

Unitil Energy Systems  
Non-REP Plant Calculation

(Thousand of Dollars)

<b>Actuals At 12/31/2012</b>				
<b>Plant Account</b>	<b>Account Description</b>	<b>Total Plant</b>	<b>Accumulated Reserve</b>	<b>Net Book Value</b>
105-00	Plant Held for Future Use	763	-	763
301-00	Organization-E	0	-	0
303-00	Intangible Software-5 Yea-E	1,504	846	658
303-01	Intangible Software-3 Yea-E	92	84	8
303-02	Intangible Software-10 Yea-E	2,226	37	2,189
343-00	PRIME MOVERS-E	56	6	50
360-01	ROW - Distribution-E	227	-	227
360-02	ROW - Distribution-E	1,675	-	1,675
361-00	Distribution Structures-E	168	131	37
362-00	Distribution Station Equi-E	20,209	5,824	14,386
364-00	Distribution Poles, Tower-E	46,401	19,016	27,385
365-00	Distribution Overhead Con-E	60,878	18,530	42,348
366-00	Distribution Underground -E	1,591	512	1,078
367-00	Distribution Underground -E	15,714	6,004	9,709
368-00	Distribution Line Transfo-E	23,416	7,783	15,633
368-01	Transformer Installations-E	14,664	2,960	11,705
369-00	Distribution Services-E	18,002	10,454	7,548
370-00	Distribution Meters-E	9,428	1,182	8,246
370-01	Meter Installation-E	3,501	(2,259)	5,760
371-00	Installations on Customer-E	1,517	296	1,221
373-00	Street Lights & Signal Sy-E	3,007	1,360	1,646
373-01	Street Lights & Signal Sy-E	-	-	-
389-00	General & Misc. Land-E	19	-	19
390-00	Structures-E	3,774	1,799	1,974
391-01	Office Furniture & Fixtur-E	1,073	205	868
391-03	Computer Equipment-E	8	9	(1)
392-00	Transportation Equipment-E	1,745	1,643	103
393-00	Stores Equipment-E	91	61	30
394-00	Tools, Shop and garage Eq-E	1,436	574	863
395-00	Laboratory Equipment-E	579	256	323
397-00	Communication Equipment-E	3,641	2,348	1,293
398-00	Miscellaneous Equipment-E	113	72	41
399-00	Other Intangible Plant-E	1,667	1,667	0
	Additional Wind Storm Costs			-
	<b>Total</b>	<b>\$239,186</b>	<b>\$81,401</b>	<b>\$157,785</b>

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<b>Plant Account</b>	<b>Account Description</b>	<b>Total Plant</b>	<b>Accumulated Reserve</b>	<b>Net Book Value</b>
105-00	Plant Held for Future Use	763	-	763
301-00	Organization-E	0	-	0
303-00	Intangible Software-5 Yea-E	1,318	690	628
303-01	Intangible Software-3 Yea-E	82	80	2
303-02	Intangible Software-10 Yea-E	-	-	-
343-00	PRIME MOVERS-E	56	2	54
360-01	ROW - Distribution-E	227	-	227
360-02	ROW - Distribution-E	1,659	-	1,659
361-00	Distribution Structures-E	168	127	41
362-00	Distribution Station Equi-E	21,152	5,505.65	15,646
364-00	Distribution Poles, Tower-E	42,933	17,820	25,113
365-00	Distribution Overhead Con-E	56,363	17,318	39,045
366-00	Distribution Underground -E	1,554	478	1,076
367-00	Distribution Underground -E	15,238	5,607	9,630
368-00	Distribution Line Transfo-E	20,594	7,158	13,436
368-01	Transformer Installations-E	13,012	2,562	10,450
369-00	Distribution Services-E	17,038	9,519	7,519
370-00	Distribution Meters-E	9,043	737	8,306
370-01	Meter Installation-E	3,291	(2,446)	5,737
371-00	Installations on Customer-E	1,318	350	968
373-00	Street Lights & Signal Sy-E	2,975	1,197	1,778
373-01	Street Lights & Signal Sy-E	-	-	-
389-00	General & Misc. Land-E	19	-	19
390-00	Structures-E	3,764	1,743	2,021
391-01	Office Furniture & Fixtur-E	1,077	148	929
391-03	Computer Equipment-E	8	9	(1)
392-00	Transportation Equipment-E	1,806	1,626	180
393-00	Stores Equipment-E	91	58	33
394-00	Tools, Shop and garage Eq-E	1,385	523	861
395-00	Laboratory Equipment-E	517	235	283
397-00	Communication Equipment-E	3,642	2,127	1,515
398-00	Miscellaneous Equipment-E	113	67	47
399-00	Other Intangible Plant-E	1,667	1,666	1
	Additional Wind Storm Costs	-	-	-
	<b>Total</b>	<b>\$222,872</b>	<b>\$74,907</b>	<b>\$147,965</b>

Unitil Energy Systems  
Non-REP Plant Calculation

(Thousand of Dollars)

Change Between Periods						
Plant Account	Account Description	Total Plant	Accumulated Reserve	Net Book Value	Less: REP Projects	Adjusted Net Book Value
105-00	Plant Held for Future Use	-	-	-		-
301-00	Organization-E	-	-	-		-
303-00	Intangible Software-5 Yea-E	186	156	29		29
303-01	Intangible Software-3 Yea-E	10	4	6		6
303-02	Intangible Software-10 Yea-E	2,226	37	2,189		
343-00	PRIME MOVERS-E	-	4	(4)		(4)
360-01	ROW - Distribution-E	-	-	-		-
360-02	ROW - Distribution-E	16	-	16		16
361-00	Distribution Structures-E	-	4	(4)		(4)
362-00	Distribution Station Equi-E	(943)	318	(1,261)	220	(1,480)
364-00	Distribution Poles, Tower-E	3,468	1,197	2,271	945	1,327
365-00	Distribution Overhead Con-E	4,515	1,212	3,303	805	2,498
366-00	Distribution Underground -E	36	34	2	0	2
367-00	Distribution Underground -E	476	397	79	1	78
368-00	Distribution Line Transfo-E	2,822	625	2,198		2,198
368-01	Transformer Installations-E	1,653	398	1,255		1,255
369-00	Distribution Services-E	964	935	29	8	21
370-00	Distribution Meters-E	386	445	(59)		(59)
370-01	Meter Installation-E	210	187	23		23
371-00	Installations on Customer-E	199	(54)	253	6	247
373-00	Street Lights & Signal Sy-E	32	163	(132)	1	(133)
373-01	Street Lights & Signal Sy-E	-	-	-		-
389-00	General & Misc. Land-E	-	-	-		-
390-00	Structures-E	10	56	(46)		(46)
391-01	Office Furniture & Fixtur-E	(4)	57	(61)		(61)
391-03	Computer Equipment-E	-	-	-		-
392-00	Transportation Equipment-E	(60)	17	(77)		(77)
393-00	Stores Equipment-E	-	3	(3)		(3)
394-00	Tools, Shop and garage Eq-E	52	50	1		1
395-00	Laboratory Equipment-E	62	21	40		40
397-00	Communication Equipment-E	(1)	222	(222)		(222)
398-00	Miscellaneous Equipment-E	-	6	(6)		(6)
399-00	Other Intangible Plant-E	-	0	(0)		(0)
	Additional Wind Storm Costs	-	-	-		-
	<b>Total</b>	<b>\$16,314</b>	<b>\$6,494</b>	<b>\$9,821</b>	<b>\$1,986</b>	<b>\$5,645</b>

