

Summary

	<u>Recorded Test Year Ended 31-Dec-12</u>	<u>GSEC Proposal</u>	<u>Staff Recommendation</u>	<u>Variance Proposal vs. Staff</u>
<u>Depreciation and Amortization:</u>				
Depreciation Expense	\$ 4,867,174	\$ 5,206,689 RR 2-1 (CU), line 73	\$ 4,395,106 Schedule JJC-4	\$ (811,583)
Adjustment for Depreciation Reserve Variances for Prior Years	\$ -	\$ 316,017 RR 2-1 (CU), line 73	\$ (1,115,686) Schedule JJC-5	\$ (1,431,703)
Total Depreciation Expense	<u>\$ 4,867,174</u> <i>RR 2-1 (CU), line 73</i>	<u>\$ 5,522,706</u> RR 2-1 (CU), Line 73	<u>\$ 3,279,420</u> Schedule JJC-3	<u>\$ (2,243,286)</u>
<u>Employee Pensions and Benefits (Account 926)</u>				
Pensions	\$ 593,525	\$ 603,582 RR 3-03 (CU), line 2, 17	\$ 424,822 Schedule JJC-9	\$ (178,760)
Other Post Employment Benefits (OPEBs)	\$ 525,691	\$ 350,941 RR 3-03 (CU), line 3, 17	\$ 248,019 Schedule JJC-9	\$ (102,922)
401k Expense:	\$ 141,752	\$ 199,678 RR 3-03 (CU), line 4, 17	\$ 167,037 Schedule JJC-9	\$ (32,641)
Workers Compensation	\$ -	\$ 190,642 RR 3-03 (CU), line 5, 17	\$ 64,165 Schedule JJC-9	\$ (126,477)
Medical & Dental Costs	\$ 416,841	\$ 599,636 RR 3-03 (CU), line 10, 25	\$ 519,478 Schedule JJC-9	\$ (80,158)
Other Health Benefits	\$ 20,948	\$ 142,333 RR 3-03 (CU), line 11, 25	\$ 42,225 Schedule JJC-9	\$ (100,107)
Inactive Employees	\$ -	\$ 128,133 RR 3-03 (CU), line 35	\$ 128,133 Schedule JJC-9	\$ -
Total Employee Pensions and Benefits (Account 926)	<u>\$ 1,698,757</u> <i>RR 3-03 (CU), Line 42</i>	<u>\$ 2,214,945</u> RR 3-03 (CU), line 36	<u>\$ 1,593,880</u> Schedule JJC-9	<u>\$ (621,065)</u>
<u>Amortization of Deferred Pension and OPEB Items:</u>				
NEES Acquisition Deferred (Credit)	\$ (235,746)	\$ (395,222) RR 3-03 (CU), line 38	\$ (355,353) Schedule JJC-9	\$ 39,869
Liberty Acquisition Deferred (Debit)	\$ -	\$ 2,118,870 RR 3-03 (CU), line 39	\$ 1,442,447 Schedule JJC-9	\$ (676,423)
Total Amortization	<u>\$ (235,746)</u>	<u>\$ 1,723,648</u> RR 3-03 (CU), line 36	<u>\$ 1,087,094</u> Schedule JJC-9	<u>\$ (636,554)</u>
Total Pension and Benefits and Amortization	<u>\$ 1,463,011</u>	<u>\$ 3,938,593</u>	<u>\$ 2,680,973</u>	<u>\$ (1,257,620)</u>
<u>Dep-Related Rate Base Adjustment - Increase/(Decrease):</u>				
Accumulated Depreciation Reserves			\$ 1,121,643 Schedule JJC-6	
Accumulated Deferred Income Taxes			\$ (888,566) Schedule JJC-6	
Total Dep-Related Rate Base Adjustments			<u>\$ 233,077</u>	

DE 13-063 (GSEC)
Depreciation Study

Schedule JJC-2

Derivation of GSEC Proposal

	Recorded Test Year Ended 31-Dec-12 RR-2 (CU) (line 14)	Proforma Adjustments				GSEC Proposal RR-2 (CU) line 14)
		Dep. Adj. For Yr-End Plant RR 3-11 (CU), line 30	Dep. Adj. For Proposed Rates On Yr-End Plant RR 3-11 (CU), line 31	Dep. Adj. For CWIP at 12/31/2012 & Fleet at 3/31/2013 RR 3-11(CU), line 34	Amortization of Dep. Res. Var. Per Rev. Req. RR 3-12 (CU) line 28	
Depreciation Expense	\$ 4,867,174	\$ 89,056	\$ 35,521	\$ 214,938	\$ -	\$ 5,206,689
Amortiz. of Dep. Reserve Var.	\$ -			\$ -	\$ 316,017	\$ 316,017
Total	\$ 4,867,174	\$ 89,056	\$ 35,521	\$ 214,938	\$ 316,017	\$ 5,522,706

DE 13-063 (GSEC)
 Depreciation Study

Schedule JJC-3

Summary - Depreciation & Amortization of Reserve Variance

	<u>Test Year</u> <u>Dec. 31, 2012</u> JJC-2	<u>GSEC</u> <u>Proposal</u> JJC-2	<u>Staff</u> <u>Recommend</u> Sch. JJC-4 & 5	<u>Variance</u> <u>GSEC</u> <u>Proposal</u>
Depreciation and Amortization:				
Depreciation Expense	\$ 4,867,174	\$ 5,206,689	\$ 4,395,106	\$ (811,583)
Amortization of Dep. Reserve Variance (Surplus)/Deficiency	<u>\$ -</u>	<u>\$ 316,017</u>	<u>\$ (1,115,686)</u>	<u>\$ (1,431,703)</u>
Total	<u>\$ 4,867,174</u>	<u>\$ 5,522,706</u>	<u>\$ 3,279,420</u>	<u>\$ (2,243,286)</u>

DE 13-063 (GSEC)
Depreciation Study

Schedule JJC-4

Derivation of Depreciation Expense
Proposal versus Staff Recommendation

	31-Dec-12 Test Year Plant Balance	GSEC Proposed Accrual Rates				Staff Recommendation				Recommend over/(under) Proposed
		Average Service Life	Net Salvage Rate	Depreciation Accrual Rate	Amount	Average Service Life	Net Salvage Rate	Depreciation Accrual Rate	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10 = (9) - (5))
Distribution Plant:										
361 Structures and Improvements	\$ 369,982	41	-5.0%	2.56%	\$ 9,475	41.0	-5.00%	2.56%	\$ 9,475	\$ -
362 Station Equipment	\$ 18,562,176	39	-20.0%	3.08%	\$ 571,144	41.0	-15.00%	2.80%	\$ 520,646	\$ (50,497)
364 Poles Towers and Fixtures	\$ 26,607,700	35	-50.0%	4.29%	\$ 1,140,330	40.0	-30.00%	3.25%	\$ 864,750	\$ (275,580)
365 Overhead Conductors and Devices	\$ 35,315,504	40	-45.0%	3.63%	\$ 1,280,187	40.0	-27.50%	3.19%	\$ 1,125,682	\$ (154,505)
366 Underground Conduits	\$ 4,577,090	50	-10.0%	2.20%	\$ 100,696	55.0	-10.00%	2.00%	\$ 91,542	\$ (9,154)
367 Underground Conductors and Devices	\$ 10,554,969	41	-50.0%	3.66%	\$ 386,157	41.0	-30.00%	3.17%	\$ 334,670	\$ (51,488)
368 Line Transformers	\$ 16,680,378	37	-50.0%	4.05%	\$ 676,232	37.0	-30.00%	3.51%	\$ 586,067	\$ (90,164)
369 Services	\$ 7,658,934	45	-75.0%	3.89%	\$ 297,847	45.0	-42.50%	3.17%	\$ 242,533	\$ (55,315)
370 Meters	\$ 4,558,214	22	-20.0%	5.45%	\$ 248,630	22.0	-15.00%	5.23%	\$ 238,270	\$ (10,360)
372 Installations on Customer Premises	\$ 1,170,298	24	0.0%	4.17%	\$ 48,762	24.0	0.00%	4.17%	\$ 48,762	\$ -
373 Street Lighting and Signal Systems	\$ 4,691,299	30	-50.0%	5.00%	\$ 234,565	30.0	-30.00%	4.33%	\$ 203,290	\$ (31,275)
343 Prime Movers	\$ -									
Total Distribution	\$ 130,746,545			3.82%	\$ 4,994,026	3,383,848.3	\$ 881,839	3.26%	\$ 4,265,688	\$ (728,338)
General Plant:										
390 Structures & Improvements	\$ 2,240,270	64	-20.00%	1.88%	\$ 42,005	64.0	-7.50%	1.68%	\$ 37,630	\$ (4,376)
391 Office Furniture & Equipment	\$ 28,780	25	0.00%	4.00%	\$ 1,151	25.0	0.00%	4.00%	\$ 1,151	\$ -
392 Transportation Equip. (Ref. RR 3-11)	\$ 82,354	12	10.00%	7.50%	\$ 6,177	12.0	10.00%	7.50%	\$ 6,177	\$ -
393 Stores Equipment	\$ 61,654	30	0.00%	3.33%	\$ 2,055	30.0	0.00%	3.33%	\$ 2,055	\$ -
394 Tools, Shop and Garage Equipment	\$ 195,476	24	0.00%	4.17%	\$ 8,145	24.0	0.00%	4.17%	\$ 8,145	\$ -
395 Laboratory Equipment	\$ 236,238	25	0.00%	4.00%	\$ 9,450	33.0	0.00%	3.03%	\$ 7,159	\$ (2,291)
397 Communication Equipment	\$ 1,476,251	20	0.00%	5.00%	\$ 73,813	22.0	0.00%	4.55%	\$ 67,102	\$ (6,710)
398 Miscellaneous Equipment	\$ -	26	0.00%	3.85%	\$ -	26.0	0.00%	3.85%	\$ -	\$ -
Total General Plant	\$ 4,321,023			3.30%	\$ 142,795			3.00%	\$ 129,418	\$ (13,377)
Total Distribution and General Plant	\$ 135,067,568			3.80%	\$ 5,136,821			3.25%	\$ 4,395,106	\$ (741,715)

Note: See Schedule JJC 4A and JJC 4B for footnotes and reconciliations.

Derivation of Staff Recommended Plant Balance at 12/31/2012
Including Construction-Work-In-Progress Closed to Plant at 12/31/2012

	31-Dec-12 Test Year Plant Balance	Plus: CWIP closed To Plant at 12/31/2012 Per RR 5-4A (CU)	31-Dec-12 Test Year Plant Balance Update
	(1)	(2)	(3) = (1) + (2)
Distribution Plant:			
361 Structures and Improvements	\$ 369,982	\$ -	\$ 369,982
362 Station Equipment	\$ 17,362,913	\$ 1,199,263	\$ 18,562,176
364 Poles Towers and Fixtures	\$ 25,627,618	\$ 980,082	\$ 26,607,700
365 Overhead Conductors and Devices	\$ 34,849,460	\$ 466,044	\$ 35,315,504
366 Underground Conduits	\$ 4,577,090		\$ 4,577,090
367 Underground Conductors and Devices	\$ 9,726,252	\$ 828,717	\$ 10,554,969
368 Line Transformers	\$ 16,680,378		\$ 16,680,378
369 Services	\$ 7,552,255	\$ 106,679	\$ 7,658,934
370 Meters	\$ 4,558,214		\$ 4,558,214
372 Installations on Customer Premises	\$ 1,170,298		\$ 1,170,298
373 Street Lighting and Signal Systems	\$ 4,225,154	\$ 466,145	\$ 4,691,299
343 Prime Movers	\$ -		\$ -
Total Distribution	\$ 126,699,614	\$ 4,046,931	\$ 130,746,545
General Plant:			
390 Structures & Improvements	\$ (126,699,614)		\$ 2,240,270
391 Office Furniture & Equipment	\$ 2,240,270		\$ 2,240,270
392 Transportation Equip. (Ref. RR 3-11)	\$ 28,780		\$ 28,780
393 Stores Equipment	\$ 82,354		\$ 82,354
393 Stores Equipment	\$ 61,654		\$ 61,654
394 Tools, Shop and Garage Equipment	\$ 195,476		\$ 195,476
395 Laboratory Equipment	\$ 236,238		\$ 236,238
397 Communication Equipment	\$ 1,476,251		\$ 1,476,251
398 Miscellaneous Equipment	\$ -		\$ -
Total General Plant	\$ 4,321,023	\$ -	\$ 4,321,023
Total Distribution and General Plant	\$ 131,020,637	\$ 4,046,931	\$ 135,067,568

RR 5-4 (CU)

footnotes:

(1) FERC Form-1, 2012, page 207; excludes \$830,500 Capital Additions to March 31, 2013 (RR 5-4) (CU)

(2) CWIP closed to plant accounts as of 12/31/2012 based on major expenditures by plant account per RR 5-4A (CU) as follows:

