



Liberty Utilities™

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STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DE 14-086

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Calendar Year Stub 2013 Reliability Enhancement Plan and
Vegetation Management Plan
Report and Reconciliation Filing

SECOND REVISED - DIRECT TESTIMONY

OF

DAVID B. SIMEK

May 127, 2014

037R2

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SCHEDULES

Schedule DBS-1:	REP/VMP Revenue Requirement
Schedule DBS-2:	REP/VMP Rate Design
Schedule DBS-3:	Reconciliation of Recovery of FY 2012 Incremental O&M Expense Below Base O&M Expense and FY 2013 Incremental O&M Expense Below Base O&M Expense
Schedule DBS-4:	Typical Bill Impacts
Schedule DBS-5:	Revised Tariff Pages

I. INTRODUCTION

Q. Please state your name and business addresses.

A. My name is David B. Simek. My business address is 11 Northeastern Boulevard, Salem, NH 03079.

Q. Please state your position?

A. I am a Utility Analyst for Liberty Energy Utilities (New Hampshire) Corp. ("Liberty Energy NH") which is the sole shareholder of Liberty Utilities (Granite State Electric) Corp. ("Granite State" or the "Company") and provides services to Granite State. I am responsible for providing rate-related services for the Company.

Q. Please briefly describe your educational background and training.

A. I graduated from Ferris State University in 1993 with a Bachelor of Science in Finance. I received a Master's of Science in Finance from Walsh College in 2000. I also received a Master of Business Administration from Walsh College in 2001. In 2006, I earned a Graduate Certificate in Power Systems Management from Worcester Polytechnic Institute.

Q. What is your professional background?

A. In August of 2013, I joined Liberty Energy NH as a Utility Analyst. Prior to my employment at Liberty Energy NH, I was employed by NSTAR Electric & Gas

1 ("NSTAR") as a Senior Analyst in Energy Supply from 2008 to 2012. Prior to my
2 position in Energy Supply at NSTAR, I was a Senior Financial Analyst within the
3 NSTAR Investment Planning group from 2004 to 2008.
4

5 **Q. Have you previously testified or participated in proceedings before the**
6 **Commission?**

7 A. Yes. I recently provided written and oral testimony before the Commission in Dockets
8 DE 13-327 and DE 14-013.
9

10 **II. PURPOSE OF TESTIMONY**

11 **Q. On whose behalf are you sponsoring this testimony?**

12 A. I am sponsoring this testimony on behalf of Granite State.
13

14 **Q. What is the purpose of your testimony?**

15 A. This testimony supports Granite State's request for Commission approval to recover the
16 incremental operating and maintenance ("O&M") and capital investment allowance
17 expense associated with the Reliability Enhancement Program ("REP") and Vegetation
18 Management Program ("VMP") and implemented during calendar year stub 2013 ("CYS
19 2013"). The details of the Company's REP/VMP activities are described further in the
20 Company's CYS 2013 REP and VMP Report ("CYS 2013 REP/VMP Report") included
21 in this filing.

Specifically, the Company seeks Commission approval for a refund to customers \$~~315,000~~^{252,627} commencing June 1, 2014 based on the following four components.

First, the Company seeks to refund customers \$275,840 through the REP/VMP Adjustment Factor (plus interest), which is the amount of incremental O&M expense incurred in CYS 2013 below the base pro-rated O&M amount of \$1,020,000, after reimbursements of \$311,701 from FairPoint Communications ("FairPoint"), as discussed later in my testimony. Second, the Company seeks to refund \$5,767 to customers through the REP/VMP Adjustment Factor (plus interest), which is the final over collection balance related to the REP/VMP Adjustment Factor which was in effect July 1, 2012 through June 30, 2013. Third, the Company seeks to recover a REP Capital Investment Allowance of \$~~24,999~~^{37,374}, which is the difference in the cumulative revenue requirement for the program since inception including the \$416,755 of capital investment for CYS 2013. Finally, the Company seeks to refund the carrying charge to customers on the interest-bearing items above which is \$8,394.

Q. Are there any schedules accompanying your testimony?

A. Yes, there are. Attached to my testimony are the following schedules:

Schedule DBS-1	REP/VMP Revenue Requirement
Schedule DBS-2	REP/VMP Rate Design
Schedule DBS-3	Reconciliation of Recovery of FY 2012 Incremental O&M Expense Below Base O&M Expense and FY 2013

Incremental O&M Expense Below Base O&M Expense

Schedule DBS-4 Typical Bill Impacts

Schedule DBS-5 Revised Tariff Pages

III. SCHEDULE SUMMARY

Q. Would you please summarize Schedule DBS-1 to your testimony?

A. Yes. Schedule DBS-1 provides the data supporting the REP/VMP Adjustment, REP Capital Investment Allowance, and net increase in annual distribution rates proposed in this reconciliation filing. In particular, Schedule DBS-1, Page 1 provides a summary of estimated rate adjustments for the Incremental VMP/REP O&M spend and REP capital investment allowance. The amounts in columns (a) through (f) represent actual data for the fiscal years 2008 through 2013. Column (g) is actual data for the CYS 2013 and the basis for the rate adjustment on June 1, 2014 and shows the Company's net change of recovery from the prior year.

In summary, for CYS 2013, the Company is proposing a net decrease to its annual distribution rates of ~~\$212,922,200,546~~ commencing June 1, 2014. This decrease in rates is composed of the following: (i) ~~(\$198,761,486,385)~~, as shown on Page 1, Column (g), Line 9; (ii) less a refund of \$5,767, as shown on Schedule DBS-2, Page 3, Line 2; and (iii) less interest of \$8,394, as shown on Schedule DBS-2, Page 3, Line 4. This resulting amount is the proposed rate adjustment effective for usage on and after June 1, 2014

1 associated with the REP Capital Investment Allowance and the REP/VMP Adjustment
2 Provision.

3 **IV. INCREMENTAL REP/VMP O&M EXPENSE**

4 **Q. Is the Company's request to recover/refund the incremental REP/VMP O&M**
5 **expense incurred during CYS 2013 consistent with the Secretarial Letter issued on**
6 **April 3, 2013 in Docket No. DE 13-039?**

7 A. Yes. On January 30, 2013, the Company requested Commission approval of its proposed
8 REP/VMP for CYS 2013. The Commission, via Secretarial Letter, authorized a base
9 O&M expense amount of \$1,360,000 (pro-rated for CYS 2013 to \$1,020,000), and
10 required that actual expenses incurred by the Company in implementing the O&M
11 components of the REP/VMP Plan would be reconciled to the base O&M amount of
12 \$1,020,000 and subject to the REP/VMP Adjustment Provision in the Company's tariff.
13 This reconciliation is in column (f) on Schedule DBS-1, Page 2.

14
15 For CYS 2013, the Company's total O&M budget of \$1,238,200, as shown on Page 2,
16 Line 3, reflects \$67,000 for REP-related O&M and \$1,171,200 for VMP-related O&M.
17 As indicated in the CYS 2013 REP/VMP Report and shown on Schedule DBS-1, Page 2,
18 Line 1, the Company actually incurred \$1,055,861 in REP/VMP O&M expenses during
19 CYS 2013. This is \$35,861 greater than the base rate recovery amount of \$1,020,000
20 reflected in rates. Offsetting the CYS 2013 spending is \$311,701 in reimbursements
21 from FairPoint related to its share of vegetation management expenses initially incurred

1 by the Company and then billed to FairPoint, which are being passed back to customers
2 on Schedule DBS-1, Page 2, Line 11. The Company is therefore seeking recovery of the
3 total O&M spending, net of FairPoint reimbursements, or \$744,160, as shown on
4 Schedule DBS-1, Page 2, Line 15. This incremental O&M expense is below the base
5 recovery amount of \$1,020,000 reflected in rates, resulting in a net O&M credit for
6 CYS 2013 of \$275,840 on Schedule DBS-1, Page 2, Line 13, which the Company
7 proposes to refund to customers.
8

9 **V. REP CAPITAL INVESTMENT ALLOWANCE**

10 **Q. Is the calculation of the CYS 2013 REP Capital Investment Allowance included in**
11 **the Company's proposal consistent with prior filings?**

12 A. Yes, it is. The Company is proposing to recover the net incremental revenue requirement
13 of \$24,999,374, which is the difference in the cumulative revenue requirement for
14 program inception including the \$416,755 of capital investment for CYS 2013.
15

16 **Q. Did the Company update or change any component(s) of the revenue requirement**
17 **calculation?**

18 A. Yes. The Company updated the composite depreciation rate and the property tax rate to
19 reflect the actual data for calendar year 2013 ("CY 2013"). These new rates are included
20 in the calculations shown in column (g) on Schedule DBS-1, page 3, Lines 4 and 51,
21 respectively. The Company has also updated the pre-tax rate of return to reflect the

imputed capital structure authorized in the Rate Case Settlement Agreement Order No. 25,638 in Docket DE 13-063. The new rate is in column (g) on Schedule DBS-1, page 3, Line 48. The Company has also updated the adjustment related to the capital repairs tax deduction and bonus depreciation in the tax depreciation calculations and supporting pages.

Q. How has the Company determined the capital investment amount included in the REP Capital Investment Allowance revenue requirement calculation contained on Schedule DBS-1.

A. As indicated in the CYS 2013 REP/VMP Report, the Company invested \$416,755 in REP capital investments in CYS 2013. Therefore, the Company is basing the revenue requirement calculation on the \$416,755 of actual capital investment for CYS 2013.

Q. Please explain the revenue requirement calculation contained on Page 3 of Schedule DBS-1.

A. Lines 1 through 44 calculate the rate base upon which the Company's return allowance is calculated. As shown on Line 1 in column (g), the CYS 2013 REP program spend is \$416,755, as previously discussed, resulting in the cumulative amount of \$4,297,988, as shown on Line 2 of that same column. Lines 4 through 38 calculate the deferred tax reserve based on the cumulative depreciation expense timing difference between book and tax depreciation expense for federal and state income taxes. The cumulative

book/tax timing difference for federal tax is \$2,308,906 as shown on Line 32 and for state tax is \$1,241,561 as shown on Line 35. The cumulative deferred tax reserve for each tax jurisdiction equals the cumulative book/tax timing difference times the effective jurisdictional tax rate. The total deferred tax reserve is \$890,561 as shown on Line 38. The composite book depreciation rate is 3.72% based on actual data for CY 2013.

Q. Please describe the calculation of tax depreciation expense that underlies the calculation the deferred tax reserve described above.

A. Tax depreciation expense for federal and state taxes for each year is comprised of three components: (1) a capital repairs tax deduction; (2) bonus depreciation for federal tax only; and (3) accelerated depreciation based on the Internal Revenue Service's ("IRS") Modified Accelerated Cost-Recovery System ("MACRS") rates for 20-year utility property. In addition, a correction to the FY 2012 one-time true-up related to an update of the inclusion of the capital repairs tax deduction and bonus depreciation for fiscal years 2008 through 2011 and the inclusion of an FY 2013 one-time true-up to capture these same effects for fiscal year 2012 were also made.

The calculation of the components of tax depreciation expense described above for each year is shown on Pages 4 and 10 of Schedule DBS-1.

The capital repairs deduction component of tax depreciation is shown on Lines 1

1 through 4 of Pages 4 through 10. During 2009, the IRS issued guidance under Internal
2 Revenue Code (“IRC”) Section 162 related to certain expenditures that could be deemed
3 to be repair and maintenance expenses, and thus eligible for immediate tax deduction for
4 income tax purposes, but were capitalized by the Company for book purposes. This tax
5 deduction has the effect of increasing deferred taxes and lowering the revenue
6 requirement that customers will pay under the REP. The percentage of REP capital
7 expenditures that could be classified as repair expense varies by year. For example,
8 thirty-one percent (31%) of REP capital work performed during FY 2013 was eligible for
9 the capital repairs deduction, as shown on Line 3 of Page 9 and zero percent (0.0%) of
10 REP capital work performed during CYS 2013 was eligible for the capital repairs
11 deduction, as shown on Line 3 of Page 10.

12
13 Bonus depreciation for federal tax purposes is then calculated on the REP capital
14 additions, net of additions subject to the capital repairs deduction. During 2008,
15 Congress passed the Economic Stimulus Act of 2008 which established a 50 percent
16 bonus depreciation deduction for certain eligible plant additions. Congress has passed
17 further laws that have extended and changed the bonus depreciation rate at different
18 periods of time. The bonus depreciation deduction rate is 100 percent for capital
19 additions eligible for bonus depreciation for the period April 1, 2011 to December 31,
20 2011, while that rate is 50 percent for capital additions during CY 2012 and CY 2013.
21 The calculation of bonus depreciation expense is shown in the like named section of

Pages 4 through 10.

