

**Liberty Utilities (EnergyNorth)
Index to Revenue Requirement Schedules
Test Year Ended June 30, 2019**

Line	Title	Reference
1	<u>Summary Schedules</u>	
2	Index to Revenue Requirement Schedules	Index
3	Revenue Deficiency and Revenue Requirement	Schedule RR-1
4	Operating Income Statement - EnergyNorth	Schedule RR-EN-2
5	Operating Income Statement - Detail - EnergyNorth	Schedule RR-EN-2-1
6	Summary of Adjustments	Schedule RR-EN-3
7		
8		
9	<u>Adjustments - EnergyNorth</u>	
10	Adjustment 1 - Revenue Adjustments	Schedule RR-EN-3-1
11	Adjustment 2 - Salary and Wage Expense	Schedule RR-EN-3-2
12	Adjustment 3 - Payroll Tax Expense	Schedule RR-EN-3-3
13	Adjustment 4 - Pension and Benefits Expense	Schedule RR-EN-3-4
14	Adjustment 5 - Depreciation Expense	Schedule RR-EN-3-5
15	Adjustment 6 - Amortization Expense	Schedule RR-EN-3-6
16	Adjustment 7 - Property Tax	Schedule RR-EN-3-7
17	Adjustment 8 - Income Tax Expense - Historical Test Year	Schedule RR-EN-3-8
18	Adjustment 9 - Income Tax Expense - Pro Forma Test Year at Current Rates	Schedule RR-EN-3-9
19	Adjustment 10 - Other Adjustments	Schedule RR-EN-3-10
20		
21		
22	<u>Cost of Capital</u>	
23	Weighted Average Cost of Capital	Schedule RR-EN-4
24		
25	<u>Rate Base</u>	
26	Rate Base - EnergyNorth	Schedule RR-EN-5
27	Rate Base Quarterly Balances - EnergyNorth	Schedule RR-EN-5-1
28	Cash Working Capital - EnergyNorth	Schedule RR-EN-5-2
29		
30	<u>Step Increase</u>	
31	Step Increase - EnergyNorth	Schedule Step-EN
32		
33	<u>Rate Case Expense</u>	
34	Rate Case Expense	Schedule RC

Liberty Utilities (EnergyNorth)
Revenue Deficiency and Revenue Requirement
Test Year With Known and Measurable Changes

Line	Description	Reference	EnergyNorth
1	Rate Base	RR-5	\$ 334,577,902
2			
3	Target Rate of Return on Rate Base	RR-4	<u>7.21%</u>
4			
5	Operating Income Requirement	Line 1 X Line 3	\$ 24,123,067
6			
7	Operating Income at Present Rates	RR-2	<u>\$ 16,261,810</u>
8			
9	Operating Income Deficiency	Line 5 - Line 7	\$ 7,861,257
10			
11	Gross-up Factor for Additional Income Taxes	Line 19	<u>1.3714</u>
12			
13	Revenue Deficiency	Line 9 X Line 11	<u><u>\$ 10,780,660</u></u>
14			
15	<u>Gross-up Factor for Income Taxes</u>		
16	Federal Income Tax Rate		21.00%
17	New Hampshire State Income Tax Rate		7.70%
18	Combined Income Tax Rate	Line 16 + Line 17 - (Line 16 X Line 17)	27.08%
19	Gross-up Factor	1 / (1 - Line 18)	1.3714
20			
21	Additional Income Tax Required	Line 13 - Line 9	<u><u>\$ 2,919,403</u></u>
22			
23	Distribution Revenue at Present Rates	RR-2	\$ 84,686,270
24			
25	% Increase Needed	Line 13 / Line 23	12.73%
26			
27	Revenue with Increase	RR-2	\$ 95,466,930
28			
29	% Increase Needed - Total Revenue		6.92%

Liberty Utilities (EnergyNorth)
Operating Income Statement - EnergyNorth
Test Year With Known and Measurable Changes