Structures & Imprv. Acct. 361-362	Poles Towers Fixtures Acct. 364	Overhead Conductors & Devices Acct. 365	Underground Conduit Acct. 367	Substa. Equip. Acct. 362	Service Electric Acct. 369	Street Lighting Acct. 373	Staff 7-12 Total Extract
\$ -	\$ 141,446	\$ 72,783	\$ 534,458	\$ 98,792	\$ 68,800	\$ 300,627	\$ 1,216,907
	\$ 53,586	\$ 227,779		\$ 106,152			\$ 387,517
	\$ 50,613		\$ 568,487				\$ 619,100
	\$ 86,642						\$ 86,642
	\$ 84,457						\$ 84,457
	\$ 53,015						\$ 53,015
	\$ 162,318						\$ 162,318
\$ -	\$ 632,077	\$ 300,563	\$ 534,458	\$ 773,431	\$ 68,800	\$ 300,627	\$ 2,609,957
0%	24%	12%	20%	30%	3%	12%	100%

**DE 13-063 (GSEC)
Depreciation Study**

Schedule JJC-4B

**Reconciliation and Footnotes
Pertaining to Schedule JJC-4**

	Test Year Plant Balance
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Reconciliation of Depreciable Plant vs. Utility Plant in Rate Base	
Depreciable Plant Balances at 12/31/2012 Per Schedule JJC-4	(11) \$ 135,067,568
Add: Account 360, Distribution Land (FERC Form-1, page 207, line 60)	\$ 1,627,441
Add: Account 389, General Plant Land (FERC Form-1, page 207, line 86)	\$ 1,618,694
Add: Account 399, Asset Retirement Obligation (FERC Form-1, page 207, line 98)	\$ 21,000
Add: Account 302, Franchises and Consents (FERC Form-1, page 205, line 3)	\$ 24,808
Add: Account 343, Other (Prime Movers) (not shown on FERC Form 1)	\$ 244,285
Add: Capital Additions for Fleet, beyond the end of the test year (RR 5-4 (CU), line 16)	\$ 830,500
Less: Unknown variance	\$ (41,463)
Plant Balance per RR 5 (CU)	<hr/> \$ 139,392,833 <hr/>

footnotes:

- (1) FERC Form-1, 2012, page 207, adjusted for CWIP closed to plant at 12/31/2012 per RR 5-4A (CU). Ref. Staff JJC-4A.
- (2) Ref. Depreciation Rate Study, DAW-2, page 46 of 58, Bates 0070.
- (3) Ref. Depreciation Rate Study, DAW-2, page 46 of 58, Bates 0070.
- (4) Based on Whole-Life Formula: $100\% - (\text{Net Salvage Percentage}) / \text{Avg. Service Life}$
- (5) col. 1 x col 4.
- (6) Ref. Schedule JJC-7.
- (7) Ref. Schedule JJC-8.
- (8) Based on Whole-Life Formula: $100\% - (\text{Net Salvage Percentage}) / \text{Avg. Service Life}$
- (9) col 1 x col. 8
- (10) Source: Excludes \$244,285 per Staff 3-62 (not shown on FERC Form-1, page 207).
- (11) Excludes \$830,500 Capital Additions to March 31, 2013 (ref. RR-5-4)

Derivation of Staff Recommendation - Amortization of Depreciation Reserve Variance
Based on Plant Balances As of December 31, 2011

	Total Plant Bal. 31-Dec-11 (1)	Staff Recommend					Book Reserve (7)	Reserve Deficiency (Surplus)/ Deficit (8)	Amortization of (Surplus) over 5 years (9)
		GSEC Proposed Theoretical Reserve (2)	GSEC Proposed Accr. Rate (3)	Staff Recomm Accr. Rate (4)	Accr. Rate Staff v. Prop. % (5)	Recommend Theoretical Reserve Amount (6)			
Distribution Plant:									
361 Structures and Improvements	\$ 369,982	\$ 159,182	2.56%	2.56%	100.00%	\$ 159,182	\$ 203,368	\$ (44,186)	\$ (8,837)
362 Station Equipment	\$ 17,300,842	\$ 6,389,061	3.08%	2.80%	91.16%	\$ 5,824,175	\$ 5,624,191	\$ 199,984	\$ 39,997
364 Poles Towers and Fixtures	\$ 25,621,635	\$ 13,667,029	4.29%	3.25%	75.83%	\$ 10,364,164	\$ 16,095,788	\$ (5,731,624)	\$ (1,146,325)
365 Overhead Conductors and Dev.	\$ 34,667,534	\$ 13,792,122	3.63%	3.19%	87.93%	\$ 12,127,556	\$ 10,264,973	\$ 1,862,583	\$ 372,517
366 Underground Conduits	\$ 4,595,778	\$ 1,190,063	2.20%	2.00%	90.91%	\$ 1,081,875	\$ 780,594	\$ 301,281	\$ 60,256
367 Underground Conductors and Dev.	\$ 9,665,604	\$ 2,635,662	3.66%	3.17%	86.67%	\$ 2,284,240	\$ 2,252,393	\$ 31,847	\$ 6,369
368 Line Transformers	\$ 16,555,011	\$ 11,637,078	4.05%	3.51%	86.67%	\$ 10,085,468	\$ 9,325,592	\$ 759,876	\$ 151,975
369 Services	\$ 7,438,292	\$ 3,682,695	3.89%	3.17%	81.43%	\$ 2,998,766	\$ 3,945,595	\$ (946,829)	\$ (189,366)
370 Meters	\$ 4,407,305	\$ 1,731,416	5.45%	5.23%	95.83%	\$ 1,659,274	\$ 1,596,772	\$ 62,502	\$ 12,500
372 Installations on Customers' Prem.	\$ 1,140,692	\$ 338,555	4.17%	4.17%	100.00%	\$ 338,555	\$ 1,315,982	\$ (977,427)	\$ (195,485)
373 Street Lighting and Signal Sys.	\$ 4,283,924	\$ 1,861,131	5.00%	4.33%	86.67%	\$ 1,612,980	\$ 2,982,279	\$ (1,369,299)	\$ (273,860)
								\$	\$ -
Total Distribution	\$ 126,046,599	\$ 57,083,994				\$ 48,536,234	\$ 54,387,527	\$ (5,851,293)	\$ (1,170,259)
General Plant:									
390 Structures & Improvements	\$ 2,240,270	\$ 1,020,284	1.88%	1.68%	89.58%	\$ 914,004	\$ 734,037	\$ 179,967	\$ 35,993
391 Office Furniture & Equipment	\$ 28,780	\$ 20,769	4.00%	4.00%	100.00%	\$ 20,769	\$ 21,807	\$ (1,038)	\$ (208)
392 Transportation Equipment	\$ 82,354	\$ 9,141	7.50%	7.50%	100.00%	\$ 9,141	\$ 72,060	\$ (62,919)	\$ (12,584)
393 Stores Equipment	\$ 61,654	\$ 30,726	3.33%	3.33%	100.00%	\$ 30,726	\$ 42,751	\$ (12,025)	\$ (2,405)
394 Tools, Shop and Garage Equip.	\$ 195,476	\$ 134,231	4.17%	4.17%	100.00%	\$ 134,231	\$ 82,494	\$ 51,737	\$ 10,347
395 Laboratory Equipment	\$ 236,238	\$ 82,699	4.00%	3.03%	75.76%	\$ 62,651	\$ 83,208	\$ (20,557)	\$ (4,111)
397 Communication Equipment	\$ 1,476,251	\$ 709,711	5.00%	4.55%	90.91%	\$ 645,192	\$ 507,496	\$ 137,696	\$ 27,539
398 Miscellaneous Equipment	\$ -	\$ -	3.85%	3.85%	100.00%	\$ -	\$ -	\$ -	\$ -
Total General Plant	\$ 4,321,023	\$ 2,007,561	3.30%	3.00%		\$ 1,816,714	\$ 1,543,853	\$ 272,861	\$ 54,572
							\$ 1,946,938		
Total Distribution and General Plant	\$ 130,367,622	\$ 59,091,555				\$ 50,352,948	\$ 55,931,380	\$ (5,578,432)	\$ (1,115,686)

footnotes:

- (1) Ref. Depreciation Study, DAW-2, page 48 of 58 (Bates 72).
- (2) Ref. Depreciation Rate Study, DAW-2, page 52 of 58 (Bates 76).
- (3) Ref. Depreciation Rate Study, DAW-2, page 52 of 58 (Bates 76).
- (4) Ref. Schedule JJC-4, col. 8.

footnotes:

- (5) col. 4 divided by col. 3.
- (6) col. 2 x col. 5.
- (7) Ref. Depreciation Study, DAW-2, page 52 of 58 (Bates 76).
- (8) col. 6 minus col. 7.
- (9) col. 8 divided by 10 years.

**DE 13-063 (GSEC)
Depreciation Study**

Schedule JJC-6

Depreciation-Related Rate Base Adjustment:

	Increase/(Decrease)
<u>1. Accumulated Depreciation for Changes in Depreciation Expense:</u>	
Adjust for recommended reduction in <u>book</u> depreciation expense per Schedule JJC-3	\$ (2,243,286)
Ratemaking adj. to increase rate base due to the reduction in Acc. Dep. Res. (half-year convention)	\$ 1,121,643
<u>2. Accumulated Deferred Income Tax Credit (ADIT):</u>	
Recommended reduction in book depreciation and amortization, per above	\$ (2,243,286)
Increase in gap between <u>book</u> and tax depreciation	\$ 2,243,286
Effective tax rate (State + Federal)	(1) <u>39.610%</u>
Increase in accumulated deferred income tax credits	\$ 888,566
Increase in accumulated deferred income tax credits (i.e., reduces rate base)	\$ (888,566)
<u>Depreciation-Related Rate Base Adjustment (Increase / (Decrease))</u>	\$ 233,077

(1) Calculation of effective tax rate:

Total before tax	\$ 100.00
Less: NH state income tax rate at 8.5%	\$ 8.50
Sub-total	\$ 91.50
Less: Fed. income tax rate at 34%	\$ 31.11
Net after tax	\$ 60.39
Total taxes	\$ 39.61
Percent effective tax rate	39.610%

**DE 13-063 (GSEC)
Depreciation Study**

Schedule JJC-7

Average Service Lives - Comparison

	<u>Existing</u>	<u>Proposed</u>	<u>Staff Recommend</u>
Distribution Plant:			
361 Structures and Improvements	50.0	41.0	41.0
362 Station Equipment	35.0	39.0	41.0
364 Poles Towers and Fixtures	25.0	35.0	40.0
365 Overhead Conductors and Devices	35.0	40.0	40.0
366 Underground Conduits	60.0	50.0	55.0
367 Underground Conductors and Devices	45.0	41.0	41.0
368 Line Transformers	25.0	37.0	37.0
369 Services	25.0	45.0	45.0
370 Meters	25.0	22.0	22.0
372 Installations on Customers' Premises	15.0	24.0	24.0
373 Street Lighting and Signal Systems	20.0	30.0	30.0
 General Plant:			
390 Structures & Improvements	65.0	64.0	64.0
391 Office Furniture & Equipment	25.0	25.0	25.0
392 Transportation Equipment	12.0	12.0	12.0
393 Stores Equipment	25.0	30.0	30.0
394 Tools, Shop and Garage Equipment	25.0	24.0	24.0
395 Laboratory Equipment	25.0	25.0	33.0
397 Communication Equipment	25.0	20.0	22.0
398 Miscellaneous Equipment	25.0	26.0	26.0

**DE 13-063 (GSEC)
Depreciation Study**

Schedule JJC-8

Net Salvage Rates - Comparison

	<u>Existing</u>	<u>Proposed</u>	<u>Recommend</u>
Distribution Plant:			
361 Structures and Improvements	-10.0%	-5.0%	-5.0%
362 Station Equipment	-10.0%	-20.0%	-15.0%
364 Poles Towers and Fixtures	-10.0%	-50.0%	-30.0%
365 Overhead Conductors and Devices	-10.0%	-45.0%	-27.5%
366 Underground Conduits	-10.0%	-10.0%	-10.0%
367 Underground Conductors and Devices	-10.0%	-50.0%	-30.0%
368 Line Transformers	-10.0%	-50.0%	-30.0%
369 Services	-10.0%	-75.0%	-42.5%
370 Meters	-10.0%	-20.0%	-15.0%
372 Installations on Customers' Premises	-10.0%	0.0%	0.0%
373 Street Lighting and Signal Systems	-10.0%	-50.0%	-30.0%
General Plant:			
390 Structures & Improvements	5.0%	-20.0%	-7.5%
391 Office Furniture & Equipment	5.0%	0.0%	0.0%
392 Transportation Equipment	5.0%	10.0%	10.0%
393 Stores Equipment	5.0%	0.0%	0.0%
394 Tools, Shop and Garage Equipment	5.0%	0.0%	0.0%
395 Laboratory Equipment	5.0%	0.0%	0.0%
397 Communication Equipment	5.0%	0.0%	0.0%
398 Miscellaneous Equipment	5.0%	0.0%	0.0%