For federal tax purposes, any capital additions not subject to the capital repairs deduction or bonus depreciation are then subject to 20 Year MACRS depreciation rates as shown in the Remaining Tax Depreciation (Federal) section of Pages 4 through 10. For state tax purposes, any capital additions not subject to the capital repairs deduction are then subject to 20 Year MACRS depreciation rates as shown in the Remaining Tax Depreciation (State) section of Pages 4 through 10. Total tax depreciation for federal and state taxes is shown on the last two lines of Pages 4 through 10. In addition, on Pages 8 and 9, Lines 42 through 45, is the FY 2012 and FY 2013 Safe Harbor True Up for federal and state tax depreciation.

Q. What are the FY 2012 and FY 2013 Safe Harbor True Ups and how were they determined?

A. During 2011, the IRS issued Rev. Proc. 2011-43, which provided a safe harbor method of accounting that taxpayers may use to determine whether expenditures to maintain, replace, or improve electric transmission and distribution property must be capitalized under IRC Section 263(a) or deducted as a repair expense under IRC Section 162. Rev. Proc. 2011-43 in effect clarified the 2009 guidance on the capital repairs deduction, among other things, and provided a prescribed accounting method for taxpayers to determine the deduction in a manner that the IRS would not challenge in a subsequent

audit.

The FY 2012 Safe Harbor True Up adjustments for federal and state taxes shown on Lines 42 through 45 of Page 8 represents the comparison of tax depreciation including capital repairs deductions actually taken on REP capital investment during FY 2008 through FY 2011 as compared to tax depreciation including capital repairs deductions for those years at the updated FY 2012-13 rate of 31%, as calculated on Page 11 of Schedule DBS-1. The FY 2013 Safe Harbor True Up adjustments on Lines 42 through 45 of Page 9 were calculated in like fashion. The Safe Harbor True Up adjustments are applied to the previously determined federal and state tax depreciation to derive the net FY 2012 and FY 2013 tax depreciation, which is carried forward to Lines 10 and 11 (Federal), and Lines 21 and 22 (State), columns (e) and (f) on Page 3 of Schedule DBS-1.

Q. Please describe the remainder of the revenue requirement calculation on Page 3 of Schedule DBS-1.

A. The Company's year-end net rate base of \$2,749,272, upon which the Company's return allowance is calculated, is shown on Line 44 and consists of the cumulative REP capital investment through CYS 2013, or \$4,297,988, less accumulated book depreciation of \$658,155 and accumulated deferred tax reserves of \$890,561, as shown on Lines 41 through 43, respectively.

The return on the REP capital investment for each rate adjustment is based on the prior year-end rate base times the Company's currently approved pre-tax weighted average cost of capital as shown on Lines 69 through 73 of Page 3 of Schedule DBS-1, or 11.51 percent. The resulting return equals the fiscal year-end rate base of \$2,749,272 times the pre-tax return rate of 11.36 percent, or \$312,413, as shown on Line 49. Annual depreciation expense of \$119,933 and property taxes of ~~\$137,586~~^{\$149,964}, on Lines 50 and 51, respectively, are added to the return amount to arrive at the total revenue requirement of ~~\$569,932~~^{\$582,307} on Line 52. The property tax amount is based on the actual ratio of municipal tax expense to net plant in service for CY 2013 applied to the year-end net plant in service, or the sum of Lines 41 and 42.

Q. What is the amount of the incremental revenue requirement for CYS 2013 REP capital investment?

A. The incremental CYS 2013 revenue requirement amount of \$37,374 is equal to the cumulative revenue requirement less the previous year's cumulative revenue requirement and shown on Line 58 in column (h).

VI. RATE DESIGN AND RECONCILIATION

Q. Is the procedure for adjusting distribution rates for the REP Capital Investment Allowance and REP/VMP Adjustment Provision consistent with previous filings?

A. Yes. The rate design in Schedule DBS-2 of my testimony is consistent prior procedures

used to adjust base distribution rates associated with the REP Capital Investment Allowance in the Company's prior REP/VMP reconciliation filings.

Q. Please describe the procedure for adjusting distribution rates for the REP Capital Investment Allowance.

A. The procedure for adjusting distribution rates is in Schedule DBS-2. Page 1 of Schedule DBS-2, the Company simply divides the capital investment allowance related to the REP on Line 1 by the forecasted annual distribution revenue for the twelve month period ended May 31, 2015 on Line 2 to calculate the percentage increase on Line 3 which is then applied to each of the Company's base distribution charge components. The calculation of the forecasted annual distribution revenue is on Page 2 of Schedule DBS-2.

Q. Please describe the procedure for calculating the REP/VMP O&M Adjustment Factor.

A. The procedure for calculating the REP/VMP O&M Adjustment Factor is also in Schedule DBS-2. As presented on Page 3 of Schedule DBS-2, the Company first adds the incremental O&M expense above Base O&M expense for CYS 2013 of (\$275,840) and the final balance of (\$5,767) related to the REP/VMP Adjustment Factor which was designed to recover FY 2012 Incremental O&M expense. Next, the Company simply divides this sum, including interest, on Line 5, by the Company's estimated kWh deliveries for the twelve month period ended May 31, 2015 on Line 6 to calculate the

adjustment factor of (\$0.00030) on Line 7 which is then applied to all kWh's billed to customers. The calculation of interest is on Page 4 of Schedule DBS-2. The calculation of the new base distribution rates is on Page 5 of Schedule DBS-2.

Q. Has the Company included a reconciliation of the REP/VMP O&M Adjustment Factor which was in effect July 1, 2012 through June 30, 2013?

A. Yes. This reconciliation is only associated with the recovery (or refund) of approved incremental O&M expense. This reconciliation is on Page 1 of Schedule DBS-3. Of the \$339,699 of FY 2012 incremental O&M expense below base O&M expense to be refunded through the REP/VMP Adjustment Factor, \$342,452 was refunded through June 2013, resulting in an under refund. The Company is proposing to refund the balance of \$5,767 through the REP/VMP Adjustment Factor proposed effective June 1, 2014.

Q. Has the Company included a reconciliation of the existing REP/VMP O&M Adjustment Factor for the prior year?

A. Yes. This reconciliation is only associated with the recovery (or refund) of approved incremental O&M expense. This reconciliation is on Page 2 of Schedule DBS-3. Of the \$100,074 of FY 2013 O&M expense below base O&M expense to be refunded through the currently effective REP/VMP Adjustment Credit Factor, \$70,758 has been refunded through February 2014. Any remaining balance after the end of the recovery period, positive or negative, will be reflected as an adjustment in the calculation of a future

proposed REP/VMP Adjustment Factor.

VII. EFFECTIVE DATE, BILL IMPACT, AND TARIFF PAGES

Q. How and when is the Company proposing that these rate changes be implemented?

A. The Company is proposing that these distribution rate changes be made effective for service rendered on and after June 1, 2014.

Q. Has the Company determined the impact of these rate changes on customer bills?

A. Yes. These bill impacts are included as Schedule DBS-4. Schedule DBS-4, Page 1, shows that for a typical residential 500 kilowatt-hour Energy Service customer, the bill impact of the rates proposed for June 1, 2014, as compared to rates in effect today, is a bill decrease of \$0.1007, or 0.1 percent, from \$85.11 to \$85.014. In addition, a bill comparison for an Energy Service residential customer with an average kilowatt-hour usage of 679, which is the average monthly usage over the 12 months ending February 2014, has also been included on Page 1 of Schedule DBS-4. For an Energy Service residential customer using 679 kWh, the total bill impact of the rates proposed in this filing, as compared to rates in effect today, is a bill decrease of \$0.1209, or 0.1 percent, from \$112.75 to \$112.636. For other customers, decreases range from 0.1 percent to 0.2 percent.

1 **Q. Has the Company prepared revised tariff pages reflecting the proposed rates?**

2 A. Yes. The revised tariff pages are set forth in Schedule DBS-5.

3

4 **VIII. CONCLUSION**

5 **Q. Does this conclude your testimony?**

6 A. Yes, it does.



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SCHEDULES

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A. My name is David B. Simek. My business address is 11 Northeastern Boulevard, Salem, NH 03079.

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17 expense associated with the Reliability Enhancement Program (“REP”) and Vegetation
18 Management Program (“VMP”) and implemented during calendar year stub 2013 (“CYS
19 2013”). The details of the Company’s REP/VMP activities are described further in the
20 Company’s CYS 2013 REP and VMP Report (“CYS 2013 REP/VMP Report”) included
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Specifically, the Company seeks Commission approval for a refund to customers \$315,000 commencing June 1, 2014 based on the following four components. First, the Company seeks to refund customers \$275,840 through the REP/VMP Adjustment Factor (plus interest), which is the amount of incremental O&M expense incurred in CYS 2013 below the base pro-rated O&M amount of \$1,020,000, after reimbursements of \$311,701 from FairPoint Communications ("FairPoint"), as discussed later in my testimony. Second, the Company seeks to refund \$5,767 to customers through the REP/VMP Adjustment Factor (plus interest), which is the final over collection balance related to the REP/VMP Adjustment Factor which was in effect July 1, 2012 through June 30, 2013. Third, the Company seeks to recover a REP Capital Investment Allowance of \$24,999, which is the difference in the cumulative revenue requirement for the program since inception including the \$416,755 of capital investment for CYS 2013. Finally, the Company seeks to refund the carrying charge to customers on the interest-bearing items above which is \$8,394.

Q. Are there any schedules accompanying your testimony?

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III. SCHEDULE SUMMARY

Q. Would you please summarize Schedule DBS-1 to your testimony?

A. Yes. Schedule DBS-1 provides the data supporting the REP/VMP Adjustment, REP Capital Investment Allowance, and net increase in annual distribution rates proposed in this reconciliation filing. In particular, Schedule DBS-1, Page 1 provides a summary of estimated rate adjustments for the Incremental VMP/REP O&M spend and REP capital investment allowance. The amounts in columns (a) through (f) represent actual data for the fiscal years 2008 through 2013. Column (g) is actual data for the CYS 2013 and the basis for the rate adjustment on June 1, 2014 and shows the Company's net change of recovery from the prior year.

In summary, for CYS 2013, the Company is proposing a net decrease to its annual distribution rates of \$212,922 commencing June 1, 2014. This decrease in rates is composed of the following: (i) (\$198,761), as shown on Page 1, Column (g), Line 9; (ii) less a refund of \$5,767, as shown on Schedule DBS-2, Page 3, Line 2; and (iii) less interest of \$8,394, as shown on Schedule DBS-2, Page 3, Line 4. This resulting amount is the proposed rate adjustment effective for usage on and after June 1, 2014 associated

with the REP Capital Investment Allowance and the REP/VMP Adjustment Provision.

IV. INCREMENTAL REP/VMP O&M EXPENSE

Q. Is the Company's request to recover/refund the incremental REP/VMP O&M expense incurred during CYS 2013 consistent with the Secretarial Letter issued on April 3, 2013 in Docket No. DE 13-039?

A. Yes. On January 30, 2013, the Company requested Commission approval of its proposed REP/VMP for CYS 2013. The Commission, via Secretarial Letter, authorized a base O&M expense amount of \$1,360,000 (pro-rated for CYS 2013 to \$1,020,000), and required that actual expenses incurred by the Company in implementing the O&M components of the REP/VMP Plan would be reconciled to the base O&M amount of \$1,020,000 and subject to the REP/VMP Adjustment Provision in the Company's tariff. This reconciliation is in column (f) on Schedule DBS-1, Page 2.

For CYS 2013, the Company's total O&M budget of \$1,238,200, as shown on Page 2, Line 3, reflects \$67,000 for REP-related O&M and \$1,171,200 for VMP-related O&M. As indicated in the CYS 2013 REP/VMP Report and shown on Schedule DBS-1, Page 2, Line 1, the Company actually incurred \$1,055,861 in REP/VMP O&M expenses during CYS 2013. This is \$35,861 greater than the base rate recovery amount of \$1,020,000 reflected in rates. Offsetting the CYS 2013 spending is \$311,701 in reimbursements from FairPoint related to its share of vegetation management expenses initially incurred by the Company and then billed to FairPoint, which are being passed back to customers

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2 total O&M spending, net of FairPoint reimbursements, or \$744,160, as shown on
3 Schedule DBS-1, Page 2, Line 15. This incremental O&M expense is below the base
4 recovery amount of \$1,020,000 reflected in rates, resulting in a net O&M credit for
5 CYS 2013 of \$275,840 on Schedule DBS-1, Page 2, Line 13, which the Company
6 proposes to refund to customers.
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8 **V. REP CAPITAL INVESTMENT ALLOWANCE**

9 **Q. Is the calculation of the CYS 2013 REP Capital Investment Allowance included in**
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12 of \$24,999, which is the difference in the cumulative revenue requirement for program
13 inception including the \$416,755 of capital investment for CYS 2013.
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16 **calculation?**

17 A. Yes. The Company updated the composite depreciation rate and the property tax rate to
18 reflect the actual data for calendar year 2013 ("CY 2013"). These new rates are included
19 in the calculations shown in column (g) on Schedule DBS-1, page 3, Lines 4 and 51,
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21 imputed capital structure authorized in the Rate Case Settlement Agreement Order No.