**Plant Additions for REP Projects**

Project Name	Condemned Poles C-2211	Condemned Poles E-2110	Replace 1H3 Breaker C-8073	Replace 13X4 Recloser C-1028	Replace 7X2 Recloser E-0259	Replace 13X3 Recloser E-1086	Circuit 19X3 - Install Sectionalizers E-2145	Circuit 3H2/3H3 - Increase Phase E-2146	Circuits 13W2 and 13W3 Rebuild C-2267	Circuit 13W2 Install Reclosers Main St Newton E-2154	Install cutouts/fuses on unprotected main line (circuits) E-2172	Circuit 4X1/37 Line Automation C-2264	REP Projects Total Additions
<b>Plant Account</b>													
362-00			41,611	33,202	80,713	45,767			4,915				206,207
364-00	295,709	285,200					696	9,991	206,426	5,842	11,199	72,752	887,815
365-00	78,191	210,580					17,289	21,328	168,468	18,313	27,044	220,094	761,307
366-00		317											317
367-00		576											576
369-00		7,103											7,103
371-00	1,239	1,340								1,734			4,312
373-00											1,178		1,178
<b>Totals</b>	<b>375,138</b>	<b>505,117</b>	<b>41,611</b>	<b>33,202</b>	<b>80,713</b>	<b>45,767</b>	<b>17,986</b>	<b>31,319</b>	<b>379,808</b>	<b>25,889</b>	<b>39,422</b>	<b>292,846</b>	<b>1,868,818</b>

**Depreciation calculation on REP projects**

Close Date	Dec-12	Dec-12	Dec-12	Oct-12	Dec-12	Oct-12	Aug-12	Nov-12	Dec-12	Nov-12	Dec-12	Dec-12	Total Depreciation
Depreciation Months	1	1	1	3	1	3	5	2	1	2	1	3	
<b>Utility Account</b>													
362-00	2.66%	-	-	92	221	179	304	-	-	11	-	-	807
364-00	3.80%	936	903	-	-	-	-	11	63	654	37	35	3,331
365-00	3.74%	244	656	-	-	-	-	269	133	525	114	84	4,084
366-00	2.09%	-	1	-	-	-	-	-	-	-	-	-	1
367-00	2.61%	-	1	-	-	-	-	-	-	-	-	-	1
369-00	5.83%	-	35	-	-	-	-	-	-	-	-	-	35
371-00	7.79%	8	9	-	-	-	-	-	-	23	-	-	39
373-00	8.04%	-	-	-	-	-	-	-	-	-	8	-	8
<b>Total Depreciation</b>		<b>1,188</b>	<b>1,604</b>	<b>92</b>	<b>221</b>	<b>179</b>	<b>304</b>	<b>280</b>	<b>196</b>	<b>1,190</b>	<b>174</b>	<b>128</b>	<b>8,306</b>
Cost of removal		24,189	65,261	-	-	9,133	5,085	2,237	5,217	208	8,176	453	127,224
Salvage		(136)	(1,388)	-	-	-	-	-	-	(144)	-	-	(1,823)
<b>Total COR &amp; Salvage</b>		<b>24,053</b>	<b>63,873</b>	<b>-</b>	<b>-</b>	<b>9,133</b>	<b>5,085</b>	<b>2,237</b>	<b>5,217</b>	<b>65</b>	<b>8,176</b>	<b>453</b>	<b>125,401</b>
<b>Net Project Cost</b>		<b>398,003</b>	<b>567,385</b>	<b>41,518</b>	<b>32,981</b>	<b>89,667</b>	<b>50,548</b>	<b>19,942</b>	<b>36,340</b>	<b>378,683</b>	<b>33,891</b>	<b>39,747</b>	<b>1,985,913</b>

**Net Book: REP Projects**

362-00	219,619
364-00	944,856
365-00	804,992
366-00	338
367-00	625
369-00	8,443
371-00	5,842
373-00	1,198
<b>Total</b>	<b>1,985,913</b>

Unitil Energy Systems, Inc.  
May 1, 2013 Step Adjustment Revenue Requirement

Starting Step Date	5/1/2013
<b>Non-REP Plant Additions Step Adjustment</b>	
	2012
Beginning Non-REP Net Plant in Service (January 1)	<u>146,520,778</u>
Non-REP Plant Additions	14,445,603
Less: Non-REP Depreciation	<u>6,610,970</u>
Ending Non-REP Net Plant in Service (December 31)	154,355,411
Change in Non-REP Plant in Service	7,834,633
75% of Change in Non-REP Net Plant in Service	5,875,974
75% of Change in Non-REP Net Plant in Service	5,875,974
Rate of Return	8.39%
Operating Income Requirement	<u>492,994</u>
Tax Gross Up	1,6814
Return	<u>828,910</u>
Depreciation on 75% of Non-REP Plant Additions (3.69%)	399,782
Property Taxes on 75% Change in Non-REP Net Plant in Service (1.80%)	<u>105,768</u>
Total Non-REP Step Adjustment Revenue Requirement	1,334,460
<b>REP Plant Additions Step Adjustment</b>	
Beginning REP Net Plant in Service (January 1)	1,444,069
REP Plant Additions	1,868,818
Less: REP Depreciation	<u>(117,096)</u>
Ending REP Net Plant in Service (December 31)	3,429,982
Change in REP Net Plant in Service	1,985,913
Rate of Return	8.39%
Operating Income Requirement	<u>166,618</u>
Tax Gross Up	1,6814
Return	<u>280,148</u>
Depreciation on REP Plant Additions (3.69%)	68,959
Property Taxes on Change in REP Net Plant in Service (1.80%)	<u>35,746</u>
Total REP Step Adjustment Revenue Requirement	384,854
<b>Other Step Adjustments</b>	
VMP Reconciliation <sup>(1)</sup>	(163,962)
Storm Resiliency Program <sup>(2)</sup>	888,000
Increase Major Storm Cost Reserve <sup>(3)</sup>	<u>400,000</u>
Subtotal	1,124,038
<b>Grand Total Step Adjustment Revenue Requirement</b>	<u><u>2,843,351</u></u>