Line Account	Source		RR-EN-3			RR-1		Distribution Operating Income with Proposed Increase
	Test Year Ended June 30, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year at Current Rates	Proposed Increase		
1 Revenue								
2 Operating Revenue	\$ 154,556,131	\$ (72,331,280)	\$ 82,224,851	\$ 1,304,094	\$ 83,528,944	\$ 10,780,660	\$ 94,309,604	
3 Other Revenue	1,157,325	-	1,157,325	-	1,157,325	-	1,157,325	
4	\$ 155,713,456	\$ (72,331,280)	\$ 83,382,176	\$ 1,304,094	\$ 84,686,270	\$ 10,780,660	\$ 95,466,930	
5								
6 Operating Expenses								
7 Operations and Maintenance - Gas	\$ 67,688,143	\$ (68,072,248)	\$ (384,105)	\$ (158,421)	\$ (542,526)		\$ (542,526)	
8 Operations and Maintenance - Distribution	14,459,453	-	14,459,453	216,899	14,676,353		14,676,353	
9 Customer Accounting	3,904,805	1,121,380	5,026,184	51,187	5,077,371		5,077,371	
10 Sales and New Business	498,582	-	498,582	10,730	509,312		509,312	
11 Administrative & General	11,074,345	-	11,074,345	(416,278)	10,658,066		10,658,066	
12 Depreciation and Amortization	24,331,509	(3,038,242)	21,293,267	33,969	21,327,237		21,327,237	
13 Taxes other than Income Taxes	13,485,551	-	13,485,551	(61,905)	13,423,646		13,423,646	
14 Income Taxes	2,787,348	-	2,787,348	507,654	3,295,002	2,919,403	6,214,405	
15	\$ 138,229,734	\$ (69,989,110)	\$ 68,240,624	\$ 183,836	\$ 68,424,460	\$ 2,919,403	\$ 71,343,863	
16								
17 Utility Net Income	\$ 17,483,722	\$ (2,342,170)	\$ 15,141,552	\$ 1,120,258	\$ 16,261,810	\$ 7,861,257	\$ 24,123,067	
18								
19 Rate Base			\$ 334,577,902		\$ 334,577,902		\$ 334,577,902	
20								
21 Rate of Return on Rate Base			4.53%		4.86%		7.21%	

Liberty Utilities (EnergyNorth)
Operating Income Statement - Detail - EnergyNorth
Test Year With Known and Measurable Changes