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6 **Q. How has the Company determined the capital investment amount included in the**
7 **REP Capital Investment Allowance revenue requirement calculation contained on**
8 **Schedule DBS-1.**

9 A. As indicated in the CYS 2013 REP/VMP Report, the Company invested \$416,755 in
10 REP capital investments in CYS 2013. Therefore, the Company is basing the revenue
11 requirement calculation on the \$416,755 of actual capital investment for CYS 2013.

12
13 **Q. Please explain the revenue requirement calculation contained on Page 3 of Schedule**
14 **DBS-1.**

15 A. Lines 1 through 44 calculate the rate base upon which the Company's return allowance is
16 calculated. As shown on Line 1 in column (g), the CYS 2013 REP program spend is
17 \$416,755, as previously discussed, resulting in the cumulative amount of \$4,297,988, as
18 shown on Line 2 of that same column. Lines 4 through 38 calculate the deferred tax
19 reserve based on the cumulative depreciation expense timing difference between book
20 and tax depreciation expense for federal and state income taxes. The cumulative
21 book/tax timing difference for federal tax is \$2,308,906 as shown on Line 32 and for state

1 tax is \$1,241,561 as shown on Line 35. The cumulative deferred tax reserve for each tax
2 jurisdiction equals the cumulative book/tax timing difference times the effective
3 jurisdictional tax rate. The total deferred tax reserve is \$890,561 as shown on Line 38.
4 The composite book depreciation rate is 3.72% based on actual data for CY 2013.
5

6 **Q. Please describe the calculation of tax depreciation expense that underlies the**
7 **calculation the deferred tax reserve described above.**

8 A. Tax depreciation expense for federal and state taxes for each year is comprised of three
9 components: (1) a capital repairs tax deduction; (2) bonus depreciation for federal tax
10 only; and (3) accelerated depreciation based on the Internal Revenue Service's ("IRS")
11 Modified Accelerated Cost-Recovery System ("MACRS") rates for 20-year utility
12 property. In addition, a correction to the FY 2012 one-time true-up related to an update
13 of the inclusion of the capital repairs tax deduction and bonus depreciation for fiscal
14 years 2008 through 2011 and the inclusion of an FY 2013 one-time true-up to capture
15 these same effects for fiscal year 2012 were also made.
16

17 The calculation of the components of tax depreciation expense described above for each year is
18 shown on Pages 4 and 10 of Schedule DBS-1.
19

20 The capital repairs deduction component of tax depreciation is shown on Lines 1
21 through 4 of Pages 4 through 10. During 2009, the IRS issued guidance under Internal

1 Revenue Code ("IRC") Section 162 related to certain expenditures that could be deemed
2 to be repair and maintenance expenses, and thus eligible for immediate tax deduction for
3 income tax purposes, but were capitalized by the Company for book purposes. This tax
4 deduction has the effect of increasing deferred taxes and lowering the revenue
5 requirement that customers will pay under the REP. The percentage of REP capital
6 expenditures that could be classified as repair expense varies by year. For example,
7 thirty-one percent (31%) of REP capital work performed during FY 2013 was eligible for
8 the capital repairs deduction, as shown on Line 3 of Page 9 and zero percent (0.0%) of
9 REP capital work performed during CYS 2013 was eligible for the capital repairs
10 deduction, as shown on Line 3 of Page 10.

11
12 Bonus depreciation for federal tax purposes is then calculated on the REP capital
13 additions, net of additions subject to the capital repairs deduction. During 2008,
14 Congress passed the Economic Stimulus Act of 2008 which established a 50 percent
15 bonus depreciation deduction for certain eligible plant additions. Congress has passed
16 further laws that have extended and changed the bonus depreciation rate at different
17 periods of time. The bonus depreciation deduction rate is 100 percent for capital
18 additions eligible for bonus depreciation for the period April 1, 2011 to December 31,
19 2011, while that rate is 50 percent for capital additions during CY 2012 and CY 2013.
20 The calculation of bonus depreciation expense is shown in the like named section of
21 Pages 4 through 10.

1
2 For federal tax purposes, any capital additions not subject to the capital repairs deduction
3 or bonus depreciation are then subject to 20 Year MACRS depreciation rates as shown in
4 the Remaining Tax Depreciation (Federal) section of Pages 4 through 10. For state tax
5 purposes, any capital additions not subject to the capital repairs deduction are then
6 subject to 20 Year MACRS depreciation rates as shown in the Remaining Tax
7 Depreciation (State) section of Pages 4 through 10. Total tax depreciation for federal and
8 state taxes is shown on the last two lines of Pages 4 through 10. In addition, on Pages 8
9 and 9, Lines 42 through 45, is the FY 2012 and FY 2013 Safe Harbor True Up for federal
10 and state tax depreciation.

11
12 **Q. What are the FY 2012 and FY 2013 Safe Harbor True Ups and how were they**
13 **determined?**

14 A. During 2011, the IRS issued Rev. Proc. 2011-43, which provided a safe harbor method of
15 accounting that taxpayers may use to determine whether expenditures to maintain,
16 replace, or improve electric transmission and distribution property must be capitalized
17 under IRC Section 263(a) or deducted as a repair expense under IRC Section 162. Rev.
18 Proc. 2011-43 in effect clarified the 2009 guidance on the capital repairs deduction,
19 among other things, and provided a prescribed accounting method for taxpayers to
20 determine the deduction in a manner that the IRS would not challenge in a subsequent
21 audit.

1
2 The FY 2012 Safe Harbor True Up adjustments for federal and state taxes shown on
3 Lines 42 through 45 of Page 8 represents the comparison of tax depreciation including
4 capital repairs deductions actually taken on REP capital investment during FY 2008
5 through FY 2011 as compared to tax depreciation including capital repairs deductions for
6 those years at the updated FY 2012-13 rate of 31%, as calculated on Page 11 of Schedule
7 DBS-1. The FY 2013 Safe Harbor True Up adjustments on Lines 42 through 45 of
8 Page 9 were calculated in like fashion. The Safe Harbor True Up adjustments are applied
9 to the previously determined federal and state tax depreciation to derive the net FY 2012
10 and FY 2013 tax depreciation, which is carried forward to Lines 10 and 11 (Federal), and
11 Lines 21 and 22 (State), columns (e) and (f) on Page 3 of Schedule DBS-1.

12
13 **Q. Please describe the remainder of the revenue requirement calculation on Page 3 of**
14 **Schedule DBS-1.**

15 A. The Company's year-end net rate base of \$2,749,272, upon which the Company's return
16 allowance is calculated, is shown on Line 44 and consists of the cumulative REP capital
17 investment through CYS 2013, or \$4,297,988, less accumulated book depreciation of
18 \$658,155 and accumulated deferred tax reserves of \$890,561, as shown on Lines 41
19 through 43, respectively.

20
21 The return on the REP capital investment for each rate adjustment is based on the prior

1 year-end rate base times the Company's currently approved pre-tax weighted average
2 cost of capital as shown on Lines 69 through 73 of Page 3 of Schedule DBS-1, or 11.51
3 percent. The resulting return equals the fiscal year-end rate base of \$2,749,272 times the
4 pre-tax return rate of 11.36 percent, or \$312,413, as shown on Line 49. Annual
5 depreciation expense of \$119,933 and property taxes of \$137,586, on Lines 50 and 51,
6 respectively, are added to the return amount to arrive at the total revenue requirement of
7 \$569,932 on Line 52. The property tax amount is based on the actual ratio of municipal
8 tax expense to net plant in service for CY 2013 applied to the year-end net plant in
9 service, or the sum of Lines 41 and 42.

10
11 **Q. What is the amount of the incremental revenue requirement for CYS 2013 REP**
12 **capital investment?**

13 A. The incremental CYS 2013 revenue requirement amount of \$37,374 is equal to the
14 cumulative revenue requirement less the previous year's cumulative revenue requirement
15 and shown on Line 58 in column (h).

16
17 **VI. RATE DESIGN AND RECONCILIATION**

18 **Q. Is the procedure for adjusting distribution rates for the REP Capital Investment**
19 **Allowance and REP/VMP Adjustment Provision consistent with previous filings?**

20 A. Yes. The rate design in Schedule DBS-2 of my testimony is consistent prior procedures
21 used to adjust base distribution rates associated with the REP Capital Investment

1 Allowance in the Company's prior REP/VMP reconciliation filings.

2
3 **Q. Please describe the procedure for adjusting distribution rates for the REP Capital**
4 **Investment Allowance.**

5 A. The procedure for adjusting distribution rates is in Schedule DBS-2. Page 1 of Schedule
6 DBS-2, the Company simply divides the capital investment allowance related to the REP
7 on Line 1 by the forecasted annual distribution revenue for the twelve month period
8 ended May 31, 2015 on Line 2 to calculate the percentage increase on Line 3 which is
9 then applied to each of the Company's base distribution charge components. The
10 calculation of the forecasted annual distribution revenue is on Page 2 of Schedule DBS-2.

11
12 **Q. Please describe the procedure for calculating the REP/VMP O&M Adjustment**
13 **Factor.**

14 A. The procedure for calculating the REP/VMP O&M Adjustment Factor is also in Schedule
15 DBS-2. As presented on Page 3 of Schedule DBS-2, the Company first adds the
16 incremental O&M expense above Base O&M expense for CY 2013 of (\$275,840) and
17 the final balance of (\$5,767) related to the REP/VMP Adjustment Factor which was
18 designed to recover FY 2012 Incremental O&M expense. Next, the Company simply
19 divides this sum, including interest, on Line 5, by the Company's estimated kWh
20 deliveries for the twelve month period ended May 31, 2015 on Line 6 to calculate the
21 adjustment factor of (\$0.00030) on Line 7 which is then applied to all kWh's billed to

1 customers. The calculation of interest is on Page 4 of Schedule DBS-2. The calculation
2 of the new base distribution rates is on Page 5 of Schedule DBS-2.

3
4 **Q. Has the Company included a reconciliation of the REP/VMP O&M Adjustment**
5 **Factor which was in effect July 1, 2012 through June 30, 2013?**

6 A. Yes. This reconciliation is only associated with the recovery (or refund) of approved
7 incremental O&M expense. This reconciliation is on Page 1 of Schedule DBS-3. Of the
8 \$339,699 of FY 2012 incremental O&M expense below base O&M expense to be
9 refunded through the REP/VMP Adjustment Factor, \$342,452 was refunded through June
10 2013, resulting in an under refund. The Company is proposing to refund the balance of
11 \$5,767 through the REP/VMP Adjustment Factor proposed effective June 1, 2014.

12
13 **Q. Has the Company included a reconciliation of the existing REP/VMP O&M**
14 **Adjustment Factor for the prior year?**

15 A. Yes. This reconciliation is only associated with the recovery (or refund) of approved
16 incremental O&M expense. This reconciliation is on Page 2 of Schedule DBS-3. Of the
17 \$100,074 of FY 2013 O&M expense below base O&M expense to be refunded through
18 the currently effective REP/VMP Adjustment Credit Factor, \$70,758 has been refunded
19 through February 2014. Any remaining balance after the end of the recovery period,
20 positive or negative, will be reflected as an adjustment in the calculation of a future
21 proposed REP/VMP Adjustment Factor.

1

2 **VII. EFFECTIVE DATE, BILL IMPACT, AND TARIFF PAGES**

3 **Q. How and when is the Company proposing that these rate changes be implemented?**

4 A. The Company is proposing that these distribution rate changes be made effective for
5 service rendered on and after June 1, 2014.

6

7 **Q. Has the Company determined the impact of these rate changes on customer bills?**

8 A. Yes. These bill impacts are included as Schedule DBS-4. Schedule DBS-4, Page 1,
9 shows that for a typical residential 500 kilowatt-hour Energy Service customer, the bill
10 impact of the rates proposed for June 1, 2014, as compared to rates in effect today, is a
11 bill decrease of \$0.10, or 0.1 percent, from \$85.11 to \$85.01. In addition, a bill
12 comparison for an Energy Service residential customer with an average kilowatt-hour
13 usage of 679, which is the average monthly usage over the 12 months ending February
14 2014, has also been included on Page 1 of Schedule DBS-4. For an Energy Service
15 residential customer using 679 kWh, the total bill impact of the rates proposed in this
16 filing, as compared to rates in effect today, is a bill decrease of \$0.12, or 0.1 percent,
17 from \$112.75 to \$112.63. For other customers, decreases range from 0.1 percent to 0.2
18 percent.