Account 926 Employee Benefits and Expenses	2012 Test year	GSEC Proposal		Staff Recommendation	
		Proposal	Reference	Amount	Reference
Pensions			RR-3-03 (CU)		
Service Cost		\$ 319,167		\$ 319,167	Staff 1-40(4) p.3
Interest Cost		\$ 587,960		\$ 587,960	Staff 1-40(4) p.3
Expected Return on Fund Assets		\$ (564,599)		\$ (610,179)	Prop.+ Staff 6-2, Staff 7-2 (\$45,580)
Sub-Total		\$ 342,528		\$ 296,948	
Discrete Forecast by Cottonwood Group, by employee		\$ 308,610		\$ 308,610	Staff 3-55
Amortization of Net (Gain)/Loss		\$ -		\$ -	
Sub-total before Bill out to Capital/Other Projects		\$ 651,138		\$ 605,558	
Less: Bill out to Capital/Other Projects		\$ (194,340) -30%		\$ (180,736)	Proposed (-30%)
Sub-total Pension Expenses		\$ 456,798		\$ 424,822	
Plus: New Hires		\$ 146,784		\$ -	Staff 3-55 appears to include new hires.
Total	\$ 593,525	\$ 603,582		\$ 424,822	
OPEBs					
Service Cost		\$ 154,545		\$ 154,545	Staff 1-40 (5), page 4
Interest Cost		\$ 333,251		\$ 333,251	Staff 1-40 (5), page 4
Expected Return on Fund Assets		\$ -		\$ (18,400)	Prop.+ Staff 6-2, Staff 7-1 (\$18,400)
Sub-Total		\$ 487,796		\$ 469,396	
Discrete Forecast by Cottonwood Group, by employee		\$ (117,857)		\$ (117,857)	
Amortization of Net (Gain)/Loss		\$ -		\$ -	
Direct Costs		\$ 369,939		\$ 351,539	
Less: Bill out to Capital/Other Projects		\$ (108,938) -29%		\$ (103,520)	Proposed (-29%)
Sub-total OPEBs		\$ 261,001		\$ 248,019	
Plus: New Hires		\$ 89,940		\$ -	Staff 3-55 appears to include new hires.
Total	\$ 525,691	\$ 350,941		\$ 248,019	
401K (Thrift Plan)					
Amount	\$ 184,278	\$ 217,249		\$ 184,278	2012 Test Year Per Staff 6-5.1
Less: Bill out to Capital/Other Projects	\$ (42,526)	\$ (66,009) -30%		\$ (55,991)	Proposed (-30%)
Sub-total	\$ 141,752	\$ 151,240		\$ 128,287	
Plus: New Hires	\$ -	\$ 48,438		\$ 38,750	Proposed less 20% (4/20 ees) per Staff 7-7
Total	\$ 141,752	\$ 199,678		\$ 167,037	
Workers Compensation					
Amount		\$ 204,537		\$ 37,738	Staff 7-5 (Avg. 2011/12 x 25% Acct 926)
Less: Bill out to Capital/Other Projects		\$ (60,996) -30%		\$ (11,254)	Proposed (-30%)
Sub-total		\$ 143,541		\$ 26,484	
Plus: New Hires		\$ 47,101 33%		\$ 37,681	Proposed less 20% (4/20 ees) per Staff 7-7
Total	\$ -	\$ 190,642		\$ 64,165	Est. Account 926 portion
Medical					
Amount	\$ 541,893	\$ 657,004		\$ 582,535	\$541,893 x 1.075
Less: Bill out to Capital/Other Projects	\$ (162,568) -30%	\$ (198,058) -30%		\$ (175,609)	Proposed (-30%)
Sub-total	\$ 416,841	\$ 458,946		\$ 406,926	
Plus: New Hires	\$ -	\$ 140,690 31%		\$ 112,552	Proposed less 20% (4/20 ees) per Staff 7-7
Total	\$ 416,841	\$ 599,636		\$ 519,478	
Other Health Care					
Amount		\$ 156,383		\$ 22,519	2012 x 7.5% Med. Cost Trend
Less: Bill out to Capital/Other Projects		\$ (47,174) -30%		\$ (6,793)	Proposed (-30%)
Total		\$ 109,209		\$ 15,726	
Plus: New Hires		\$ 33,124 30%		\$ 26,499	Staff 7-7 (-20%)
Total	\$ 20,948	\$ 142,333		\$ 42,225	
Inactive Employees					
Pensions and OPEBs	\$ -	\$ 128,133		\$ 128,133	Use Proposal
Total Account 926	\$ 1,698,757	\$ 2,214,945		\$ 1,593,880	
	Staff 6-1	RR-3-03(CU) line 36			
	RR 3-03 (CU), line 42				
Amortization of Deferred Pension and OPEB Items:					
NEES Acquisition Deferred (Credit)	\$ (235,746)	\$ (395,222)		\$ (355,353)	Staff 3-33 convert F/W to C/W Year
Liberty Acquisition Deferred (Debit)	\$ 21,636,699	\$ 2,118,870		\$ 1,442,447	\$21,636,699 over 15 Years, FAS-87
Total	\$ (235,746)	\$ 1,723,648		\$ 1,087,094	
Grand Total Account 926 and Amortization	\$ 1,463,011	\$ 3,938,593		\$ 2,680,973	

Appendix A

Responses to Staff Data Requests

Staff 1-40

Staff 3-30

Staff 3-33 (with attachment)

Staff 3-55 (with attachment)

Staff 3-62 (with attachment)

Staff 6-2

Staff 6-3

Staff 6-5 (with attachment)

Staff 6-8

Staff 6-15

Staff 7-1

Staff 7-2

Staff 7-5

Staff 7-7

Staff 7-12 (with attachment)

Tech Session 1-2

Tech Session 1-4

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 3 - Permanent Distribution Rates

Date Request Received: 06/21/13
Request No. Staff 3-30

Date of Response: 07/08/13
Witness: ChristiAne G. Mason/
Dr. Michael R. Schmidt

REQUEST:

Reference Mason/Schmidt Testimony, pages 48 through 52 of 63. Regarding the proposed Pension and OPEB Expense Reconciliation Mechanism, please describe all efforts the company has taken or avenues it has explored to reduce pension and OPEB costs.

RESPONSE:

The Company has taken several steps to lower costs and/or reduce volatility in pension and OPEB expense. The Company adopted a cash balance pension plan for new non-union employees in lieu of the more costly traditional final average pay pension benefits that cover some legacy employees. This will reduce pension costs as the prior benefit commitments wear away over time. With respect to OPEB, new hires are not eligible for such benefits under the Company's current program. The expense for legacy employees will reduce in future years as the covered group becomes smaller. To lower the potential for year-to-year volatility in OPEB expense, the Company has installed a fully-insured, premium based structure with an insurance company to provide these benefits, rather than a self-funded approach for which larger year-to-year expense volatility would be expected.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 3 - Permanent Distribution Rates

Date Request Received: 06/21/13
Request No. Staff 3-33

Date of Response: 07/08/13
Witness: ChristiAne G. Mason/
Dr. Michael R. Schmidt

REQUEST:

Reference Schedule RR-3-03, line 30. This schedule shows a "NEES Acquisition (Credit) of \$395,222. Please explain this credit and provide supporting details.

RESPONSE:

The derivation of the NEES Acquisition (Credit) in RR3-03 Line 30 is taken from the attached spreadsheet (NEES amortization (Attachment Staff 3-33).xlsx) at cell FI33. This credit represents the amortization of the NEES Purchase Accounting Regulatory Liability as relates to pensions.

Y

	Balance	Amort	Balance	Amort	Balance	Amort	Balance	Amort	Balance	Amort	Balance	Amort	Balance	Amort	Balance	Amort
00	Mar-06	FY06/07	3/31/2007	FY07/08	3/31/2008	FY08/09	3/31/2009	FY09/10	3/31/2010	FY10/11	3/31/2011	FY11/12	3/31/2012	FY12/13	3/31/2013	FY13/14
15	1,003,115	-151,770	851,345	-151,770	699,575	-151,770	547,805	-151,770	396,035	-151,770	244,265	-151,770	92,495	-92,495	0	0
49	761,049	-110,283	650,766	-110,283	540,483	-110,283	430,200	-110,283	319,917	-110,283	209,634	-110,283	99,351	-110,283	-10,932	10,932
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
62	-923,962	78,031	-845,931	78,031	-767,900	78,031	-689,870	78,031	-611,839	78,031	-533,808	78,031	-455,778	78,031	-377,747	78,031
99	-964,399	68,268	-896,131	68,268	-827,863	68,268	-759,595	68,268	-691,327	68,268	-623,059	68,268	-554,791	68,268	-486,523	68,268
33	-124,197	-115,754	-239,952	-115,754	-355,706	-115,754	-471,460	-115,754	-587,215	-115,754	-702,969	-115,754	-818,723	-56,479	-875,203	157,231
85	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
84	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	-1,228,334	160,321	-1,068,013	160,321	-907,692	160,321	-747,371	160,321	-587,050	160,321	-426,729	160,321	-266,408	160,321	-106,087	106,087
69	-1,173,369	131,904	-1,041,465	131,904	-909,561	131,904	-777,657	131,904	-645,753	131,904	-513,849	131,904	-381,945	131,904	-250,041	131,904
06	-2,401,703	292,225	-2,109,478	292,225	-1,817,253	292,225	-1,525,028	292,225	-1,232,803	292,225	-940,578	292,225	-648,353	292,225	-356,128	237,991
34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
92	11,492	-2,673	8,819	-2,673	6,146	-2,673	3,473	-2,673	800	-800	0	0	0	0	0	0
54	12,054	-2,261	9,793	-2,261	7,532	-2,261	5,271	-2,261	3,010	-2,261	749	-749	0	0	0	0
13	23,547	-4,934	18,613	-4,934	13,679	-4,934	8,745	-4,934	3,811	-3,061	750	-749	1	0	1	0
61	-2,502,354	171,537	-2,330,817	171,537	-2,159,281	171,537	-1,987,744	171,537	-1,816,207	173,410	-1,642,797	175,722	-1,467,076	235,746	-1,231,330	395,222
					\$ 292,225		\$ 292,225		\$ 292,225		\$ 292,225		\$ 292,225		\$ 292,225	\$ 237,991
					(4,934)		(4,934)		(4,934)		(749)		-		-	-
					(115,754)		(115,754)		(115,754)		(115,754)		(56,479)		157,231	
					<u>\$ 171,537</u>		<u>\$ 171,537</u>		<u>\$ 171,537</u>		<u>\$ 173,410</u>		<u>\$ 175,722</u>		<u>\$ 235,746</u>	<u>\$ 395,222</u>

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 3 - Permanent Distribution Rates

Date Request Received: 06/21/13
Request No. Staff 3-55

Date of Response: 07/08/13
Witness: Mark E. Smith
ChristiAne G. Mason /
Dr. Michael R. Schmidt

REQUEST:

Reference Data Response Staff 1-40 (4) and Revenue Requirements Schedule RR-3-03, line 2. Two amounts are provided for pension expense for fiscal year ended December 31, 2012 as follows:

Pension per 1/18/13 Actuarial Study (Bates 0100)	\$ 342,528
Pension per Rev. Req. (Bates 0100)	<u>\$ 651,138</u>
Variance	<u>\$ 308,610</u>

Please reconcile the variance of \$308,610.

RESPONSE:

As discussed in the Company's response to Staff 3-19, upon being acquired by Liberty Energy Utilities (New Hampshire) Corp., the Company assumed responsibility for performing services (instead of relying on services provided by National Grid under the TSA), and hiring new employees. The Pension and OPEB expense on Schedule RR-3-03, lines 2-3 (i.e., the amount included in the revenue requirement) reflects the number of employees as of December 31, 2012 being employed for a full year. Accordingly, the Company has excluded most of the TSA costs from the revenue requirement.

Attachment Staff 3-55, column A, shows employee IDs (disguised) and column B shows the portion of each employee charged to the Company (the balance for each employee is charged to EnergyNorth).

Columns C-F reflects Pension expense. Columns G-J reflects OPEB expense.

Columns C-F: Pension expense

Column C shows the Pension expense for each employee included in the 1/18/13 Actuarial Study, which reflects the Company's Pension expense for financial accounting purposes for

the period July 3, 2012 (acquisition by Liberty) to December 31, 2012. The total is \$342,658.

Column D shows 2012 full year Pension expense, based on the amounts provided in the 1/18/13 Actuarial Study.

Column E shows the 2013 Pension expense for each employee, prepared by the Company's actuary, The Cottonwood Group. The 2013 Pension expense amounts for the Non-Legacy employees (i.e., employees hired after 7/3/2012) assume they participate in the plan throughout 2013, even though the plan contains a one-year eligibility requirement, in order to better represent ongoing expense. Thus, all employees (as of December 31, 2012) are included. The expense amounts are based on the actuarial assumptions and plan provisions contained in the 1/18/13 Actuarial Study.

Column F shows the portion of 2013 Pension expense allocated to the Company (column E X column B). The total is \$651,138, the Pension expense in the revenue requirement for employees as of December 31, 2012 (Requirements Schedule RR-3-03, line 2).

Columns G-J: OPEB expense

Column G shows the OPEB expense for each employee included in the 1/25/13 Actuarial Study, which reflects the Company's OPEB expense for financial accounting purposes for the period July 3, 2012 (acquisition by Liberty) to December 31, 2012. The total is \$487,796.

Column H shows 2012 full year OPEB expense, based on the amounts provided in the 1/25/13 Actuarial Study.

Column I shows the 2013 OPEB expense for each employee, prepared by the Company's actuary, The Cottonwood Group. The 2013 OPEB expense amounts for the Non Legacy employees (i.e., employees hired after 7/3/2012) assume they participate in the plan throughout 2013, even though the plan contains a one-year eligibility requirement, in order to better represent ongoing expense. Thus, all employees (as of December 31, 2012) are included. The expense amounts are based on the actuarial assumptions and plan provisions contained in the 1/25/13 Actuarial Study.

