

DG 11-069 (Northern Utilities)
Exhibit 2 - Settlement Agreement
Depreciation Accrual Rates

		Settlement		
		Average Service Life	Net Salvage Percent	Depreciation Accrual Rate
Distribution Plant:				(1)
Structures:				
375.20 (1308.6)	Structures - City Gate	70.0	-5.0%	1.50%
375.70 (1308.7)	Structures & Improvements - Other	70.0	0.0%	1.43%
Total Structures				
Mains:				
376.20 (1356.4)	Coated/Wrapped	45.0	-25.0%	2.78%
376.30 (1356.6)	Bare Steel	31.0	-25.0%	4.03%
376.40 (1356.7)	Plastic	45.0	-25.0%	2.78%
376.50 (1356.2)	Joint Seals	15.0	-25.0%	8.33%
376.60 (1356.5)	Cathodic Protection	18.0	-25.0%	6.94%
376.80 (1356.1)	Cast Iron	62.0	-25.0%	2.02%
Total Mains				
Other Plant:				
378.20 (1358.0)	Measuring & Regulating Station Equipment	30.0	-5.0%	3.50%
380.00 (1359.0)	Services	45.0	-72.5%	3.83%
381.00 (1360.0)	Meters	30.0	0.0%	3.33%
382.00 (1360.0)	Meter Installations	33.0	-10.0%	3.33%
383.00 (1359.0)	House Regulators	30.0	0.0%	3.33%
386.00 (1361.0)	Water Heaters/Conversion Burners	13.5	2.5%	7.22%
Total Other				
Total Distribution Plant				
General Plant:				
391.10 (1372.1)	Office Furniture & Equipment - Unspec.	11.5	3.5%	8.39%
391.11 (1372.1)	Office Furniture & Equipment - Data HDL.	10.5	0.0%	9.52%
394.00 (1375.0)	Tools, Shop & Garage Equipment	19.0	3.5%	5.08%
396.00 (1377.0)	Power Operated Equipment	15.0	17.5%	5.50%
397.00 (1378.0)	Communication Equipment	11.0	0.0%	9.09%
397.35 (1378.0)	Communication Equipment - ERTS	15.0	0.0%	6.67%
Total General Plant				

(1) The calculation of depreciation accrual rates is based on the whole-life technique as follows:
1-(net salvage percent) divided by average service life

DG 11-069 (Northern Utilities)
Summary

Schedule JJC-1

	Recorded 2010 Test Year	Proposal	Settlement	Variance From Proposal
Depreciation and Amortization:				
Depreciation Expense and Amortization of Depreciation Reserves	\$ 4,347,100	\$ 4,258,999	\$ 3,884,632 89%	\$ (374,367)
Amortization of Intangible Plant, including software	\$ 249,573	\$ 406,392	\$ 369,009 91%	\$ (37,383)
Total Depreciation and Amortization	<u>\$ 4,596,673</u>	<u>\$ 4,665,391</u>	<u>\$ 4,253,641 91%</u>	<u>\$ (411,750)</u>
			Settle \$ 4,115,744	
Depreciation-Related Rate Base Adjustment (i.e. increase)			\$ 248,656	<u>\$ 248,656</u>

Summary - Depreciation & Amortization of Software

	Test Year Dec. 31, 2010 (1)	Test Year Proforma Proposal	Settlement (2)	Variance From Proposal
Depreciation and Amortization of Software:				
Depreciation Expense	\$ 4,347,100	\$ 4,356,623 (3)	\$ 4,150,750	\$ (205,873)
Amortization of Depreciation Reserve Surplus	\$ -	\$ (97,624) (4)	\$ (266,117)	\$ (168,493)
Sub-Total Depreciation Expense	\$ 4,347,100 (1)	\$ 4,258,999	\$ 3,884,632	\$ (374,367)
Amortization of Intangible Plant	\$ 249,573	\$ 406,392 (5)	\$ 369,009 (6)	\$ (37,383)
Depreciation and Amortization of Software	<u>\$ 4,596,673</u>	<u>\$ 4,665,391</u>	<u>\$ 4,253,641</u>	<u>\$ (411,750)</u>

footnotes:

(1) Source: Filing Requirement Schedules, page 2 of 19 (depreciation) and Schedule RevReq 3-15 (amortization).