(1) To reconcile actual spending and rate recovery from 12/31/2011 to 12/31/2012. This total includes the amount that was paid by Fairpoint for O&M related tree trimming from 12/31/2011 to 12/31/2012.

(2) Permanent storm resiliency program which would take place over the next 10 years.

Adjustment reflects incremental increase over \$535k Storm Hardening Pilot for \$1,423k total in 2013.

(3) Adjustment to increase Major Storm Cost Reserve from \$400k to \$800k annually.

**Unitil Energy Systems, Inc.**  
**Rate Design Calculations**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
	May 1, 2011 Rates (including Rate Case Expense and DER Step Adjustment)			May 1, 2011 Revenue	May 1, 2011 Rates less Rate Case Expense @ \$0.00034/kWh	May 1, 2011 Revenue less Rate Case Expense	Percent Change	Step 2 Adjustment Rates May 1, 2012	Step 2 Adjustment Revenue May 1, 2012	Percent Change	Step 3 Adjustment Rates May 1, 2013	Step 3 Adjustment Revenue May 1, 2013	Percent Change
	Billing Units	Adjustment	Revenue	Revenue	Expense @ \$0.00034/kWh	Case Expense	Change	Rates	Revenue	Change	Rates	Revenue	Change
<b>Residential - D</b>													
Test Year Consumers	763,694	\$10.27	\$7,843,138	\$10.27	\$7,843,138			\$10.27	\$7,843,138		\$10.27	\$7,843,138	
First 250 kWh	172,809,013	\$0.02750	\$4,752,248	\$0.02716	\$4,693,493			\$0.02894	\$5,000,334		\$0.03239	\$5,596,977	
Excess kWh	307,829,586	\$0.03250	\$10,004,462	\$0.03216	\$9,899,799			\$0.03394	\$10,446,385		\$0.03739	\$11,509,201	
Total Design Revenue			\$22,599,847		\$22,436,430	-0.72%			\$23,289,857	3.80%		\$24,949,315	7.13%
<b>Small General Service - G2 kWh</b>													
Test Year Consumers	6,691	\$12.50	\$83,638	\$12.50	\$83,638			\$12.85	\$85,980		\$13.52	\$90,463	
Annual kWh	774,710	\$0.02910	\$22,544	\$0.02876	\$22,281	-0.25%		\$0.02957	\$22,906		\$0.03114	\$24,127	
Total Design Revenue			\$106,182		\$105,918	-0.25%			\$108,885	2.80%		\$114,589	5.24%
<b>Small General Service - G2 QR WH / SH</b>													
Test Year Consumers	3,831	\$5.60	\$21,454	\$5.60	\$21,454			\$5.76	\$22,067		\$6.06	\$23,216	
Annual kWh	6,204,726	\$0.02789	\$173,050	\$0.02755	\$170,940	-1.08%		\$0.02832	\$175,717		\$0.02980	\$184,928	
Total Design Revenue			\$194,504		\$192,394	-1.08%			\$197,784	2.80%		\$208,144	5.24%
<b>Small General Service - G2 Demand</b>													
Test Year Consumers	118,727	\$16.50	\$1,958,990	\$16.50	\$1,958,990			\$16.96	\$2,013,604		\$17.85	\$2,119,271	
Demand kW	1,301,458	\$9.24	\$12,025,474	\$9.24	\$12,025,474			\$9.50	\$12,362,052		\$10.00	\$13,008,370	
Annual kWh	333,296,033	\$0.00034	\$113,321	\$0.00000	\$0			\$0.00000	\$0		\$0.00000	\$0	
Total Design Revenue			\$14,097,784		\$13,984,464	-0.80%			\$14,375,656	2.80%		\$15,127,641	5.23%
<b>G2 Demand - kW Transformer Ownership Discount</b>													
Test Year kW	50,700	(\$0.39)	-\$19,773	(\$0.39)	-\$19,773			(\$0.39)	-\$19,773		(\$0.39)	-\$19,773	
Total Design Revenue			-\$19,773		-\$19,773	0.00%			-\$19,773	0.00%		-\$19,773	0.00%
<b>Subtotal G2 Demand inc. Transformer Ownership Discount</b>													
Total Design Revenue			\$14,078,011		\$13,964,691	-0.80%			\$14,355,883	2.80%		\$15,107,868	5.24%
<b>Large General Service - G1</b>													
Test Year Consumers Secondary	1,382	\$87.09	\$120,358	\$87.09	\$120,358			\$89.53	\$123,730		\$94.22	\$130,212	
Test Year Consumers Primary	432	\$51.61	\$22,296	\$51.61	\$22,296			\$53.06	\$22,922		\$55.84	\$24,123	
Demand kVA	989,158	\$6.25	\$6,182,236	\$6.25	\$6,182,236			\$6.42	\$6,350,907		\$6.75	\$6,675,146	
Annual kWh	347,650,754	\$0.00034	\$118,201	\$0.00000	\$0			\$0.00000	\$0		\$0.00000	\$0	
Total Design Revenue			\$6,443,091		\$6,324,890	-1.83%			\$6,497,560	2.73%		\$6,829,481	5.11%
<b>G1 - kVA Transformer Ownership Discount</b>													
Test Year kVA	412,729	(\$0.39)	-\$160,964	(\$0.39)	-\$160,964			(\$0.39)	-\$160,964		(\$0.39)	-\$160,964	
Total Design Revenue			-\$160,964		-\$160,964	0.00%			-\$160,964	0.00%		-\$160,964	0.00%
<b>Subtotal G1 inc. Transformer Ownership Discount</b>													
Total Design Revenue			\$6,282,127		\$6,163,926	-1.88%			\$6,336,595	2.80%		\$6,668,517	5.24%