19

20 **Q. Has the Company prepared revised tariff pages reflecting the proposed rates?**

21 A. Yes. The revised tariff pages are set forth in Schedule DBS-5.

1

2 **VIII. CONCLUSION**

3 **Q. Does this conclude your testimony?**

4 **A. Yes, it does.**

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Annual Rate Changes
CYS 2013 Actual

	Actual 7/1/2008 (a)	Actual 7/1/2009 (b)	Actual 7/1/2010 (c)	Actual 7/1/2011 (d)	Actual 7/1/2012 (e)	Actual 7/1/2013 (f)	Actual 6/1/2014 (g)
<u>Annual Incremental Rate Adjustments</u>							
1 REP and VMP O&M Program	\$0	\$113,832	\$1,047,770	(\$758,113)	(\$295,207)	(\$52,081)	(\$275,840)
2							
3 REP Capital Program	\$165,840	\$75,740	\$163,663	\$102,941	(\$18,005)	\$125,829	\$24,999
4							
5 Total for Fiscal Year	\$165,840	\$189,572	\$1,211,433	(\$655,172)	(\$313,213)	\$73,748	(\$250,842)
6							
7 Termination of Prior Period O&M Recovery	\$0	\$0	(\$113,832)	(\$1,047,770)	\$758,113	\$295,207	\$52,081
8							
9 Net Change in Recovery	\$165,840	\$189,572	\$1,097,601	(\$1,702,942)	\$444,900	\$368,955	(\$198,761)

Notes:

Line 1 From Page 2 of 3, Line 13
Line 3 From Page 3 of 3, Line 58
Line 5 Line 1 + Line 3
Line 7 - Line 1 of Prior Year
Line 9 Line 5 + Line 7

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Computation of REP Revenue Requirement
CYS 2013 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)	(h)
Deferred Tax Calculation								
1 REP Program Annual Spend	\$950,000	\$500,000	\$876,243	\$610,835	\$398,239	\$545,916	\$416,755	
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	
3								
4 Book Depreciation Rate (a)	3.70%	3.72%	3.71%	3.73%	3.72%	3.33%	3.72%	
5 FEDERAL Vintage Year Tax Depreciation:								
6 FY 2008 Spend	\$429,887	\$39,010	\$36,081	\$33,379	\$30,872	\$28,559	\$14,858	
7 FY 2009 Spend		\$338,156	\$12,139	\$11,227	\$10,387	\$9,606	\$4,999	
8 FY 2010 Spend			\$550,022	\$24,467	\$22,630	\$20,936	\$10,892	
9 FY 2011 Spend				\$481,705	\$9,685	\$8,958	\$4,662	
10 FY 2012 Spend					\$377,329	\$2,968	\$1,544	
11 FY 2013 Spend						\$332,964	\$11,900	
12 CYS 2013 Spend							\$212,773	
13 Annual Tax Depreciation	\$429,887	\$377,166	\$598,242	\$550,778	\$450,902	\$403,992	\$261,627	
14 Cumulative Tax Depreciation	\$429,887	\$807,053	\$1,405,295	\$1,956,073	\$2,406,975	\$2,810,967	\$3,072,594	
15								
16 STATE Vintage Year Tax Depreciation:								
17 FY 2008 Spend	\$334,991	\$46,127	\$42,664	\$39,469	\$36,504	\$33,770	\$17,568	
18 FY 2009 Spend		\$176,311	\$24,277	\$22,455	\$20,773	\$19,213	\$9,998	
19 FY 2010 Spend			\$223,801	\$48,935	\$45,261	\$41,872	\$21,784	
20 FY 2011 Spend				\$199,462	\$30,854	\$28,538	\$14,850	
21 FY 2012 Spend					\$161,067	\$19,837	\$10,320	
22 FY 2013 Spend						\$179,810	\$20,395	
23 CYS 2013 Spend							\$8,791	
24 Annual Tax Depreciation	\$334,991	\$222,438	\$290,742	\$310,320	\$314,480	\$323,039	\$103,706	
25 Cumulative Tax Depreciation	\$334,991	\$557,429	\$848,171	\$1,158,492	\$1,472,971	\$1,796,010	\$1,899,716	
26								
27 Book Depreciation	\$35,150	\$53,940	\$86,304	\$109,645	\$124,074	\$129,109	\$119,933	
28 Cumulative Book Depreciation	\$35,150	\$89,090	\$175,394	\$285,039	\$409,113	\$538,222	\$658,155	
29								
30 Book/Tax Timer (Federal)	\$394,737	\$717,963	\$1,229,901	\$1,671,034	\$1,997,862	\$2,272,745	\$2,414,439	
31 less: Deferred Tax Reserve (State)	\$25,486	\$39,809	\$57,186	\$74,243	\$90,428	\$106,912	\$105,533	
32 Net Book/Tax Timer (Federal)	\$369,251	\$678,154	\$1,172,715	\$1,596,791	\$1,907,435	\$2,165,833	\$2,308,906	
33 Effective Tax Rate (Federal)	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	34.00%	
34 Deferred Tax Reserve (Federal)	\$129,238	\$237,354	\$410,450	\$558,877	\$667,602	\$758,041	\$785,028	
35 Book/Tax Timer (State)	\$299,841	\$468,339	\$672,778	\$873,453	\$1,063,859	\$1,257,788	\$1,241,561	
36 Effective Tax Rate (State)	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	
37 Deferred Tax Reserve (State)	\$25,486	\$39,809	\$57,186	\$74,243	\$90,428	\$106,912	\$105,533	
38 TOTAL Deferred Tax Reserve	\$154,724	\$277,163	\$467,636	\$633,120	\$758,030	\$864,953	\$890,561	
39								
Rate Base Calculation								
40 Plant In Service	\$950,000	\$1,450,000	\$2,326,243	\$2,937,078	\$3,335,317	\$3,881,233	\$4,297,988	
41 Accumulated Book Depreciation	(\$35,150)	(\$89,090)	(\$175,394)	(\$285,039)	(\$409,113)	(\$538,222)	(\$658,155)	
42 Deferred Tax Reserve	(\$154,724)	(\$277,163)	(\$467,636)	(\$633,120)	(\$758,030)	(\$864,953)	(\$890,561)	
43 Year End Rate Base	\$760,126	\$1,083,747	\$1,683,213	\$2,018,919	\$2,168,174	\$2,478,057	\$2,749,272	
44								
Revenue Requirement Calculation								
45 Year End Rate Base	\$760,126	\$1,083,747	\$1,683,213	\$2,018,919	\$2,168,174	\$2,478,057	\$2,749,272	
46 Pre-Tax ROR	11.91%	11.91%	11.91%	11.91%	11.91%	11.91%	11.36%	
47 Return and Taxes	\$90,515	\$129,051	\$200,435	\$340,410	\$258,183	\$295,084	\$312,413	
48 Book Depreciation	\$35,150	\$53,940	\$86,304	\$109,645	\$124,074	\$129,109	\$119,933	
49 Property Taxes (b)	\$21,773	\$27,218	\$66,676	\$89,904	\$110,318	\$118,343	\$137,586	
50 Annual Revenue Requirement	\$147,438	\$210,209	\$353,415	\$439,960	\$492,575	\$542,536	\$569,932	
51								
Cumulative Prior Period Change for Repairs Tax Deduct & Bonus Depreciation (FY 08 - 13) (c)								
52								
53								
54 Adjusted Annual Revenue Requirement	\$147,438	\$210,209	\$353,415	\$439,960	\$419,104	\$544,933	\$569,932	
55								
Annual Rate Adjustment								
56								
57								
58 Incremental Annual Rate Adjustment		\$147,438	\$62,771	\$143,205	\$86,545	(\$20,856)	\$125,829	\$24,999
59								
60								
Imputed Capital Structure (c)								
61								
62								
63 Long Term Debt	50.00%	7.54%	3.77%	3.77%				
64 Common Equity	50.00%	9.67%	4.84%	8.14%				
65								
66								
67								
68								
Imputed Capital Structure (d)								
69								
70 Long Term Debt	45.00%	5.95%	2.67%	2.67%				
71 Common Equity	55.00%	9.55%	5.25%	8.69%				
72								
73								

(a) Actual Calendar Year 2013 Composite Depreciation rate for distribution property.
(b) Actual Calendar Year 2013 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 IB.

(e) Change in Revenue Requirement for Repairs Tax Deduction and Bonus Depreciation:

	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	FY13 Total
1 Incremental Annual Rate Adjustment per Line 58	\$147,438	\$62,771	\$143,205	\$86,545	(\$20,856)	
2 As Previously Filed	\$146,814	\$61,753	\$141,182	\$84,963	(\$18,005)	
3 FY13 Chg for Repairs Tax Deduction & Bonus Depreciation	\$624	\$1,018	\$2,023	\$1,582	(\$2,850)	\$2,397
FROM FY 2012 REP/VMP FILING	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	
4 Incremental Annual Rate Adjustment	\$146,814	\$61,753	\$141,182	\$84,963	(\$18,005)	
5 As Previously Filed	\$165,840	\$75,740	\$163,663	\$102,941		
6 FY12 Chg for Repairs Tax Deduction & Bonus Depreciation	(\$19,026)	(\$13,986)	(\$22,481)	(\$17,978)	(\$73,471)	

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Granite State Electric Company
REP/VMP Rate Design
Procedure for Adjusting Distribution Rates for Capital Investment Allowance
Calculation of Percentage Adjustment to Distribution Rates
Rates Effective June 1, 2014

(1) Increase in Annual Revenue Requirement	\$24,999
(2) Forecasted Base Distribution Revenue	\$35,457,307
(3) Percentage of Adjustment to Distribution Rates	0.07%

- (1) Schedule DBS-1, Page 1
- (2) Page 2, Forecasted Billing Units for the applicable period multiplied by current rates.
- (3) Line (1) ÷ Line (2)

Granite State Electric Company
REP/VMP Rate Design
Procedure for Adjusting Distribution Rates for Capital Investment Allowance & Incremental O&M Expense
Rates Effective June 1, 2014