(2) Source is as follows:

Depreciation is per Schedule JJC-4.

Amortization of Intangible Plant is per Schedule JJC-3

Amortization of Reserve Surplus is per Schedule JJC-5.

(3) Source: Filing Requirement Schedules, page 2 of 19, Line 12: \$4,258,999 + \$97,624 Dep. Reserve Variance Amortization (Schedule 3-14 (Bates 000111) = \$4,356,622.

(4) Source: RevReq 3-14

(5) Source: Schedule RevReq 3-15, line 15.

(6) Source: Settlement Document provided at 1/19/2012 Settlement Conference, representing annualized amortization amount based on Intangibles as of 12/31/2011.

Development of Settlement

		31-Dec-10 Test Year Plant Balance	Proposed Accrual Rates (1)				Settlement				Settlement over/(under) Proposed
			Average Service Life	Net Salvage Percent	Depreciation Accrual Rate	Amount	Average Service Life	Net Salvage Percent	Depreciation Accrual Rate	Amount	
			New Dep Study	New Dep Study	New Dep Study						
Distribution Plant:											
Structures											
375.20 (1308.6)	Structures - City Gate	\$	45,256	60	-5.00%	1.75%	\$	792		\$	679
375.70 (1308.7)	Structures & Improvements - Other	\$	2,775,065	60	-5.0%	1.75%	\$	48,564		\$	(8,920)
	Total Structures	\$	2,820,321							\$	(9,033)
Mains:											
376.20 (1356.4)	Coated/Wrapped	\$	16,320,670	45	-25.0%	2.78%	\$	453,352		\$	453,352
376.30 (1356.6)	Bare Steel	\$	367,921	31	-25.0%	4.03%	\$	-		\$	-
376.40 (1356.7)	Plastic	\$	47,629,111	41	-25.0%	3.05%	\$	1,452,107		\$	(129,076)
376.50 (1356.2)	Joint Seals	\$	542,145	15	-25.0%	8.33%	\$	45,179		\$	-
376.60 (1356.5)	Cathodic Protection	\$	517,229	20	-25.0%	6.25%	\$	32,327		\$	3,592
376.80 (1356.1)	Cast Iron	\$	80,947	62	-25.0%	2.02%	\$	-		\$	-
	Total Mains	\$	65,458,023			3.03%	\$	1,982,965		\$	(125,484)
Other Plant:											
378.20 (1358.0)	Measuring & Regulating Station Equipment	\$	1,787,578	30	-5.0%	3.50%	\$	62,565		\$	62,565
380.00 (1359.0)	Services	\$	31,874,279	45	-75.0%	3.89%	\$	1,239,555		\$	(17,708)
381.00 (1360.0)	Meters	\$	3,506,040	30	0.0%	3.33%	\$	116,868		\$	-
382.00 (1360.0)	Meter Installations	\$	12,313,745	33.00	-10.0%	3.33%	\$	410,458		\$	-
383.00 (1359.0)	House Regulators	\$	222,731	35	0.0%	2.86%	\$	6,364		\$	1,061
386.00 (1361.0)	Water Heaters/Conversion Burners	\$	1,374,676	10	0.0%	10.00%	\$	137,468		\$	(38,185)
	Total Other	\$	51,079,049			3.86%	\$	1,973,278		\$	(54,833)
Total Distribution Plant		\$	119,357,393			3.36%	\$	4,005,598		\$	(189,350)
General Plant:											
391.10 (1372.1)	Office Furniture & Equipment - Unspec.	\$	594,527	12	2.00%	8.17%	\$	48,553		\$	1,336
391.11 (1372.1)	Office Furniture & Equipment - Data HDL	\$	7,566	10	0.00%	10.00%	\$	757		\$	(36)
394.00 (1375.0)	Tools, Shop & Garage Equipment	\$	874,077	19	0.00%	5.26%	\$	46,004		\$	(1,610)
396.00 (1377.0)	Power Operated Equipment	\$	75,266	15	10.00%	6.00%	\$	4,516		\$	(376)
397.00 (1378.0)	Communication Equipment	\$	1,143,342	12	0.00%	8.33%	\$	95,279		\$	8,662
397.35 (1378.0)	Communication Equipment - ERTS	\$	2,326,975	15	0.00%	6.67%	\$	155,132		\$	155,132
Total General Plant		\$	5,021,753							\$	7,975
Rounding - various plant accounts						\$	785				
Sub-Total		\$	124,379,146 (3)			3.50%	\$	4,356,623 (4)		\$	(182,160)
Less: Depreciation Charged to Building OH (Per Staff 2-1)						\$	-			\$	23,713
Depreciation Expense						\$	4,356,623			\$	(205,873)
Miscellaneous Intangible Plant (Account 303)		\$	2,296,025			\$	406,392	Rev/Req 3-15	Settle Conf. 1/9/2012	\$	369,009
Less: Adjustment for 2011 Projects						\$	-			\$	-
Adjusted Miscellaneous Intangible Plant						\$	406,392			\$	369,009
Total Depreciable and Amortization		\$	126,675,171 (2)			\$	4,763,015			\$	(219,543)
footnotes:											