Source

RR-EN-3

RR-EN-3

Line	Account	Account Number	Test Year Ended June 30, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor	Labor Pro Forma
1	OPERATION AND MAINTENANCE EXPENSES								
2	O&M - Gas Production								
3	Operation Supervision and Engineering	710	\$ 939,722		\$ 939,722	\$ 22,188	\$ 961,910	\$ 915,007	\$ 937,195
4	Liquefied Petroleum Gas Expenses	717	-		-	-	-	-	-
5	Liquefied Petroleum Gas	728	-		-	-	-	-	-
6	Gas Mixing Expense	733	137,363		137,363	(135,965)	1,398	1,398	1,432
7	Miscellaneous Production Expenses	735	391,786		391,786	(44,680)	347,105	-	-
8	Maintenance of Production Equipment	742	115,778		115,778	-	115,778	-	-
9	Natural Gas City Gate Purchases	804	(399,157)	399,157	-	-	-	-	-
10	Other Gas Purchases	805	68,059,210	(68,059,210)	-	-	-	-	-
11	Gas Withdrawn from Storage	808	412,195	(412,195)	-	-	-	-	-
12	Operation Labor and Expenses	841	-		-	-	-	-	-
13	Other Expenses	846	(1,968,754)		(1,968,754)	36	(1,968,718)	1,498	1,534
14	Total O&M - Gas Production		\$ 67,688,143	\$ (68,072,248)	\$ (384,105)	\$ (158,421)	\$ (542,526)	\$ 917,903	\$ 940,162
15									
16	O&M - Distribution Expenses								
17	Measuring and Regulating Station Expenses (Transmission)	857	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
18	Maintenance of Mains (Transmission)	863	-		-	-	-	-	-
19	Operation Supervision and Engineering	870	481,321		481,321	9,719	491,040	400,803	410,522
20	Distribution Load Dispatching	871	425,714		425,714	10,319	436,033	425,558	435,877
21	Mains Services Expenses	874	5,698,429		5,698,429	86,311	5,784,740	3,559,369	3,645,680
22	Measuring and Regulating Station Expenses - General	875	10,494		10,494	254	10,748	10,494	10,748
23	Measuring and Regulating Station Expenses - Industrial	876	-		-	-	-	-	-
24	Meter and House Regulator Expenses	878	1,280,388		1,280,388	29,318	1,309,706	1,209,052	1,238,370
25	Customer Installations Expenses	879	832,537		832,537	14,274	846,811	588,664	602,939
26	Other Expenses	880	1,872,234		1,872,234	27,290	1,899,524	1,125,393	1,152,683
27	Rents	881	8,083		8,083	-	8,083	-	-
28	Maintenance Supervision and Engineering	885	-		-	-	-	-	-
29	Maintenance of Structures and Improvements	886	160,844		160,844	3,238	164,082	133,546	136,784
30	Maintenance of Mains	887	2,465,096		2,465,096	19,662	2,484,758	810,853	830,516
31	Maintenance of Measuring and Regulating Station Expenses	889	-		-	-	-	-	-
32	Maintenance of Services	892	470,854		470,854	6,333	477,186	261,149	267,481
33	Maintenance of Meters and House Regulators	893	411,117		411,117	7,906	419,023	326,021	333,927
34	Maintenance of Other Equipment	894	342,344		342,344	2,275	344,618	93,801	96,076
35	Total O&M - Distribution		\$ 14,459,453	\$ -	\$ 14,459,453	\$ 216,899	\$ 14,676,353	\$ 8,944,702	\$ 9,161,601
36	Total O&M - Gas Production and Distribution		\$ 82,147,596	\$ (68,072,248)	\$ 14,075,348	\$ 58,479	\$ 14,133,827	\$ 9,862,605	\$ 10,101,763
37									
38	Customer Accounts Expenses								
39	Supervision	901	\$ 321,066		\$ 321,066	\$ 7,783	\$ 328,849	\$ 320,946	\$ 328,729
40	Meter Reading Expenses	902	286,580		286,580	6,702	293,282	276,393	283,095
41	Customer Records and Collection Expenses	903	2,727,692		2,727,692	36,702	2,764,394	1,513,547	1,550,249
42	Uncollectible Accounts	904.0	1,677,799		1,677,799	-	1,677,799	-	-
43	Bad Debt Expense - Commodity	904.1	(1,121,380)	1,121,380	-	-	-	-	-
44	Miscellaneous Customer Accounts Expenses	905	13,047		13,047	-	13,047	-	-
45	Total Customer Accounting		\$ 3,904,805	\$ 1,121,380	\$ 5,026,184	\$ 51,187	\$ 5,077,371	\$ 2,110,886	\$ 2,162,073
46									
47	Customer Service and Informational & Sales Expenses								
48	Cust Assistance	908	\$ 764		\$ 764	\$ -	\$ 764	\$ -	\$ -
49	Cust Service Misc.	910	14,371		14,371	-	14,371	-	-
50	Sales & Advertising	912	483,447		483,447	10,730	494,177	442,501	453,231
51	Total Customer Service and Informational & Sales Expenses		\$ 498,582	\$ -	\$ 498,582	\$ 10,730	\$ 509,312	\$ 442,501	\$ 453,231
52	Total Customer Accounts, Customer Service and Informational		\$ 4,403,386	\$ 1,121,380	\$ 5,524,766	\$ 61,917	\$ 5,586,683	\$ 2,553,387	\$ 2,615,304
53									
54	Administrative and General Expenses								
55	A&G Salaries	920.0	\$ 3,143,854		\$ 3,143,854	\$ 70,648	\$ 3,214,502	\$ 2,913,469	\$ 2,984,118
56	A&G Salaries - LU Head Office	920.1	3,256,676		3,256,676	-	3,256,676	Allocated costs	-
57	Office Supplies and Expenses	921	1,980,444		1,980,444	-	1,980,444	-	-
58	Administrative Expenses Transferred	922.0	(11,385,223)		(11,385,223)	357,672	(11,027,551)	Allocated costs	-
59	LU Labor Allocations Capitalized	922.1	(2,752,616)		(2,752,616)	-	(2,752,616)	-	-
60	Outside Services Employed	923.0	997,108		997,108	(50,000)	947,108	-	-
61	Allocated LU Head Office	923.1	5,998,202		5,998,202	-	5,998,202	-	-
62	Property Insurance	924	4,046		4,046	-	4,046	-	-
63	Injuries and Damages	925	772,397		772,397	50,000	822,397	-	-
64	Employee Pensions and Benefits	926	8,069,387		8,069,387	(806,805)	7,262,582	-	-
65	Regulatory Commission Expenses	928	804,570		804,570	(28,271)	776,299	-	-
66	Miscellaneous General Expenses	930	1,713		1,713	-	1,713	-	-
67	Rents	931	183,788		183,788	(9,523)	174,265	-	-
68	Maintenance of General Plant	932	-		-	-	-	-	-
69	Total Administrative & General		\$ 11,074,345	\$ -	\$ 11,074,345	\$ (416,278)	\$ 10,658,066	\$ 2,913,469	\$ 2,984,118
70	Total Operation and Maintenance Expenses		\$ 97,625,327	\$ (66,950,868)	\$ 30,674,458	\$ (295,883)	\$ 30,378,576	\$ 15,329,461	\$ 15,701,184
71									

Liberty Utilities (EnergyNorth)
Operating Income Statement - Detail - EnergyNorth
Test Year With Known and Measurable Changes