The 2012 OPEB expense is higher than the 2013 OPEB expense because there was no asset return expected for the 2012 year. The OPEB assets are expected to have investment earnings in 2013 and this assumption is reflected in the 2013 OPEB expense amounts. The 2013 amounts are a better representation of the ongoing OPEB expense than the 2012 amounts.

Column J shows the portion of 2013 OPEB expense allocated to the Company (column I X column B). The total is \$369,939, the Pension expense in the revenue requirement for employees as of December 31, 2012 (Schedule RR-3-03, line 3).

Employee Reference	% to GSE	Information for Staff 3-55				Information for Staff 3-56			
		Pension				OPEB			
		Actuarial Report-Portion to GSE	2012 Expense-Total	2013 Expense-Total	2013 to GSE	Actuarial Report-Portion to GSE	2012 Expense-Total	2013 Expense-Total	2013 to GSE
(A)	(B)	(C)	(D)	(E)	(F)=(B) X (E)	(G)	(H)	(I)	(J)=(B) X (I)
1	100%	3,808	7,616	8,036	8,036	6,287	12,572	9,124	9,124
2	100%	5,902	11,804	12,636	12,636	7,381	14,762	10,706	10,706
3	100%	5,869	11,739	12,782	12,782	1,950	3,900	3,700	3,700
4	100%	5,132	10,265	11,261	11,261	1,419	2,838	2,742	2,742
5	66%	7,436	14,873	15,570	10,276	8,481	16,962	11,328	7,476
6	100%	6,096	12,192	13,061	13,061	2,659	5,318	4,835	4,835
7	100%	6,597	13,195	13,940	13,940	8,553	17,106	11,748	11,748
8	100%	8,383	16,766	17,627	17,627	8,516	17,032	12,278	12,278
9	100%	4,060	8,120	8,375	8,375	5,062	10,124	3,261	3,261
10	30%	5,358	10,716	11,293	3,388	4,004	8,008	6,126	1,838
11	100%	6,205	12,409	13,161	13,161	8,669	17,338	12,225	12,225
12	79%	1,857	3,714	3,865	3,053	1,104	2,208	1,921	1,518
13	100%	11,613	23,226	24,709	24,709	8,037	16,074	11,523	11,523
14	78%	9,985	19,970	21,075	16,438	8,828	17,656	12,224	9,535
15	50%	6,613	13,225	13,752	6,876	1,127	2,254	1,552	776
16	100%	5,012	10,023	10,887	10,887	1,965	3,930	3,825	3,825
17	100%	7,082	14,165	15,137	15,137	7,511	15,022	10,788	10,788
18	100%	7,612	15,223	16,290	16,290	5,359	10,718	7,876	7,876
19	100%	6,948	13,897	14,713	14,713	9,045	18,090	13,226	13,226
20	30%	6,851	13,702	14,568	4,370	6,074	12,148	8,678	2,603
21	15%	6,574	13,149	14,140	2,121	4,547	9,094	6,667	1,000
22	100%	4,941	9,882	10,564	10,564	7,599	15,198	11,015	11,015
23	100%	6,066	12,133	12,690	12,690	9,524	19,048	13,042	13,042
24	100%	3,357	6,715	7,208	7,208	1,366	2,732	2,415	2,415
25	70%	8,605	17,210	18,105	12,673	8,886	17,772	12,516	8,761
26	100%	6,101	12,202	12,913	12,913	3,370	6,740	5,385	5,385
27	100%	4,422	8,843	9,570	9,570	918	1,836	1,723	1,723
28	0%	8,132	16,265	17,122	0	9,028	18,056	12,468	0
29	30%	11,498	22,995	24,327	7,298	8,887	17,774	12,325	3,698
30	100%	5,577	11,155	11,758	11,758	9,291	18,582	13,421	13,421
31	30%	7,445	14,890	15,812	4,744	8,196	16,392	11,616	3,485
32	100%	7,802	15,605	16,354	16,354	9,553	19,106	13,019	13,019
33	15%	2,877	5,754	6,127	919	4,267	8,534	7,520	1,128
34	100%	6,192	12,384	13,239	13,239	5,194	10,388	7,385	7,385
35	100%	3,411	6,822	7,586	7,586	690	1,380	1,406	1,406
36	100%	3,761	7,522	8,077	8,077	2,959	5,918	4,823	4,823
37	100%	7,044	14,088	14,906	14,906	9,220	18,440	13,179	13,179
38	100%	6,230	12,459	13,201	13,201	8,874	17,748	12,693	12,693
39	100%	6,805	13,610	14,486	14,486	8,451	16,902	12,284	12,284
40	30%	9,781	19,562	20,607	6,182	9,124	18,248	12,485	3,746
41	100%	5,325	10,651	11,562	11,562	2,097	4,194	3,922	3,922
42	100%	4,212	8,424	8,924	8,924	1,972	3,944	3,162	3,162
43	100%	5,452	10,903	11,655	11,655	4,541	9,082	7,647	7,647
44	100%	4,272	8,544	9,040	9,040	9,167	18,334	13,039	13,039
45	100%	4,163	8,326	8,684	8,684	8,868	17,736	11,834	11,834
46	30%	6,712	13,424	14,066	4,220	8,402	16,804	11,313	3,394
47	100%	4,080	8,161	8,404	8,404	5,062	10,124	3,261	3,261
48	100%	4,321	8,641	8,966	8,966	5,298	10,596	3,482	3,482
49	30%	5,210	10,420	10,985	3,296	6,627	13,254	9,292	2,788
50	100%	6,013	12,026	12,819	12,819	8,176	16,352	11,884	11,884
51	100%	7,158	14,315	15,120	15,120	9,082	18,164	12,787	12,787
52	30%		25,188	26,272	7,882		11,296	10,620	3,186
53	10%		4,669	4,908	491		5,556	5,691	569

Employee Reference	% to GSE	Information for Staff 3-55				Information for Staff 3-56			
		Pension				OPEB			
		Actuarial Report-Portion to GSE	2012 Expense-Total	2013 Expense-Total	2013 to GSE	Actuarial Report-Portion to GSE	2012 Expense-Total	2013 Expense-Total	2013 to GSE
(A)	(B)	(C)	(D)	(E)	(F)=(B) X (E)	(G)	(H)	(I)	(J)= (B) X (I)
54	40%		4,285	4,393	1,757		3,014	2,861	1,144
55	11%		2,002	2,091	230		12,422	11,898	1,309
56	4%		0	0	0		4,452	4,105	164
57	0%		6,094	6,433	0		1,360	1,368	0
58	45%		5,729	5,966	2,685		3,014	2,910	1,310
59	15%		0	0	0		3,712	3,458	519
60	59%		10,447	10,493	6,191		2,622	2,431	1,434
61	40%		3,413	3,601	1,440		40	42	17
62	25%		47,838	49,936	12,484		3,844	3,642	911
63	40%		47,725	49,749	19,900		4,702	4,487	1,795
64	100%		0	8,085	8,085		0	2,537	2,537
65	100%		0	8,085	8,085		0	2,635	2,635
66	54%		0	1,683	909		0	0	0
67	30%	1,267	2,533	2,826	848		0	0	0
68	16%	3,238	6,477	7,927	1,268		0	0	0
69	50%		0	1,872	936		0	0	0
70	50%		0	4,728	2,364		0	0	0
71	30%	1,674	3,349	3,931	1,179		0	0	0
72	100%		0	3,434	3,434		0	0	0
73	80%		0	3,291	2,633		0	0	0
74	70%	2,432	4,863	6,438	4,507		0	0	0
75	40%	2,336	4,671	5,274	2,110		0	0	0
76	30%	2,179	4,358	4,888	1,466		0	0	0
77	0%	1,040	2,081	2,416	0		0	0	0
78	100%	2,103	4,205	4,800	4,800		0	0	0
79	8%		0	2,487	187		0	0	0
80	15%		0	2,868	430		0	0	0
81	8%		0	2,426	182		0	0	0
82	0%		0	3,800	0		0	0	0
83	58%		0	10,723	6,219		0	0	0
84	37%		3,851	4,357	1,612		0	0	0
85	50%		0	7,544	3,772		0	0	0
86	5%		0	2,760	138		0	0	0
87	100%		0	5,284	5,284		0	0	0
88	100%		0	4,613	4,613		0	0	0
89	30%		0	3,527	1,058		0	0	0
90	15%		0	3,252	488		0	0	0
91	100%	1,674	0	3,770	3,770		0	0	0
92	30%		0	5,036	1,511		0	0	0
New		2,179							
New		1,628				474			
Beneficiaries		994				19,115			
Retirees		8,150				156,939			
		342,852	817,698	957,716	651,138	487,796	678,566	497,381	369,939
		<i>1/18/13</i>			<i>Schedule</i>	<i>1/25/13</i>			<i>Schedule</i>
		<i>Actuarial</i>			<i>RR-3-03</i>	<i>Actuarial</i>			<i>RR-3-03</i>
		<i>Report</i>			<i>line 2</i>	<i>Report</i>			<i>line 3</i>

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 3 - Permanent Distribution Rates

Date Request Received: 06/21/13
Request No. Staff 3-62

Date of Response: 07/08/13
Witness: Dane Watson

REQUEST:

Reference Schedule RR-3-11 (Bates 0110) and DAW-2, page 46 of 58 (Bates 0070). The plant balance at 12/31/2012 is \$134,490,594 in the revenue requirements schedules (Bates 0110). The plant balance in the Depreciation Study at 12/31/2012 is \$130,367,621 (Bates 0070). Please reconcile the variance.

RESPONSE:

The depreciation study date is December 31, 2011 which represents the plant balance at that point in time. The date for Schedule RR-3 is December 31, 2012 which represents the plant balance at that point in time. The difference between the two is the Net Additions for 2012 as shown in Attachment Staff 3-62.

LIBERTY UTILITIES
COMPARISON OF DEPRECIATION STUDY BALANCES
VS. SCHEDULE RR-3
RESPONSE TO QUESTION STAFF 3-62

Acct	Description	Depreciation Study	Schedule RR-3	Net
		Plant Balance	Plant Balance	Addition
		12/31/2011	12/31/2012	2012
Distribution Plant				
360	Land and Land Rights (1)	1,627,441	1,627,441	0
361	Structures and Improvements	369,982	369,982	0
362	Station Equipment	17,300,842	17,362,914	62,072
364	Poles Towers and Fixtures	25,621,635	25,627,618	5,983
365	Overhead Conductor and Devices	34,667,534	34,849,460	181,926
366	Underground Conduit	4,595,778	4,577,090	(18,688)
367	Underground Conductor & Dev	9,665,604	9,726,252	60,648
368	Line Transformers	16,555,011	16,659,915	104,904
369	Services	7,438,292	7,552,255	113,963
370	Meters	4,407,304	4,558,214	150,910
372	Leased Prop on Customers' Prem	1,140,692	1,170,298	29,606
373	Street Lighting and Signal Sys	4,283,924	4,225,154	(58,770)
343	Other		244,285	244,285
	Total Distribution	127,674,040	128,550,878	876,838
General Plant				
389	Land and Land Rights (1)	1,618,695	1,618,695	0
390	Structures and Improvements	2,240,270	2,240,270	0
391	Office Furniture and Equipment	28,780	28,780	0
392	Transportation Equipment	82,354	82,354	0
393	Stores Equipment	61,654	61,654	0
394	Tools Shop and Garage Equipment	195,475	195,475	0
395	Laboratory Equipment	236,238	236,238	0
397	Communication Equipment	1,476,251	1,476,251	0
	Total General	5,939,716	5,939,716	0
	Total Plant	133,613,756	134,490,594	876,838

(1) Not included in Depreciation Study

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 6 - Permanent Distribution Rates

Date Request Received: 09/10/13
Request No. Staff 6-2

Date of Response: 09/24/13
Witness: Mark E. Smith

REQUEST:

Reference Staff 1-40, parts 2, 4 & 5 and Staff 3-57. In January 2013, the Cottonwood Group provided an actuarial study for pensions and OPEBs (Staff 1-40, part 4 & 5). The measurement date for the study was December 31, 2012 and the assumed rate of return on plan assets of 5.5%. In May of 2011, Hewitt provided its actuarial study which had a measurement date of March 2012 and assumed a rate of return of 7.75% (Staff 1-40, part 2).

- a. Did Liberty make the decision, have any input or otherwise participate in the decision making process regarding what rate of return on plan assets to use for the Cottonwood Group Actuarial report (Staff 1-40, part 4 and 5)? Please detail Liberty's involvement in the determination of the rate of return on plan assets.
- b. The forecast rate of return on plan assets of 5.5% was based on a so-called "portfolio-A mix" – i.e. 50% stocks, 50% bonds as of mid-2012 (Staff 3-57). What would be the forecast rate of return on plan assets if the same portfolio-A mix was used, as of mid-2013?
- c. If the proposed rate of return on pension and OPEB plan assets in the Cottonwood Group study were increased by 25 basis points, from 5.5% to 5.75%, what would be the impact on the proposed pension and OPEB expense?