footnotes:

(1) Source: Schedule RevReq 3-13 (Bates 000110) and Depreciation Study, Schedule A, Bates (000739).

(2) Reconciliation of Depreciable/Amortizable Plant (above) vs. Plant in Rate Base (Bates 000067):

Per above Dep/Amort. Plant Balance	\$	126,675,171	Source: Bates 000083
Plus: Non-Depreciable Land	\$	346,785	Not Studied, fully amortized (Bates 000083)
Plus: Diamond Boiler	\$	1,148,341	Not Studied, mostly fully depreciated (Staff 1-P-21)
Plus: Mfg. Gas Production Plant	\$	600,223	Not studied, company is leasing vehicles (Staff 1-P-23)
Plus: Transportation Equipment	\$	22,974	No change from prior study (DG 01-182: 12 Year ASL, zero Net Salvage)
Plus: Stores Equipment	\$	31,520	Source: Bates 000125, Plant Accounts are Maine only, not part of NH Study.
Plus: NH Share (48.64%) of Maine Common Plant	\$	1,785,271	Ties to Proforma Rate Base at Bates 000087
Net Depreciable/Amortiz/Non-Dep. Plant	\$	130,610,285	

(3) Reconciliation to RevReq 3-12

Dep. Plant, excluding Intangible, per above	\$	124,379,146	
Plus: Mfg. Gas Production Plant	\$	600,223	Not Studied, mostly fully depreciated (Staff 1-P-21)
Plus: Diamond Boiler	\$	1,148,341	Not Studied, fully amortized (Bates 000083)
Plus: Transportation	\$	22,974	Not studied, company is leasing vehicles (Staff 1-P-23)
Plus: Stores	\$	31,520	No change from prior study (DG 01-182: 12 Year ASL, zero Net Salvage)
Depreciable Plant Balance per Schedule RevReq-3-12	\$	126,182,204	

(4) Reconciliation to Filing

Depreciation per Test Year (Bates 000109)	\$	4,347,100
Plus: Annualization Adjustment (Bates 000109)	\$	183,181
Less: Dep Accrual Rate Adjustment (Bates 000072)	\$	(173,658)
Depreciation Expense per Proposal	\$	4,356,623

(5) Reconciliation to Filing Req. Schedule, p. 2 of 19

Depreciation Exp. Excluding Dep. Res. Adj.	\$	4,356,623
Less: Depreciation Reserve Adjustment	\$	(97,624)
Dep. Exp. Per Proposal incl. Dep. Res. Adj.	\$	4,258,999