**Unitil Energy Systems, Inc.**  
**Rate Design Calculations**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	May 1, 2011 Rates (including Rate Case Expense and DER Step Adjustment)			May 1, 2011 Rates less Rate Case Expense @ \$0.00034/kWh	May 1, 2011 Revenue less Rate Case Expense	Percent Change	Step 2 Adjustment Rates May 1, 2012	Step 2 Adjustment Revenue May 1, 2012	Percent Change	Step 3 Adjustment Rates May 1, 2013	Step 3 Adjustment Revenue May 1, 2013	Percent Change
	Billing Units	Adjustment	May 1, 2011 Revenue	Expense @ \$0.00034/kWh	Case Expense		May 1, 2012	May 1, 2012		May 1, 2013	May 1, 2013	
<b>Outdoor Lighting - OL</b>												
Delivery charge - Annual kWh	8,988,739	\$0.00034	\$3,056	\$0.00000	\$0		\$0.00000	\$0		\$0.00000	\$0	
Fixture revenue												
100W Mercury Vapor Street	21,269	\$10.11	\$215,030	\$10.11	\$215,030		\$10.39	\$221,053		\$10.94	\$232,632	
175W Mercury Vapor Street	1,155	\$12.24	\$14,137	\$12.24	\$14,137		\$12.58	\$14,533		\$13.24	\$15,294	
250W Mercury Vapor Street	1,415	\$14.05	\$19,881	\$14.05	\$19,881		\$14.44	\$20,438		\$15.20	\$21,508	
400W Mercury Vapor Street	3,578	\$16.98	\$60,754	\$16.98	\$60,754		\$17.46	\$62,456		\$18.37	\$65,728	
1000W Mercury Vapor Street	60	\$35.01	\$2,101	\$35.01	\$2,101		\$35.99	\$2,159		\$37.88	\$2,273	
250W Mercury Vapor Flood	1,085	\$15.05	\$16,329	\$15.05	\$16,329		\$15.47	\$16,787		\$16.28	\$17,666	
400W Mercury Vapor Flood	2,344	\$18.27	\$42,825	\$18.27	\$42,825		\$18.78	\$44,025		\$19.77	\$46,331	
1000W Mercury Vapor Flood	783	\$31.14	\$24,383	\$31.14	\$24,383		\$32.01	\$25,066		\$33.69	\$26,379	
100W Mercury Vapor Power Bracket	6,406	\$10.22	\$65,469	\$10.22	\$65,469		\$10.51	\$67,303		\$11.06	\$70,829	
175W Mercury Vapor Power Bracket	1,072	\$11.48	\$12,307	\$11.48	\$12,307		\$11.80	\$12,651		\$12.42	\$13,314	
50W Sodium Vapor Street	37,978	\$10.32	\$391,933	\$10.32	\$391,933		\$10.61	\$402,912		\$11.16	\$424,017	
100W Sodium Vapor Street	1,067	\$11.78	\$12,569	\$11.78	\$12,569		\$12.11	\$12,921		\$12.74	\$13,598	
150W Sodium Vapor Street	4,510	\$11.83	\$53,353	\$11.83	\$53,353		\$12.16	\$54,848		\$12.80	\$57,721	
250W Sodium Vapor Street	11,866	\$15.16	\$179,889	\$15.16	\$179,889		\$15.58	\$184,928		\$16.40	\$194,615	
400W Sodium Vapor Street	3,084	\$19.45	\$59,984	\$19.45	\$59,984		\$19.99	\$61,664		\$21.04	\$64,894	
1000W Sodium Vapor Street	1,685	\$34.56	\$58,234	\$34.56	\$58,234		\$35.53	\$59,865		\$37.39	\$63,001	
150W Sodium Vapor Flood	2,834	\$13.84	\$39,223	\$13.84	\$39,223		\$14.23	\$40,321		\$14.97	\$42,433	
250W Sodium Vapor Flood	3,397	\$16.56	\$56,254	\$16.56	\$56,254		\$17.02	\$57,830		\$17.92	\$60,859	
400W Sodium Vapor Flood	4,910	\$18.99	\$93,241	\$18.99	\$93,241		\$19.52	\$95,853		\$20.54	\$100,874	
1000W Sodium Vapor Flood	3,519	\$34.87	\$122,708	\$34.87	\$122,708		\$35.85	\$126,145		\$37.72	\$132,753	
50W Sodium Vapor Power Bracket	1,153	\$9.45	\$10,896	\$9.45	\$10,896		\$9.71	\$11,201		\$10.22	\$11,788	
100W Sodium Vapor Power Bracket	649	\$10.77	\$6,990	\$10.77	\$6,990		\$11.07	\$7,186		\$11.65	\$7,562	
175W Metal Halide Street	0	\$15.82	\$0	\$15.82	\$0		\$16.26	\$0		\$17.12	\$0	
250W Metal Halide Street	0	\$17.32	\$0	\$17.32	\$0		\$17.81	\$0		\$18.74	\$0	
400W Metal Halide Street	0	\$18.01	\$0	\$18.01	\$0		\$18.51	\$0		\$19.48	\$0	
175W Metal Halide Flood	0	\$18.48	\$0	\$18.48	\$0		\$19.00	\$0		\$19.99	\$0	
250W Metal Halide Flood	0	\$20.06	\$0	\$20.06	\$0		\$20.62	\$0		\$21.70	\$0	
400W Metal Halide Flood	0	\$20.10	\$0	\$20.10	\$0		\$20.66	\$0		\$21.75	\$0	
175W Metal Halide Power Bracket	0	\$14.72	\$0	\$14.72	\$0		\$15.13	\$0		\$15.93	\$0	
250W Metal Halide Power Bracket	0	\$15.73	\$0	\$15.73	\$0		\$16.17	\$0		\$17.02	\$0	
400W Metal Halide Power Bracket	0	\$16.91	\$0	\$16.91	\$0		\$17.38	\$0		\$18.29	\$0	
Total Design Revenue			\$1,561,544		\$1,558,488	-0.20%		\$1,602,145	2.80%		\$1,686,068	5.24%
Total Design Revenue			\$44,822,215		\$44,421,847			\$45,891,150			\$48,734,502	
Total Billed kWh	1,177,553,561											
Total Billed kW/kVA	2,290,616											
Step Adjustments								\$1,469,304			\$2,843,351	
Overall Percentage Change								3.31%			6.20%	
Residential Step Adjustment Percentage Increase over prior year (115% of overall)								3.80%			7.13%	
Non-residential Step Adjustment Percentage Increase								2.80%			5.24%	