RESPONSE:

- a. Cottonwood provided recommendations which were reviewed and approved by Liberty Finance.
- b. To prepare the original forecast, the most recent capital market assumptions released by Wilshire were employed. Using updated assumptions (2013 released in early 2013) produces an anticipated rate of return of 5.79%.
- c. OPEB: A 25 basis point increase in the long term rate of return assumption would result in a decrease in 2013 OPEB expense of about 3.7%. PENSION: A 25 basis point increase in the long term rate of return assumption would result in a decrease in 2013 PENSION expense of about 7.0%.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 6 - Permanent Distribution Rates

Date Request Received: 09/10/13
Request No. Staff 6-3

Date of Response: 09/24/13
Witness: Mark E. Smith

REQUEST:

Reference Staff 1-40, parts 2, 4 & 5 and Staff 3-57. In January 2013, the Cottonwood Group provided an actuarial study for pensions and OPEBs (Staff 1-40, part 4 and 5). The measurement date for the study was December 31, 2012 and the assumed discount rate was 3.9%. In May of 2011, Hewitt provided their actuarial study which had a measurement date of March 2012 and assumed a discount rate of 5.9% (Staff 1-40, part 2).

- a. Did Liberty make the decision, have any input or otherwise participate in the decision making process regarding what discount rate to use for the Cottonwood actuarial study? Please detail Liberty's involvement in the determination of the discount rate.
- b. What would be the updated discount rate for pensions and OPEBs if the most recent Citigroup yield curve (say July or August 2013) were utilized?
- c. If the proposed discount rate in the Cottonwood Group study were increased by 25 basis points, from 3.9% to 4.15%, what would be the impact on the proposed pension and OPEB expense?

RESPONSE:

- a. Cottonwood provided recommendations which were reviewed and approved by Liberty Finance.
- b. The August Citigroup Yield Curve would suggest a discount rate of approximately 4.60% for OPEB and 4.56% for PENSION.
- c. OPEB: A 25 basis point increase in the discount rate assumption would result in an increase in 2013 OPEB expense of approximately 1.1%. PENSION: A 25 basis point increase in the discount rate assumption from 3.70% to 3.95% would result in a very slight PENSION expense increase of 0.2%. Larger increases in the discount rate could have the opposite effect, depending upon the amount of change.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 6 - Permanent Distribution Rates

Date Request Received: 09/10/13
Request No. Staff 6-5

Date of Response: 09/24/13
Witness: Stephen R. Hall
Dr. Michael R. Schmidt
Howard Gorman

REQUEST:

Reference FERC Form-1, 2012 Report, page 323, line 187 and Schedule RR-3-03. Please provide a schedule that compares the amounts for 2011 (\$2,090,156), 2012 (\$1,698,757) and 2013 (\$4,089,338) for Account 926 – Employee Pensions and Benefits expense, including the following components:

- Pensions
- OPEB
- 401K
- Workers Compensation
- Medical
- Other Health Care
- Miscellaneous (please explain)

For each component (where appropriate), provide a detailed break-out of the amounts. For instance, for Pensions and OPEBs please provide separate break-out amounts for costs related directly to GSEC versus costs allocated to GSEC by National Grid Service Company. For all other components, please provide separate break-out for each of the adjustments made in the filing including: amounts for non-recurring costs (pre-acquisition) in the test year 2012, costs related to the labor component at December 31, 2012, adjustments for costs for new hires in 2013, reductions for capital bill-outs and NEES Acquisition (credits) and increases for Liberty Acquisition Deferred Debits.

RESPONSE:

Please see Attachment Staff 6-5.1 and Attachment Staff 6-5.2.

2011

Description	Direct Charge	Direct Charge - NEES Amort	Allocation	Total
Health Care	507,250.47		48,226.13	555,476.60
Thrift Plan	89,638.77		63,195.43	152,834.20
Pension	758,149.33	(290,901.00)	173,754.48	641,002.81
FAS 106	489,041.99	115,752.00	42,172.20	646,966.19
FAS 112	1,769.15		14,990.42	16,759.57
Group Life Insurance	38,632.08		18,966.55	57,598.63
Other Benefits	3,100.80		9,762.52	12,863.32
Other	(86.17)		6,741.21	6,655.04
Total	1,887,496.42	(175,149.00)	377,808.94	2,090,156.36

2012

Description	2012 - National Grid Direct Charge	2012 - National Grid Direct Charge - NEES Amort	2012 - National Grid Allocation	Liberty NEES Amortization	Liberty *	Total
Health Care	226,454.98		(21,910.12)		212,294.21	416,839.07
Thrift Plan	56,756.21		26,585.39		58,410.77	141,752.37
Pension	428,477.29	(145,926.00)	65,993.57	(121,760.00)	366,740.95	593,525.81
Retiree Health Care	215,168.86	43,059.00	(5,196.13)	23,535.00	223,725.06	500,291.79
Post Employment Benefits	1,041.96		14,563.93		6,405.24	22,011.13
Group Life Insurance	(20,254.20)		1,630.06		22,013.27	3,389.13
Other Benefits	142.07		3,720.06		4,879.77	8,741.90
Other	(38.02)		9,664.33		2,579.83	12,206.14
Total	907,749.15	(102,867.00)	95,051.09	(98,225.00)	897,049.11	1,698,757.35

* 2012 Liberty costs summarized into general benefit expense accounts. The current presentation is allocated based upon 2011 expense amounts.

RR-3-03 Granite State Electric Company
 vPost1 Adjustments to Test Year
 AD Adjustment 03
 Pension and Benefits Expense
 Schedule RR-3-03

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 12/31/2012	
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	202,864	141,989	30,166	375,018	111,836	263,183
6	<i>Salary-related Benefits</i>		<u>872,728</u>	<u>610,842</u>	<u>129,774</u>	<u>1,613,344</u>	<u>481,122</u>	<u>1,132,222</u>
7	Total Salary paid- 2013	RR-3-01	3,142,584	3,189,628	425,328	6,757,540		
8	% of Salary paid	Line 6 / Line 7	27.8%	19.2%	30.5%	23.9%		
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	1,406,151	569,993	84,377	2,060,521		
	Pension		150,289	47,067	10,291	207,647	64,002	143,645
	OPEB		99,899	20,132	6,749	126,780	38,926	87,854
	401K		49,544	16,586	2,720	68,850	21,446	47,404
	Workers Compensation		90,772	25,374	5,984	122,130	37,666	84,464
23	<i>Salary-related Benefits</i>	Line 17 X Line 8	<u>390,503</u>	<u>109,159</u>	<u>25,745</u>	<u>525,406</u>	<u>162,040</u>	<u>363,366</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	Per FTE-related Benefits	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>
30								
31	Total Pension and Benefits	Sum Lines 6, 12, 23, 29	1,843,020	1,136,296	224,434	3,203,750	966,192	2,237,557
32	Portion Capitalized	RR-3-01	32.4%	32.4%				
33	Amount Capitalized	Line 31 X Line 32	597,691	368,501	0	966,192		
34	Pension and Benefits to O&M- Active Employees	Line 31 - Line 33	<u>1,245,328</u>	<u>767,795</u>	<u>224,434</u>	<u>2,237,557</u>	<u>966,192</u>	<u>2,237,557</u>
35	Inactive employees- Pension and OPEB					128,133		128,133
36	Pension and Benefits to O&M	Line 34 + Line 35				<u>2,365,690</u>		<u>2,365,690</u>
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					<u>4,089,338</u>		<u>4,089,338</u>
41								
42	Test Year Expense- Account 926					2,017,840		
43	Non-Recurring Costs in Test Year- Pre-Acqui RR-3-07					(894,631)		
44	Adjusted Test Year Expense					<u>1,123,208</u>		
45	Increase for 2013 over Adjusted Test Year					<u>2,966,130</u>		
46								
47	Deferred Debits (Credits) Amortized to Pension expense							
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					<u>1,723,648</u>		
51						1,723,648		
52	Notes:							
53	This adjustment aligns Pension and Benefits expense with the Labor costs reflected on RR-3-01							
54	1) Lines 2-4, 10-11, 13 and 25 are costs incurred related to Labor complement at 12/31/2012							
55	2) Pension, OPEB, 401K and Workers Compensation are related to salary; the % of applicable salary developed for Labor at 12/31/2012 (line 8) were applied to salary for New Hires (line 23).							
57	3) Medical and Other health care are related to number of full-time employees; the cost per FTE developed for Labor at 12/31/2012 (line 14) were applied to FTE for New Hires (line 29).							
58	4) Lines 48-49- Assets and Liabilities reflect valuation adjustments for Pension plans at acquisition.							
59	Balances are being amortized over 10 years from acquisition reflecting estimated service lives of the employees.							
60								
61								
62								

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 6 - Permanent Distribution Rates

Date Request Received: 09/10/13
Request No. Staff 6-8

Date of Response: 09/24/13
Witness: Stephen R. Hall
Dr. Michael R. Schmidt
Howard Gorman

REQUEST:

Reference Schedule RR-3-03, line 31. With respect to the "Liberty Acquisition Deferred Debit" (i.e., \$21,188,697), the amortization term appears to be ten years. What is the basis for this ten-year amortization?

RESPONSE:

The amortization term is based on the average future service years of 10.52 years as estimated by The Cottonwood Group actuarial study on Appendix A (page 8); Section: *Amortization of (Gain) or Loss Calculated as of July 3, 2012*; line (j). The Cottonwood Group Actuarial Report was provided as an attachment to Staff 1-40.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 6 - Permanent Distribution Rates

Date Request Received: 09/10/13
Request No. Staff 6-15

Date of Response: 09/24/13
Witness: Stephen R. Hall
Dr. Michael R. Schmidt
Robert B. Hevert

REQUEST:

Reference Testimony of ChristiAne G. Mason and Dr. Michael R. Schmidt, page 51 of 63. With respect to the pension and OPEB mechanism, there appears to be no mention of a corresponding reduction to the rate of return on equity. That is, if the pension and OPEB mechanism eliminated any risk, shouldn't the Company propose a reduction in the ROE? Please explain.

RESPONSE:

The Company is seeking an adjustment mechanism for the recovery of increases and the refund to customers of decreases in pension and property taxes. Both of these expense items meet the requirements of an adjustment mechanism:

- Both pension costs and property taxes are beyond management's control;
- Both pension costs and property taxes are uncertain and difficult to accurately predict; and
- Both pension costs and property taxes are significant financial items.

Property taxes are changing in response to the Company's aggressive construction program and the increasing pressure on local government and schools for increases in tax revenues. Thus, increases in property taxes benefit the community and it's not unreasonable to immediately pass on these increases to consumers. Pension costs are increasing as the Company expands its workforce and workers retire. However, as earnings on the pension fund improve, pension costs will decline and an adjustment mechanism will pass these savings immediately on to consumers. Therefore, consumers may see reductions as pension earnings improve and/or the marketplace for labor places reduced emphasis on pension benefits.

As to the Company's proposed return on equity, the relevant analytical issue is whether the existence of mechanisms such as the pension and property tax adjustment clauses are so incrementally risk mitigating that investors would knowingly and measurably reduce their return requirements relative to other comparable utilities. That is, the assessment of the relationship between the mechanisms and the Company's Cost of Equity is a relative, not an absolute analysis. Because utility companies face somewhat different circumstances, it often is the case

that revenue stabilization or cost recovery mechanisms differ from company-to-company. Since the intent of recovery mechanisms, however, is to mitigate the dilutive effect of volatile, exogenous, and significant costs on earnings and cash flow, the existence of structures such as the pension and property tax mechanisms does not mean that the Company is measurably less risky than its peers. Consequently, the Company does not believe that it would be appropriate to propose an adjustment to its ROE.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 7 - Permanent Distribution Rates

Date Request Received: 09/30/13
Request No. Staff 7-1

Date of Response: 10/11/13
Witness: Mark E. Smith

REQUEST:

Reference Staff 6-2, part c. Your response indicates that a 25 basis point increase in the long term rate of return assumption would result in a decrease in 2013 OPEB expense of about 3.7%. What is the dollar amount of the decrease in OPEB expense that pertains to this 3.7% decrease?

RESPONSE:

A 3.7% decrease in the estimated 2013 OPEB expense is equivalent to \$18,400.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 7 - Permanent Distribution Rates

Date Request Received: 09/30/13
Request No. Staff 7-2

Date of Response: 10/11/13
Witness: Mark E. Smith

REQUEST:

Reference Staff 6-2, part c. Your response indicates that a 25 basis point increase in the long term rate of return assumption would result in a decrease in 2013 Pension expense of about 7.0%. What is the dollar amount of the decrease in Pension expense that pertains to this 7.0% decrease?

RESPONSE:

A 7.0% decrease in the 2013 Pension expense is equivalent to \$45,580.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 7 - Permanent Distribution Rates

Date Request Received: 09/30/13
Request No. Staff 7-5

Date of Response: 10/11/13
Witness: Stephen R. Hall
Dr. Michael R. Schmidt
Howard Gorman

REQUEST:

Reference Staff 6-5. Pension and Benefits Expense includes “Workers Compensation” in 2013 but not in 2011 and 2012. Please respond to the following questions:

- a. Pension and Benefits Expense includes a line item for “Workers Compensation” in year 2013 in the amount of \$347,647 (Attachment 6-5.2, line 5 and line 22). However, this response shows \$0.00 for Workers Compensation in years 2011 and 2012. Please reconcile this variance.
- b. What account did Liberty Utilities use to record Workers Compensation in 2011 and 2012?

