

Unitil Energy Systems, Inc.
PUC 308.11 - F-1 Rate of Return
12 Months Ending December 31, 2014

Schedule 1: Calculation of Per Books Rate of Return

<u>Cost of Service</u>	<u>Rolling 12 Months</u>	<u>Rate Base</u>	<u>5 Qtr Avg</u>
Electric Service Revenues	\$ 148,897,936	Utility Plant in Service	\$ 254,984,195
Other Operating Revenue	2,068,566	Less: Reserve for Depreciation & Amortization	89,047,436
Total Operating Revenues	<u>150,966,502</u>	Net Utility Plant	<u>165,936,759</u>
<i>Operating Expenses:</i>		<i>Plus:</i>	
Purchased Power	69,461,648	M&S Inventories	1,267,658
Transmission	22,430,470	Cash Working Capital	2,470,200
Distribution	8,800,949	Prepayments	8,740,504
Cust. Accounting & Service	6,985,325	Other Special Deposits - ISO	4,871,964
Admin. & General	8,507,896	<i>Less:</i>	
Depreciation	9,268,970	Deferred Income Taxes	32,076,546
Amortization	4,327,011	Customer Advances	426,215
Taxes-Other Than Income	5,434,398	Customer Deposits	984,943
State & Federal Income Taxes	3,745,165		
Int on Customer Deposits	30,807		
		Total Rate Base	<u>\$ 149,799,380</u>
Total Operating Expenses	<u>138,992,638</u>	Utility Operating Income - 8.39% Cost of Capital	\$ 12,571,756
Net Operating Income	\$ 11,973,863	Utility Operating Income - Actual	\$ 11,426,722
Less: Other FT Oper Inc (Not Tax Affected)	547,141	Operating Income Deficiency (Surplus)	<u>\$ 1,145,034</u>
		Income Tax Gross-Up	\$ 751,031
Net Operating Income - Adjusted	<u>\$ 11,426,722</u>	Revenue Deficiency (Surplus)	<u>\$ 1,896,065</u>
		Return on Rate Base - Actual	7.63%
		Return on Rate Base - Authorized DE 10-055	8.39%
		ROE - Actual	7.99%
		ROE - Authorized DE 10-055	9.67%

Schedule 2: Cost of Capital - Authorized DE 10-055

	<u>Percent</u>		<u>Weighted</u>
	<u>Total</u>	<u>Cost Rate</u>	<u>Cost Rate</u>
Common Equity	45.45%	9.67%	4.40%
Preferred Stock Equity	0.16%	6.00%	0.01%
Long Term Debt	51.53%	7.60%	3.92%
Short Term Debt	2.86%	2.50%	0.07%
Total	<u>100.00%</u>		<u>8.39%</u>