i>

R-6 (CU) **Granite State Electric Company**
vCU **Weighted Average Cost of Capital**
RR **Test Year Ended Dec. 31, 2012**

Schedule RR-6 (CU)

Line	Description	Refer- ence	Actual Balance	Adjust- ments	Pro Forma Balance	Capital Structure per Order	Weight	Refer- ence	Cost of Capital	Weighted Cost of Capital
1	Common stock	RR-4 (C	55,651,708	0	55,651,708	55.00%	55.00%		10.50%	5.78%
2	Preferred stock	RR-4 (C	0	0	0		0.00%			
3	Long-term debt	RR-4 (C	32,000,000	0	32,000,000	45.00%	45.00%	RR-6-1 (CU)	5.95%	2.68%
4	Short-term debt	RR-4 (C	0	0	0		0.00%			
5			87,651,708	0	87,651,708	100.00%	100.00%			8.46%
6										
7		Debt rec	45,533,216				63.49%			

[illegible]

Schedule RR-6-2 (CU) **Granite State Electric Company**
vCU **Historical Capital Structure and Capitalization Ratios**
RR **Test Year Ended Dec. 31, 2012**

Schedule RR-6-2 (CU)

Line	Description	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
1	Common stock	55,651,708	6,040,000	6,040,000
2	Preferred stock	0	0	0
3	Retained earnings	(1,077,156)	27,340,000	26,232,000
4	Long-term debt	32,000,000	15,000,000	15,000,000
5	Short-term debt (year-end)	0	0	0
6		<u>86,574,552</u>	<u>48,380,000</u>	<u>47,272,000</u>
7				
8	Common stock	64.3%	12.5%	12.8%
9	Preferred stock	-	-	-
10	Retained earnings	(1.2%)	56.5%	55.5%
11	Long-term debt	37.0%	31.0%	31.7%
12	Short-term debt (year-end)	-	-	-
13		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

R 7 (CU) **Granite State Electric Company**
vCU **Rate Case Expense**
RR **Test Year Ended Dec. 31, 2012**

Schedule RR 7 (CU)

Line	Description	Vendor	Amount
1	See Schedule RR-3-16 (CU)		
2			
3			
4			

RR	ATTACHMENT CGM/MRS-5 (CU)								10/15/2013
Line	Description	Substation	OH Conductors	OH Conductors	UG Conduits	UG Conductors, Devices	Structures	Fleet	Total
	<u>FERC Account</u>	362	364	365	366	367	390	392	
1	Deferred Tax Calculation								
2	Capital Spending	3,755,000	837,500	925,000	325,000	237,500	1,382,500	1,714,500	9,177,000
3									
4	Tax method	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS5	
5	Tax Depr. Rate, 20-year MACRS	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	20.00%	
6									
7	Annual Tax Depreciation- Year 1	140,813	31,406	34,688	12,188	8,906	51,844	342,900	622,744
8									
9	Book Depreciation Rate- Year 1	1.54%	2.14%	1.81%	1.10%	1.83%	0.94%	3.75%	
10	Annual Book Depreciation	57,827	17,946	16,766	3,575	4,344	12,961	64,294	177,713
11									
12	Tax over (under) Book	82,986	13,460	17,922	8,613	4,562	38,883	278,606	445,031
13	Deferred Tax Balance @ 39.61%	32,871	5,331	7,099	3,411	1,807	15,401	110,356	176,277
14									
15	<u>Rate Base Calculation</u>								
16	Plant in Service	3,755,000	837,500	925,000	325,000	237,500	1,382,500	1,714,500	9,177,000
17	Accumulated Depreciation	(57,827)	(17,946)	(16,766)	(3,575)	(4,344)	(12,961)	(64,294)	(177,713)
18	Deferred Tax Balance	(32,871)	(5,331)	(7,099)	(3,411)	(1,807)	(15,401)	(110,356)	(176,277)
19	Rate Base	3,664,302	814,222	901,136	318,014	231,349	1,354,138	1,539,850	8,823,010
20									
21	<u>Revenue Requirement Calculation</u>								
22	Return on Rate Base @ 12.32%	451,343	100,290	110,996	39,171	28,496	166,793	189,668	1,086,757
23	Depreciation Expense	57,827	17,946	16,766	3,575	4,344	12,961	64,294	177,713
24	Property Tax, Insurance @ 2.57%	96,395	21,500	23,746	8,343	6,097	35,490	44,013	235,584
25	Annual Revenue Requirement	605,565	139,736	151,507	51,089	38,937	215,245	297,975	1,500,054
26	Less: Leased vehicles in rates (including bad debt expense, CWC and return)							(258,032)	(258,032)
27		605,565	139,736	151,507	51,089	38,937	215,245	39,943	1,242,022
28	Annual kWh Delivered								924,629,419
29	Rate per kWh								\$0.00134
30									
31	<u>Rate of Return Calculation</u>	Portion		After-Tax Cos	WACC		Pre-Tax	Bad Debt	
32	Equity	55.0%		10.50%	5.78%		9.57%	9.62%	
33	Debt	45.0%		5.95%	2.68%		2.68%	2.69%	
34		100.0%			8.46%		12.25%	12.32%	
35	Bad Debt adder							0.54%	
36									
37	2013 Capital Projects	Substation	Poles, Towers, Fixtures	OH Conductors	UG Conduits	UG Conductors, Devices	Structures	Fleet	Total
38	04381 Michael Ave Substation	2,900,000							2,900,000
39	04384 Hanover Sub-New 6L2 Reg	350,000							350,000
40	04383 Craft Hill Sub- New 11L1 I	255,000							255,000
41	11L4 Replacement Regulators	250,000							250,000
42	11255 Michael Ave Getaway		237,500	237,500	237,500	237,500			950,000
43	11484 Enfield Supply		600,000	600,000					1,200,000
44	7L1 Line Regulator Upgrade - Canaan			87,500	87,500				175,000
45	Other Capital Improvements (Estimated)						400,000		400,000
46	Capital improvements to existing buildings						400,000		400,000
47	Security Conversion GSE						82,500		82,500
48	9 Lowell Rd. Salem Build Out						500,000		500