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)	GreenUp Service Recovery Adjustment Factor (f)	Proposed REP & VMP Operations & Maintenance Adjustment Factor (g)	Proposed Total Distribution Charges (h)
D	Customer Charge	\$11.81	0.07%	\$11.81					\$11.81
	1st 250 kWh	\$0.03185	0.07%	\$0.03187	\$0.00057	(\$0.00017)	\$0.00000	(\$0.00030)	\$0.03197
	Excess 250 kWh	\$0.04784	0.07%	\$0.04787	\$0.00057	(\$0.00017)	\$0.00000	(\$0.00030)	\$0.04797
	Off Peak kWh	\$0.03043	0.07%	\$0.03045	\$0.00057	(\$0.00017)	\$0.00000	(\$0.00030)	\$0.03055
	Farm kWh	\$0.03985	0.07%	\$0.03987	\$0.00057	(\$0.00017)	\$0.00000	(\$0.00030)	\$0.03997
	D-6 kWh	\$0.03177	0.07%	\$0.03179	\$0.00057	(\$0.00017)	\$0.00000	(\$0.00030)	\$0.03189
	Interruptible Credit IC-1	(\$6.92)	0.07%	(\$6.92)					(\$6.92)
	Interruptible Credit IC-2	(\$9.90)	0.07%	(\$9.90)					(\$9.90)
D-10	Customer Charge	\$11.97	0.07%	\$11.97					\$11.97
	On Peak kWh	\$0.09007	0.07%	\$0.09013	\$0.00057	(\$0.00008)	\$0.00000	(\$0.00030)	\$0.09032
	Off Peak kWh	\$0.00077	0.07%	\$0.00077	\$0.00057	(\$0.00008)	\$0.00000	(\$0.00030)	\$0.00096
G-1	Customer Charge	\$324.07	0.07%	\$324.29					\$324.29
	Demand Charge	\$6.92	0.07%	\$6.92					\$6.92
	On Peak kWh	\$0.00390	0.07%	\$0.00390	\$0.00057	\$0.00000	\$0.00000	(\$0.00030)	\$0.00117
	Off Peak kWh	\$0.00077	0.07%	\$0.00077	\$0.00057	\$0.00000	\$0.00000	(\$0.00030)	\$0.00104
	Credit for High Voltage Delivery > 2.4 kv	(\$0.39)	0.07%	(\$0.39)					(\$0.39)
G-2	Customer Charge	\$54.06	0.07%	\$54.09					\$54.09
	Demand Charge	\$6.97	0.07%	\$6.97					\$6.97
	All kWh	\$0.00117	0.07%	\$0.00117	\$0.00057	\$0.00000	\$0.00000	(\$0.00030)	\$0.00144
	Credit for High Voltage Delivery > 2.4 kv	(\$0.39)	0.07%	(\$0.39)					(\$0.39)
G-3	Customer Charge	\$11.72	0.07%	\$11.72					\$11.72
	All kWh	\$0.03959	0.07%	\$0.03961	\$0.00057	(\$0.00017)	\$0.00000	(\$0.00030)	\$0.03971
	Minimum Charge > 25 kVA	\$2.53	0.07%	\$2.53					\$2.53
M	Luminaire Charge								
	Description								
	LUM INC RWY 103W	\$104.48	0.07%	\$104.55					\$104.55
	LUM MV RWY 100W	\$75.62	0.07%	\$75.67					\$75.67
	LUM MV RWY 175W	\$91.95	0.07%	\$92.01					\$92.01
	LUM MV RWY 400W	\$173.92	0.07%	\$174.04					\$174.04
	LUM MV RWY 1000W	\$329.97	0.07%	\$330.20					\$330.20
	LUM MV FLD 400W	\$192.33	0.07%	\$192.46					\$192.46
	LUM MV FLD 1000W	\$332.12	0.07%	\$332.35					\$332.35
	LUM HPS RWY 50W	\$78.27	0.07%	\$78.32					\$78.32
	LUM HPS RWY 100W	\$94.89	0.07%	\$94.95					\$94.95
	LUM HPS RWY 250W	\$166.62	0.07%	\$166.73					\$166.73
	LUM HPS RWY 400W	\$217.11	0.07%	\$217.26					\$217.26
	LUM HPS FLD 250W	\$168.11	0.07%	\$168.22					\$168.22
	LUM HPS FLD 400W	\$232.06	0.07%	\$232.22					\$232.22
	LUM HPS POST 100W	\$109.29	0.07%	\$109.36					\$109.36
	Pole and Accessory Charge								
	Description								
	POLE - WOOD	\$92.22	0.07%	\$92.28					\$92.28
	POLE FIBER PT <25FT	\$95.50	0.07%	\$95.56					\$95.56
	POLE FIBER RWY <25FT	\$161.98	0.07%	\$162.09					\$162.09
	POLE FIBER RWY =>25	\$270.62	0.07%	\$270.80					\$270.80
	POLE METAL EMBEDDED	\$193.15	0.07%	\$193.28					\$193.28
	POLE METAL =>25FT	\$232.74	0.07%	\$232.90					\$232.90
	All kWh	\$0.00000	0.07%	\$0.00000	\$0.00057	\$0.00000	\$0.00000	(\$0.00030)	\$0.00027
T	Customer Charge	\$11.94	0.07%	\$11.94					\$11.94
	All kWh	\$0.03512	0.07%	\$0.03514	\$0.00057	(\$0.00007)	\$0.00000	(\$0.00030)	\$0.03534
	Interruptible Credit IC-1	(\$6.92)	0.07%	(\$6.92)					(\$6.92)
	Interruptible Credit IC-2	(\$9.90)	0.07%	(\$9.90)					(\$9.90)
V	Minimum Charge	\$11.76	0.07%	\$11.76					\$11.76
	All kWh	\$0.04053	0.07%	\$0.04055	\$0.00057	(\$0.00009)	\$0.00000	(\$0.00030)	\$0.04073

- (a) Per currently effective tariffs, as of April 1, 2014
(b) Page 1, Line (3)
(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) Distribution Energy Charges include a Greenup Service Recovery Adjustment Factor of \$0.00000 for usage on and after 1/1/14
(g) Page 3, Line (7)
(h) Column (c) + Column (d) + Column (e) + Column (f)

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Proposed June 1, 2014 Rates

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Calculation of Monthly Typical Bill

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Impact on Rate D Default Service Customers

Without Water Heater Control

0% Off-Peak

kWh Split
On-Peak 100.00%
Off-Peak 0.00%

			(1)			(2)			(1) vs (2)	
Monthly kWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	200	0	\$39.52	\$15.46	\$24.06	\$39.48	\$15.46	\$24.02	(\$0.04)	-0.1%
350	350	0	\$61.91	\$27.06	\$34.85	\$61.85	\$27.06	\$34.79	(\$0.06)	-0.1%
500	500	0	\$85.11	\$38.66	\$46.45	\$85.01	\$38.66	\$46.35	(\$0.10)	-0.1%
679	679	0	\$112.75	\$52.50	\$60.25	\$112.63	\$52.50	\$60.13	(\$0.12)	-0.1%
750	750	0	\$123.74	\$57.99	\$65.75	\$123.61	\$57.99	\$65.62	(\$0.13)	-0.1%
1,000	1,000	0	\$162.38	\$77.32	\$85.06	\$162.20	\$77.32	\$84.88	(\$0.18)	-0.1%

Present Rates

Proposed Rates

Customer Charge		\$11.81		\$11.81
Distribution Charge				
1st 250 kWh	kWh x	\$0.03215		\$0.03197
excess of 250 kWh	kWh x	\$0.04814		\$0.04797
Off Peak kWh	kWh x	\$0.03073		\$0.03055
Storm Adjustment Factor	kWh x	\$0.00329		\$0.00329
Transmission Charge	kWh x	\$0.02116		\$0.02116
Stranded Cost Charge	kWh x	\$0.00080		\$0.00080
System Benefits Charge	kWh x	\$0.00330		\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055		\$0.00055

Supplier Services

Default Service	kWh x	\$0.07732		\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Proposed June 1, 2014 Rates

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Impact on Rate D Default Service Customers

With 6 Hour Water Heater Control

kWh Split
On-Peak 80.00%
Off-Peak 20.00%

			(1)			(2)			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	160	40	\$32.54	\$15.46	\$17.08	\$32.51	\$15.46	\$17.05	(\$0.03)	-0.1%
350	280	70	\$53.77	\$27.06	\$26.71	\$53.71	\$27.06	\$26.65	(\$0.06)	-0.1%
500	400	100	\$76.44	\$38.66	\$37.78	\$76.36	\$38.66	\$37.70	(\$0.08)	-0.1%
750	600	150	\$114.21	\$57.99	\$56.22	\$114.07	\$57.99	\$56.08	(\$0.14)	-0.1%
1,000	800	200	\$151.98	\$77.32	\$74.66	\$151.79	\$77.32	\$74.47	(\$0.19)	-0.1%

Present Rates

Proposed Rates

Customer Charge		\$11.81	\$11.81
Distribution Charge			
1st 250 kWh	kWh x	\$0.03215	\$0.03197
excess of 250 kWh	kWh x	\$0.04814	\$0.04797
Off Peak kWh	kWh x	\$0.03073	\$0.03055
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02116	\$0.02116
Stranded Cost Charge	kWh x	\$0.00080	\$0.00080
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055
Interruptible Credit #1		(\$6.92)	(\$6.92)

Supplier Services

Default Service	kWh x	\$0.07732	\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

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Calculation of Monthly Typical Bill

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Impact on Rate D Default Service Customers

With 16 Hour Water Heater Control

kWh Split
On-Peak 60.00%
Off-Peak 40.00%

Monthly KWh	On-Peak kWh	Off-Peak kWh	(1)			(2)			(1) vs (2)	
			Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
200	120	80	\$29.51	\$15.46	\$14.05	\$29.47	\$15.46	\$14.01	(\$0.04)	-0.1%
350	210	140	\$50.21	\$27.06	\$23.15	\$50.15	\$27.06	\$23.09	(\$0.06)	-0.1%
500	300	200	\$71.73	\$38.66	\$33.07	\$71.63	\$38.66	\$32.97	(\$0.10)	-0.1%
750	450	300	\$108.62	\$57.99	\$50.63	\$108.48	\$57.99	\$50.49	(\$0.14)	-0.1%
1,000	600	400	\$145.51	\$77.32	\$68.19	\$145.33	\$77.32	\$68.01	(\$0.18)	-0.1%

	Present Rates		Proposed Rates	
Customer Charge		\$11.81		\$11.81
Distribution Charge				
1st 250 kWh	kWh x	\$0.03215		\$0.03197
excess of 250 kWh	kWh x	\$0.04814		\$0.04797
Off Peak kWh	kWh x	\$0.03073		\$0.03055
Storm Adjustment Factor	kWh x	\$0.00329		\$0.00329
Transmission Charge	kWh x	\$0.02116		\$0.02116
Stranded Cost Charge	kWh x	\$0.00080		\$0.00080
System Benefits Charge	kWh x	\$0.00330		\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055		\$0.00055
Interruptible Credit #2		(\$9.90)		(\$9.90)

Supplier Services

Default Service	kWh x	\$0.07732	\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

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Calculation of Monthly Typical Bill

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Impact on Rate D-10 Default Service Customers

kWh Split
On-Peak 80.00%
Off-Peak 20.00%

			----- (1) -----			----- (2) -----			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	560	140	\$139.68	\$54.12	\$85.56	\$139.57	\$54.12	\$85.45	(\$0.11)	-0.1%
1,000	800	200	\$194.41	\$77.32	\$117.09	\$194.26	\$77.32	\$116.94	(\$0.15)	-0.1%
1,300	1,040	260	\$249.15	\$100.52	\$148.63	\$248.95	\$100.52	\$148.43	(\$0.20)	-0.1%
1,600	1,280	320	\$303.87	\$123.71	\$180.16	\$303.63	\$123.71	\$179.92	(\$0.24)	-0.1%
1,900	1,520	380	\$358.61	\$146.91	\$211.70	\$358.32	\$146.91	\$211.41	(\$0.29)	-0.1%

Present Rates

Proposed Rates

Customer Charge		\$11.97		\$11.97
Distribution Charge				
On Peak kWh	kWh x	\$0.09046		\$0.09032
Off Peak kWh	kWh x	\$0.00116		\$0.00096
Storm Adjustment Factor	kWh x	\$0.00329		\$0.00329
Transmission Charge	kWh x	\$0.02458		\$0.02458
Stranded Cost Charge	kWh x	\$0.00080		\$0.00080
System Benefits Charge	kWh x	\$0.00330		\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055		\$0.00055

Supplier Services

Default Service	kWh x	\$0.07732		\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

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Calculation of Monthly Typical Bill

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Impact on Rate D-10 Default Service Customers

kWh Split
On-Peak 70.00%
Off-Peak 30.00%

			/----- (1) -----/			/----- (2) -----/			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
700	490	210	\$133.43	\$54.12	\$79.31	\$133.32	\$54.12	\$79.20	(\$0.11)	-0.1%
1,000	700	300	\$185.48	\$77.32	\$108.16	\$185.32	\$77.32	\$108.00	(\$0.16)	-0.1%
1,300	910	390	\$237.54	\$100.52	\$137.02	\$237.33	\$100.52	\$136.81	(\$0.21)	-0.1%
1,600	1,120	480	\$289.59	\$123.71	\$165.88	\$289.33	\$123.71	\$165.62	(\$0.26)	-0.1%
1,900	1,330	570	\$341.64	\$146.91	\$194.73	\$341.35	\$146.91	\$194.44	(\$0.29)	-0.1%

Present Rates

Proposed Rates

Customer Charge		\$11.97	\$11.97
Distribution Charge			
On Peak kWh	kWh x	\$0.09046	\$0.09032
Off Peak kWh	kWh x	\$0.00116	\$0.00096
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02458	\$0.02458
Stranded Cost Charge	kWh x	\$0.00080	\$0.00080
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07732	\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

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Impact on Rate D-10 Default Service Customers

kWh Split
On-Peak 60.00%
Off-Peak 40.00%

			(1)			(2)			(1) vs (2)	
Monthly KWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
			Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
700	420	280	\$127.17	\$54.12	\$73.05	\$127.06	\$54.12	\$72.94	(\$0.11)	-0.1%
1,000	600	400	\$176.55	\$77.32	\$99.23	\$176.38	\$77.32	\$99.06	(\$0.17)	-0.1%
1,300	780	520	\$225.93	\$100.52	\$125.41	\$225.72	\$100.52	\$125.20	(\$0.21)	-0.1%
1,600	960	640	\$275.29	\$123.71	\$151.58	\$275.03	\$123.71	\$151.32	(\$0.26)	-0.1%
1,900	1,140	760	\$324.67	\$146.91	\$177.76	\$324.36	\$146.91	\$177.45	(\$0.31)	-0.1%

Present Rates

Proposed Rates

Customer Charge		\$11.97	\$11.97
Distribution Charge			
On Peak kWh	kWh x	\$0.09046	\$0.09032
Off Peak kWh	kWh x	\$0.00116	\$0.00096
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02458	\$0.02458
Stranded Cost Charge	kWh x	\$0.00080	\$0.00080
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07732	\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Proposed June 1, 2014 Rates