RESPONSE:

- a. The analysis presented in 6-5.1 was from FERC 926 - Employee Pensions and Benefits. The Workers Compensation Insurance below was recorded primarily in FERC 925 – Injuries and Damages. The analysis presented in 6-5.2 includes expense that will be recorded in FERC accounts 925 and 926. Below is the Workers Compensation cost incurred by the Company in 2011 and 2012.

Workers Compensation Insurance Cost Incurred	
<u>Year</u>	<u>Amount</u>
2011	162,251
2012	139,655

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- b. Workers compensation is charged primarily to FERC accounts 925 and allocated as part of overhead to FERC 107.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 7 - Permanent Distribution Rates

Date Request Received: 09/30/13
Request No. Staff 7-7

Date of Response: 10/11/13
Witness: Mark E. Smith

REQUEST:

Reference Staff 6-5. Pension and Benefits Expense includes a 2013 component for new hires in 2013. Does Liberty still expect to have the same number of new hires for 2013 as reflected in this response? Please explain.

RESPONSE:

Other than 4 union positions, Liberty expects to have the same number of new hires for 2013 as reflected in the Response to Staff 6-5.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Staff Data Requests, Set No. 7 - Permanent Distribution Rates

Date Request Received: 09/30/13
Request No. Staff 7-12

Date of Response: 10/11/13
Witness: Stephen R. Hall
Dr. Michael R. Schmidt
Howard Gorman

REQUEST:

Reference Staff 6-15 (attachment). Please provide a summary of these CWIP amounts by Distribution and General Plant account that is consistent with the Distribution and General Plant accounts shown in the Depreciation Study (ref. Testimony of Dane Watson, Appendix A, Attachment DAW-2).

RESPONSE:

See Attachment Staff 7-12.

Note: We expect that all CWIP jobs will be closed to Plant accounts by November 22, 2013.

Count	WS Job Number	Total	Completion Date	FERC Account	FERC Description-1	FERC Description -2	FERC Description-3	Scheduled for reclass to Continuing Property Records
1	8830-10002634	23,502.11	12/31/2012	36900	Service Electric			Closed to CPR 9/30/13
2	8830-10006354	90.46	12/31/2012	36900	Service Electric			11/22/2013
3	8830-10049454	2,094.28	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
4	8830-10085637	1,329.88	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
5	8830-10087657	24,969.99	12/31/2012	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
6	8830-10087681	141,445.71	12/31/2012	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
7	8830-10135604	679.80	12/31/2012	36800	Line Transformer			11/22/2013
8	8830-10136235	706.09	12/31/2012	36800	Line Transformer			11/22/2013
9	8830-10136655	2,975.00	12/31/2012	36800	Line Transformer			11/22/2013
10	8830-10149550	268.52	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
11	8830-10192575	946.67	7/26/12	36400	Poles, Towers, and Fixtures			11/22/2013
12	8830-10197361	2,544.97	12/17/10	36500	Overhead Conductors & Devices			11/22/2013
13	8830-10216963	7,316.47	9/19/12	36400	Poles, Towers, and Fixtures			11/22/2013
14	8830-10221316	2,971.40	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
15	8830-10221348	3,239.17	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
16	8830-10293000	8,706.95	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
17	8830-10320549	32,001.35	3/12/12	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
18	8830-10343010	2,338.97	12/31/2012	36500 & 36900	Overhead Conductors & Devices	Service Electric		11/22/2013
19	8830-10385190	12,412.46	8/17/12	36900	Service Electric			11/22/2013
20	8830-10394137	2,143.93	1/10/11	36500 & 36900	Overhead Conductors & Devices	Service Electric		11/22/2013
21	8830-10436043	228.31	12/31/2012	36800	Line Transformer			11/22/2013
22	8830-10449627	2,399.06	12/31/2012	36900	Service Electric			11/22/2013
23	8830-10549189	1,999.58	3/21/11	36500	Overhead Conductors & Devices			11/22/2013
24	8830-10549835	9,071.25	12/13/11	36400	Poles, Towers, and Fixtures			11/22/2013
25	8830-10562543	1,580.78	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
26	8830-10594961	488.74	12/31/2012	36600	Underground Conduit			11/22/2013
27	8830-10598259	504.76	12/31/2012	36900	Service Electric			11/22/2013
28	8830-10630827	488.74	12/31/2012	36900	Service Electric			11/22/2013
29	8830-10659173	236.65	12/31/2012	36900	Service Electric			11/22/2013
30	8830-10677187	245.35	12/31/2012	36900	Service Electric			11/22/2013
31	8830-10677917	353.58	7/13/11	37000	Meter Equipment			11/22/2013
32	8830-10720154	6,048.10	12/31/2012	36800	Line Transformer			11/22/2013
33	8830-10766130	883.53	12/31/2012	36900	Service Electric			11/22/2013
34	8830-10813340	373.38	12/31/2012	36900	Service Electric			11/22/2013
35	8830-10826840	236.63	12/31/2012	36900	Service Electric			11/22/2013
36	8830-10827265	1,018.45	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
37	8830-10832887	250.12	12/31/2012	36900	Service Electric			11/22/2013
38	8830-10863925	1,350.58	12/31/2012	36900	Service Electric			11/22/2013
39	8830-10873828	14,737.71	6/29/11	36200	Sub Station Equipment			11/22/2013
40	8830-10903963	2,733.50	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
41	8830-10929272	255.86	12/31/2012	36900	Service Electric			11/22/2013
42	8830-10936821	489.79	12/31/2012	36900	Service Electric			11/22/2013
43	8830-10945582	126.40	5/2/12	36900	Service Electric			11/22/2013
44	8830-10947377	5,510.67	12/31/2012	36900	Service Electric			11/22/2013
45	8830-10968665	1,664.70	12/31/2012	36900	Service Electric			11/22/2013
46	8830-10989373	2,672.65	5/27/11	36900	Service Electric			11/22/2013
47	8830-11037527	907.90	12/31/2012	36900	Service Electric			11/22/2013
48	8830-11066872	72,783.46	12/31/2012	36500	Overhead Conductors & Devices			Closed to CPR 9/30/13
49	8830-11066895	1,316.74	2/27/12	36400	Poles, Towers, and Fixtures			11/22/2013
50	8830-11066918	53,585.90	12/31/2012	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		Closed to CPR 9/30/13
51	8830-11066953	25,191.65	12/31/2012	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		Closed to CPR 9/30/13
52	8830-11074755	39,758.74	12/31/2012	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		Closed to CPR 9/30/13
53	8830-11074778	7,154.35	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
54	8830-11074837	17,159.23	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
55	8830-11074853	50,612.82	12/31/2012	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		Closed to CPR 9/30/13
56	8830-11074900	5,453.46	12/31/2012	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		11/22/2013
57	8830-11074921	18,659.38	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
58	8830-11074964	86,642.34	2/14/13	36400 & 36500 & 36800	Poles, Towers, and Fixtures	Overhead Conductors & Devices	Line Transformer	Closed to CPR 9/30/13
59	8830-11139393	219.63	3/22/12	36800	Line Transformer			11/22/2013
60	8830-11147419	13,917.02	7/16/12	36900	Service Electric			11/22/2013
61	8830-11162419	442.92	12/31/2012	36900	Service Electric			11/22/2013
62	8830-11169268	3,668.65	6/20/11	36400	Poles, Towers, and Fixtures			11/22/2013
63	8830-11185823	330.41	12/31/2012	36900	Service Electric			11/22/2013
64	8830-11187871	200.97	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
65	8830-11188442	946.68	12/31/2012	36900	Service Electric			11/22/2013

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Count	WS Job Number	Total	Completion Date	FERC Account	FERC Description-1	FERC Description -2	FERC Description-3	Scheduled for reclass to Continuing Property Records
66	8830-11188627	5,731.66	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
67	8830-11211843	61.28	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
68	8830-11237655	572.35	12/31/2012	36900	Service Electric			11/22/2013
69	8830-11252514	449.17	8/7/12	36900	Service Electric			11/22/2013
70	8830-11277129	1,640.35	12/31/2012	36900	Service Electric			11/22/2013
71	8830-11283590	1,442.87	12/31/2012	36900	Service Electric			11/22/2013
72	8830-11324553	4,252.23	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
73	8830-11326231	2,179.61	12/31/2012	36900	Service Electric			11/22/2013
74	8830-11342994	10,952.52	12/31/2012	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		11/22/2013
75	8830-11414050	23,092.40	6/8/12	36500 & 36900	Overhead Conductors & Devices	Service Electric		Closed to CPR 9/30/13
76	8830-11421310	478.53	12/31/2012	36900	Service Electric			11/22/2013
77	8830-11437890	1,425.85	12/31/2012	36900	Service Electric			11/22/2013
78	8830-11460844	7,853.20	7/13/12	36900	Service Electric			11/22/2013
79	8830-11525650	359.27	12/31/2012	36900	Service Electric			11/22/2013
80	8830-11589394	176.16	12/31/2012	36900	Service Electric			11/22/2013
81	8830-11604489	227.33	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
82	8830-11645010	108.77	12/31/2012	36900	Service Electric			11/22/2013
83	8830-11645059	1,147.17	12/31/2012	36900	Service Electric			11/22/2013
84	8830-11663007	3,259.20	12/31/2012	36900	Service Electric			11/22/2013
85	8830-11672053	244.83	12/31/2012	36900	Service Electric			11/22/2013
86	8830-11731790	464.88	12/31/2012	36900	Service Electric			11/22/2013
87	8830-11744328	750.80	12/31/2012	36900	Service Electric			11/22/2013
88	8830-11785700	106.82	12/31/2012	36900	Service Electric			11/22/2013
89	8830-11806842	5,675.34	12/31/2012	36900	Service Electric			11/22/2013
90	8830-11806875	9,374.27	1/16/12	37000	Meter Equipment			11/22/2013
91	8830-11821269	429.30	12/31/2012	36900	Service Electric			11/22/2013
92	8830-11858145	7,885.16	12/31/2012	37300	Street Lighting			11/22/2013
93	8830-11914606	459.16	12/31/2012	36900	Service Electric			11/22/2013
94	8830-11921203	8,972.31	7/9/12	36400	Poles, Towers, and Fixtures			11/22/2013
95	8830-11968098	132.05	12/31/2012	37300	Street Lighting			11/22/2013
96	8830-12078447	5,785.41	3/8/12	36400	Poles, Towers, and Fixtures			11/22/2013
97	8830-12079477	507.94	12/31/2012	36900	Service Electric			11/22/2013
98	8830-12085680	227,779.04	7/16/12	36500 & 36900	Overhead Conductors & Devices	Service Electric		Closed to CPR 9/30/13
99	8830-12093525	1,340.75	12/31/2012	36900	Service Electric			11/22/2013
100	8830-12103709	903.25	12/21/12	36900	Service Electric			11/22/2013
101	8830-12114432	512.65	12/31/2012	36900	Service Electric			11/22/2013
102	8830-12116235	392.07	12/31/2012	36900	Service Electric			11/22/2013
103	8830-12129438	256.63	9/14/12	36600	Underground Conduit			11/22/2013
104	8830-12159588	799.37	12/31/2012	36900	Service Electric			11/22/2013
105	8830-12176665	165.74	12/31/2012	36900	Service Electric			11/22/2013
106	8830-12189974	82.88	12/31/2012	36900	Service Electric			11/22/2013
107	8830-12211192	6,381.85	3/27/12	36400	Poles, Towers, and Fixtures			11/22/2013
108	8830-12249645	284.89	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
109	8830-12250452	4,685.58	11/1/12	36900	Service Electric			11/22/2013
110	8830-12262586	1,784.82	5/21/12	36900	Service Electric			11/22/2013
111	8830-12270703	746.89	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
112	8830-12277302	600.30	12/31/2012	36900	Service Electric			11/22/2013
113	8830-12280010	34,665.02	12/31/2012	36100 & 36900	Service Electric			Closed to CPR 9/30/13
114	8830-12288309	5,191.79	1/17/12	36900	Service Electric			11/22/2013
115	8830-12294568	558.62	12/31/2012	36900	Service Electric			11/22/2013
116	8830-12294590	917.56	12/31/2012	36900	Service Electric			11/22/2013
117	8830-12302696	184.32	2/28/12	37300	Street Lighting			11/22/2013
118	8830-12302825	428.24	3/9/12	37300	Street Lighting			11/22/2013
119	8830-12302904	428.24	2/28/12	37300	Street Lighting			11/22/2013
120	8830-12335061	8,198.23	4/6/12	36400	Poles, Towers, and Fixtures			11/22/2013
121	8830-12364700	2,024.56	12/31/2012	36900	Service Electric			11/22/2013
122	8830-12366542	66.82	8/6/12	36400	Poles, Towers, and Fixtures			11/22/2013
123	8830-12379442	859.25	3/29/12	36900	Service Electric			11/22/2013
124	8830-12386712	4,969.29	7/18/12	36500	Overhead Conductors & Devices			11/22/2013
125	8830-12387848	137.23	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
126	8830-12390902	405.65	7/13/12	36900	Service Electric			11/22/2013
127	8830-12401873	982.25	10/16/12	36900	Service Electric			11/22/2013
128	8830-12428488	147.32	12/31/2012	36900	Service Electric			11/22/2013
129	8830-12450422	452.07	12/31/2012	36900	Service Electric			11/22/2013
130	8830-12450481	812.79	12/31/2012	36900	Service Electric			11/22/2013
131	8830-12450592	457.74	12/31/2012	36900	Service Electric			11/22/2013
132	8830-12466684	3,862.49	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013