**Unitil Energy Systems, Inc.**  
**Typical Bill Impacts as a Result of Proposed Rates for May 1, 2013 Step Adjustment**  
**Impacts do NOT include the Electricity Consumption Tax**  
**Impact on D Rate Customers**

<u>Average kWh</u>	<u>Total Bill Using Rates Effective 11/1/2012</u>	<u>Total Bill Using Rates Proposed 5/1/2013</u>	<u>Total Difference</u>	<u>% Total Difference</u>
125	\$25.70	\$26.13	\$0.43	1.7%
250	\$41.13	\$41.99	\$0.86	2.1%
500	\$73.23	\$74.96	\$1.72	2.4%
600	\$86.07	\$88.14	\$2.07	2.4%
750	\$105.34	\$107.92	\$2.59	2.5%
1,000	\$137.44	\$140.89	\$3.45	2.5%
1,250	\$169.55	\$173.86	\$4.31	2.5%
1,500	\$201.65	\$206.83	\$5.18	2.6%
2,000	\$265.86	\$272.76	\$6.90	2.6%
3,500	\$458.49	\$470.57	\$12.08	2.6%
5,000	\$651.12	\$668.37	\$17.25	2.6%

	<u>Rates - Effective 11/1/2012</u>	<u>Rates - Proposed 5/1/2013</u>	<u>Difference</u>
Customer Charge	<b>\$10.27</b>	<b>\$10.27</b>	<b>\$0.00</b>
	<u>kWh</u>	<u>kWh</u>	<u>kWh</u>
Distribution Charge: First 250 kWh	\$0.02894	\$0.03239	\$0.00345
Excess 250 kWh	\$0.03394	\$0.03739	\$0.00345
External Delivery Charge	\$0.01753	\$0.01753	\$0.00000
Stranded Cost Charge	\$0.00009	\$0.00009	\$0.00000
Storm Recovery Adjustment Factor	\$0.00178	\$0.00178	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge	<u>\$0.07178</u>	<u>\$0.07178</u>	<u>\$0.00000</u>
<b>TOTAL</b> First 250 kWh	<b>\$0.12342</b>	<b>\$0.12687</b>	<b>\$0.00345</b>
Excess 250 kWh	<b>\$0.12842</b>	<b>\$0.13187</b>	<b>\$0.00345</b>



**Unitil Energy Systems, Inc.**  
**Typical Bill Impacts as a Result of Proposed Rates for May 1, 2013 Step Adjustment**  
**Impacts do NOT include the Electricity Consumption Tax**  
**Impact on G2 Rate Customers**

<b>Load Factor</b>	<b>Average Monthly kW</b>	<b>Average Monthly kWh</b>	<b>Total Bill Using Rates Effective 11/1/2012</b>	<b>Total Bill Using Rates Proposed 5/1/2013</b>	<b>Total Difference</b>	<b>% Total Difference</b>
20%	5	730	\$133.48	\$136.87	\$3.39	2.5%
20%	10	1,460	\$250.00	\$255.89	\$5.89	2.4%
20%	15	2,190	\$366.52	\$374.91	\$8.39	2.3%
20%	25	3,650	\$599.56	\$612.95	\$13.39	2.2%
20%	50	7,300	\$1,182.15	\$1,208.04	\$25.89	2.2%
20%	75	10,950	\$1,764.75	\$1,803.14	\$38.39	2.2%
20%	100	14,600	\$2,347.35	\$2,398.24	\$50.89	2.2%
20%	150	21,900	\$3,512.54	\$3,588.43	\$75.89	2.2%
36%	5	1,314	\$188.61	\$192.00	\$3.39	1.8%
36%	10	2,628	\$360.27	\$366.16	\$5.89	1.6%
36%	15	3,942	\$531.92	\$540.31	\$8.39	1.6%
36%	25	6,570	\$875.23	\$888.62	\$13.39	1.5%
36%	50	13,140	\$1,733.51	\$1,759.40	\$25.89	1.5%
36%	75	19,710	\$2,591.78	\$2,630.17	\$38.39	1.5%
36%	100	26,280	\$3,450.05	\$3,500.94	\$50.89	1.5%
36%	150	39,420	\$5,166.60	\$5,242.49	\$75.89	1.5%
50%	5	1,825	\$236.86	\$240.25	\$3.39	1.4%
50%	10	3,650	\$456.76	\$462.65	\$5.89	1.3%
50%	15	5,475	\$676.65	\$685.04	\$8.39	1.2%
50%	25	9,125	\$1,116.45	\$1,129.84	\$13.39	1.2%
50%	50	18,250	\$2,215.94	\$2,241.83	\$25.89	1.2%
50%	75	27,375	\$3,315.43	\$3,353.82	\$38.39	1.2%
50%	100	36,500	\$4,414.93	\$4,465.82	\$50.89	1.2%
50%	150	54,750	\$6,613.91	\$6,689.80	\$75.89	1.1%

	<b>Rates - Effective 11/1/2012</b>	<b>Rates - Proposed 5/1/2013</b>	<b>Difference</b>
Customer Charge	<b>\$16.96</b>	<b>\$17.85</b>	<b>\$0.89</b>
Distribution Charge	<u>All kW</u> \$9.50	<u>All kW</u> \$10.00	<u>All kW</u> \$0.50
Stranded Cost Charge	<u>\$0.02</u>	<u>\$0.02</u>	<u>\$0.00</u>
<b>TOTAL</b>	<b>\$9.52</b>	<b>\$10.02</b>	<b>\$0.50</b>
Distribution Charge	<u>kWh</u> \$0.00000	<u>kWh</u> \$0.00000	<u>kWh</u> \$0.00000
External Delivery Charge	\$0.01753	\$0.01753	\$0.00000
Stranded Cost Charge	\$0.00002	\$0.00002	\$0.00000
Storm Recovery Adj. Factor	\$0.00178	\$0.00178	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge	<u>\$0.07178</u>	<u>\$0.07178</u>	<u>\$0.00000</u>
<b>TOTAL</b>	<b>\$0.09441</b>	<b>\$0.09441</b>	<b>\$0.00000</b>

**Unitil Energy Systems, Inc.**  
**Typical Bill Impacts as a Result of Proposed Rates for May 1, 2013 Step Adjustment**  
**Impacts do NOT include the Electricity Consumption Tax**  
**Impact on G2 kWh Meter Rate Customers**