See JJC-5 for Dep. Res. Adjustment
Ref. Filing Req. Schedule, page 2 of 19

Development of Settlement - Amortization of Depreciation Reserve Variance

			Settlement								
			Northern Proposed Theoretical Reserve	Northern Proposed Accr. Rate	Staff Recomm Accr. Rate	Accr. Rate Staff v. Prop. %	Settlement Theoretical Reserve Amount	Book Reserve	Reserve Deficiency (Surplus)/ Deficit	Reserve Surplus Amortization over 12 years est. 2 cycles	
31-Dec-10 Test Year Plant Balance (1)											
Distribution Plant:											
Structures:											
375.20 (1308.6)	Structures - City Gate	\$ 45,256	\$ 5,853	1.75%	1.50%	100.00%	\$ 5,853	\$ (5,896)	\$ 11,749	\$ 979	
375.70 (1308.7)	Structures & Improvements - Other	\$ 2,775,065	\$ 430,301	1.75%	1.43%	81.63%	\$ 351,266	\$ 743,627	\$ (392,361)	\$ (32,697)	
	Total Structures	\$ 2,820,321	\$ 436,154				\$ 357,119	\$ 737,731	\$ (380,612)	\$ (31,718)	
Mains:											
376.20 (1356.4)	Coated/Wrapped	\$ 16,320,670	\$ 6,160,500	2.78%	2.78%	100.00%	\$ 6,160,500	\$ 6,071,159	\$ 89,341	\$ 7,445	
376.30 (1356.6)	Bare Steel	\$ 367,921	fully dep.	4.03%	4.03%	100.00%	fully dep.	\$ 367,921	fully dep.	fully dep.	
376.40 (1356.7)	Plastic	\$ 47,629,111	\$ 14,955,524	3.05%	2.78%	91.11%	\$ 13,626,144	\$ 14,738,635	\$ (1,112,491)	\$ (92,708)	
376.50 (1356.2)	Joint Seals	\$ 542,145	\$ 447,439	8.33%	8.33%	100.00%	\$ 447,439	\$ 33,810	\$ 413,629	\$ 34,469	
376.60 (1356.5)	Cathodic Protection	\$ 517,229	\$ 231,059	6.25%	6.94%	111.11%	\$ 256,732	\$ 165,860	\$ 90,872	\$ 7,573	
376.80 (1356.1)	Cast Iron	\$ 80,947	fully dep.	2.02%	2.02%	100.00%	fully dep.	\$ 80,947	fully dep.	fully dep.	
	Total Mains	\$ 65,458,023	\$ 21,794,522				\$ 20,490,815	\$ 21,458,332	\$ (518,649)	\$ (43,221)	
Other Plant:											
378.20 (1358.0)	Measuring & Regulating Station Equipment	\$ 1,787,578	\$ 750,714	3.50%	3.50%	100.00%	\$ 750,714	\$ 1,019,359	\$ (268,645)	\$ (22,387)	
380.00 (1359.0)	Services	\$ 31,874,279	\$ 13,001,254	3.89%	3.83%	98.57%	\$ 12,815,522	\$ 13,688,124	\$ (872,602)	\$ (72,717)	
381.00 (1360.0)	Meters	\$ 3,506,040	\$ 1,173,912	3.33%	3.33%	100.00%	\$ 1,173,912	\$ 1,743,377	\$ (569,465)	\$ (47,455)	
382.00 (1360.0)	Meter Installations	\$ 12,313,745	\$ 4,096,225	3.33%	3.33%	100.00%	\$ 4,096,225	\$ 4,016,274	\$ 79,951	\$ 6,663	
383.00 (1359.0)	House Regulators	\$ 222,731	\$ 40,243	2.86%	3.33%	116.67%	\$ 46,950	\$ 52,533	\$ (5,583)	\$ (465)	
386.00 (1361.0)	Water Heaters/Conversion Burners	\$ 1,374,676	\$ 686,453	10.00%	7.22%	72.22%	\$ 495,772	\$ 850,835	\$ (355,063)	\$ (29,589)	
	Total Other	\$ 51,079,049	\$ 19,748,801				\$ 19,379,095	\$ 21,370,502	\$ (1,991,407)	\$ (165,951)	
Total Distribution Plant		\$ 119,357,393	\$ 41,979,477	3.36%	0.00%		\$ 40,227,029	\$ 43,566,565	\$ (2,890,668)	\$ (240,889)	
General Plant:											
391.10 (1372.1)	Office Furniture & Equipment - Unspec.	\$ 594,527	\$ 244,928	8.17%	8.39%	102.75%	\$ 251,665	\$ 433,264	\$ (181,599)	\$ (15,133)	
391.11 (1372.1)	Office Furniture & Equipment - Data HDL	\$ 7,566	\$ 5,978	10.00%	9.52%	95.24%	\$ 5,693	\$ 1,785	\$ 3,908	\$ 326	
394.00 (1375.0)	Tools, Shop & Garage Equipment	\$ 874,077	\$ 287,838	5.26%	5.08%	96.50%	\$ 277,764	\$ 407,987	\$ (130,223)	\$ (10,852)	
396.00 (1377.0)	Power Operated Equipment	\$ 75,266	\$ 50,423	6.00%	5.50%	91.67%	\$ 46,221	\$ 45,644	\$ 577	\$ 48	
397.00 (1378.0)	Communication Equipment	\$ 1,143,342	\$ 343,499	8.33%	9.09%	109.09%	\$ 374,726	\$ 566,739	\$ (192,013)	\$ (16,001)	
397.35 (1378.0)	Communication Equipment - ERTS	\$ 2,326,975	\$ 998,527	6.67%	6.67%	100.00%	\$ 998,527	\$ 801,918	\$ 196,609	\$ 16,384	
Total General Plant		\$ 5,021,753	\$ 1,931,193	0.00%	7.13%		\$ 1,954,596	\$ 2,257,337	\$ (302,741)	\$ (25,228)	
Total Depreciable Distribution and General Plant		\$ 124,379,146 (2)	\$ 43,910,670	3.50%	3.36%		\$ 42,181,625	\$ 45,823,902	\$ (3,193,409)	\$ (266,117)	