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Calculation of Monthly Typical Bill

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Impact on Rate G-3 Default Service Customers

Hours Use

Monthly kWh	(1)			(2)			(1) vs (2)	
	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease)	
							Amount	%
600	\$99.45	\$46.39	\$53.06	\$99.35	\$46.39	\$52.96	(\$0.10)	-0.1%
800	\$128.70	\$61.86	\$66.84	\$128.56	\$61.86	\$66.70	(\$0.14)	-0.1%
1,200	\$187.20	\$92.78	\$94.42	\$186.98	\$92.78	\$94.20	(\$0.22)	-0.1%
1,500	\$231.08	\$115.98	\$115.10	\$230.81	\$115.98	\$114.83	(\$0.27)	-0.1%
2,000	\$304.18	\$154.64	\$149.54	\$303.82	\$154.64	\$149.18	(\$0.36)	-0.1%

<u>Present Rates</u>			<u>Proposed Rates</u>		
Customer Charge		\$11.72			\$11.72
Distribution Charge	kWh x	\$0.03989			\$0.03971
Storm Adjustment Factor	kWh x	\$0.00329			\$0.00329
Transmission Charge	kWh x	\$0.02108			\$0.02108
Stranded Cost Charge	kWh x	\$0.00080			\$0.00080
System Benefits Charge	kWh x	\$0.00330			\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055			\$0.00055

Supplier Services

Default Service	kWh x	\$0.07732			\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

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Impact on Rate T Default Service Customers

Monthly kWh	(1)			(2)			(1) vs (2)	
	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount	%
600	\$99.55	\$46.39	\$53.16	\$99.44	\$46.39	\$53.05	(\$0.11)	-0.1%
800	\$128.77	\$61.86	\$66.91	\$128.62	\$61.86	\$66.76	(\$0.15)	-0.1%
1,200	\$187.17	\$92.78	\$94.39	\$186.96	\$92.78	\$94.18	(\$0.21)	-0.1%
1,500	\$231.00	\$115.98	\$115.02	\$230.73	\$115.98	\$114.75	(\$0.27)	-0.1%
2,000	\$304.00	\$154.64	\$149.36	\$303.64	\$154.64	\$149.00	(\$0.36)	-0.1%

		<u>Present Rates</u>	<u>Proposed Rates</u>
Customer Charge		\$11.94	\$11.94
Distribution Charge	kWh x	\$0.03552	\$0.03534
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02525	\$0.02525
Stranded Cost Charge	kWh x	\$0.00080	\$0.00080
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07732	\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

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Impact on Rate V Default Service Customers

		(1)			(2)			(1) vs (2)	
Monthly kWh		Present Rates			Proposed Rates			Overall Increase (Decrease)	
		Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
600		\$92.90	\$46.39	\$46.51	\$92.79	\$46.39	\$46.40	(\$0.11)	-0.1%
800		\$123.88	\$61.86	\$62.02	\$123.73	\$61.86	\$61.87	(\$0.15)	-0.1%
1,200		\$185.80	\$92.78	\$93.02	\$185.59	\$92.78	\$92.81	(\$0.21)	-0.1%
1,500		\$232.28	\$115.98	\$116.30	\$232.01	\$115.98	\$116.03	(\$0.27)	-0.1%
2,000		\$309.68	\$154.64	\$155.04	\$309.32	\$154.64	\$154.68	(\$0.36)	-0.1%

Present Rates

Proposed Rates

Minimum Charge		\$11.76	\$11.76
Distribution Charge	kWh x	\$0.04091	\$0.04073
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02867	\$0.02867
Stranded Cost Charge	kWh x	\$0.00080	\$0.00080
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.07732	\$0.07732
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Proposed June 1, 2014 Rates
Calculation of Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

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Hours Use		kWh Split		250 On-Peak		60.00% Off-Peak							

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Impact on Rate G-1 Default Service Customers

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Hours Use	kWh Split		50.00%	50.00%	(1)		(2)		(1) vs (2)	
	350	On-Peak			/-----/		/-----/		/-----/	
		Off-Peak								
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Total	Present Rates Default Service	Retail Delivery	Total	Proposed Rates Default Service	Retail Delivery	Overall Increase (Decrease) Amount %
200	70,000	35,000	35,000	\$8,368.22	\$4,701.20	\$3,667.02	\$8,354.44	\$4,701.20	\$3,653.24	(\$13.78) -0.2%
300	105,000	52,500	52,500	\$12,390.30	\$7,051.80	\$5,338.50	\$12,369.52	\$7,051.80	\$5,317.72	(\$20.78) -0.2%
400	140,000	70,000	70,000	\$16,412.37	\$9,402.40	\$7,009.97	\$16,384.59	\$9,402.40	\$6,982.19	(\$27.78) -0.2%
500	175,000	87,500	87,500	\$20,434.45	\$11,753.00	\$8,681.45	\$20,399.67	\$11,753.00	\$8,646.67	(\$34.78) -0.2%
1,000	350,000	175,000	175,000	\$40,544.82	\$23,506.00	\$17,038.82	\$40,475.04	\$23,506.00	\$16,969.04	(\$69.78) -0.2%

	<u>Present Rates</u>		<u>Proposed Rates</u>	
Customer Charge		\$324.07		\$324.29
Distribution Charge				
On Peak kWh	kWh x	\$0.00437		\$0.00417
Off Peak kWh	kWh x	\$0.00124		\$0.00104
Distribution Demand Charge	kW x	\$6.92		\$6.92
Storm Adjustment Factor	kWh x	\$0.00329		\$0.00329
Transmission Charge	kWh x	\$0.01724		\$0.01724
Stranded Cost Charge	kWh x	\$0.00080		\$0.00080
System Benefits Charge	kWh x	\$0.00330		\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055		\$0.00055

Supplier Services

Default Service	kWh x	\$0.06716		\$0.06716
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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Proposed June 1, 2014 Rates
Calculation of Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

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Hours Use kWh Split
 450 On-Peak 45.00%
 Off-Peak 55.00%

				(1)			(2)			(1) vs (2)	
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
				Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
200	90,000	40,500	49,500	\$10,257.04	\$6,044.40	\$4,212.64	\$10,239.26	\$6,044.40	\$4,194.86	(\$17.78)	-0.2%
300	135,000	60,750	74,250	\$15,223.52	\$9,066.60	\$6,156.92	\$15,196.74	\$9,066.60	\$6,130.14	(\$26.78)	-0.2%
400	180,000	81,000	99,000	\$20,190.00	\$12,088.80	\$8,101.20	\$20,154.22	\$12,088.80	\$8,065.42	(\$35.78)	-0.2%
500	225,000	101,250	123,750	\$25,156.48	\$15,111.00	\$10,045.48	\$25,111.70	\$15,111.00	\$10,000.70	(\$44.78)	-0.2%
1,000	450,000	202,500	247,500	\$49,988.90	\$30,222.00	\$19,766.90	\$49,899.12	\$30,222.00	\$19,677.12	(\$89.78)	-0.2%

	<u>Present Rates</u>		<u>Proposed Rates</u>	
Customer Charge		\$324.07		\$324.29
Distribution Charge				
On Peak kWh	kWh x	\$0.00437		\$0.00417
Off Peak kWh	kWh x	\$0.00124		\$0.00104
Distribution Demand Charge	kW x	\$6.92		\$6.92
Storm Adjustment Factor	kWh x	\$0.00329		\$0.00329
Transmission Charge	kWh x	\$0.01724		\$0.01724
Stranded Cost Charge	kWh x	\$0.00080		\$0.00080
System Benefits Charge	kWh x	\$0.00330		\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055		\$0.00055

Supplier Services

Default Service	kWh x	\$0.06716		\$0.06716
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090R2

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Proposed June 1, 2014 Rates
Calculation of Monthly Typical Bill
Impact on Rate G-1 Default Service Customers

Docket No. DE-14-086 Second Revised Schedule DBS-4
Page 13 of 16

Hours Use		kWh Split										
		450	On-Peak	40.00%								
			Off-Peak	60.00%	(1)		(2)		(1) vs (2)			
kW	Monthly kWh	On-Peak kWh	Off-Peak kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)		
				Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%	
200	90,000	36,000	54,000	\$10,242.95	\$6,044.40	\$4,198.55	\$10,225.17	\$6,044.40	\$4,180.77	(\$17.78)	-0.2%	
300	135,000	54,000	81,000	\$15,202.39	\$9,066.60	\$6,135.79	\$15,175.61	\$9,066.60	\$6,109.01	(\$26.78)	-0.2%	
400	180,000	72,000	108,000	\$20,161.83	\$12,088.80	\$8,073.03	\$20,126.05	\$12,088.80	\$8,037.25	(\$35.78)	-0.2%	
500	225,000	90,000	135,000	\$25,121.27	\$15,111.00	\$10,010.27	\$25,076.49	\$15,111.00	\$9,965.49	(\$44.78)	-0.2%	
1,000	450,000	180,000	270,000	\$49,918.47	\$30,222.00	\$19,696.47	\$49,828.69	\$30,222.00	\$19,606.69	(\$89.78)	-0.2%	

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Proposed June 1, 2014 Rates

Docket No. DE-14-086 Second Revised Schedule DBS-4

Calculation of Monthly Typical Bill

Page 14 of 16

Impact on Rate G-2 Default Service Customers

Hours Use 200

		(1)			(2)			(1) vs (2)	
kW	Monthly kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
		Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
20	4,000	\$586.34	\$268.64	\$317.70	\$585.57	\$268.64	\$316.93	(\$0.77)	-0.1%
50	10,000	\$1,384.76	\$671.60	\$713.16	\$1,382.79	\$671.60	\$711.19	(\$1.97)	-0.1%
75	15,000	\$2,050.11	\$1,007.40	\$1,042.71	\$2,047.14	\$1,007.40	\$1,039.74	(\$2.97)	-0.1%
100	20,000	\$2,715.46	\$1,343.20	\$1,372.26	\$2,711.49	\$1,343.20	\$1,368.29	(\$3.97)	-0.1%
150	30,000	\$4,046.16	\$2,014.80	\$2,031.36	\$4,040.19	\$2,014.80	\$2,025.39	(\$5.97)	-0.1%

		Present Rates	Proposed Rates
Customer Charge		\$54.06	\$54.09
Distribution Charge	kWh x	\$0.00164	\$0.00144
Distribution Demand Charge	kW x	\$6.97	\$6.97
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02147	\$0.02147
Stranded Cost Charge	kWh x	\$0.00081	\$0.00081
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.06716	\$0.06716
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092R2

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Proposed June 1, 2014 Rates

Docket No. DE-14-086 Second Revised Schedule DBS-4

Calculation of Monthly Typical Bill

Page 15 of 16

Impact on Rate G-2 Default Service Customers

Hours Use 250

		(1)			(2)			(1) vs (2)	
kW	Monthly kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
		Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
20	5,000	\$684.56	\$335.80	\$348.76	\$683.59	\$335.80	\$347.79	(\$0.97)	-0.1%
50	12,500	\$1,630.33	\$839.50	\$790.83	\$1,627.86	\$839.50	\$788.36	(\$2.47)	-0.2%
75	18,750	\$2,418.44	\$1,259.25	\$1,159.19	\$2,414.72	\$1,259.25	\$1,155.47	(\$3.72)	-0.2%
100	25,000	\$3,206.56	\$1,679.00	\$1,527.56	\$3,201.59	\$1,679.00	\$1,522.59	(\$4.97)	-0.2%
150	37,500	\$4,782.83	\$2,518.50	\$2,264.33	\$4,775.36	\$2,518.50	\$2,256.86	(\$7.47)	-0.2%

		Present Rates	Proposed Rates
Customer Charge		\$54.06	\$54.09
Distribution Charge	kWh x	\$0.00164	\$0.00144
Distribution Demand Charge	kW x	\$6.97	\$6.97
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02147	\$0.02147
Stranded Cost Charge	kWh x	\$0.00081	\$0.00081
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.06716	\$0.06716
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093R2

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Proposed June 1, 2014 Rates

Docket No. DE-14-086 Second Revised Schedule DBS-4

Calculation of Monthly Typical Bill

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Impact on Rate G-2 Default Service Customers

Hours Use 300

		/------(1)-----/			/------(2)-----/			(1) vs (2)	
kW	Monthly kWh	Present Rates			Proposed Rates			Overall Increase (Decrease)	
		Total	Default Service	Retail Delivery	Total	Default Service	Retail Delivery	Amount	%
20	6,000	\$782.78	\$402.96	\$379.82	\$781.61	\$402.96	\$378.65	(\$1.17)	-0.1%
50	15,000	\$1,875.86	\$1,007.40	\$868.46	\$1,872.89	\$1,007.40	\$865.49	(\$2.97)	-0.2%
75	22,500	\$2,786.78	\$1,511.10	\$1,275.68	\$2,782.31	\$1,511.10	\$1,271.21	(\$4.47)	-0.2%
100	30,000	\$3,697.66	\$2,014.80	\$1,682.86	\$3,691.69	\$2,014.80	\$1,676.89	(\$5.97)	-0.2%
150	45,000	\$5,519.46	\$3,022.20	\$2,497.26	\$5,510.49	\$3,022.20	\$2,488.29	(\$8.97)	-0.2%

		Present Rates	Proposed Rates
Customer Charge		\$54.06	\$54.09
Distribution Charge	kWh x	\$0.00164	\$0.00144
Distribution Demand Charge	kW x	\$6.97	\$6.97
Storm Adjustment Factor	kWh x	\$0.00329	\$0.00329
Transmission Charge	kWh x	\$0.02147	\$0.02147
Stranded Cost Charge	kWh x	\$0.00081	\$0.00081
System Benefits Charge	kWh x	\$0.00330	\$0.00330
Electricity Consumption Tax	kWh x	\$0.00055	\$0.00055

Supplier Services

Default Service	kWh x	\$0.06716	\$0.06716
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094R2

DOMESTIC SERVICE RATE D

AVAILABILITY

Retail Delivery Service under this rate is available for all domestic purposes in an individual private dwelling or an individual apartment and for farm purposes. If electricity is delivered through more than one meter, the charge for electricity delivered through each meter shall be computed separately under this rate.

