

CONCORD STEAM CORPORATION
Revenue Requirement

	Reference	CSC Revenue Request	ROE - 9.50%	Settlement
Rate Base Proposed	SPF-1 p. 2 of 6	4,542,272	5,365,863	
Rate of Return	SPF-1 p. 6 of 6	6.00%	7.35%	
Income Required		272,536	394,566	
Net Operating Income	SPF-1 p. 4 of 6	(411,290)	(144,105)	
Revenue Deficiency before Taxes		683,826	538,671	
State & Federal Tax	SPF-1 p. 5 of 6	178,757	156,288	
Revenue Deficiency		862,583	694,958	
Percent Increase - Total Revenues				
Revenue Deficiency		862,583	694,958	582,412
Test Year Revenues	SPF-1 p. 4 of 6	4,853,437	4,853,437	4,853,437
Percent Increase		17.77%	14.32%	12.00%
Percent Increase - Base Revenues				
Revenue Deficiency		862,583	694,958	269,428
Test Year Revenues	SPF-1 p. 4 of 6	4,853,437	4,853,437	4,853,437
Less: COE Revenues (Note 1)	SPF-1 p. 4 of 6	(2,422,226)	(2,422,226)	(2,422,226)
Test Year Base Revenues		2,431,211	2,431,211	2,431,211
Percent Increase		35.48%	28.58%	11.08%

Note 1: Adjusted to reflect recovery of certain test year costs totaling \$312,984 through energy rates during temporary rates.

CONCORD STEAM CORPORATION
Rate Base

Annual Rpt page/acet	102/1301-1395	111/250	102/1395	107/131	106/132	112/242	113/146	101/227	101/265	112/258.3	(Total) Net Utility Plant Service
	Total Gas Plant In Service	Accumulated Depreciation	CWIP	Materials & Supplies	Prepayments	Deferred Taxes	Deferred Taxes	Customer Deposits	CIAC	Amort CIAC	
December-10	11,540,303	(5,765,888)	(90,639)	297,665	31,385	(1,156,409)	586,294	-	(671,975)	79,711	4,770,736
January-11											
February-11											
March-11											
April-11											
May-11											
June-11											
July-11											
August-11											
September-11											
October-11											
November-11											
December-11	11,826,046	(6,001,809)	(88,710)	210,811	14,536	(1,168,377)	641,130	(600)	(671,975)	89,379	4,761,052
Subtotal	23,366,349	(11,767,697)	(179,349)	508,476	45,921	(2,324,786)	1,227,424	(600)	(1,343,950)	169,090	9,531,788
13 month average											
Test Year average	11,683,175	(5,883,849)	(89,675)	254,238	22,961	(1,162,393)	613,712	(300)	(671,975)	84,545	4,765,894
									Phs: Cash Working Capital (ref p. 3 of 6)		599,969
									Rate Base		5,365,863

CONCORD STEAM CORPORATION
Working Capital

	<u>Reference</u>	<u>Amount</u>
Total O&M - test year	SPF-1 p. 4 of 6	5,040,410
Less: Depreciation & Amortization	SPF-1 p. 4 of 6	<u>(240,659)</u>
Net O&M		4,799,751
45 day average O&M balance (1/8th annual amount)		<u>12.5%</u>
Total Working Capital		<u><u>599,969</u></u>

CONCORD STEAM CORPORATION
Revenue & Expense

	CSC
	<u>Test Year</u>
Revenues	
Base Rate (Note 1)	1,818,589
Fuel Charge (Note 1)	2,422,226
Meter Charge	29,750
Electricity Sales	94,733
Other	488,139
	<u>4,853,437</u>
Total Operating Revenues	<u>4,853,437</u>
Expenses	
Production - Fuel Costs (Note 1)	2,324,104
Production - Other (sewer, loader, elec, etc.) (Note 1)	909,440
Distribution O&M	522,775
Customer Accounts Expense	61,056
Sales & New Business	3,137
Admin & General Expenses	590,426
	<u>4,410,938</u>
Depreciation	250,327
Amortization	(9,668)
Operating Rents, net	243,704
Taxes Other Than Income Taxes - Property	145,109
Total Operating Expenses	<u>5,040,410</u>
Operating Income Before Federal Income Taxes	<u>(186,973)</u>
State Income Taxes	-
Federal Income Taxes	-
Deferred State Income Tax	-
Deferred Federal Income Tax	(42,868)
Total Income Taxes	<u>(42,868)</u>
Operating Income After Federal & State Income Taxes	<u>(144,105)</u>