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Count	WS Job Number	Total	Completion Date	FERC Account	FERC Description-1	FERC Description -2	FERC Description-3	Scheduled for reclass to Continuing Property Records
133	8830-12475894	924.19	12/31/2012	36800	Line Transformer			11/22/2013
134	8830-12488499	1,221.31	3/29/12	36500	Overhead Conductors & Devices			11/22/2013
135	8830-12519742	9,585.59	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
136	8830-12526172	484.14	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
137	8830-12556545	255.26	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
138	8830-12557200	1,345.04	6/27/12	36900	Service Electric			11/22/2013
139	8830-12576915	1,484.09	12/31/2012	36900	Service Electric			11/22/2013
140	8830-12576946	2,146.37	12/31/2012	36900	Service Electric			11/22/2013
141	8830-12580462	414.43	12/31/2012	36900	Service Electric			11/22/2013
142	8830-12587442	467.65	12/31/2012	36900	Service Electric			11/22/2013
143	8830-12597299	7,925.69	4/4/12	36400	Poles, Towers, and Fixtures			11/22/2013
144	8830-12610334	14,766.75	10/4/12	36000, 36400, & 36900	Land & Land Rights	Poles, Towers, & Fixtures	Electric Service	11/22/2013
145	8830-12625468	91.74	12/31/2012	36900	Service Electric			11/22/2013
146	8830-12625788	102.64	5/11/12	37300	Street Lighting			11/22/2013
147	8830-12628943	204.77	12/31/2012	36900	Service Electric			11/22/2013
148	8830-12633552	187.93	8/6/12	36900	Service Electric			11/22/2013
149	8830-12635011	502.42	6/13/12	37000	Meter Equipment			11/22/2013
150	8830-12635015	1,494.05	6/13/12	36400	Poles, Towers, and Fixtures			11/22/2013
151	8830-12635684	178.96	7/6/12	37000	Meter Equipment			11/22/2013
152	8830-12635689	1,475.06	7/6/12	37000	Meter Equipment			11/22/2013
153	8830-12637089	209.13	12/31/2012	36900	Service Electric			11/22/2013
154	8830-12652597	254.09	12/31/2012	36900	Service Electric			11/22/2013
155	8830-12653760	3,607.43	12/31/2012	36900	Service Electric			11/22/2013
156	8830-12656603	867.78	12/31/2012	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		11/22/2013
157	8830-12665398	436.15	6/27/12	36900	Service Electric			11/22/2013
158	8830-12673873	2,793.54	12/7/12	36900	Service Electric			11/22/2013
159	8830-12680415	523.59	4/17/12	36900	Service Electric			11/22/2013
160	8830-12689200	84,457.22	5/21/12	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
161	8830-12689559	180.07	4/25/12	36900	Service Electric			11/22/2013
162	8830-12690073	641.91	6/11/12	36900	Service Electric			11/22/2013
163	8830-12699412	240.14	7/2/12	36900	Service Electric			11/22/2013
164	8830-1270862	121.66	12/31/2012	36900	Service Electric			11/22/2013
165	8830-12727912	208.33	5/7/12	37000	Meter Equipment			11/22/2013
166	8830-12735844	762.48	12/31/2012	36900	Service Electric			11/22/2013
167	8830-12736379	288.18	12/31/2012	36900	Service Electric			11/22/2013
168	8830-12737201	16,510.71	12/31/2012	36000 & 36500 & 36900	Land & Land Rights	Overhead Conductors & Devices	Electric Service	11/22/2013
169	8830-12737482	15,315.65	12/31/2012	36900	Service Electric			11/22/2013
170	8830-12763848	1,099.83	7/2/12	36900	Service Electric			11/22/2013
171	8830-12772055	53,014.99	6/25/12	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
172	8830-12774324	6,745.90	9/19/12	36900	Service Electric			11/22/2013
173	8830-12792334	429.05	12/31/2012	36900	Service Electric			11/22/2013
174	8830-12792735	413.55	6/18/12	36900	Service Electric			11/22/2013
175	8830-12793323	211.63	9/17/12	36900	Service Electric			11/22/2013
176	8830-12806167	4,893.61	6/7/12	37000	Meter Equipment			11/22/2013
177	8830-12823406	313.99	12/31/2012	36900	Service Electric			11/22/2013
178	8830-12826907	535.72	6/29/12	37000	Meter Equipment			11/22/2013
179	8830-12842288	142.94	12/31/2012	36900	Service Electric			11/22/2013
180	8830-12842322	494.39	12/31/2012	36900	Service Electric			11/22/2013
181	8830-12855779	432.08	5/25/12	36900	Service Electric			11/22/2013
182	8830-12860337	30.55	6/19/12	37300	Street Lighting			11/22/2013
183	8830-12863866	244.49	12/31/2012	36900	Service Electric			11/22/2013
184	8830-12880072	388.51	6/29/12	36900	Service Electric			11/22/2013
185	8830-12887275	693.88	6/26/12	36900	Service Electric			11/22/2013
186	8830-12905293	865.69	12/31/2012	36900	Service Electric			11/22/2013
187	8830-12919221	320.25	12/31/2012	36900	Service Electric			11/22/2013
188	8830-12931282	65.64	12/31/2012	37300	Street Lighting			11/22/2013
189	8830-12936631	152.62	6/19/12	36400	Poles, Towers, and Fixtures			11/22/2013
190	8830-12947907	330.40	6/25/12	36900	Service Electric			11/22/2013
191	8830-12962066	291.47	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
192	8830-12963120	2,019.35	12/4/12	36400 & 36900	Poles, Towers, and Fixtures	Electric Service		11/22/2013
193	8830-12963143	17,443.46	12/31/2012	36800 & 36900	Line Transformer	Electric Service		11/22/2013
194	8830-12972067	1,013.76	12/31/2012	36900	Service Electric			11/22/2013
195	8830-12989288	7,127.15	7/9/12	36400	Poles, Towers, and Fixtures			11/22/2013
196	8830-13004786	26,215.96	6/6/12	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
197	8830-13005306	750.75	6/8/12	36900	Service Electric			11/22/2013
198	8830-13005372	2,809.51	6/27/12	36500	Overhead Conductors & Devices			11/22/2013
199	8830-13008654	77.16	12/31/2012	37300	Street Lighting			11/22/2013

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Count	WS Job Number	Total	Completion Date	FERC Account	FERC Description-1	FERC Description -2	FERC Description-3	Scheduled for reclass to Continuing Property Records
200	8830-13009899	259.14	7/2/12	36900	Service Electric			11/22/2013
201	8830-13014728	19,011.66	8/24/12	36400 & 36900	Poles, Towers, and Fixtures	Electric Service		11/22/2013
202	8830-13026854	1,210.53	12/31/2012	36900	Service Electric			11/22/2013
203	8830-13051325	560.50	6/25/12	36900	Service Electric			11/22/2013
204	8830-13069563	320.25	12/31/2012	36900	Service Electric			11/22/2013
205	8830-13071069	264.47	12/31/2012	36900	Service Electric			11/22/2013
206	8830-13076245	3,122.74	3/1/13	36400	Poles, Towers, and Fixtures			11/22/2013
207	8830-13077176	161.71	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
208	8830-13090080	17,938.45	12/31/2012	36000 & 36900	Land & Land Rights	Electric Service		11/22/2013
209	8830-13090313	225.83	12/31/2012	36900	Service Electric			11/22/2013
210	8830-13090371	65.11	12/31/2012	36900	Service Electric			11/22/2013
211	8830-13094894	170.85	12/31/2012	36900	Service Electric			11/22/2013
212	8830-13094918	170.85	12/31/2012	36600	Underground Conduit			11/22/2013
213	8830-13096047	3,070.82	12/31/2012	36800 & 36900	Line Transformer	Electric Service		11/22/2013
214	8830-13096592	4,723.60	11/1/12	36500 & 36900	Overhead Conductors & Devices	Service Electric		11/22/2013
215	8830-13099346	106.74	12/31/2012	36900	Service Electric			11/22/2013
216	8830-13099369	130.20	12/31/2012	36900	Service Electric			11/22/2013
217	8830-13106696	2,374.20	8/7/12	36500 & 36900	Overhead Conductors & Devices	Service Electric		11/22/2013
218	8830-13106785	91.74	8/23/12	36900	Service Electric			11/22/2013
219	8830-13112888	17,206.93	6/22/12	36900	Service Electric			11/22/2013
220	8830-13122014	7,754.62	9/26/12	36000	Land & Land Rights			11/22/2013
221	8830-13131052	929.88	8/20/12	36900	Service Electric			11/22/2013
222	8830-13139431	13,558.30	12/31/2012	37300	Street Lighting			11/22/2013
223	8830-13139432	9,111.34	9/4/12	36200	Sub Station Equipment			11/22/2013
224	8830-13142280	220.05	6/30/12	36900	Service Electric			11/22/2013
225	8830-13147588	149.14	12/31/2012	36900	Service Electric			11/22/2013
226	8830-13147919	5,673.32	7/23/12	36500	Overhead Conductors & Devices			11/22/2013
227	8830-13149762	2,675.07	10/24/12	36900	Service Electric			11/22/2013
228	8830-13150156	103.21	12/6/12	36900	Service Electric			11/22/2013
229	8830-13153877	125.47	7/3/12	36900	Service Electric			11/22/2013
230	8830-13157693	183.48	12/31/2012	36200	Sub Station Equipment			11/22/2013
231	8830-13161056	2,794.50	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
232	8830-13161067	2,248.59	8/16/12	36400	Poles, Towers, and Fixtures			11/22/2013
233	8830-13162198	21.35	12/31/2012	36900	Service Electric			11/22/2013
234	8830-13163313	91.74	12/31/2012	36900	Service Electric			11/22/2013
235	8830-13171442	318.33	9/4/12	36500	Overhead Conductors & Devices			11/22/2013
236	8830-13180879	31.80	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
237	8830-13181026	31.80	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
238	8830-13181310	31.80	12/31/2012	36600	Underground Conduit			11/22/2013
239	8830-13181606	31.80	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
240	8830-13186557	31.80	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
241	8830-13186868	31.80	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
242	8830-13187102	31.80	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
243	8830-13187814	31.80	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
244	8830-13190877	363.52	12/31/2012	36900	Service Electric			11/22/2013
245	8830-13198349	991.41	12/31/2012	36900	Service Electric			11/22/2013
246	8830-13204933	1,857.92	6/28/12	36900	Service Electric			11/22/2013
247	8830-13217171	587.44	12/4/12	36900	Service Electric			11/22/2013
248	8830-13229619	1,980.08	12/6/12	36900	Service Electric			11/22/2013
249	8830-13229654	7,949.07	12/6/12	36900	Service Electric			11/22/2013
250	8830-13237246	21,421.35	11/28/12	36000 & 36400	Land & Land Rights	Poles, Towers, & Fixtures	Closed to CPR 9/30/13	
251	8830-13277802	683.02	10/2/12	36900	Service Electric			11/22/2013
252	8830-13277823	440.66	11/29/12	36900	Service Electric			11/22/2013
253	8830-13303166	958.65	8/29/12	36400	Poles, Towers, and Fixtures			11/22/2013
254	8830-13317534	1,024.70	8/20/12	36900	Service Electric			11/22/2013
255	8830-13302092	1,503.14	8/20/12	36900	Service Electric			11/22/2013
256	8830-13330323	1,437.97	12/28/12	369000, 37000	Electric Service	Meter Equipment		11/22/2013
257	8830-13330435	23,860.13	9/10/12	364, 365, 369	Poles, Towers, and Fixtures	Overhead Conductors & Devices	Electric Service	Closed to CPR 9/30/13
258	8830-13331494	1,470.76	10/24/12	36900	Electric Service			11/22/2013
259	8830-13337017	276.85	10/26/12	36900	Electric Service			11/22/2013
260	8830-13362991	858.84	8/21/12	36500	Overhead Conductors & Devices			11/22/2013
261	8830-13379249	1,504.20	10/8/12	36500, 36900	Overhead Conductors & Devices	Electric Service		11/22/2013
262	8830-13398186	4,574.20	9/5/12	36400, 36500, 36900	Poles, Towers, and Fixtures	Overhead Conductors & Devices	Electric Service	11/22/2013
263	8830-13401743	858.84	8/21/12	36900	Electric Service			11/22/2013
264	8830-13405847	1,464.74	10/5/12	36400	Poles, Towers, and Fixtures			11/22/2013
265	8830-13406652	679.94	8/22/12	36400, 36900	Poles, Towers, and Fixtures	Electric Service		11/22/2013
266	8830-13415794	958.65	9/25/12	36900	Electric Service			11/22/2013

Note: We expect that all CWIP jobs will be closed to Plant accounts by November 22, 2013.