CHARACTER OF SERVICE

Service supplied under this rate will be single phase, 60 cycle, alternating current, normally three-wire service at a nominal voltage of 120/240 volts or three-wire 120/208 volts, whichever is available at the location.

RATE PER MONTH

The rate per month will be the sum of the applicable Customer and Energy Charges subject to the adjustments in this tariff:

Rates for Retail Delivery Service

Customer Charge

\$11.81 per month

Distribution Energy Charges

Regular Use

3.1875	cents per kilowatt-hour for the first 250 kilowatt-hours
4.7874	cents per kilowatt-hour for the excess of 250 kilowatt-hours

For customers who received service under the off-peak provisions of the Domestic Service Rate D prior to April 1, 1991, the following rates shall apply:

Off-Peak Use: 16 Hour Control

For all electricity separately metered and delivered between the hours of 11:00 p.m. on each day and 7:00 a.m. on the next day, the price of such electricity shall be:

3.0453	cents per kilowatt-hour if a Customer has installed an electric water heater of a type approved by the Company, and electricity delivered to such water heater is supplied only under this rate.
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Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. ~~25-638~~ Issued March 17, 2014 in Docket No. DE ~~14-08613-063~~ 14-08613-063

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Off-Peak Use: 6 Hour Control

For all electricity separately metered and subject to the Company's right to limit the operation of the bottom water heating element up to 6 hours a day, the price of such electricity shall be:

3.17977 cents per kilowatt-hour if a Customer has installed an electric water heater of a type approved by the Company, and electricity delivered to such water heater is supplied only under this rate.

Farm use

The availability of the Farm Use Section is limited to those locations which were served under the Farm Use Section of Domestic Rate D, N.H.P.U.C. No. 8 - Electricity immediately prior to the effective date of this rate. For such farm customers, where all electricity is supplied by the Company, the RATE PER MONTH is modified as follows:

- 3.9875 cents per kilowatt-hour for all Regular Use kilowatt-hours in excess of the greater of the following:
- 500 kilowatt-hours
 - 100 kilowatt-hours per kilovolt-ampere of transformer capacity needed to serve the Customer

APPROVED TYPES OF WATER HEATERS FOR USE UNDER PROVISIONS OF OFF-PEAK USE CLAUSE OF DOMESTIC RATE D

The specifications for an approved type of water heater for all domestic applications are as follows:

- It shall be of standard manufacture and have a capacity and corresponding heating elements as specified below:

Approx. Tank Size (gallons)	Rating Top Unit (watts)	Rating Bottom Unit (watts)
80*	4500	3000
100 to 120	4500	4500
150	5000	5000

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*Water heaters of less than 80 gallons with top and bottom heating elements of not more than 4500 watts each may be installed at the Company's option, with the permission of the Regional Executive.

- It shall be equipped with a top and bottom heating element, each controlled by a separate thermostatic switch. The thermostatic switch for the top element shall be of a double-throw type so connected as to permit operation of only one heating element at a time. The thermostat for the bottom element shall be of single-pole, single-throw type. The top and bottom units shall be designed for nominal 240-volt operation.
- It shall have a pressure rating of not less than 250 pounds-per-square-inch test.
- It shall be equipped as purchased with an approved fuel cut-off type temperature limit switch having its temperature sensitive element in contact with tank surface within 12 inches of top and so connected as to completely disconnect the heating elements from the power supply.
- The thermostats for the top and the bottom heating units shall have a range of temperature settings extending from 120 degrees to 170 degrees Fahrenheit with the bottom element setting maintaining approximately a 10-degree differential above the setting of the top element.
- The water heater and the installation thereof shall conform to the National Electric Code, to any State or local requirements, and to those of the Company.

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Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25-638 Issued March 17, 2014 in Docket No. DE 14-08643-063

**DOMESTIC SERVICE RATE D-10
OPTIONAL PEAK LOAD PRICING RATE**

AVAILABILITY

Retail Delivery Service under this rate is available for all domestic purposes in an individual private dwelling or an individual apartment and for farm purposes to selected customers presently served under Rate D.

If electricity is delivered through more than one meter, the charge for electricity delivered through each meter shall be computed separately under this rate. The availability of this rate will be subject to the Company's ability to obtain the necessary meters and to render such service.

CHARACTER OF SERVICE

Service supplied under this rate will be single phase, 60 cycle, alternating current, normally three-wire service at a nominal voltage of 120/240 volts or three-wire 120/208 volts, whichever is available at the location.

RATE PER MONTH

The rate per month will be the sum of the applicable Customer and Energy Charges subject to the adjustments in this tariff.

Rates for Retail Delivery Service

Customer Charge

\$11.97 month

Distribution Energy Charges

On-Peak 9.01347 cents per kilowatt-hour
Off-Peak 0.077 cents per kilowatt-hour

Peak hours will be from 8:00 a.m. to 9:00 p.m. daily on Monday through Friday excluding holidays.

Off-Peak hours will be from 9:00 p.m. to 8:00 a.m. daily Monday through Friday, and all day on Saturdays, Sundays, and holidays.

The holidays will be: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day. All holidays will be the nationally observed day.

Electric water heating service is available under this rate subject to the conditions specified herein. For such water heating service the Company will provide, own and maintain a suitable switch designed to control the operation of the water heater so that the bottom heating element may operate only during Off-Peak hours.

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25-638 Issued March 17, 2014 in Docket No. DE 14-08643-063

GENERAL SERVICE TIME-OF-USE RATE G-1

AVAILABILITY

Retail Delivery Service under this rate is available for all purposes except resale, subject to the provisions of this section. A Customer will take delivery service on this rate if the Company estimates that its average use will be greater than or equal to 200 kW of Demand.

A Customer may be transferred from rate G-1 at its request or at the option of the Company if the customer's 12 month average monthly demand is less than 180 kW of Demand for 3 consecutive months.

If electricity is delivered through more than one meter, except at the Company's option, the charge for electricity delivered through each meter shall be computed separately under this rate. If any electricity is delivered hereunder at a given location, then all electricity delivered by the Company at such location shall be furnished hereunder, except such electricity as may be delivered under the provisions of the Limited Commercial Space Heating Rate V.

The actual delivery of service and the rendering of bills under this rate is contingent upon the installation of the necessary time-of-use metering equipment by the Company; subject to both the availability of such meters from the Company's supplier and the conversion or installation procedures established by the Company.

All customers served on this rate must elect to take their total electric service under the time-of-use metering installation as approved by the Company. If delivery is through more than one meter, except at the Company's option, the Monthly Charge for service through each meter shall be computed separately under this rate.

CHARACTER OF SERVICE

Service supplied under this rate will be 60 cycle, three-phase alternating current normally at a nominal voltage of 120/208, 277/480, 2400, 4160, 4800, 7200, 13,200 and 13,800 volts.

All voltages are not available in every area.

RATE PER MONTH

The Rate Per Month will be the sum of the applicable Customer, Demand and Energy Charges subject to the adjustments in this tariff.

Rates for Retail Delivery Service

Customer Charge

\$324.29~~07~~ per month.

Distribution Demand Charge

\$6.92 per kW of Peak Hours Demand per Month

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25-638 Issued March 17, 2014 in Docket No. DE 14-08613-063

GENERAL LONG HOUR SERVICE RATE G-2

AVAILABILITY

Retail Delivery Service under this rate is available for all purposes except resale, subject to the provisions of this section. A Customer will take delivery service on this rate if the Company estimates that its average use will be greater than or equal to 20 kW of Demand but is less than 200 kW of Demand. If electricity is delivered through more than one meter, except at the Company's option, the charge for electricity delivered through each meter shall be computed separately under this rate.

A customer may be transferred from rate G-2 at its request or at the option of the Company if the customer's twelve (12) month average monthly demand is less than 18 kW of demand for three consecutive months.

If any electricity is delivered hereunder at a given location, then all electricity delivered by the Company at such location shall be furnished hereunder, except such electricity as may be delivered under the provisions of the Limited Commercial Space Heating Rate V.

CHARACTER OF SERVICE

Service supplied under this rate will be 60 cycle, three-phase alternating current normally at a nominal voltage of 120/208, 277/480, 2400, 4160, 4800, 7200, 13,200 and 13,800 volts.

All voltages are not available in every area.

RATE PER MONTH

The Rate Per Month will be the sum of the applicable Customer, Demand and Energy Charges subject to the adjustments in this tariff.

Rates for Retail Delivery Service

Customer Charge

\$54.09~~96~~ per month.

Distribution Demand Charge

\$6.97 per kilowatt of Demand per Month

Distribution Energy Charge

0.117 cents per kilowatt-hour

TRANSMISSION SERVICE COST ADJUSTMENT

Transmission service is available to all retail Customers taking service under this rate. For those Customers, the Transmission Energy Charge shall be calculated in accordance with the Company's Transmission Service Cost Adjustment Provision as provided on Page 66 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 68 of this Tariff.

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. ~~25,638~~ Issued March 17, 2014 in Docket No. DE ~~14-08613-063~~

GENERAL SERVICE RATE G-3

AVAILABILITY

Retail Delivery Service under this rate is available for all purposes except for resale. A Customer will take delivery service on this rate if the Company estimates that its average use will be less than 20 kW of demand. If electricity is delivered through more than one meter, except at the Company's option, the charge for electricity delivered through each meter shall be computed separately under this rate.

CHARACTER OF SERVICE

Service supplied under this rate will be 60 cycle, alternating current either:

- A. Single-phase normally three-wire at a nominal voltage of 120/240 volts.
- B. Three-phase secondary normally at a nominal voltage of 120/208, or 277/480 volts.
- C. Three-phase primary normally at a nominal voltage of 2400, 4160, 4800, 7200, 13,200 or 13,800 volts.

All voltages are not available in every area.

RATE PER MONTH

The rate per month will be the sum of the Customer and Energy Charges subject to the adjustments in this tariff:

Rates for Retail Delivery Service

Customer Charge

\$11.72 per month.

Distribution Energy Charge

3.96159 cents per kilowatt-hour.

TRANSMISSION SERVICE COST ADJUSTMENT

Transmission service is available to all retail Customers taking service under this rate. For those Customers, the Transmission Energy Charge shall be calculated in accordance with the Company's Transmission Service Cost Adjustment Provision as provided on Page 66 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 68 of this Tariff.

STRANDED COST ADJUSTMENT

All energy billed under this rate is subject to a Stranded Cost Energy Charge which shall be adjusted from time to time in accordance with the Company's Stranded Cost Adjustment Provision as provided on Page 67 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 68 of this Tariff.

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25-638 Issued March 17, 2014 in Docket No. DE 14-08613-063

OUTDOOR LIGHTING SERVICE RATE M

AVAILABILITY

Public Lighting

Available for Street or Highways and areas within the public domain for customers designated as governmental entities, inclusive of the state, municipalities, or other public authorities.

Installations on limited access highways, tunnels, bridges and the access and egress ramps thereto are subject to the Special Rate Conditions of this tariff.

Private Lighting

Available to private customers for outdoor lighting of areas on private property where necessary fixtures can be supported on existing poles and where such service can be supplied from existing secondary distribution facilities.

In special circumstances outlined in the pole and accessory section below, the Company will install a wooden pole.

