

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities**  
**REP/VMP Revenue Requirement**  
**Annual Rate Changes**  
**CY 2015 Actual**

	<u>Actual</u> <u>7/1/2008</u> (a)	<u>Actual</u> <u>7/1/2009</u> (b)	<u>Actual</u> <u>7/1/2010</u> (c)	<u>Actual</u> <u>7/1/2011</u> (d)	<u>Actual</u> <u>7/1/2012</u> (e)	<u>Actual</u> <u>7/1/2013</u> (f)	<u>Actual</u> <u>6/1/2014</u> (g)	<u>Actual</u> <u>5/1/2015</u> (h)	<u>Actual</u> <u>5/1/2016</u> (i)
<b><u>Annual Incremental Rate Adjustments</u></b>									
1 REP/VMP O&M Adjustment Factor	\$0	\$113,832	\$1,047,770	(\$758,113)	(\$295,207)	(\$52,081)	(\$275,840)	(\$210,585)	\$346,184
2 REP Capital Program	\$165,840	\$75,740	\$163,663	\$102,941	(\$18,005)	\$125,829	\$37,374	\$377,950	\$279,097
3 Total for Fiscal Year	\$165,840	\$189,572	\$1,211,433	(\$655,172)	(\$313,213)	\$73,748	(\$238,466)	\$167,364	\$625,281
4 Termination of Prior Period O&M Recovery	\$0	\$0	(\$113,832)	(\$1,047,770)	\$758,113	\$295,207	\$52,081	\$275,840	\$210,585
5 Net Change in Recovery	\$165,840	\$189,572	\$1,097,601	(\$1,702,942)	\$444,900	\$368,955	(\$186,385)	\$443,205	\$835,866

Notes:  
Line 1 From Page 2 of 3, Line 13  
Line 2 From Page 3 of 3, Line 58  
Line 3 Line 1 + Line 3  
Line 4 - Line 1 of Prior Year  
Line 5 Line 5 + Line 7

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
REP/VMP O&M Adjustment Factor  
Computation of Annual Revenue Requirement  
CY 2015 Actual**

	Actual FY <u>2008</u> (a)	Actual FY <u>2009</u> (b)	Actual FY <u>2010</u> (c)	Actual FY <u>2011</u> (d)	Actual FY <u>2012</u> (e)	Actual FY <u>2013</u> (f)	Actual CYS <u>2013</u> (f)	Actual CY <u>2014</u> (g)	Actual CY <u>2015</u> (h)
<b><u>Incremental VMP and REP O&amp;M Spend</u></b>									
1 Actual VMP and REP Program Spending	\$2,169,258	\$1,477,916	\$2,556,530	\$1,245,985	\$1,467,486	\$1,560,973	\$1,055,861	\$1,395,166	\$1,994,184
2 Amount Subject to Proposed Recovery	\$1,950,000	\$1,473,832	\$2,556,530	\$1,552,000	\$1,556,000	\$1,721,585	\$1,238,200	\$1,395,166	\$1,994,184
3 Amount Subject to Recovery	\$1,950,000	\$1,473,832	\$2,556,530	\$1,245,985	\$1,467,486	\$1,560,973	\$1,055,861	\$1,395,166	\$1,994,184
4 VMP and REP Base Spending Level	\$1,950,000	\$1,360,000	\$1,360,000	\$1,360,000	\$1,360,000	\$1,360,000	\$1,020,000	\$1,360,000	\$1,360,000
5 Total Revenue Requirement	\$0	\$113,832	\$1,196,530	(\$114,015)	\$107,486	\$200,973	\$35,861	\$35,166	\$634,184
6 Less Reimbursements from FairPoint Communications	\$0	\$0	(\$148,760)	(\$644,098)	(\$402,693)	(\$253,054)	(\$311,701)	(\$245,751)	(\$288,000)
7 Total Incremental Revenue Requirement for Adj. Factor	\$0	\$113,832	\$1,047,770	(\$758,113)	(\$295,207)	(\$52,081)	(\$275,840)	(\$210,585)	\$346,184
8 Total O&M Recovery	\$1,950,000	\$1,473,832	\$2,407,770	\$601,887	\$1,064,793	\$1,307,919	\$744,160	\$1,149,415	\$1,706,184

**Notes:**

- Line 1 Actual VMP and REP program spending, excluding FairPoint Communications reimbursements.
- Line 2 Approved program budget
- Line 3 Lesser of Line 1 and Line 3.
- Line 4 VMP and REP base spending level per Merger Settlement Agreement in Docket No. DG 06-107.
- Line 5 Line 5 minus Line 7.
- Line 6 Reflects reimbursements related to vegetation management expenses from FairPoint Communications.
- Line 7 Line 9 plus Line 11.
- Line 8 Line 5 plus Line 11.

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
REP/VMP Revenue Requirement  
Computation of REP Revenue Requirement  
CY 2015 Actual

