

## NEW HAMPSHIRE GRADE 3 LEAK RECLASSIFICATION ANALYSIS

Updated Estimate 02-13-2013

Historical Repair History O&M - Capital							
Leak Repairs	Calendar 2009	Calendar 2010	Calendar 2011	Calendar 2012	2 Year Average	OPEX/CAPEX ALLOCATION	12 MONTH ROLLING UNIT COST (\$)
O&M	415	435	390	359	375	82%	\$1,912
Capital	111	110	94	70	82	18%	\$5,866
	526	545	484	429	457	100%	
<b>Annual # Gr 3 RECEIPTS</b>	<b>50</b>	<b>48</b>	<b>82</b>	<b>48</b>	<b>65</b>		

REVISED COST FOR GRADE 3 BACKLOG RECLASSIFICATION							INCREMENTAL COST FOR NEW GR 3 RECEIPTS			
GRADE 3 BACKLOG			ALLOCATION		COST		ALLOCATION		COST	
LEAK_READING2	Total	ALLOC %	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL
< 2 %	82	10%	67	15	\$128,621	\$86,403	5	1	\$10,477	\$7,038
>=2 %	716	90%	587	129	\$1,123,083	\$754,446	48	10	\$91,479	\$61,452
<b>3 Total</b>	<b>798</b>	<b>100%</b>	<b>655</b>	<b>143</b>	<b>\$1,251,705</b>	<b>\$840,849</b>	<b>53</b>	<b>12</b>	<b>\$101,956</b>	<b>\$68,490</b>
<b>TOTAL COST of REPAIRING &gt;2% (INCLUDES NO READINGS)</b>					<b>\$1,123,083</b>	<b>\$754,446</b>			<b>\$91,479</b>	<b>\$61,452</b>

Cost Assumptions Leak Rechecks & Retraining of Field Employees to Classify Leaks					
Issue	Units	Hours/unit	Total Hrs	\$/Hour (1.5)	Total Estimated Cost
Grade 3 Rechecks Cost per Cycle	798	2	1596	\$ 75	\$ 119,700
Grade 2 Rechecks Cost per Cycle					
JAN	35	2	70	\$ 75	\$ 5,250
FEB	67	2	134	\$ 75	\$ 10,050
MAR	128	2	256	\$ 75	\$ 19,200
APR	109	2	218	\$ 75	\$ 16,350
MAY	81	2	162	\$ 75	\$ 12,150
JUN	48	2	96	\$ 75	\$ 7,200
JUL	22	2	44	\$ 75	\$ 3,300
AUG	6	2	12	\$ 75	\$ 900
SEP	1	2	2	\$ 75	\$ 150
OCT	2	2	4	\$ 75	\$ 300
NOV	0	2	0	\$ 75	\$ -
DEC	0	2	0	\$ 75	\$ -
<b>subtotal</b>	<b>499</b>		<b>998</b>		<b>\$ 74,850</b>
Retraining of Field Operations group employees	90	16	1440	\$ 50	\$ 72,000

Note: (Hours/ unit includes all man hours based on typical crew size)

<b>Total One Time Opex Expense</b>	<b>\$ 1,195,083</b>
Note: One Time Opex expense contained an overtime blend, which is conservative, estimated repairs will be completed at a higher overtime percentage.	

<b>Total Incremental Opex</b>	<b>\$ 286,029</b>
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