Lighting Services

Service under this rate is for full-night service street lighting whereby the luminaire operates for the entire night time period pursuant to the Hours of Operation provision below. In addition, customers may, at their option, take advantage of part-night service in which the luminaire operates for a portion of the night pursuant to the Hours of Operation provision below. Customers may select the part-night service option at the time of lighting installation or at any time during service. Any request to select the part-time night service option must be made in writing.

RATE

Luminaire Charge

Size of Street Light Lumens	Lamp Wattage	Description	Annual Distribution Price Per Unit
Sodium Vapor			
4,000	50	LUM HPS RWY 50W	\$78.3227
9,600	100	LUM HPS RWY 100W	\$94.9589
27,500	250	LUM HPS RWY 250W	\$166.7362
50,000	400	LUM HPS RWY 400W	\$217.2611
9,600 (Post Top)	100	LUM HPS POST 100W	\$109.3629
27,500 (Flood)	250	LUM HPS FLD 250W	\$168.2211
50,000 (Flood)	400	LUM HPS FLD 400W	\$232.2206
Incandescent			
1,000	103	LUM INC RWY 103W	\$104.5548

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25-638 Issued March 17, 2014 in Docket No. DE 14-08613-063

Size of Street Light Lumens	Lamp Wattage	Description	Annual Distribution Price Per Unit
Mercury Vapor			
4,000	50	LUM MV RWY 100W	\$75.6762
8,000	100	LUM MV RWY 175W	\$92.01495
22,000	250	LUM MV RWY 400W	\$174.04392
63,000	400	LUM MV RWY 1000W	\$330.202997
22,000 (Flood)	250	LUM MV FLD 400W	\$192.4633
63,000 (Flood)	400	LUM MV FLD 1000W	\$332.3542

No further installation or relocation of Incandescent and Mercury Vapor lights will be made after the effective date of this rate, unless specific permission is received from the Commission's Chief Engineer.

POLE AND ACCESSORY CHARGE

An additional annual charge enumerated below will be applied where the Company is requested to furnish a suitable wood pole for the sole purpose of supporting a luminaire. If at a future date the pole is used for any purpose approved by the Company in addition to supporting a street and/or floodlight luminaire, the pole charge will be terminated. This pole may not be more than one (1) span from the existing secondary service located along a roadway or thoroughfare, and must be reachable for mechanized equipment.

	Description	Annual Price Per Unit
Overhead Service		
Wood Poles	POLE – WOOD	\$92.228
Underground Service		
<u>Non-Metallic Standard</u>		
Fiberglass – Direct Embedded	POLE FIBER PT < 25FT	\$95.5056
Fiberglass with Foundation < 25 ft.	POLE FIBER RWY < 25FT	\$162.49809
Fiberglass with Foundation >= 25 ft.	POLE FIBER RWY => 25	\$270.8062
<u>Non-Metallic Standard</u>		
Metal Poles Poles – Direct Embedded	POLE METAL EMBEDDED	\$193.2845
Metal Poles Poles with Foundation	POLE METAL	\$232.9074

OTHER CHARGES

Pursuant to RSA 9-E:4, the Company provides a part-night service that, when requested by a customer, will require the replacement of the photoelectric control that will allow for the operation of the luminaire for a portion of the night. The Company shall assess the customer a Part Night Charge of \$150 for the installation of each photoelectric control that must be replaced in order for part-night service to be operational and for the removal of such photoelectric control upon the customer's request to return to full-night service. For installation or removal of each photoelectric control made during a scheduled maintenance visit or during the installation of a new outdoor lighting service, the Company shall assess the customer a Part Night Charge of \$20 for the installation or removal of each such photoelectric control. The Part Night Charge does not include the cost or fees associated with any work-zone protection, traffic control services and/or permits required to perform the customer requested change, all of which shall be the responsibility of the customer.

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25-638 Issued March 17, 2014 in Docket No. DE 13-063

LIMITED TOTAL ELECTRICAL LIVING RATE T

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AVAILABILITY

The availability of this rate is limited to the following customers: 1) those who immediately prior to the effective date of this rate were served under Total Electric Living Rate T, N.H.P.U.C. No. 8 - Electricity and are presently receiving service under this rate, and (2) those who requested service under this rate prior to May 1, 1982.

To such customers, delivery service under this Limited Total Electric Living Rate T continues to be available to the classifications below, subject to the conditions hereinafter stated:

CLASSIFICATIONS

1. An individual residence or individual apartment.
2. A building or group of buildings under common ownership and operation, where the principal use of electricity is for living quarters. If the owner does not furnish all the electric requirements to the residential tenants of a building, the balance of these residential requirements may be billed individually to the tenants under this rate.
3. A church or school, including adjacent buildings owned and operated by such church or school and used principally for religious or education purposes.

CONDITIONS

- A. Electricity must be the sole source of energy for space heating and water heating.
- B. All electrical space heating equipment must be permanently installed. It is recommended that insulation be permanently installed and conform to the Company's standards.
- C. All water heaters installed shall be of a type and size approved by the Company.
- D. The Customer shall provide a separate circuit for the water heater, of ample capacity and designed for a 240-volt operation, to which no equipment other than the water heater shall be connected.
- E. This rate is not available for resale.

CHARACTER OF SERVICE

Service supplied under this rate will be single phase, 60 cycle, alternating current, normally three-wire service at a nominal voltage of 120/240 volts or three-wire 120/208 volts, whichever is available at the location.

RATE PER MONTH

The rate per month will be the sum of the applicable Customer and Energy Charges subject to the adjustments in this tariff.

Rates for Retail Delivery Service

Customer Charge

\$11.94 per Month

Distribution Energy Charge

3.5142 cents per kilowatt-hour

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25,638 Issued March 17, 2014 in Docket No. DE 14-08613-063

LIMITED COMMERCIAL SPACE HEATING RATE V

AVAILABILITY

The availability of this rate is limited to the following customers: 1) those who immediately prior to the effective date of this rate were served under Commercial Space Heating Rate V, N.H.P.U.C. No. 8 - Electricity and are presently receiving service under this rate, and 2) those who requested service under this rate prior to May 1, 1982.

To such customers, delivery service under this Limited Commercial Space Heating Rate V is available for space heating in buildings other than residences, where the Customer's premises are heated exclusively by electricity.

Air conditioning used in addition to electric space heating at this same location may also be served under this rate, provided that electricity is the sole source of energy, and all the requirements for these purposes are metered hereunder.

Electric space heating equipment shall be permanently installed and be of a type and size approved by the Company.

Service under this rate will be metered separately.

Any other use of electricity must be taken under an applicable general service rate.

This rate is not available to seasonal customers, or for resale or auxiliary service.

CHARACTER OF SERVICE

Service supplied under this rate will be single phase, 60 cycle, alternating current, normally three-wire service at a nominal voltage of 120/240 volts or three-wire 120/208 volts, whichever is available at the location, or other voltages where available by special arrangement with the Company.

RATE PER MONTH

The rate per month will be the sum of the applicable Customer and Energy Charges subject to the adjustments in this tariff.

Rates for Retail Delivery Service

Minimum Charge

\$11.7~~66~~ per Month

Distribution Energy Charge

4.05~~53~~ cents per kilowatt-hour

TRANSMISSION SERVICE COST ADJUSTMENT

Transmission service is available to all retail Customers taking service under this rate. For those Customers, the Transmission Energy Charge shall be calculated in accordance with the Company's Transmission Service Cost Adjustment Provision as provided on Page 66 of the Tariff of which this rate is a part. A summary of energy charges in effect, with all adjustments, is provided on Page 68 of this Tariff.

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25-638 Issued March 17, 2014 in Docket No. DE 14-08643-063

SUMMARY OF RATES
RATES EFFECTIVE ~~JUNE~~ APRIL 1, 2014
FOR USAGE ON AND AFTER ~~JUNE~~ APRIL 1, 2014

Rate	Blocks	Distribution Charge (1), (2), (3)	Storm Recovery Adjustment Factor	Electricity Consumption Tax	Transmission Charge	Systems Benefits Charge	Stranded Cost Charge	Total Retail Delivery Services
D	Customer Charge	\$11.824						\$11.824
	1st 250 kWh	\$0.03197245	\$0.00329	\$0.00055	\$0.02116	\$0.00330	\$0.000800	\$0.0610725
	Excess 250 kWh	\$0.04797844	\$0.00329	\$0.00055	\$0.02116	\$0.00330	\$0.000800	\$0.0770724
	Off Peak kWh	\$0.0305573	\$0.00329	\$0.00055	\$0.02116	\$0.00330	\$0.000800	\$0.0596583
	Farm kWh	\$0.03997404	\$0.00329	\$0.00055	\$0.02116	\$0.00330	\$0.000800	\$0.0690725
	D-6 kWh	\$0.03189207	\$0.00329	\$0.00055	\$0.02116	\$0.00330	\$0.000800	\$0.06099447
D-10	Customer Charge	\$11.977						\$11.977
	On Peak kWh	\$0.0903246	\$0.00329	\$0.00055	\$0.02458	\$0.00330	\$0.00080	\$0.1228498
	Off Peak kWh	\$0.00096446	\$0.00329	\$0.00055	\$0.02458	\$0.00330	\$0.00080	\$0.0334868
G-1	Customer Charge	\$324.2907						\$324.2907
	Demand Charge	\$6.92						\$6.92
	On Peak kWh	\$0.0041737	\$0.00329	\$0.00055	\$0.01724	\$0.00330	\$0.00080	\$0.0293555
	Off Peak kWh	\$0.0010424	\$0.00329	\$0.00055	\$0.01724	\$0.00330	\$0.00080	\$0.0262242
G-2	Customer Charge	\$54.0906						\$54.0906
	Demand Charge	\$6.97						\$6.97
	All kWh	\$0.0014464	\$0.00329	\$0.00055	\$0.02147	\$0.00330	\$0.00081	\$0.03086406
G-3	Customer Charge	\$11.722						\$11.722
	All kWh	\$0.0397189	\$0.00329	\$0.00055	\$0.02108	\$0.00330	\$0.00080	\$0.0687394
M	All kWh	\$0.000247	\$0.00329	\$0.00055	\$0.01517	\$0.00330	\$0.00080	\$0.0233858
	<i>see tariff for luminaires & pole charges</i>							
T	Customer Charge	\$11.944						\$11.944
	All kWh	\$0.0353452	\$0.00329	\$0.00055	\$0.02525	\$0.00330	\$0.00080	\$0.0685374
V	Minimum Charge	\$11.766						\$11.766
	All kWh	\$0.0407394	\$0.00329	\$0.00055	\$0.02867	\$0.00330	\$0.00080	\$0.0773452

(1) Distribution Energy Charges include a Business Profits Tax Surcharge of \$0.00057 per kWh for usage on and after 8/1/01

(2) Distribution Energy Charges include the following credits per kWh in accordance with page 75 of the tariff for usage on and after 5/1/10

Rate Class	D	D-10	G-3	T	V
Credit per kWh	(\$0.00017)	(\$0.00008)	(\$0.00017)	(\$0.00007)	(\$0.00009)

(3) Distribution Energy Charges include a Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor of (\$0.000340) per kWh for usage on and after ~~6/7/14~~ 6/7/14

System Benefits Charge-Energy Efficiency	\$0.00180	Effective 7/1/11, usage on and after
<u>System Benefits Charge-Statewide Energy Assistance Program</u>	<u>\$0.00150</u>	Effective 7/1/11, usage on and after
Total System Benefits Charge	\$0.00330	
Transmission Cost Adjustment Factor	various	Effective 1/1/14, usage on and after
Stranded Cost Adjustment Factor	various	Effective 1/1/14, usage on and after
Energy Service Charge		
Residential & Small Commercial (D, D-10, G-3, M, T, V)	\$0.08899	Effective 11/1/13, usage on and after
	\$0.07732	Effective 5/1/14, usage on and after
Medium / Large Commercial & Industrial (G-1, G-2)	\$0.06773	Effective 4/1/14, usage on and after
	\$0.06716	Effective 5/1/14, usage on and after
	\$0.08962	Effective 6/1/14, usage on and after
	\$0.08875	Effective 7/1/14, usage on and after
	\$0.08031	Effective 8/1/14, usage on and after
	\$0.06689	Effective 9/1/14, usage on and after
	\$0.06630	Effective 10/1/14, usage on and after
Electricity Consumption Tax	\$0.00055	Effective 5/1/01, usage on and after

Dated: April 1, 2014
Effective: April 1, 2014

Issued by: /s/Richard Leehr
Richard Leehr
Title: President

Authorized by Order No. 25,638 Issued March 17, 2014 in Docket No. DE 13-063 and Authorized by Order No. 25,642 Issued March 27, 2014 in Docket No. DE 14-034