Note 1: Adjusted for expense transfer from base rates to energy rate:

Water	214,539
Ash Disposal	24,369
Air Permit	37,424
Boiler Chemicals	36,652
	<u>312,984</u>

CONCORD STEAM CORPORATION
State & Federal Income Tax Computation - Utility Operations

Calculation of State Income Tax	CSC Request	9.50% ROE
Revenue Deficiency	862,583	538,671
Less: Test Year Loss	<u>(411,290)</u>	<u>(144,105)</u>
Operating Income Before Taxes	451,293	394,566
State Income Tax (tax rate 8.5%)	<u>38,360</u>	<u>33,538</u>
Income Subject to Federal Income Tax (income less state tax)	412,933	361,028
Federal Income Tax (tax rate 34%)	<u>140,397</u>	<u>122,749</u>
Total Federal & State Taxes	<u>178,757</u>	<u>156,288</u>

CONCORD STEAM CORPORATION
Overall Rate of Return
For Ratemaking Purposes

Item	Amount	Component Ratio (%)	Component Cost Rate(%)	Weighted Average Cost Rate (%)
Common Stock	\$2,897,396	64%	9.50%	6.10%
Long Term Debt	\$552,762	12%	4.06%	0.50%
Short Term Debt	\$1,062,643	24%	3.22%	0.76%
Total	\$4,512,801	100%		7.35%
	Rate of Return			7.35%

Capital Structure per Concord Steam 2011 Annual Report

	Ending Bal.	Ratio (%)	Rate(%)	
Capital Stock	91,200			
Capital Surplus	220,653			
Earned Surplus	2,585,543			
Equity	2,897,396		9.50%	
Long Term Debt				
Term Loan	545,810	98.74%	4.07%	4.02%
Term Loan	6,952	1.26%	2.90%	0.04%
Weighted Average	552,762			4.06%
Short Term Debt		Beg. Bal.	Average Bal.	
TD Bank	862,643	983,786	923,215	
P&M Realty	200,000	200,000	200,000	
	1,062,643		1,123,215	
Interest Paid			36,117	
Computed Rate			3.22%	

Stephen P. Frink

Educational & Professional Experience

Mr. Frink graduated from the University of New Hampshire with a Bachelor of Arts degree in Sociology in 1977 and a Masters in Business Administration in 1980. He attended and completed Depreciation Programs sponsored by Depreciation Programs, Inc. at Grand Rapids, Michigan in 1992, 1993, 1994 and is a member in good standing of the Society of Depreciation Professionals since 1994.

In 1981, Mr. Frink worked as a High School Math Teacher in Manchester, New Hampshire.

In 1982, Mr. Frink relocated to Texas and worked as an Auditor for Dallas County. He audited various county departments and performed monthly reconciliations of various fund accounts.

In 1985, Mr. Frink went to work for Schenley Industries, Inc., a wholesale liquor distributor located in Dallas, Texas, where he audited national and international manufacturing plants.

In 1986, Mr. Frink left Schenley to work for the City of Dallas as a Budget/Financial Analyst, where he prepared and monitored budgets, prepared pro forma statements, amortization schedules and performed cash flow analysis. He was promoted to Senior Analyst in 1987.

In 1988, Mr. Frink left the City of Dallas to work for the City of Austin as a Financial Analyst. There he prepared budgets and fiscal impact statements, developed a capital projects tracking and monitoring system, and provided training and technical assistance in the implementation of a new accounting system.

In 1990, Mr. Frink joined the Finance staff of the New Hampshire Public Utilities Commission. Working as a member of the PUC Audit Team, he conducted or participated in audits of the books and records of public utilities. He performed desk audits and determined rates of returns. He prepared schedules and exhibits supporting testimony in dockets involving rate increases and participated in settlement conferences. In 1995, Mr. Frink became a full time Analyst for the Finance Department and in 1996 was promoted to a Senior Analyst position, primarily responsible for analyzing and advising the Commission on issues of depreciation, cost of gas adjustment filings, special contracts, and finance and rate increase petitions. In 1998, Mr. Frink was promoted to Assistant Finance Director. As Assistant Finance Director, he assisted in the direction of all aspects of a department responsible for the audit, analysis and review of public utility financial operations, including financing, rate cases and various utility studies filings related to public utility regulation. In 2001, New Hampshire Public Utilities Commission operations were restructured and Mr. Frink became Assistant Director of the Gas & Water Division and now administers all aspects of regulation of gas utilities.