Count	WS Job Number	Total	Completion Date	FERC Account	FERC Description-1	FERC Description -2	FERC Description-3	Scheduled for reclass to Continuing Property Records
267	8830-13419488	1,503.14	8/20/12	36400	Poles, Towers, and Fixtures			11/22/2013
268	8830-13424486	878.21	9/13/12	36900	Electric Service			11/22/2013
269	8830-13461837	959.44	8/20/12	36500	Overhead Conductors & Devices			11/22/2013
270	8830-13468828	5,551.44	8/28/12	36400, 36500, 36900	Poles, Towers, and Fixtures	Overhead Conductors & Devices	Electric Service	11/22/2013
271	8830-13471324	2,323.96	10/24/12	36800	Line Transformer			11/22/2013
272	8830-13490870	3,128.85	8/22/12	36500, 36900	Overhead Conductors & Devices	Electric Service		11/22/2013
273	8830-13491794	41,210.25	10/16/12	36500	Overhead Conductors & Devices			Closed to CPR 9/30/13
274	8830-13510483	11,852.27	10/5/12	36400, 36500, 36900	Poles, Towers, and Fixtures	Overhead Conductors & Devices	Electric Service	11/22/2013
275	8830-13517564	6,672.81	8/20/12	36400	Poles, Towers, and Fixtures			11/22/2013
276	8830-13524918	958.65	9/25/12	36900	Service Electric			11/22/2013
277	8830-13533519	400.00	11/13/12	36400	Poles, Towers, and Fixtures			11/22/2013
278	8830-13544785	2,005.60	11/14/12	36400, 36500, 36900	Poles, Towers, and Fixtures	Overhead Conductors & Devices	Electric Service	11/22/2013
279	8830-13561171	2,079.56	10/22/12	36900	Service Electric			11/22/2013
280	8830-13569563	958.65	9/25/12	36900	Service Electric			11/22/2013
281	8830-13575979	958.65	9/25/12	36900	Service Electric			11/22/2013
282	8830-13586054	4,184.53	10/17/12	36900	Service Electric			11/22/2013
283	8830-13607268	2,813.83	10/22/12	36900	Service Electric			11/22/2013
284	8830-13623805	529.26	11/26/12	36900	Service Electric			11/22/2013
285	8830-13643630	1,252.68	9/25/12	1081	Service Removal			11/22/2013
286	8830-13646225	629.49	10/19/12	36900	Service Electric			11/22/2013
287	8830-13646403	1,732.50	10/23/12	36500	Overhead Conductors & Devices			11/22/2013
288	8830-13651625	184.00	9/24/12	36900	Service Electric			11/22/2013
289	8830-13683382	2,875.94	10/10/12	36400 & 36500	Poles, Towers, and Fixtures	Overhead Conductors & Devices		11/22/2013
290	8830-13698261	3,731.35	10/15/12	36400	Poles, Towers, and Fixtures			11/22/2013
291	8830-13714423	121.63	12/11/12	36900	Service Electric			11/22/2013
292	8830-13734760	2,591.34	11/27/12	36500	Overhead Conductors & Devices			11/22/2013
293	8830-13748569	250.52	10/8/12	36900	Service Electric			11/22/2013
294	8830-13754457	384.00	10/19/12	36900	Service Electric			11/22/2013
295	8830-13758057	501.05	10/9/12	36900	Service Electric			11/22/2013
296	8830-13763664	875.11	10/26/12	36900	Service Electric			11/22/2013
297	8830-13776494	882.41	10/19/12	36900	Service Electric			11/22/2013
298	8830-13776822	844.23	10/9/12	36500	Overhead Conductors & Devices			11/22/2013
299	8830-13784088	856.89	10/10/12	36900	Service Electric			11/22/2013
300	8830-13803974	276.85	11/30/12	36900	Service Electric			11/22/2013
301	8830-13827633	408.00	11/7/12	36900	Service Electric			11/22/2013
302	8830-13828268	15.53	11/30/12	36900	Service Electric			11/22/2013
303	8830-13830077	735.35	10/12/12	36900	Service Electric			11/22/2013
304	8830-13847292	5,475.09	10/26/12	37300	Street Lighting			11/22/2013
305	8830-13893675	529.26	11/27/12	36900	Service Electric			11/22/2013
306	8830-13910673	4,098.52	11/26/12	36400, 36500, 36900	Poles, Towers, and Fixtures	Overhead Conductors & Devices	Electric Service	11/22/2013
307	8830-2475831	3,104.56	12/31/2012	36900	Service Electric			11/22/2013
308	8830-3842003	5,738.80	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
309	8830-4008530	534,458.43	5/25/12	36700	Underground Conduit			Closed to CPR 9/30/13
310	8830-4042399	291.29	12/31/2012	36200	Sub Station Equipment			11/22/2013
311	8830-4296231	424.93	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
312	8830-4324525	2,194.51	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
313	8830-4409006	162,317.93	5/3/12	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
314	8830-4461720	4,966.48	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
315	8830-4800338	98,791.93	2/4/10	36200	Sub Station Equipment			Closed to CPR 9/30/13
316	8830-5068219	1,291.88	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
317	8830-5199965	365.61	12/31/2012	36900	Service Electric			11/22/2013
318	8830-5485318	835.60	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
319	8830-5644827	1,790.19	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
320	8830-5695808	36,278.76	3/27/12	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
321	8830-5746320	1,170.43	12/31/2012	36900	Service Electric			11/22/2013
322	8830-6067604	5,120.06	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
323	8830-6359632	228.60	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
324	8830-6458596	417.64	12/31/2012	36900	Service Electric			11/22/2013
325	8830-6568507	6,506.51	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
326	8830-6917398	364.92	8/16/12	36900	Service Electric			11/22/2013
327	8830-7046286	219.56	12/31/2012	36900	Service Electric			11/22/2013
328	8830-7083352	408.82	12/31/2012	36900	Service Electric			11/22/2013
329	8830-7174206	1,241.49	12/31/2012	36900	Service Electric			11/22/2013
330	8830-7221000	9,933.53	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
331	8830-7415595	322.90	12/31/2012	36900	Service Electric			11/22/2013
332	8830-7432385	868.87	12/31/2012	36900	Service Electric			11/22/2013
333	8830-7542782	887.31	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013

Note: We expect that all CWIP jobs will be closed to Plant accounts by November 22, 2013.

Count	WS Job Number	Total	Completion Date	FERC Account	FERC Description-1	FERC Description -2	FERC Description-3	Scheduled for reclass to Continuing Property Records
334	8830-7570001	99.48	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
335	8830-7766788	3,823.79	12/31/2012	37300	Street Lighting			11/22/2013
336	8830-7846903	83.10	7/6/12	36400	Poles, Towers, and Fixtures			11/22/2013
337	8830-7855144	168.12	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
338	8830-7899153	933.70	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
339	8830-8011309	11,212.27	12/31/2012	36900	Service Electric			11/22/2013
340	8830-8349486	594.99	12/31/2012	36900	Service Electric			11/22/2013
341	8830-8449446	2,455.18	12/31/2012	36900	Service Electric			11/22/2013
342	8830-8499127	551.88	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
343	8830-8629041	6,765.91	3/5/12	36500	Overhead Conductors & Devices			11/22/2013
344	8830-8650096	1,029.28	12/31/2012	36900	Service Electric			11/22/2013
345	8830-8653128	15,541.92	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
346	8830-8920365	68,799.94	2/10/12	36900	Service Electric			Closed to CPR 9/30/13
347	8830-9000041178	837.72	12/31/2012	37200	Leased Property on Customer's Premises			11/22/2013
348	8830-9000087563	18,103.66	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
349	8830-9000092279	21,153.55	12/31/2012	36400	Poles, Towers, and Fixtures			Closed to CPR 9/30/13
350	8830-9000093472	106,152.47	12/31/2012	36200	Sub Station Equipment			Closed to CPR 9/30/13
351	8830-9000099367	300,627.41	12/31/2012	37300	Street Lighting			Closed to CPR 9/30/13
352	8830-9000108743	568,487.40	12/31/2012	36100 & 36200	Structure & Improvements	Sub Station Equipment		Closed to CPR 9/30/13
353	8830-9000114679	5,558.56	12/31/2012	37300	Street Lighting			11/22/2013
354	8830-9000116080	6,295.55	12/31/2012	36900	Service Electric			11/22/2013
355	8830-9000117242	3,276.92	12/31/2012	36200	Sub Station Equipment			11/22/2013
356	8830-9000117244	5,083.50	12/31/2012	36200	Sub Station Equipment			11/22/2013
357	8830-9000117304	105,711.76	12/31/2012	36200	Sub Station Equipment			Closed to CPR 9/30/13
358	8830-9000117590	57.42	12/31/2012	36200	Sub Station Equipment			11/22/2013
359	8830-9000118092	13,756.86	12/31/2012	37000	Meter Equipment			11/22/2013
360	8830-9000118136	11,937.93	12/31/2012	36200	Sub Station Equipment			11/22/2013
361	8830-9252259	11,861.29	12/31/2012	36600	Underground Conduit			11/22/2013
362	8830-9300576	7,173.83	8/17/12	36900	Service Electric			11/22/2013
363	8830-9310911	777.68	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
364	8830-9471907	236.81	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
365	8830-9600800	3,013.32	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
366	8830-9600802	3,098.21	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
367	8830-9600806	2,964.39	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
368	8830-9600808	3,098.22	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
369	8830-9600882	2,964.41	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
370	8830-9600884	3,355.98	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
371	8830-9600901	1,546.02	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
372	8830-9600903	1,546.02	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
373	8830-9604519	1,546.02	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
374	8830-9604521	1,546.04	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
375	8830-9636602	721.31	12/31/2012	36500	Overhead Conductors & Devices			11/22/2013
376	8830-9745332	4,700.19	12/31/2012	36900	Service Electric			11/22/2013
377	8830-9838993	6,406.94	12/31/2012	36400	Poles, Towers, and Fixtures			11/22/2013
378	8830-9856557	775.77	12/31/2012	36900	Service Electric			11/22/2013
379	8830-9860251	412.21	12/31/2012	36900	Service Electric			11/22/2013
380	8830-9869165	320.42	6/26/12	36400	Poles, Towers, and Fixtures			11/22/2013
381	8830-9878126	1,207.21	11/3/11	36900	Service Electric			11/22/2013
382	8830-9900000003	15,829.17	12/31/2012	36800	Line Transformer			11/22/2013
383	8830-9900000122	1,203.22	12/31/2012	37000	ERT Meter Equipment			11/22/2013
384	8830-9900000128	3,162.80	12/31/2012	36800	Line Transformer			11/22/2013
385	8830-9934263	1,126.80	12/31/2012	36900	Service Electric			11/22/2013
386	8830-9986322	422.56	12/31/2012	36900	Service Electric			11/22/2013
387	8830-GSEC0001	350.00	8/24/12	39100	Furniture 39100			11/22/2013
388	8830-PH1-EAST	119,054.85	9/30/12	30300	Software System 30300	Note: 6-25 Amount reported \$44,102.48 incorrect		Closed to CPR 9/30/13
Total		4,121,883.63						

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Technical Session, Set 1 – October 16, 2013 - Permanent Distribution Rates

Date Request Received: 10/16/13
Request No. Tech 1-2

Date of Response: 10/23/13
Witness: Mark E. Smith

REQUEST:

Please provide the details of the \$128,133 amount for Pension & OPEB expense for inactive employees appearing on Schedule RR 3-03.

RESPONSE:

The \$128,133 in question is representative of the OPEB (\$105,519) and Pension (\$22,614) costs attributable to inactive Granite State employees (terminated vested and retired participants for 2013). The comparable amounts for 2012 were \$353,060 for OPEB and \$18,285 for Pension. The amounts were provided by The Cottonwood Group, the Company's actuary.

Granite State Electric d/b/a Liberty Utilities

DE 13-063

Technical Session, Set 1 – October 16, 2013 - Permanent Distribution Rates

Date Request Received: 10/16/13
Request No. Tech 1-4

Date of Response: 10/23/13
Witness: James M. Riordan

REQUEST:

RR 3-03, p2, line 49 shows a 10-year amortization of the \$21.2 million deferred debit. Please provide a reference to FAS that supports the use of a 10-year amortization.

RESPONSE:

Based on FASB ASC 980 Regulated Operations (formerly FAS 71), for financial statement purposes, incurred costs may be capitalized as a regulatory asset if the amounts are probable of recovery through rates. Regulatory assets are typically amortized over future periods consistent with the period of recovery through rates. As such, the recovery period to be determined by the Commission will dictate the amortization period of the deferred asset for financial statement purposes.

Granite State proposes recovery (for regulatory purposes) and amortization (for financial statement purposes) periods of ten years for this deferred asset, in order to best align with the average remaining service period of employees expected to receive benefits under the plans. This suggestion is also supported by the use of this measure by FASB ASC 715 Compensation – Retirement benefits (formerly FAS 87, FAS 106, FAS 132(R) and FAS 158) to amortized similar pension & OPEB related items. In addition, the former transition rules on adoption of FAS 87 recommended that same approach.

FAS 87 paragraph 77. For a defined benefit plan, an employer shall determine as of the measurement date (paragraph 52) for the beginning of the fiscal year in which this Statement is first applied, the amounts of (a) the projected benefit obligation and (b) the fair value of plan assets plus previously recognized unfunded accrued pension cost or less previously recognized prepaid pension cost. The difference between those two amounts, whether it represents an unrecognized net obligation (and loss or cost) or an unrecognized net asset (and gain), shall be amortized on a straight-line basis over the average remaining service period of employees expected to receive benefits under the plan that, (a) if the average remaining service period is less than 15 years, the employer may elect to use a 15-year period, and (b) if all or almost all of a plan's participants are inactive, the employer shall use the inactive participants' average remaining life expectancy period.