

CALCULATION OF OUTPUT QUANTITY, INPUT QUANTITY AND PRODUCTIVITY INDEXES
Horizon Utilities Corporation

Output Quantity Measures

| | Total Customers | | Average 2002-2012 | | Total Deliveries | | Average 2002-2012 | | System Capacity Proxy | | Average 2002-2012 | | Output Index | | Average 2002-2012 | |
|------------------------|-----------------|--------|-------------------|--|------------------|--------|-------------------|--|-----------------------|--------|-------------------|--|--------------|--------|-------------------|-------|
| | | Growth | | | | Growth | | | | Growth | | | | Growth | | |
| Econometric Weights--> | 0.4077 | 60.6% | | | 0.0712 | 10.6% | | | 0.1942 | 28.9% | | | 100.00% | | | 67.3% |
| 2002 | 224,566 | | | | 3,313,495,227 | | | | 1,318,006 | | | | 100.00 | | | |
| 2003 | 227,634 | 1.4% | | | 3,097,879,811 | -6.7% | | | 1,318,006 | 0.0% | | | 100.11 | 0.1% | | |
| 2004 | 229,474 | 0.8% | | | 3,048,589,478 | -1.6% | | | 1,318,006 | 0.0% | | | 100.43 | 0.3% | | |
| 2005 | 230,327 | 0.4% | | | 5,648,818,656 | 61.7% | | | 1,318,006 | 0.0% | | | 107.44 | 6.8% | | |
| 2006 | 231,499 | 0.5% | | | 5,333,180,390 | -5.7% | | | 1,318,006 | 0.0% | | | 107.12 | -0.3% | | |
| 2007 | 232,493 | 0.4% | | | 6,282,229,665 | 16.4% | | | 1,318,006 | 0.0% | | | 109.27 | 2.0% | | |
| 2008 | 233,947 | 0.6% | | | 5,999,400,877 | -4.6% | | | 1,318,006 | 0.0% | | | 109.15 | -0.1% | | |
| 2009 | 234,666 | 0.3% | | | 5,279,120,084 | -12.8% | | | 1,318,006 | 0.0% | | | 107.89 | -1.2% | | |
| 2010 | 234,464 | -0.1% | | | 4,818,803,039 | -9.1% | | | 1,318,006 | 0.0% | | | 106.80 | -1.0% | | |
| 2011 | 235,327 | 0.4% | 0.52% | | 4,626,970,393 | -4.1% | 3.71% | | 1,318,006 | 0.0% | 0.00% | | 106.57 | -0.2% | 0.71% | |
| 2012 | 237,185 | 0.8% | 0.55% | | 5,464,784,415 | 16.6% | 5.00% | | 1,318,006 | 0.0% | 0.00% | | 108.99 | 2.2% | 0.86% | |

Cost

Shares of Total Cost

| | Capital | | Average 2002-2012 | | OM&A | | Average 2002-2012 | | Total | | Average 2002-2012 | | Capital | | OM&A | | Total | |
|------|------------|--------|-------------------|--|------------|--------|-------------------|--|-------------|--------|-------------------|----------|---------|--------|--------|--|-------|--------|
| | | Growth | | | | Growth | | | | Growth | | | | Growth | | | | Growth |
| 2002 | 52,834,152 | | | | 29,948,878 | | | | 82,783,030 | | | | 63.8% | 36.2% | 100.0% | | | |
| 2003 | 54,256,349 | 2.7% | | | 31,809,542 | 6.0% | | | 86,065,892 | 3.9% | | | 63.0% | 37.0% | 100.0% | | | |
| 2004 | 53,704,072 | -1.0% | | | 32,418,082 | 1.9% | | | 86,122,154 | 0.1% | | | 62.4% | 37.6% | 100.0% | | | |
| 2005 | 53,675,113 | -0.1% | | | 36,729,069 | 12.5% | | | 90,404,182 | 4.9% | | | 59.4% | 40.6% | 100.0% | | | |
| 2006 | 54,162,503 | 0.9% | | | 31,731,697 | -14.6% | | | 85,894,200 | -5.1% | | | 63.1% | 36.9% | 100.0% | | | |
| 2007 | 55,676,864 | 2.8% | | | 35,588,531 | 11.5% | | | 91,265,395 | 6.1% | | | 61.0% | 39.0% | 100.0% | | | |
| 2008 | 57,643,640 | 3.5% | | | 39,288,449 | 9.9% | | | 96,932,089 | 6.0% | | | 59.5% | 40.5% | 100.0% | | | |
| 2009 | 59,278,939 | 2.8% | | | 38,690,882 | -1.5% | | | 97,969,821 | 1.1% | | | 60.5% | 39.5% | 100.0% | | | |
| 2010 | 60,685,421 | 2.3% | | | 38,387,799 | -0.8% | | | 99,073,221 | 1.1% | | | 61.3% | 38.7% | 100.0% | | | |
| 2011 | 59,272,767 | -2.4% | 1.28% | | 40,753,990 | 6.0% | 3.42% | | 100,026,757 | 1.0% | 2.10% | | 59.3% | 40.7% | 100.0% | | | |
| 2012 | 59,311,447 | 0.1% | 1.16% | | 41,340,044 | 1.4% | 3.22% | | 100,651,491 | 0.6% | 1.95% | | 58.9% | 41.1% | 100.0% | | | |
| | | | | | | | | | | | | Average: | 61.1% | 38.9% | | | | |