footnotes:

(1) Ref. Depreciation Rate Study, Schedule A, Bates (000739). Reconciliation to Rate Base is as follows:

(2) Reconciliation of Depreciable Plant (above) vs. Depreciable Plant in Rate Base (Bates 000082):

Per Filing Requirement Schedules(Bates 000082)	\$ 126,182,203	
Less: Diamond Boiler	\$ 1,148,341	Not studied, fully amortized (Bates 000083)
Less: Mfg. Gas Production Plant	\$ 600,223	Not studied, mostly fully depreciated (Staff 1-P-21)
Less: Transportation Equipment	\$ 22,974	Not studied, company is leasing vehicles (Staff 1-P-23)
Less: Stores Equipment	\$ 31,520	No change from prior study (DG 01-182: 12 Year ASL, zero Net Salvage)
Net Depreciable Plant	<u>\$ 124,379,145</u>	

380.00 (1359.0)

DG 11-069 (Northern Utilities)
Depreciation Study

Schedule JJC-6

Development of Settlement - Depreciation-Related Rate Base Adjustment

1. Accumulated Depreciation for Changes in Depreciation Expense:

Adjust 2010 test year for recommended reduction in Dep./Amort. Exp. per Schedule JJC-1
Increase test year rate base due to the reduction in Acc. Dep. at year end at 100% of total year

2. Accumulated Deferred Federal Tax Credit (ADIT):

Recommended Reduction in Depreciation and Amortization, per above
Increase in gap between book and tax depreciation
Effective Tax Rate (State + Federal)
Increase in Accumulated Deferred Tax Credits
Increase in Accumulated Deferred Tax Credits reduces Rate Base

Net Rate Base Adjustment (i.e. increase)

	\$	(411,750)
	\$	411,750
	\$	(411,750)
	\$	411,750
		39.61%
	\$	163,094
	\$	(163,094)
	\$	248,656

31-Dec-10
Test Year
Plant
Balance

[illegible]

int study (80 and 60

y-specific data (SPR=58) is not useable

vg. of prior 2 studies, or 50 years
effect shortening trend in prior 2 studie

and orig. Staff Recommendation (53 v. 45 = 49)
xcellent and supports 53, and
i. for purposes of overall settlement, we
reflect, in part, the Energy North ASL of 40
ension of life from prior study of 40 to 45