Average Monthly kWh	Total Bill Using Rates Effective 11/1/2012	Total Bill Using Rates Proposed 5/1/2013	Total Difference	% Total Difference
15	\$14.71	\$15.40	\$0.69	4.7%
75	\$22.15	\$22.94	\$0.79	3.6%
150	\$31.46	\$32.36	\$0.91	2.9%
250	\$43.86	\$44.93	\$1.06	2.4%
350	\$56.27	\$57.49	\$1.22	2.2%
450	\$68.67	\$70.05	\$1.38	2.0%
550	\$81.08	\$82.61	\$1.53	1.9%
650	\$93.48	\$95.17	\$1.69	1.8%
750	\$105.89	\$107.74	\$1.85	1.7%
900	\$124.50	\$126.58	\$2.08	1.7%

	<u>Rates - Effective</u> <u>11/1/2012</u>	<u>Rates - Proposed</u> <u>5/1/2013</u>	<u>Difference</u>
kWh Meter Customer Charge	<b>\$12.85</b>	<b>\$13.52</b>	<b>\$0.67</b>
	<u>All kWh</u>	<u>All kWh</u>	<u>All kWh</u>
Distribution Charge	\$0.02957	\$0.03114	\$0.00157
External Delivery Charge	\$0.01753	\$0.01753	\$0.00000
Stranded Cost Charge	\$0.00009	\$0.00009	\$0.00000
Storm Recovery Adjustment Factor	\$0.00178	\$0.00178	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge	<u>\$0.07178</u>	<u>\$0.07178</u>	<u>\$0.00000</u>
<b>TOTAL</b>	<b>\$0.12405</b>	<b>\$0.12562</b>	<b>\$0.00157</b>

**Unitil Energy Systems, Inc.**  
**Typical Bill Impacts as a Result of Proposed Rates for May 1, 2013 Step Adjustment**  
**Impacts do NOT include the Electricity Consumption Tax**  
**Impact on G2 QRWH and SH Rate Customers**

<b>Average kWh</b>	<b>Total Bill Using Rates Effective 11/1/2012</b>	<b>Total Bill Using Rates Proposed 5/1/2013</b>	<b>Total Difference</b>	<b>% Total Difference</b>
100	\$18.04	\$18.49	\$0.45	2.5%
200	\$30.32	\$30.92	\$0.60	2.0%
300	\$42.60	\$43.34	\$0.74	1.7%
400	\$54.88	\$55.77	\$0.89	1.6%
500	\$67.16	\$68.20	\$1.04	1.5%
750	\$97.86	\$99.27	\$1.41	1.4%
1,000	\$128.56	\$130.34	\$1.78	1.4%
1,500	\$189.96	\$192.48	\$2.52	1.3%
2,000	\$251.36	\$254.62	\$3.26	1.3%
2,500	\$312.76	\$316.76	\$4.00	1.3%

	<b>Rates - Effective 11/1/2012</b>	<b>Rates - Proposed 5/1/2013</b>	<b>Difference</b>
Customer Charge	<b>\$5.76</b>	<b>\$6.06</b>	<b>\$0.30</b>
	<u>All kWh</u>	<u>All kWh</u>	<u>All kWh</u>
Distribution Charge	\$0.02832	\$0.02980	\$0.00148
External Delivery Charge	\$0.01753	\$0.01753	\$0.00000
Stranded Cost Charge	\$0.00009	\$0.00009	\$0.00000
Storm Recovery Adjustment Factor	\$0.00178	\$0.00178	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge	<u>\$0.07178</u>	<u>\$0.07178</u>	<u>\$0.00000</u>
<b>TOTAL</b>	<b>\$0.12280</b>	<b>\$0.12428</b>	<b>\$0.00148</b>

**Unitil Energy Systems, Inc.**  
**Typical Bill Impacts as a Result of Proposed Rates for May 1, 2013 Step Adjustment**  
**Impacts do NOT include the Electricity Consumption Tax**  
**Impact on G1 Rate Customers**

<b>Load Factor</b>	<b>Average Monthly kVa</b>	<b>Average Monthly kWh</b>	<b>Total Bill Using Rates Effective 11/1/2012</b>	<b>Total Bill Using Rates Proposed 5/1/2013</b>	<b>Total Difference</b>	<b>% Total Difference</b>
25.0%	200	36,500	\$4,349.12	\$4,419.81	\$70.69	1.6%
25.0%	400	73,000	\$8,608.70	\$8,745.39	\$136.69	1.6%
25.0%	600	109,500	\$12,868.29	\$13,070.98	\$202.69	1.6%
25.0%	800	146,000	\$17,127.88	\$17,396.57	\$268.69	1.6%
25.0%	1,000	182,500	\$21,387.46	\$21,722.15	\$334.69	1.6%
25.0%	1,500	273,750	\$32,036.43	\$32,536.12	\$499.69	1.6%
25.0%	2,000	365,000	\$42,685.40	\$43,350.09	\$664.69	1.6%
25.0%	2,500	456,250	\$53,334.36	\$54,164.05	\$829.69	1.6%
25.0%	3,000	547,500	\$63,983.33	\$64,978.02	\$994.69	1.6%
40.0%	200	58,400	\$6,132.07	\$6,202.76	\$70.69	1.2%
40.0%	400	116,800	\$12,174.61	\$12,311.30	\$136.69	1.1%
40.0%	600	175,200	\$18,217.15	\$18,419.84	\$202.69	1.1%
40.0%	800	233,600	\$24,259.68	\$24,528.37	\$268.69	1.1%
40.0%	1,000	292,000	\$30,302.22	\$30,636.91	\$334.69	1.1%
40.0%	1,500	438,000	\$45,408.57	\$45,908.26	\$499.69	1.1%
40.0%	2,000	584,000	\$60,514.92	\$61,179.61	\$664.69	1.1%
40.0%	2,500	730,000	\$75,621.26	\$76,450.95	\$829.69	1.1%
40.0%	3,000	876,000	\$90,727.61	\$91,722.30	\$994.69	1.1%
57.0%	200	83,220	\$8,152.75	\$8,223.44	\$70.69	0.9%
57.0%	400	166,440	\$16,215.97	\$16,352.66	\$136.69	0.8%
57.0%	600	249,660	\$24,279.18	\$24,481.87	\$202.69	0.8%
57.0%	800	332,880	\$32,342.40	\$32,611.09	\$268.69	0.8%
57.0%	1,000	416,100	\$40,405.62	\$40,740.31	\$334.69	0.8%
57.0%	1,500	624,150	\$60,563.66	\$61,063.35	\$499.69	0.8%
57.0%	2,000	832,200	\$80,721.71	\$81,386.40	\$664.69	0.8%
57.0%	2,500	1,040,250	\$100,879.75	\$101,709.44	\$829.69	0.8%
57.0%	3,000	1,248,300	\$121,037.79	\$122,032.48	\$994.69	0.8%
71.0%	200	103,660	\$9,816.84	\$9,887.53	\$70.69	0.7%
71.0%	400	207,320	\$19,544.14	\$19,680.83	\$136.69	0.7%
71.0%	600	310,980	\$29,271.45	\$29,474.14	\$202.69	0.7%
71.0%	800	414,640	\$38,998.75	\$39,267.44	\$268.69	0.7%
71.0%	1,000	518,300	\$48,726.06	\$49,060.75	\$334.69	0.7%
71.0%	1,500	777,450	\$73,044.33	\$73,544.02	\$499.69	0.7%
71.0%	2,000	1,036,600	\$97,362.59	\$98,027.28	\$664.69	0.7%
71.0%	2,500	1,295,750	\$121,680.86	\$122,510.55	\$829.69	0.7%
71.0%	3,000	1,554,900	\$145,999.12	\$146,993.81	\$994.69	0.7%