Input Quantity

| | Capital | | Average 2002-2012 | | OM&A | | Average 2002-2012 | | Average | | Index | | Average 2002-2012 | |
|------|-----------|--------|-------------------|--|---------|--------|-------------------|--|---------|--------|-------|--|-------------------|--------|
| | | Growth | | | | Growth | | | | Growth | | | | Growth |
| 2002 | 3,155,867 | | | | 299,489 | | | | 100.00 | | | | | |
| 2003 | 3,225,547 | 2.2% | | | 311,207 | 3.8% | | | 102.83 | 2.8% | | | | |
| 2004 | 3,186,795 | -1.2% | | | 309,358 | -0.6% | | | 101.83 | -1.0% | | | | |
| 2005 | 3,155,820 | -1.0% | | | 339,593 | 9.3% | | | 104.98 | 3.1% | | | | |
| 2006 | 3,208,229 | 1.6% | | | 288,099 | -16.4% | | | 99.50 | -5.4% | | | | |
| 2007 | 3,219,001 | 0.3% | | | 312,508 | 8.1% | | | 102.83 | 3.3% | | | | |
| 2008 | 3,253,881 | 1.1% | | | 336,937 | 7.5% | | | 106.64 | 3.6% | | | | |
| 2009 | 3,306,033 | 1.6% | | | 327,578 | -2.8% | | | 106.46 | -0.2% | | | | |
| 2010 | 3,316,237 | 0.3% | | | 315,483 | -3.8% | | | 105.10 | -1.3% | | | | |
| 2011 | 3,233,872 | -2.5% | 0.27% | | 329,378 | 4.3% | 1.06% | | 105.31 | 0.2% | 0.57% | | | |
| 2012 | 3,408,069 | 5.2% | 0.77% | | 328,924 | -0.1% | 0.94% | | 108.56 | 3.0% | 0.82% | | | |

Productivity Trends

| | Capital | | Average 2002-2012 | | OM&A | | Average 2002-2012 | | Index | | Average 2002-2012 | |
|------|---------|--------|-------------------|--|--------|--------|-------------------|--|--------|--------|-------------------|--|
| | | Growth | | | | Growth | | | | Growth | | |
| 2002 | 100.00 | | | | 100.00 | | | | 100.00 | | | |
| 2003 | 97.95 | -2.07% | | | 96.34 | -3.73% | | | 97.36 | -2.68% | | |
| 2004 | 99.45 | 1.53% | | | 97.22 | 0.91% | | | 98.63 | 1.30% | | |
| 2005 | 107.44 | 7.73% | | | 94.75 | -2.57% | | | 102.34 | 3.70% | | |
| 2006 | 105.37 | -1.95% | | | 111.35 | 16.14% | | | 107.66 | 5.07% | | |
| 2007 | 107.13 | 1.66% | | | 104.72 | -6.14% | | | 106.27 | -1.30% | | |
| 2008 | 105.87 | -1.19% | | | 97.02 | -7.64% | | | 102.36 | -3.75% | | |
| 2009 | 102.99 | -2.76% | | | 98.64 | 1.65% | | | 101.34 | -0.99% | | |
| 2010 | 101.63 | -1.33% | | | 101.38 | 2.74% | | | 101.61 | 0.27% | | |
| 2011 | 104.00 | 2.31% | 0.44% | | 96.90 | -4.52% | -0.35% | | 101.20 | -0.40% | 0.13% | |
| 2012 | 100.92 | -3.01% | 0.09% | | 99.23 | 2.38% | -0.08% | | 100.39 | -0.81% | 0.04% | |