DG 11-069 (Northern Utilities)
Depreciation Study

Development of Settlement

		31-Dec-10	Settlement				
		Test Year Plant Balance	DG 01-182 Settlement	2007 Study Existing	DG 11-069 Proposed	Approved Energy North	Settlement
Distribution Plant:			Curr. Book'g				
Structures:							
375.20 (1308.6)	Structures - City Gate	\$ 45,256	-5.0%	-5.0%	-5.0%	0.0%	-5.0%
375.70 (1308.7)	Structures & Improvements - Other	\$ 2,775,065	25.0%	0.0%	-5.0%	0.0%	0.0%
	Total Structures	\$ 2,820,321					
Mains:							
376.20 (1356.4)	Coated/Wrapped	\$ 16,320,670	-25.0%	-25.0%	-25.0%	-15.0%	-25.0%
376.30 (1356.6)	Bare Steel	\$ 367,921	-25.0%	-25.0%	-25.0%	-15.0%	-25.0%
376.40 (1356.7)	Plastic	\$ 47,629,111	-25.0%	-25.0%	-25.0%	-15.0%	-25.0%
376.50 (1356.2)	Joint Seals	\$ 542,145	-25.0%	-25.0%	-25.0%	-15.0%	-25.0%
376.60 (1356.5)	Cathodic Protection	\$ 517,229	-25.0%	-25.0%	-25.0%	-15.0%	-25.0%
376.80 (1356.1)	Cast Iron	\$ 80,947	-25.0%	-25.0%	-25.0%	-15.0%	-25.0%
	Total Mains	\$ 65,458,023					
Other Plant:							
378.20 (1358.0)	Measuring & Regulating Station Equipment	\$ 1,787,578	-5.0%	-5.0%	-5.0%	0.0%	-5.0%
380.00 (1359.0)	Services	\$ 31,874,279	-60.0%	-85.0%	-75.0%	-60.0%	-72.5%
381.00 (1360.0)	Meters	\$ 3,506,040	0.0%	0.0%	0.0%	0.0%	0.0%
382.00 (1360.0)	Meter Installations	\$ 12,313,745	-10.0%	-10.0%	-10.0%	0.0%	-10.0%
383.00 (1359.0)	House Regulators	\$ 222,731	0.0%	0.0%	0.0%	0.0%	0.0%
386.00 (1361.0)	Water Heaters/Conversion Burners	\$ 1,374,676	0.0%	5.0%	0.0%	0.0%	2.5%
	Total Other	\$ 51,079,049					
Total Distribution Plant		\$ 119,357,393					
General Plant:							
391.10 (1372.1)	Office Furniture & Equipment - Unspec.	\$ 594,527	5.0%	2.0%	2.0%	5.0%	3.5%
391.11 (1372.1)	Office Furniture & Equipment - Data HDL.	\$ 7,566	0.0%	0.0%	0.0%	5.0%	0.0%
394.00 (1375.0)	Tools, Shop & Garage Equipment	\$ 874,077	5.0%	2.0%	0.0%	0.0%	3.5%
396.00 (1377.0)	Power Operated Equipment	\$ 75,266	25.0%	10.0%	10.0%	0.0%	17.5%
397.00 (1378.0)	Communication Equipment	\$ 1,143,342	0.0%	0.0%	0.0%	0.0%	0.0%
397.35 (1378.0)	Communication Equipment - ERTS	\$ 2,326,975	n/a	0.0%	0.0%	0.0%	0.0%
Total General Plant		\$ 5,021,753					
Total Depreciable Distribution and General Plant		\$ 124,379,146					

Comments at 1/5/2012

Adopt consultant 1/5/2012 recommendation c
for settlement based on generally
net salvage on long lived assets.