	Revised FY 2008 (a)	Revised FY 2009 (b)	Revised FY 2010 (c)	Revised FY 2011 (d)	Revised FY 2012 (e)	Actual FY 2013 (f)	Actual CYS 2013 (g)	Actual CY 2014 (g)	Actual CY 2015 (h)	
<b>Deferred Tax Calculation</b>										
1	REP Program Annual Spend	\$950,000	\$500,000	\$876,243	\$610,835	\$398,239	\$545,916	\$416,755	\$2,201,899	\$1,321,456
2	Cumulative REP Program Spend	\$950,000	\$1,450,000	\$2,326,243	\$2,937,078	\$3,335,317	\$3,881,233	\$4,297,988	\$6,499,887	\$7,821,343
3										
4	Book Depreciation Rate (a)	3.70%	3.72%	3.71%	3.73%	3.72%	3.33%	3.72%	3.72%	3.75%
5	FEDERAL Vintage Year Tax Depreciation:									
6	FY 2008 Spend	\$429,887	\$39,010	\$36,081	\$33,379	\$30,872	\$28,559	\$14,858	\$19,810	\$24,112
7	FY 2009 Spend		\$338,156	\$12,139	\$11,227	\$10,387	\$9,606	\$4,999	\$6,665	\$7,604
8	FY 2010 Spend			\$550,022	\$24,467	\$22,630	\$20,936	\$10,892	\$14,522	\$16,567
9	FY 2011 Spend				\$481,705	\$9,685	\$8,958	\$4,662	\$6,215	\$7,090
10	FY 2012 Spend					\$377,329	\$2,968	\$1,544	\$2,059	\$2,349
11	FY 2013 Spend						\$332,964	\$11,900	\$15,867	\$13,577
12	CYS 2013 Spend							\$212,773	\$5,861	\$13,913
13	CY 2014 Spend								\$0	\$0
14	Annual Tax Depreciation	\$429,887	\$377,166	\$598,242	\$550,778	\$450,902	\$403,992	\$261,627	\$70,999	\$85,211
15	Cumulative Tax Depreciation	\$429,887	\$807,053	\$1,405,295	\$1,956,073	\$2,406,975	\$2,810,967	\$3,072,594	\$3,143,593	\$3,228,804
16										
17	STATE Vintage Year Tax Depreciation:									
18	FY 2008 Spend	\$334,991	\$46,127	\$42,664	\$39,469	\$36,504	\$33,770	\$17,568	\$23,425	\$28,511
19	FY 2009 Spend		\$176,311	\$24,277	\$22,455	\$20,773	\$19,213	\$9,998	\$13,330	\$15,207
20	FY 2010 Spend			\$223,801	\$48,935	\$45,261	\$41,872	\$21,784	\$29,045	\$33,134
21	FY 2011 Spend				\$199,462	\$30,854	\$28,538	\$14,850	\$19,800	\$22,588
22	FY 2012 Spend					\$181,087	\$19,837	\$10,320	\$13,761	\$15,698
23	FY 2013 Spend						\$179,810	\$20,395	\$27,193	\$23,268
24	CYS 2013 Spend							\$8,791	\$11,721	\$27,827
25	CY 2014 Spend								\$82,571	\$158,955
26	Annual Tax Depreciation	\$334,991	\$222,438	\$290,742	\$310,320	\$314,480	\$323,039	\$103,706	\$220,846	\$325,188
27	Cumulative Tax Depreciation	\$334,991	\$557,429	\$848,171	\$1,158,492	\$1,472,971	\$1,796,010	\$1,899,716	\$2,120,562	\$2,445,750
28										
29	Book Depreciation	\$35,150	\$53,940	\$86,304	\$109,645	\$124,074	\$129,109	\$119,933	\$181,430	\$293,300
30	Cumulative Book Depreciation	\$35,150	\$89,090	\$175,394	\$285,039	\$409,113	\$538,222	\$658,155	\$839,585	\$1,132,885
31										
32	Book/Tax Timer (Federal)	\$394,737	\$717,963	\$1,229,901	\$1,671,034	\$1,997,862	\$2,272,745	\$2,414,439	\$2,304,008	\$2,095,919
33	less: Deferred Tax Reserve (State)	\$25,486	\$39,809	\$57,186	\$74,243	\$90,428	\$106,912	\$105,533	\$108,883	\$111,594
34	Net Book/Tax Timer (Federal)	\$369,251	\$678,154	\$1,172,715	\$1,596,791	\$1,907,435	\$2,165,833	\$2,308,906	\$2,195,125	\$1,984,326
35	Effective Tax Rate (Federal)	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	34.00%	34.00%	34.00%
36	Deferred Tax Reserve (Federal)	\$129,238	\$237,354	\$410,450	\$558,877	\$667,602	\$758,041	\$785,028	\$746,343	\$674,671
37	Book/Tax Timer (State)	\$299,841	\$468,339	\$672,778	\$873,453	\$1,063,859	\$1,257,788	\$1,241,561	\$1,280,977	\$1,312,865
38	Effective Tax Rate (State)	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
39	Deferred Tax Reserve (State)	\$25,486	\$39,809	\$57,186	\$74,243	\$90,428	\$106,912	\$105,533	\$108,883	\$111,594
40	TOTAL Deferred Tax Reserve	\$154,724	\$277,163	\$467,636	\$633,120	\$758,030	\$864,953	\$890,561	\$855,226	\$786,264
41										
42	<b>Rate Base Calculation</b>									
43	Plant In Service	\$950,000	\$1,450,000	\$2,326,243	\$2,937,078	\$3,335,317	\$3,881,233	\$4,297,988	\$6,499,887	\$7,821,343
44	Accumulated Book Depreciation	(\$35,150)	(\$89,090)	(\$175,394)	(\$285,039)	(\$409,113)	(\$538,222)	(\$658,155)	(\$839,585)	(\$1,132,885)
45	Deferred Tax Reserve	(\$154,724)	(\$277,163)	(\$467,636)	(\$633,120)	(\$758,030)	(\$864,953)	(\$890,561)	(\$855,226)	(\$786,264)
46	Year End Rate Base	\$760,126	\$1,083,747	\$1,683,213	\$2,018,919	\$2,168,174	\$2,478,057	\$2,749,272	\$4,805,077	\$5,902,194
47										
48	<b>Revenue Requirement Calculation</b>									
49	Year End Rate Base	\$760,126	\$1,083,747	\$1,683,213	\$2,018,919	\$2,168,174	\$2,478,057	\$2,749,272	\$4,805,077	\$5,902,194
50	Pre-Tax ROR	11.91%	11.91%	11.91%	11.91%	11.91%	11.91%	11.36%	11.36%	11.36%
51	Return and Taxes	\$90,515	\$129,051	\$200,435	\$240,410	\$258,183	\$295,084	\$312,413	\$545,623	\$670,489
52	Book Depreciation	\$35,150	\$53,940	\$86,304	\$109,645	\$124,074	\$129,109	\$119,933	\$181,430	\$293,300
53	Property Taxes (b)	\$21,773	\$27,218	\$66,676	\$89,904	\$110,318	\$118,343	\$149,961	\$233,204	\$275,564
54	Annual Revenue Requirement	\$147,438	\$210,209	\$353,415	\$439,960	\$492,575	\$542,536	\$582,307	\$960,257	\$1,239,354
55	Prior Period Change for Repairs Tax Deduct & Bonus Depreciation (FY 08 - 14) (e)					(\$73,471)	\$2,397			
56	Adjusted Annual Revenue Requirement	\$147,438	\$210,209	\$353,415	\$439,960	\$419,104	\$544,933	\$582,307	\$960,257	\$1,239,354
57										
58	<b>Annual Rate Adjustment</b>									
59										
60	Incremental Annual Rate Adjustment	\$147,438	\$62,771	\$143,205	\$86,545	(\$20,856)	\$125,829	\$37,374	\$377,950	\$279,097
61										
62										
63	<b>Imputed Capital Structure (c)</b>									
64		Ratio	Rate	Weighted Rate	Pre Tax					
65	Long Term Debt	50.00%	7.54%	3.77%	3.77%					
66	Common Equity	50.00%	9.67%	4.84%	8.14%					
67										
68		100.00%		8.61%	11.91%					
69										
70	<b>Imputed Capital Structure (d)</b>									
71		Ratio	Rate	Weighted Rate	Pre Tax					
72	Long Term Debt	45.00%	5.95%	2.68%	2.68%					
73	Common Equity	55.00%	9.55%	5.25%	8.68%					
74										
75		100.00%		7.93%	11.36%					

(a) Actual Calendar Year Composite Depreciation rate for distribution property.  
(b) Actual Calendar Year ratio of municipal tax expense to net plant in service.  
(c) Capital structure per Merger Settlement in Docket DG 06-107, Exhibit 1, Section 3(c).  
(d) Capital structure per Rate Case Settlement in Docket DE 13-063, Attachment A, Schedule 1B.