	<b>Rates - Effective 11/1/2012</b>	<b>Rates - Proposed 5/1/2013</b>	<b>Difference</b>
Customer Charge - Secondary	<b>\$89.53</b>	<b>\$94.22</b>	<b>\$4.69</b>
	<u>All kVA</u>	<u>All kVA</u>	<u>All kVA</u>
Distribution Charge	\$6.42	\$6.75	\$0.33
Stranded Cost Charge	<u>\$0.02</u>	<u>\$0.02</u>	<u>\$0.00</u>
<b>TOTAL</b>	<b>\$6.44</b>	<b>\$6.77</b>	<b>\$0.33</b>
	<u>All kWh</u>	<u>All kWh</u>	<u>All kWh</u>
Distribution Charge	\$0.00000	\$0.00000	\$0.00000
External Delivery Charge	\$0.01753	\$0.01753	\$0.00000
Stranded Cost Charge	\$0.00002	\$0.00002	\$0.00000
Storm Recovery Adjustment Factor	\$0.00178	\$0.00178	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge*	<u>\$0.05878</u>	<u>\$0.05878</u>	<u>\$0.00000</u>
<b>TOTAL</b>	<b>\$0.08141</b>	<b>\$0.08141</b>	<b>\$0.00000</b>

\* Default Service Charges shown are based on the average of the DSC for November 2012 - January 2013.

**Unitil Energy Systems, Inc.**  
**Typical Bill Impacts as a Result of Proposed Rates for May 1, 2013 Step Adjustment**  
**Impacts do NOT include the Electricity Consumption Tax**  
**Impact on OL Rate Customers\***

	<u>Nominal</u>			<u>Average</u>	<u>Total Bill</u>	<u>Total Bill</u>	<u>Total</u>	<u>%</u>
	<u>Watts</u>	<u>Lumens</u>	<u>Type</u>	<u>Monthly kWh</u>	<u>Using Rates</u>	<u>Using Rates</u>	<u>Difference</u>	<u>Total</u>
					<u>Effective 11/1/2012</u>	<u>Proposed 5/1/2013</u>		<u>Difference</u>
<u>Mercury Vapor:</u>								
1	100	3,500	ST	40	\$14.17	\$14.72	\$0.55	3.9%
2	175	7,000	ST	67	\$18.91	\$19.57	\$0.66	3.5%
3	250	11,000	ST	95	\$23.42	\$24.18	\$0.76	3.2%
4	400	20,000	ST	154	\$32.01	\$32.92	\$0.91	2.8%
5	1,000	60,000	ST	388	\$72.65	\$74.54	\$1.89	2.6%
6	250	11,000	FL	95	\$24.45	\$25.26	\$0.81	3.3%
7	400	20,000	FL	154	\$33.33	\$34.32	\$0.99	3.0%
8	1,000	60,000	FL	388	\$68.67	\$70.35	\$1.68	2.4%
9	100	3,500	PB	40	\$14.29	\$14.84	\$0.55	3.8%
10	175	7,000	PB	67	\$18.13	\$18.75	\$0.62	3.4%
<u>High Pressure Sodium:</u>								
11	50	4,000	ST	21	\$12.59	\$13.14	\$0.55	4.4%
12	100	9,500	ST	43	\$16.17	\$16.80	\$0.63	3.9%
13	150	16,000	ST	60	\$17.83	\$18.47	\$0.64	3.6%
14	250	30,000	ST	101	\$25.12	\$25.94	\$0.82	3.3%
15	400	50,000	ST	161	\$35.20	\$36.25	\$1.05	3.0%
16	1,000	140,000	ST	398	\$73.13	\$74.99	\$1.86	2.5%
17	150	16,000	FL	60	\$19.90	\$20.64	\$0.74	3.7%
18	250	30,000	FL	101	\$26.56	\$27.46	\$0.90	3.4%
19	400	50,000	FL	161	\$34.73	\$35.75	\$1.02	2.9%
20	1,000	140,000	FL	398	\$73.45	\$75.32	\$1.87	2.5%
21	50	4,000	PB	21	\$11.69	\$12.20	\$0.51	4.4%
22	100	95,000	PB	43	\$15.13	\$15.71	\$0.58	3.8%
<u>Metal Halide:</u>								
23	175	8,800	ST	66	\$22.50	\$23.36	\$0.86	3.8%
24	250	13,500	ST	92	\$26.50	\$27.43	\$0.93	3.5%
25	400	23,500	ST	148	\$32.49	\$33.46	\$0.97	3.0%
26	175	8,800	FL	66	\$25.24	\$26.23	\$0.99	3.9%
27	250	13,500	FL	92	\$29.31	\$30.39	\$1.08	3.7%
28	400	23,500	FL	148	\$34.64	\$35.73	\$1.09	3.1%
29	175	8,800	PB	66	\$21.37	\$22.17	\$0.80	3.7%
30	250	13,500	PB	92	\$24.86	\$25.71	\$0.85	3.4%
31	400	23,500	PB	148	\$31.36	\$32.27	\$0.91	2.9%