of zero

low to zero

DG 11-069 (Northern Utilities)
Depreciation Study

Development of December 31, 2010 Adjustment

		31-Dec-10 Test Year Plant Balance	Current Accrual Rates	
			Depreciation Accrual Rate	Amount
Distribution Plant:				
Structures:				
375.20 (1308.6)	Structures - City Gate	\$ 45,256	2.86%	\$ 1,294
375.70 (1308.7)	Structures & Improvements - Other	\$ 2,775,065	2.63%	\$ 72,984
	Total Structures	\$ 2,820,321		\$ 74,279
Mains:				
376.20 (1356.4)	Coated/Wrapped	\$ 16,320,670	2.78%	\$ 453,715
376.30 (1356.6)	Bare Steel	\$ 367,921	n/a	\$ -
376.40 (1356.7)	Plastic	\$ 47,629,111	2.78%	\$ 1,324,089
376.50 (1356.2)	Joint Seals	\$ 542,145	8.34%	\$ 45,215
376.60 (1356.5)	Cathodic Protection	\$ 517,229	6.95%	\$ 35,947
376.80 (1356.1)	Cast Iron	\$ 80,947	n/a	\$ -
	Total Mains	\$ 65,458,023	2.84%	\$ 1,858,966
Other Plant:				
378.20 (1358.0)	Measuring & Regulating Station Equipment	\$ 1,787,578	3.50%	\$ 62,565
380.00 (1359.0)	Services	\$ 31,874,279	4.62%	\$ 1,472,592
381.00 (1360.0)	Meters	\$ 3,506,040	3.33%	\$ 116,751
382.00 (1360.0)	Meter Installations	\$ 12,313,745	3.44%	\$ 423,593
383.00 (1359.0)	House Regulators	\$ 222,731	3.33%	\$ 7,417
386.00 (1361.0)	Water Heaters/Conversion Burners	\$ 1,374,676	10.00%	\$ 137,468
	Total Other	\$ 51,079,049	4.35%	\$ 2,220,385
Total Distribution Plant		\$ 119,357,393	3.48%	\$ 4,153,630
General Plant:				
391.10 (1372.1)	Office Furniture & Equipment - Unspec.	\$ 594,527	9.09%	\$ 54,043
391.11 (1372.1)	Office Furniture & Equipment - Data HDL.	\$ 7,566	10.00%	\$ 757
394.00 (1375.0)	Tools, Shop & Garage Equipment	\$ 874,077	5.41%	\$ 47,288
396.00 (1377.0)	Power Operated Equipment	\$ 75,266	6.67%	\$ 5,020
397.00 (1378.0)	Communication Equipment	\$ 1,143,342	10.00%	\$ 114,334
397.35 (1378.0)	Communication Equipment - ERTS	\$ 2,326,975	6.67%	\$ 155,209
	Total General Plant	\$ 5,021,753		\$ 376,650
Total Depreciable Distribution and General Plant		\$ 124,379,146	3.64%	\$ 4,530,281
Miscellaneous Intangible Plant (Account 303)		\$ 2,296,025		n/a
Total Depreciable and Amortizable Plant		\$ 126,675,171		\$ 4,530,281
Less: Amount Charged to Building OH Per Filing, RevReq 3-11, Line 33				\$ -
Net Distribution and General Plant				\$ 0 \$ 4,530,281
Test Year Depreciation Expense				\$ 4,347,100
Increase for Plant at Year-end				\$ (183,181)

Reconciliation of Depreciable/Amortizable Plant (above) to Plant in Rate Base (Bates 000087):

Per above Dep/Amort. Plant Balance	\$ 126,675,171
Plus: Non-Depreciable Land	\$ 346,785
Plus: Diamond Boiler	\$ 1,148,341
Plus: Mfg. Gas Production Plant	\$ 600,223
Plus: Transportation Equipment	\$ 22,974
Plus: Stores Equipment	\$ 31,520
Plus: NH Share (48.64%) of Maine Amortiz. Common	\$ 1,785,271
Net Depreciable/Amortiz/Non-Dep. Plant	\$ 130,610,285

Source: Bates 000083
Not Studied, fully amortized (Bates 000083)
Not Studied, mostly fully depreciated (Staff 1-P-21)
Not studied, company is leasing vehicles (Staff 1-P-23)
No change from prior study (DG 01-182: 12 Year ASL, zero Net Salvage)
Source: Bates 000125, Plant Accounts are Maine only, not part of NH Study.
Ties to Proforma Rate Base at Bates 000087

Reconciliation of Depreciable/Amortizable Plant (above) to RevReq 3-12:

Per above	\$ 124,379,146
Plus: Mfg. Gs Production Plant	\$ 600,223
Plus: Diamond Boiler	\$ 1,148,341
Plus: Transportation	\$ 22,974
Plus: Stores	\$ 31,520
	\$ 126,182,204

Not Studied, mostly fully depreciated (Staff 1-P-21)
Not Studied, fully amortized (Bates 000083)
Not studied, company is leasing vehicles (Staff 1-P-23)
No change from prior study (DG 01-182: 12 Year ASL, zero Net Salvage)

Reconciliation to Filing

Depreciation per Test Year (Bates 000109)	\$ 4,347,100
Plus: Annualization Adjustment (Bates 000109)	\$ 183,181
Less: Dep Accrual Rate Adjustment (Bates 000072)	\$ (173,658)
Depreciation Expense per Proposal	\$ 4,356,623

(5) Reconciliation to Filing Req. Schedule, p. 2 of 19

Depreciation Exp. Excluding Dep. Res. Adj.	\$ 4,356,623
Less: Depreciation Reserve Adjustment	\$ (97,624)
Dep. Exp. Per Proposal incl. Dep. Res. Adj.	\$ 4,258,999

Above
See JJC-5 for Dep. Res. Adjustment
Ref. Filing Req. Schedule, page 2 of 19