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
REP/VMP Revenue Requirement  
Calculation of REP Tax Depreciation 2008 - Per Tax Return  
Using Capital Repairs Tax Return Rate**

	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) 2013	(g) CYS2013	(h) CY2014	(i) CY2015
1 <u>Capital Repairs Deduction</u>									
2 Plant Additions	From Page 3 of 11, Line 1(a)	\$950,000							
3 Capital Repairs Deduction Rate	Tax Dept	32.74%							
4 Capital Repairs Deduction	Line 2 * Line 3	\$311,030							
5									
6 <u>Bonus Depreciation</u>									
7 Plant Additions	Line 2	\$950,000							
8 Less Capital Repairs Deduction	Line 4	\$311,030							
9 Plant Additions Net of Capital Repairs Deduction	Line 7 - Line 8	\$638,970							
10									
11 Percent of Plant Additions Eligible for Bonus Depreciation April 2007 - December 2007	Tax Dept	69.14%							
12 Plant Additions Eligible for Bonus Depreciation April 2007 - December 2007	Line 9 * Line 11	\$441,784							
13 Bonus Depreciation rate April 2007 - December 2007	Tax Dept <sup>1</sup>	0%							
14 Bonus Depreciation for April 2007 - December 2007	Line 12 * Line 13	\$0							
15									
16 Plant Additions Eligible for Bonus Depreciation for January 2008 - March 2008	Tax Dept	30.86%							
17 Plant Additions Eligible for Bonus Depreciation for January 2008 - March 2008	Line 9 * Line 16	\$197,186							
18 Bonus Depreciation rate January 2008 - March 2008	Tax Dept <sup>1</sup>	50%							
19 Bonus Depreciation for January 2008 - March 2008	Line 17 * Line 18	\$98,593							
20									
21 Bonus Depreciation	Line 14 + Line 19	\$98,593							
22									
23 <u>Remaining Tax Depreciation (Federal)</u>									
24 Plant Additions	Line 2	\$950,000							
25 Less Capital Repairs Deduction	Line 4	\$311,030							
26 Less Bonus Depreciation	Line 21	\$98,593							
27 Additions Subject to 20 YR MACRS Tax Depreciation	Line 24 - Line 25 - Line 26	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377
28 20 YR MACRS Tax Depreciation Rates	Tax Dept	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%	3.666%	4.888%
29 Remaining Tax Depreciation	Line 27 * Line 28	\$20,264	\$39,010	\$36,081	\$33,379	\$30,872	\$28,559	\$14,858	\$19,810
30									
31 <u>Remaining Tax Depreciation (State)</u>									
32 Plant Additions	Line 2	\$950,000							
33 Less Capital Repairs Deduction	Line 4	\$311,030							
34 Additions Subject to 20 YR MACRS Tax Depreciation	Line 32 - Line 33	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970
35 20 YR MACRS Tax Depreciation Rates	Tax Dept	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%	3.666%	4.888%
36 Remaining Tax Depreciation	Line 34 * Line 35	\$23,961	\$46,127	\$42,664	\$39,469	\$36,504	\$33,770	\$17,568	\$23,425
37									
38 Federal Tax Depreciation	Sum of Lines 4, 21, and 29	\$429,887	\$39,010	\$36,081	\$33,379	\$30,872	\$28,559	\$14,858	\$19,810
39 State Tax Depreciation	Sum of Lines 4, and 36	\$334,991	\$46,127	\$42,664	\$39,469	\$36,504	\$33,770	\$17,568	\$23,425

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities**  
**REP/VMP Revenue Requirement**  
**Calculation of REP Tax Depreciation 2009 - Per Tax Return**  
**Using Capital Repairs Tax Return Rate**

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>CYS2013</u>	<u>CY2014</u>	<u>CY2015</u>
1	<u>Capital Repairs Deduction</u>									
2	Plant Additions									
3	Capital Repairs Deduction Rate									
4	Capital Repairs Deduction									
5										
6	<u>Bonus Depreciation</u>									
7	Plant Additions									
8	Less Capital Repairs Deduction									
9	Plant Additions Net of Capital Repairs Deduction									
10										
11	Percent of Plant Additions Eligible for Bonus Depreciation									
12	Plant Additions Eligible for Bonus Depreciation									
13	Bonus Depreciation Rate									
14	Bonus Depreciation									
15										
16	Bonus Depreciation									
17										
18	<u>Remaining Tax Depreciation (Federal)</u>									
19	Plant Additions									
20	Less Capital Repairs Deduction									
21	Less Bonus Depreciation									
22	Additions Subject to 20 YR MACRS Tax Depreciation									
23	20 YR MACRS Tax Depreciation Rates									
24	Remaining Tax Depreciation									
25										
26	<u>Remaining Tax Depreciation (State)</u>									
27	Plant Additions									
28	Less Capital Repairs Deduction									
29	Additions Subject to 20 YR MACRS Tax Depreciation									
30	20 YR MACRS Tax Depreciation Rates									
31	Remaining Tax Depreciation									
32										
33	Federal Tax Depreciation									
34	State Tax Depreciation									

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities**  
**REP/VMP Revenue Requirement**  
**Calculation of REP Tax Depreciation 2010 - Per Tax Return**  
**Using Capital Repairs Tax Return Rate**