Luminaire Charges For Year Round Service:

<u>Rates - Effective 11/1/2012</u>								
		<u>Mercury Vapor Rate/Mo.</u>		<u>Sodium Vapor Rate/Mo.</u>		<u>Metal Halide Rate/Mo.</u>		
Customer Charge	\$0.00		1	\$10.39		11	\$10.61	
			2	\$12.58		12	\$12.11	
	<u>All kWh</u>		3	\$14.44		13	\$12.16	
Distribution Charge	\$0.00000		4	\$17.46		14	\$15.58	
External Delivery Charge	\$0.01753		5	\$35.99		15	\$19.99	
Stranded Cost Charge	\$0.00009		6	\$15.47		16	\$35.53	
Storm Recovery Adj. Factor	\$0.00178		7	\$18.78		17	\$14.23	
System Benefits Charge	\$0.00330		8	\$32.01		18	\$17.02	
Default Service Charge	<u>\$0.07178</u>		9	\$10.51		19	\$19.52	
			10	\$11.80		20	\$35.85	
<b>TOTAL</b>	<b>\$0.09448</b>					21	\$9.71	
						22	\$11.07	

<u>Rates - Proposed 5/1/2013</u>								
		<u>Mercury Vapor Rate/Mo.</u>		<u>Sodium Vapor Rate/Mo.</u>		<u>Metal Halide Rate/Mo.</u>		
Customer Charge	\$0.00		1	\$10.94		11	\$11.16	
			2	\$13.24		12	\$12.74	
	<u>All kWh</u>		3	\$15.20		13	\$12.80	
Distribution Charge	\$0.00000		4	\$18.37		14	\$16.40	
External Delivery Charge	\$0.01753		5	\$37.88		15	\$21.04	
Stranded Cost Charge	\$0.00009		6	\$16.28		16	\$37.39	
Storm Recovery Adj. Factor	\$0.00178		7	\$19.77		17	\$14.97	
System Benefits Charge	\$0.00330		8	\$33.69		18	\$17.92	
Default Service Charge	<u>\$0.07178</u>		9	\$11.06		19	\$20.54	
			10	\$12.42		20	\$37.72	
<b>TOTAL</b>	<b>\$0.09448</b>					21	\$10.22	
						22	\$11.65	

	<u>Difference</u>	<u>Mercury Vapor-Difference</u>		<u>Sodium Vapor-Difference</u>		<u>Metal Halide-Difference</u>		
Customer Charge	\$0.00		1	\$0.55		11	\$0.55	
			2	\$0.66		12	\$0.63	
	<u>All kWh</u>		3	\$0.76		13	\$0.64	
Distribution Charge	\$0.00000		4	\$0.91		14	\$0.82	
External Delivery Charge	\$0.00000		5	\$1.89		15	\$1.05	
Stranded Cost Charge	\$0.00000		6	\$0.81		16	\$1.86	
Storm Recovery Adj. Factor	\$0.00000		7	\$0.99		17	\$0.74	
System Benefits Charge	\$0.00000		8	\$1.68		18	\$0.90	
Default Service Charge	<u>\$0.00000</u>		9	\$0.55		19	\$1.02	
			10	\$0.62		20	\$1.87	
<b>TOTAL</b>	<b>\$0.00000</b>					21	\$0.51	
						22	\$0.58	

\* Luminaire charges based on All-Night Service option.

**Unitil Energy Systems, Inc.**  
**PUC 308.11 - F-1 Rate of Return**  
**12 Months Ending December 31, 2012**

Schedule 5

**Schedule 1: Calculation of Per Books Rate of Return**

<u>Cost of Service</u>	<u>Rolling 12 Months</u>	<u>Rate Base</u>	<u>5 Qtr Avg</u>
Electric Service Revenues	\$ 126,514,645	Utility Plant in Service	\$ 229,729,025
Other Operating Revenue	1,750,423	Less: Reserve for Depreciation & Amortization	77,778,539
<b>Total Operating Revenues</b>	<b><u>128,265,068</u></b>	<b>Net Utility Plant</b>	<b><u>151,950,486</u></b>
<i>Operating Expenses:</i>		<i>Plus:</i>	
Purchased Power	58,742,631	M&S Inventories	1,320,007
Transmission	19,029,928	Cash Working Capital	2,336,965
Distribution	7,859,801	Prepayments	9,716,276
Cust. Accounting & Service	3,511,339	Other Special Deposits - ISO	3,810,175
Admin. & General	8,400,850	<i>Less:</i>	
Depreciation	8,487,129	Deferred Income Taxes	21,262,199
Amortization	2,414,677	Customer Advances	533,942
Taxes-Other Than Income	4,469,877	Customer Deposits	1,387,081
State & Federal Income Taxes	3,616,966		
Int on Customer Deposits	43,441		
		<b>Total Rate Base</b>	<b><u>\$ 145,950,687</u></b>
<b>Total Operating Expenses</b>	<b><u>116,576,639</u></b>	Utility Operating Income - 8.39% Cost of Capital	\$ 12,248,758
<b>Net Operating Income</b>	<b>\$ 11,688,429</b>	Utility Operating Income - Actual	\$ 11,091,435
Less: EE Revenue, Tax Affected	5,339	<b>Operating Income Deficiency (Surplus)</b>	<b><u>\$ 1,157,324</u></b>
Less: Other FT Oper Inc (Not Tax Affected)	591,655	Income Tax Gross-Up	\$ 759,092
		<b>Revenue Deficiency (Surplus)</b>	<b><u>\$ 1,916,416</u></b>
<b>Net Operating Income - Adjusted</b>	<b><u>\$ 11,091,435</u></b>	<b>Return on Rate Base - Actual</b>	<b>7.60%</b>
		<b>Return on Rate Base - Authorized DE 10-055</b>	<b>8.39%</b>
		<b>ROE - Actual</b>	<b>7.93%</b>
		<b>ROE - Authorized DE 10-055</b>	<b>9.67%</b>

**Schedule 2: Cost of Capital - Authorized DE 10-055**

	Percent Total	Cost Rate	Weighted Cost Rate
Common Equity	45.45%	9.67%	4.40%
Preferred Stock Equity	0.16%	6.00%	0.01%
Long Term Debt	51.53%	7.60%	3.92%
Short Term Debt	2.86%	2.50%	0.07%
<b>Total</b>	<b><u>100.00%</u></b>		<b><u>8.39%</u></b>