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>CYS2013</u>	<u>CY2014</u>	<u>CY2015</u>
1	<u>Capital Repairs Deduction</u>									
2	Plant Additions			From Page 3 of 11, Line 1(c)	\$876,243					
3	Capital Repairs Deduction Rate			Tax Dept	22.64%					
4	Capital Repairs Deduction			Line 2 * Line 3	\$198,381					
5										
6	<u>Bonus Depreciation</u>									
7	Plant Additions			Line 2	\$876,243					
8	Less Capital Repairs Deduction			Line 4	\$198,381					
9	Plant Additions Net of Capital Repairs Deduction			Line 7 - Line 8	\$677,862					
10										
11	Percent of Plant Additions Eligible for Bonus Depreciation			Tax Dept	100.00%					
12	Plant Additions Eligible for Bonus Depreciation			Line 9 * Line 11	\$677,862					
13	Bonus Depreciation Rate			Tax Dept	50%					
14	Bonus Depreciation			Line 12 * Line 13	\$338,931					
15										
16	Bonus Depreciation			Line 14	\$338,931					
17										
18	<u>Remaining Tax Depreciation (Federal)</u>									
19	Plant Additions			Line 2	\$876,243					
20	Less Capital Repairs Deduction			Line 4	\$198,381					
21	Less Bonus Depreciation			Line 16	\$338,931					
22	Additions Subject to 20 YR MACRS Tax Depreciation			Line 19 - Line 20 - Line 21	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931
23	20 YR MACRS Tax Depreciation Rates			Tax Dept	3.750%	7.219%	6.677%	6.177%	4.285%	5.713%
24	Remaining Tax Depreciation			Line 22 * Line 23	\$12,710	\$24,467	\$22,630	\$20,936	\$10,892	\$16,567
25										
26	<u>Remaining Tax Depreciation (State)</u>									
27	Plant Additions			Line 2	\$876,243					
28	Less Capital Repairs Deduction			Line 4	\$198,381					
29	Additions Subject to 20 YR MACRS Tax Depreciation			Line 27 - Line 28	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862
30	20 YR MACRS Tax Depreciation Rates			Tax Dept	3.750%	7.219%	6.677%	6.177%	4.285%	5.713%
31	Remaining Tax Depreciation			Line 29 * Line 30	\$25,420	\$48,935	\$45,261	\$41,872	\$21,784	\$33,134
32										
33	Federal Tax Depreciation			Sum of Lines 4, 16, and 24	\$550,022	\$24,467	\$22,630	\$20,936	\$10,892	\$16,567
34	State Tax Depreciation			Sum of Lines 4 and 31	\$223,801	\$48,935	\$45,261	\$41,872	\$21,784	\$33,134

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
REP/VMP Revenue Requirement  
Calculation of REP Tax Depreciation 2011 - Per Tax Return  
Using Capital Repairs Tax Return Rate**

	(c) <u>2010</u>	(d) <u>2011</u>	(e) <u>2012</u>	(f) <u>2013</u>	(g) <u>CYS2013</u>	(h) <u>CY2014</u>	(i) <u>CY2015</u>
1 <u>Capital Repairs Deduction</u>							
2 Plant Additions		\$610,835					
3 Capital Repairs Deduction Rate		<u>30.03%</u>					
4 Capital Repairs Deduction		\$183,434					
5							
6 <u>Bonus Depreciation</u>							
7 Plant Additions		\$610,835					
8 Less Capital Repairs Deduction		<u>\$183,434</u>					
9 Plant Additions Net of Capital Repairs Deduction		\$427,401					
10							
11 Percent of Plant Additions Eligible for Bonus Depreciation April 2010 - September 2010		<u>62.78%</u>					
12 Plant Additions Eligible for Bonus Depreciation April 2010 - September 2010		\$268,322					
13 Bonus Depreciation rate April 2010 - September 2010		<u>50%</u>					
14 Bonus Depreciation for April 2010 - September 2010		\$134,161					
15							
16 Plant Additions Eligible for Bonus Depreciation for October 2010 - March 2010		<u>37.22%</u>					
17 Plant Additions Eligible for Bonus Depreciation for October 2010 - March 2010		\$159,079					
18 Bonus Depreciation rate October 2010 - March 2010		<u>100%</u>					
19 Bonus Depreciation for October 2010 - March 2010		\$159,079					
20							
21 Bonus Depreciation		\$293,240					
22							
23 <u>Remaining Tax Depreciation (Federal)</u>							
24 Plant Additions		\$610,835					
25 Less Capital Repairs Deduction		\$183,434					
26 Less Bonus Depreciation		<u>\$293,240</u>					
27 Additions Subject to 20 YR MACRS Tax Depreciation		\$134,161	\$134,161	\$134,161	\$134,161	\$134,161	\$134,161
28 20 YR MACRS Tax Depreciation Rates		<u>3.750%</u>	7.219%	6.677%	4.633%	6.177%	5.285%
29 Remaining Tax Depreciation		\$5,031	\$9,685	\$8,958	\$4,662	\$6,215	\$7,090
30							
31 <u>Remaining Tax Depreciation (State)</u>							
32 Plant Additions		\$610,835					
33 Less Capital Repairs Deduction		<u>\$183,434</u>					
34 Additions Subject to 20 YR MACRS Tax Depreciation		\$427,401	\$427,401	\$427,401	\$427,401	\$427,401	\$427,401
35 20 YR MACRS Tax Depreciation Rates		<u>3.750%</u>	7.219%	6.677%	4.633%	6.177%	5.285%
36 Remaining Tax Depreciation		\$16,028	\$30,854	\$28,538	\$14,850	\$19,800	\$22,588
37							
38 Federal Tax Depreciation		<u>\$481,705</u>	\$9,685	\$8,958	\$4,662	\$6,215	\$7,090
39 State Tax Depreciation		<u>\$199,462</u>	\$30,854	\$28,538	\$14,850	\$19,800	\$22,588

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period
April 1, 2007 to December 31, 2007
January 1, 2008 to September 7, 2010
September 8, 2010 to December 31, 2011
January 1, 2012 to December 31, 2013

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
REP/VMP Revenue Requirement  
Calculation of REP Tax Depreciation 2012 - Safe Harbor  
Using Capital Repairs Safe Harbor Rate

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	2008	2009	2010	2011	2012	2013	CYS2013	CY2014	CY2015
1 <u>Capital Repairs Deduction</u>									
2 Plant Additions					From Page 3 of 11, Line 1(e)	\$398,239			
3 Capital Repairs Deduction Rate					Tax Dept	31.00%			
4 Capital Repairs Deduction					Line 2 * Line 3	\$123,454			
5									
6 <u>Bonus Depreciation</u>									
7 Plant Additions					Line 2	\$398,239			
8 Less Capital Repairs Deduction					Line 4	\$123,454			
9 Plant Additions Net of Capital Repairs Deduction					Line 7 - Line 8	\$274,785			
10									
11 Percent of Plant Additions Eligible for Bonus Depreciation April 2011 - December, 2011					Tax Dept	72.52%			
12 Plant Additions Eligible for Bonus Depreciation April 2011 - December, 2011					Line 9 * Line 11	\$199,274			
13 Bonus Depreciation rate April 2011 - December 2011					Tax Dept	100%			
14 Bonus Depreciation for April 2011 - December 2011					Line 12 * Line 13	\$199,274			
15									
16 Plant Additions Eligible for Bonus Depreciation for January 2012 - March 2012					Tax Dept	25.04%			
17 Plant Additions Eligible for Bonus Depreciation for January 2012 - March 2012					Line 9 * Line 16	\$68,806			
18 Bonus Depreciation rate January 2012 - March 2012					Tax Dept	50%			
19 Bonus Depreciation for January 2012 - March 2012					Line 17 * Line 18	\$34,403			
20									
21 Bonus Depreciation					Line 14 + Line 19	\$233,677			
22									
23 <u>Remaining Tax Depreciation (Federal)</u>									
24 Plant Additions					Line 2	\$398,239			
25 Less Capital Repairs Deduction					Line 4	\$123,454			
26 Less Bonus Depreciation					Line 21	\$233,677			
27 Additions Subject to 20 YR MACRS Tax Depreciation					Line 24 - Line 25 - Line 26	\$41,108	\$41,108	\$41,108	\$41,108
28 20 YR MACRS Tax Depreciation Rates					Tax Dept	3.750%	7.219%	5.008%	6.677%
29 Remaining Tax Depreciation					Line 27 * Line 28	\$1,542	\$2,968	\$1,544	\$2,059
30									
31 <u>Remaining Tax Depreciation (State)</u>									
32 Plant Additions					Line 2	\$398,239			
33 Less Capital Repairs Deduction					Line 4	\$123,454			
34 Additions Subject to 20 YR MACRS Tax Depreciation					Line 32 - Line 33	\$274,785	\$274,785	\$274,785	\$274,785
35 20 YR MACRS Tax Depreciation Rates					Tax Dept	3.750%	7.219%	5.008%	6.677%
36 Remaining Tax Depreciation					Line 34 * Line 35	\$10,304	\$19,837	\$10,320	\$13,761
37									
38 Federal Tax Depreciation					Sum of Lines 4, 21, and 29	\$358,673	\$2,968	\$1,544	\$2,059
39 State Tax Depreciation					Sum of Lines 4, and 36	\$133,758	\$19,837	\$10,320	\$13,761
40									
41									
42 FY 2012 Safe Harbor True Up (Federal)					From Page 11 of 11, Line 18(e)	\$18,656			
43 FY 2012 Tax Depreciation (Federal)					Line 38 + Line 42	\$377,329			
44 FY 2012 Safe Harbor True Up (State)					From Page 11 of 11, Line 40(e)	\$47,329			
45 FY 2012 Tax Depreciation (State)					Line 39 + Line 44	\$181,087			

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities**  
**REP/VMP Revenue Requirement**  
**Calculation of REP Tax Depreciation 2013**  
**Using Capital Repairs Safe Harbor Rate**

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>CYS2013</u>	<u>CY2014</u>	<u>CY2015</u>
1	<u>Capital Repairs Deduction</u>									
2	Plant Additions						\$545,916			
3	Capital Repairs Deduction Rate						Tax Dept 31.00%			
4	Capital Repairs Deduction						Line 2 * Line 3 \$169,234			
5										
6	<u>Bonus Depreciation</u>									
7	Plant Additions						Line 2 \$545,916			
8	Less Capital Repairs Deduction						Line 4 \$169,234			
9	Plant Additions Net of Capital Repairs Deduction						Line 7 - Line 8 \$376,682			
10										
11	Percent of Plant Additions Eligible for Bonus Depreciation April 2012 - December, 2012						Tax Dept 62.48%			
12	Plant Additions Eligible for Bonus Depreciation April 2012 - December, 2012						Line 9 * Line 11 \$235,332			
13	Bonus Depreciation rate April 2012- December 2012						Tax Dept 50%			
14	Bonus Depreciation for April 2012 - December 2012						Line 12 * Line 13 \$117,666			
15										
16	Plant Additions Eligible for Bonus Depreciation for January 2013 - March 2013						Tax Dept 20.83%			
17	Plant Additions Eligible for Bonus Depreciation for January 2013 - March 2013						Line 9 * Line 16 \$78,444			
18	Bonus Depreciation rate January 2013 - March 2013						Tax Dept 50%			
19	Bonus Depreciation for January 2013 - March 2013						Line 17 * Line 18 \$39,222			
20										
21	Bonus Depreciation						Line 14 + Line 19 \$156,888			
22										
23	<u>Remaining Tax Depreciation (Federal)</u>									
24	Plant Additions						Line 2 \$545,916			
25	Less Capital Repairs Deduction						Line 4 \$169,234			
26	Less Bonus Depreciation						Line 21 \$156,888			
27	Additions Subject to 20 YR MACRS Tax Depreciation						Line 24 - Line 25 - Line 26 \$219,794	\$219,794	\$219,794	\$219,794
28	20 YR MACRS Tax Depreciation Rates						Tax Dept 3.750%	5.414%	7.219%	6.177%
29	Remaining Tax Depreciation						Line 27 * Line 28 \$8,242	\$11,900	\$15,867	\$13,577
30										
31	<u>Remaining Tax Depreciation (State)</u>									
32	Plant Additions						Line 2 \$545,916			
33	Less Capital Repairs Deduction						Line 4 \$169,234			
34	Additions Subject to 20 YR MACRS Tax Depreciation						Line 32 - Line 33 \$376,682	\$376,682	\$376,682	\$376,682
35	20 YR MACRS Tax Depreciation Rates						Tax Dept 3.750%	5.414%	7.219%	6.177%
36	Remaining Tax Depreciation						Line 34 * Line 35 \$14,126	\$20,395	\$27,193	\$23,268
37										
38	Federal Tax Depreciation						Sum of Lines 4, 21, and 29 \$334,364	\$11,900	\$15,867	\$13,577
39	State Tax Depreciation						Sum of Lines 4, and 36 \$183,360	\$20,395	\$27,193	\$23,268
40										
41										
42	Effect of FY 2012 Safe Harbor True Up on FY 2013 Tax Depreciation (Federal)						From Page 11 of 11, Line 18(f) (\$1,400)			
43	FY 2013 Tax Depreciation (Federal)						Line 38 + Line 42 \$332,964			
44	Effect of FY 2012 Safe Harbor True Up on FY 2013 Tax Depreciation (State)						From Page 11 of 11, Line 40(f) (\$3,550)			
45	FY 2013 Tax Depreciation (State)						Line 39 + Line 44 \$179,810			

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
REP/VMP Revenue Requirement  
Calculation of REP Tax Depreciation CYS2013  
Using Capital Repairs Tax Return Rate

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		2008	2009	2010	2011	2012	2013	CYS2013	CY2014	CY2015
1	<u>Capital Repairs Deduction</u>									
2	Plant Additions						From Page 3 of 11, Line 1(f)	\$416,755		
3	Capital Repairs Deduction Rate						Tax Dept	0.00%		
4	Capital Repairs Deduction						Line 2 * Line 3	\$0		
5										
6	<u>Bonus Depreciation</u>									
7	Plant Additions						Line 2	\$416,755		
8	Less Capital Repairs Deduction						Line 4	\$0		
9	Plant Additions Net of Capital Repairs Deduction						Line 7 - Line 8	\$416,755		
10										
11	Plant Additions Eligible for Bonus Depreciation for April 2013 - December 2013						Tax Dept	100.00%		
12	Plant Additions Eligible for Bonus Depreciation for April 2013 - December 2013						Line 9 * Line 11	\$416,755		
13	Bonus Depreciation rate April 2013 - December 2013						Tax Dept	50%		
14	Bonus Depreciation for April 2013 - December 2013						Line 12 * Line 13	\$208,378		
15										
16	Bonus Depreciation						Line 14	\$208,378		
17										
18	<u>Remaining Tax Depreciation (Federal)</u>									
19	Plant Additions						Line 2	\$416,755	\$416,755	\$416,755
20	Less Capital Repairs Deduction						Line 4	\$0	\$0	\$0
21	Less Bonus Depreciation						Line 16	\$208,378	\$208,378	\$208,378
22	Additions Subject to 20 YR MACRS Tax Depreciation						Line 19 - Line 20 - Line 21	\$208,378	\$208,378	\$208,378
23	20 YR MACRS Tax Depreciation Rates						Tax Dept	2.813%	3.750%	6.677%
24	Remaining Tax Depreciation						Line 22 * Line 23	\$4,395	\$5,861	\$13,913
25										
26	<u>Remaining Tax Depreciation (State)</u>									
27	Plant Additions						Line 2	\$416,755	\$416,755	\$416,755
28	Less Capital Repairs Deduction						Line 4	\$0	\$0	\$0
29	Additions Subject to 20 YR MACRS Tax Depreciation						Line 27 - Line 28	\$416,755	\$416,755	\$416,755
30	20 YR MACRS Tax Depreciation Rates						Tax Dept	2.813%	3.750%	6.677%
31	Remaining Tax Depreciation						Line 29 * Line 30	\$8,791	\$11,721	\$27,827
32										
33	Federal Tax Depreciation						Sum of Lines 4, 16, and 24	\$212,773	\$5,861	\$13,913
34	State Tax Depreciation						Sum of Lines 4, and 31	\$8,791	\$11,721	\$27,827

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
REP/VMP Revenue Requirement  
Calculation of REP Tax Depreciation CY2014  
Using Capital Repairs Tax Return Rate

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	2008	2009	2010	2011	2012	2013	CYS2013	CY 2014	CY 2015
1 <u>Capital Repairs Deduction</u>									
2 Plant Additions								\$2,201,899	
3 Capital Repairs Deduction Rate								0.00%	
4 Capital Repairs Deduction								\$0	
5									
6 <u>Bonus Depreciation</u>									
7 Plant Additions								\$2,201,899	
8 Less Capital Repairs Deduction								\$0	
9 Plant Additions Net of Capital Repairs Deduction								\$2,201,899	
10									
11 Plant Additions Eligible for Bonus Depreciation for April 2014 - December 2014								100.00%	
12 Plant Additions Eligible for Bonus Depreciation for April 2014 - December 2014								\$2,201,899	
13 Bonus Depreciation rate April 2014 - December 2014								100%	
14 Bonus Depreciation rate April 2014 - December 2014								\$2,201,899	
15									
16 Bonus Depreciation								\$2,201,899	
17									
18 <u>Remaining Tax Depreciation (Federal)</u>									
19 Plant Additions								\$2,201,899	\$2,201,899
20 Less Capital Repairs Deduction								\$0	\$0
21 Less Bonus Depreciation								\$2,201,899	\$2,201,899
22 Additions Subject to 20 YR MACRS Tax Depreciation								\$0	\$0
23 20 YR MACRS Tax Depreciation Rates								3.750%	3.750%
24 Remaining Tax Depreciation								\$0	\$0
25									
26 <u>Remaining Tax Depreciation (State)</u>									
27 Plant Additions								\$2,201,899	\$2,201,899
28 Less Capital Repairs Deduction								\$0	\$0
29 Additions Subject to 20 YR MACRS Tax Depreciation								\$2,201,899	\$2,201,899
30 20 YR MACRS Tax Depreciation Rates								3.750%	3.750%
31 Remaining Tax Depreciation								\$6,881	\$82,571
32									
33 Federal Tax Depreciation								\$2,201,899	\$0
34 State Tax Depreciation								\$6,881	\$82,571

**Note:** Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities**  
**REP/VMP Rate Design**  
**Procedure for Adjusting Distribution Rates for Capital Investment Allowance**  
**Calculation of Percentage Adjustment to Distribution Rates**  
**Rates Effective May 1, 2016**

(1) Increase in Annual Revenue Requirement	\$279,097
(2) Revenue Requirement in Docket DE 15-087	\$35,523,239
(3) Percentage of Adjustment to Distribution Rates	0.79%

- (1) Schedule HMT-1, Page 1
- (2) Approved revenue requirement in Docket DE 15-087 Step Adjustment effective May 1, 2015
- (3) Line (1) ÷ Line (2)

**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities**  
**Calculation of Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor**  
**Rates Effective May 1, 2016**

(1)	O&M Expense Above Base O&M Expense	\$346,184
(2)	Final Balance of Reconciliation of Refund of FY 2015 Incremental O&M Expense Above Base O&M Expense	<u>(\$22,416)</u>
(3)	Reliability Enhancement Program and Vegetation Management Plan Expense	\$323,768
(4)	Estimated Interest During Recovery Period	<u>(\$9,146)</u>
(5)	Reliability Enhancement Program and Vegetation Management Plan Expense, Including Interest	\$314,623
(6)	Estimated kWh deliveries	957,563,085
(7)	Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor	\$0.00032

- (1) Schedule HMT-1, Page 1
- (2) Schedule HMT-3, Page 1
- (3) Line (1) + Line (2)
- (4) Page 4
- (5) Line (3) + Line (5)
- (6) Per Company forecast
- (7) Line (5) ÷ Line (6), truncated after 5 decimal places

**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities**  
**Calculation of Interest on CY 2015 Incremental O&M Expense Below Base O&M Expense**

	Beginning Balance With Interest (a)	Estimated Recovery (b)	Ending Balance (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
January 2016	(\$323,768)		(\$323,768)	(\$323,768)	3.25%	(\$864)	(\$864)
February	(\$324,632)		(\$324,632)	(\$324,632)	3.25%	(\$866)	(\$1,730)
March	(\$325,499)		(\$325,499)	(\$325,499)	3.25%	(\$869)	(\$2,599)
April	(\$326,367)		(\$326,367)	(\$326,367)	3.25%	(\$871)	(\$3,470)
May	(\$327,238)	\$27,270	(\$299,969)	(\$313,603)	3.25%	(\$837)	(\$4,307)
June	(\$300,805)	\$25,067	(\$275,738)	(\$288,272)	3.25%	(\$769)	(\$5,076)
July	(\$276,508)	\$25,137	(\$251,371)	(\$263,939)	3.25%	(\$704)	(\$5,781)
August	(\$252,075)	\$25,208	(\$226,868)	(\$239,471)	3.25%	(\$639)	(\$6,420)
September	(\$227,507)	\$25,279	(\$202,228)	(\$214,867)	3.25%	(\$573)	(\$6,993)
October	(\$202,802)	\$25,350	(\$177,451)	(\$190,126)	3.25%	(\$507)	(\$7,501)
November	(\$177,959)	\$25,423	(\$152,536)	(\$165,247)	3.25%	(\$441)	(\$7,942)
December	(\$152,977)	\$25,496	(\$127,481)	(\$140,229)	3.25%	(\$374)	(\$8,316)
January 2017	(\$127,855)	\$25,571	(\$102,284)	(\$115,070)	3.25%	(\$307)	(\$8,623)
February	(\$102,591)	\$25,648	(\$76,943)	(\$89,767)	3.25%	(\$240)	(\$8,863)
March	(\$77,183)	\$25,728	(\$51,455)	(\$64,319)	3.25%	(\$172)	(\$9,034)
April	(\$51,627)	\$25,814	(\$25,813)	(\$38,720)	3.50%	(\$111)	(\$9,146)

- (a) January 2014 per Page 3, Line (3); all other months = prior month Column (c) + prior month Column (f)  
(b) Column (a) ÷ number of remaining months in recovery period  
(c) Column (a) + Column (b)  
(d) Average of Column (a) and Column (c)  
(e) Interest rate on customer deposits  
(f) Column (d) x [ (1 + Column (e)) ^ (1 ÷ 12) - 1 ]  
(g) Prior month Column (g) + Current month Column (f)

**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities  
REP/VMP Rate Design  
Procedure for Adjusting Distribution Rates for Capital Investment Allowance & Incremental O&M Expense  
Rates Effective May 1, 2016**

Rate Class	Distribution Rate Component	Current Base Distribution Charges (a)	Proposed Distribution % Increase/ % (Decrease) (b)	Proposed Base Distribution Charges (c)	Current Business Profits Surcharge (d)	Current Default Service Cost Reclassification Distribution Credit (e)	Proposed REP/VMP O&M Adjustment Factor (f)	Proposed Total Distribution Charges (g)
D	Customer Charge	\$11.79	0.79%	\$11.88				\$11.88
	1st 250 kWh	\$0.03185	0.79%	\$0.03210	\$0.00057	(\$0.00017)	\$0.00032	\$0.03282
	Excess 250 kWh	\$0.04784	0.79%	\$0.04821	\$0.00057	(\$0.00017)	\$0.00032	\$0.04893
	Off Peak kWh	\$0.03042	0.79%	\$0.03066	\$0.00057	(\$0.00017)	\$0.00032	\$0.03138
	Farm kWh	\$0.03984	0.79%	\$0.04015	\$0.00057	(\$0.00017)	\$0.00032	\$0.04087
	D-6 kWh	\$0.03176	0.79%	\$0.03201	\$0.00057	(\$0.00017)	\$0.00032	\$0.03273
	Interruptible Credit IC-1	(\$6.91)	0.79%	(\$6.96)				(\$6.96)
	Interruptible Credit IC-2	(\$9.88)	0.79%	(\$9.95)				(\$9.95)
D-10	Customer Charge	\$11.95	0.79%	\$12.04				\$12.04
	On Peak kWh	\$0.09007	0.79%	\$0.09078	\$0.00057	(\$0.00008)	\$0.00032	\$0.09159
	Off Peak kWh	\$0.00076	0.79%	\$0.00076	\$0.00057	(\$0.00008)	\$0.00032	\$0.00157
G-1	Customer Charge	\$324.09	0.79%	\$326.65				\$326.65
	Demand Charge	\$6.91	0.79%	\$6.96				\$6.96
	On Peak kWh	\$0.00389	0.79%	\$0.00392	\$0.00057	\$0.00000	\$0.00032	\$0.00481
	Off Peak kWh	\$0.00076	0.79%	\$0.00076	\$0.00057	\$0.00000	\$0.00032	\$0.00165
	Credit for High Voltage Delivery > 2.4 kv	(\$0.38)	0.79%	(\$0.38)				(\$0.38)
G-2	Customer Charge	\$54.05	0.79%	\$54.47				\$54.47
	Demand Charge	\$6.96	0.79%	\$7.01				\$7.01
	All kWh	\$0.00116	0.79%	\$0.00116	\$0.00057	\$0.00000	\$0.00032	\$0.00205
	Credit for High Voltage Delivery > 2.4 kv	(\$0.38)	0.79%	(\$0.38)				(\$0.38)
G-3	Customer Charge	\$11.70	0.79%	\$11.79				\$11.79
	All kWh	\$0.03958	0.79%	\$0.03989	\$0.00057	(\$0.00017)	\$0.00032	\$0.04061
	Minimum Charge > 25 kVA	\$2.52	0.79%	\$2.53				\$2.53
M	Luminaire Charge							
	<u>Description</u>							
	LUM INC RWY 103W	\$104.48	0.79%	\$105.30				\$105.30
	LUM MV RWY 100W	\$75.61	0.79%	\$76.20				\$76.20
	LUM MV RWY 175W	\$91.95	0.79%	\$92.67				\$92.67
	LUM MV RWY 400W	\$173.92	0.79%	\$175.29				\$175.29
	LUM MV RWY 1000W	\$330.00	0.79%	\$332.60				\$332.60
	LUM MV FLD 400W	\$192.34	0.79%	\$193.85				\$193.85
	LUM MV FLD 1000W	\$332.14	0.79%	\$334.76				\$334.76
	LUM HPS RWY 50W	\$78.26	0.79%	\$78.87				\$78.87
	LUM HPS RWY 100W	\$94.89	0.79%	\$95.63				\$95.63
	LUM HPS RWY 250W	\$166.63	0.79%	\$167.94				\$167.94
	LUM HPS RWY 400W	\$217.12	0.79%	\$218.83				\$218.83
	LUM HPS FLD 250W	\$168.11	0.79%	\$169.43				\$169.43
	LUM HPS FLD 400W	\$232.07	0.79%	\$233.90				\$233.90
	LUM HPS POST 100W	\$109.28	0.79%	\$110.14				\$110.14
	Pole and Accessory Charge							
	<u>Description</u>							
	POLE – WOOD	\$92.22	0.79%	\$92.94				\$92.94
	POLE FIBER PT <25FT	\$95.50	0.79%	\$96.25				\$96.25
	POLE FIBER RWY <25FT	\$161.99	0.79%	\$163.26				\$163.26
	POLE FIBER RWY =>25	\$270.63	0.79%	\$272.76				\$272.76
	POLE METAL EMBEDDED	\$193.16	0.79%	\$194.68				\$194.68
	POLE METAL =>25FT	\$232.75	0.79%	\$234.58				\$234.58
	All kWh	\$0.00000	0.79%	\$0.00000	\$0.00057	\$0.00000	\$0.00032	\$0.00089
T	Customer Charge	\$11.92	0.79%	\$12.01				\$12.01
	All kWh	\$0.03511	0.79%	\$0.03538	\$0.00057	(\$0.00007)	\$0.00032	\$0.03620
	Interruptible Credit IC-1	(\$6.91)	0.79%	(\$6.96)				(\$6.96)
	Interruptible Credit IC-2	(\$9.88)	0.79%	(\$9.95)				(\$9.95)
V	Minimum Charge	\$11.74	0.79%	\$11.83				\$11.83
	All kWh	\$0.04052	0.79%	\$0.04084	\$0.00057	(\$0.00009)	\$0.00032	\$0.04164

- (a) Per currently effective tariffs
- (b) REP/VMP adjustment increase divided by the annual revenue per DE 15-087 of \$35,523,239
- (c) Column (a) x (1+Column (b))
- (d) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01
- (e) Per Default Service Cost Reclassification Adjustment Provision
- (f) Page 2, Line (7)
- (g) Column (c) + Column (d) + Column (e) + Column (f)

**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities  
Reconciliation of Refund of FY 2014 O&M Expense**

	Beginning Balance Refund With Interest (a)	Revenues (b)	Refund (c)	Ending Balance Refund (d)	Balance Subject to Interest (e)	Effective Interest Rate (f)	Interest (g)	Cumulative Interest (h)
May 2014	\$178,351	57,033,130	(\$9,696)	\$168,655	\$173,503	3.25%	\$463	\$463
June	\$169,118	110,263,603	(\$18,745)	\$150,374	\$159,746	3.25%	\$426	\$889
July	\$150,800	82,616,869	(\$14,045)	\$136,755	\$143,778	3.25%	\$384	\$1,273
August	\$137,139	87,401,647	(\$14,858)	\$122,280	\$129,710	3.25%	\$346	\$1,619
September	\$122,627	82,570,434	(\$14,037)	\$108,590	\$115,608	3.25%	\$309	\$1,928
October	\$108,898	71,981,746	(\$12,237)	\$96,661	\$102,780	3.25%	\$274	\$2,202
November	\$96,936	62,404,131	(\$10,609)	\$86,327	\$91,631	3.25%	\$245	\$2,447
December	\$86,571	77,760,896	(\$13,219)	\$73,352	\$79,962	3.25%	\$213	\$2,660
January 2015	\$73,566	79,203,232	(\$13,465)	\$60,101	\$66,833	3.25%	\$178	\$2,838
February	\$60,279	73,627,678	(\$12,517)	\$47,763	\$54,021	3.25%	\$144	\$2,983
* March	\$47,907	77,664,261	(\$13,203)	\$34,704	\$41,305	3.25%	\$110	\$3,093
* April	\$34,814	73,413,970	(\$12,480)	\$22,334	\$28,574	3.50%	\$82	\$3,175
			Total refund:	(\$159,110)				
			Remaining Refund:	-\$22,416				

- (a) Schedule HMT-2, page 3, Docket DE 15-087
- (b) Company Billing Reports
- (c) Column (b) x rate
- (d) Column (a) + Column (b)
- (e) Average of Column (a) and Column (d)
- (f) Interest rate on customer deposits
- (g) Column (e) x [ ( 1 + Column (f) ) ^ ( 1 ÷ 12 ) - 1 ]
- (h) Prior month Column (h) + Current month Column (g)
- \* Kilowatt-hours are estimated

**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities  
Residential Bill Impact  
Rates Effective May 1, 2016**

Usage	650 kWh				
		Current Rates	Proposed Rates	Current Bill	Proposed Bill
Customer Charge		\$11.79	\$11.88	\$11.79	\$11.88
Distribution Charge					
1st 250 kWh		\$0.03208	\$0.03282	\$8.02	\$8.21
excess of 250 kWh		\$0.04807	\$0.04893	\$19.23	\$19.57
Storm Recovery Adjustment		\$0.00000	\$0.00000	\$0.00	\$0.00
Transmission Charge		\$0.03557	\$0.03557	\$23.12	\$23.12
Stranded Cost Charge		-\$0.00150	-\$0.00150	-\$0.98	-\$0.98
System Benefits Charge		\$0.00330	\$0.00330	\$2.15	\$2.15
Electricity Consumption Tax		\$0.00055	\$0.00055	<u>\$0.36</u>	<u>\$0.36</u>
Subtotal Retail Delivery Services				\$63.69	\$64.31
Default Service Charge		\$0.09221	\$0.09221	<u>\$59.94</u>	<u>\$59.94</u>
Total Bill				\$123.62	\$124.24
<hr/>					
<b>\$ increase in 650 kWh Total Residential Bill</b>				<b>\$0.62</b>	
<b>% increase in 650 kWh Total Residential Bill</b>				<b>0.50%</b>	
<hr/>					