Source

RR-EN-3

RR-EN-3

Line	Account	Account Number	Test Year Ended June 30, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor	Labor Pro Forma
72	DEPRECIATION AND AMORTIZATION EXPENSE								
73	Depreciation Expense	403	\$ 17,129,390		\$ 17,129,390	\$ 182,574	\$ 17,311,964		
74	Amortization - Intangibles	405	3,274,944		3,274,944	(139,462)	3,135,481		
75	Regulatory Debits - Amortization of Regulatory Assets	407.3	888,934		888,934	1,303,028	2,191,962		
76	Regulatory Credits - Amortization of Regulatory Liabilities	407.4	3,038,242	(3,038,242)	-	(1,312,170)	(1,312,170)		
77	<i>Total Depreciation and Amortization Expense</i>		<u>\$ 24,331,509</u>	<u>\$ (3,038,242)</u>	<u>\$ 21,293,267</u>	<u>\$ 33,969</u>	<u>\$ 21,327,237</u>		
78									
79	TAXES OTHER THAN INCOME TAXES								
80	Taxes other than Income Taxes - Payroll Taxes	408	\$ 1,602,822		\$ 1,602,822	\$ 38,867	\$ 1,641,689		
81	Taxes other than Income Taxes - Property Taxes	408	11,882,729		11,882,729	(100,772)	11,781,957		
82	<i>Total Taxes other than Income Taxes</i>		<u>\$ 13,485,551</u>	<u>\$ -</u>	<u>\$ 13,485,551</u>	<u>\$ (61,905)</u>	<u>\$ 13,423,646</u>		
83									
84	FEDERAL / STATE INCOME TAXES								
85	Income Tax Expense	409-410	\$ 2,787,348	\$ -	\$ 2,787,348	\$ 507,654	\$ 3,295,002		
86	<i>Subtotal - Income Tax</i>		<u>\$ 2,787,348</u>	<u>\$ -</u>	<u>\$ 2,787,348</u>	<u>\$ 507,654</u>	<u>\$ 3,295,002</u>		
87									
88									
89									
90	TOTAL EXPENSES		<u>\$ 138,229,734</u>	<u>\$ (69,989,110)</u>	<u>\$ 68,240,624</u>	<u>\$ 183,836</u>	<u>\$ 68,424,460</u>	<u>\$ 15,329,461</u>	<u>\$ 15,701,184</u>
91									
92	REVENUES								
93	Operating Revenue		\$ 154,556,131	\$ (72,331,280)	\$ 82,224,851	\$ 1,304,094	\$ 83,528,944		
94	Other Revenue		1,157,325		1,157,325	-	1,157,325		
95	Total Revenue		<u>\$ 155,713,456</u>	<u>\$ (72,331,280)</u>	<u>\$ 83,382,176</u>	<u>\$ 1,304,094</u>	<u>\$ 84,686,270</u>		
96									
97	UTILITY NET INCOME		<u>\$ 17,483,722</u>	<u>\$ (2,342,170)</u>	<u>\$ 15,141,552</u>	<u>\$ 1,120,258</u>	<u>\$ 16,261,810</u>		
98									
99	TOTAL RATE BASE	RR-EN-5	<u>\$ 334,577,902</u>		<u>\$ 334,577,902</u>		<u>\$ 334,577,902</u>		
100									
101	Income Tax Rate		13.75%		15.55%		16.85%		
102									
103	Rate of Return		5.23%		4.53%		4.86%		

Liberty Utilities (EnergyNorth)
Summary of Adjustments
Test Year Ended June 30, 2019

(1,120,258)	(1,304,094)	371,723	38,867	(937,880)	182,574	(148,604)	(100,772)	66,815	440,839	270,274
-------------	-------------	---------	--------	-----------	---------	-----------	-----------	--------	---------	---------

Line	Account	Account Number	Total	Revenue Adjustments	Salary and Wage Expense	Payroll Tax Expense	Pension and Benefits Expense	Depreciation Expense	Amortization Expense	Property Tax	Income Tax Expense - Historical Test Year	Income Tax Expense - Pro Forma Test Year at Current Rates	Other Adjustments	Historical Test Year Labor Expense	% Total Labor	
1	OPERATION AND MAINTENANCE EXPENSES															
2	O&M - Gas Production															
3	Operation Supervision and Engineering	710	\$ 22,188		\$ 22,188									\$ 915,007	5.97%	
4	Liquefied Petroleum Gas Expenses	717	-											-	0.00%	
5	Liquefied Petroleum Gas	717	-											-	0.00%	
6	Gas Mixing Expense	717	(135,965)		34								(135,999)	1,398	0.01%	
7	Miscellaneous Production Expenses	717	(44,680)										(44,680)	-	0.00%	
8	Maintenance of Production Equipment	717	-											-	0.00%	
9	Natural Gas City Gate Purchases	717	-											-	0.00%	
10	Other Gas Purchases	717	-											-	0.00%	
11	Gas Withdrawn from Storage	717	-											-	0.00%	
12	Operation Labor and Expenses	717	-											-	0.00%	
13	Other Expenses	717	36		36									1,498	0.01%	
14	Total O&M - Gas Production		\$ (158,421)	\$ -	\$ 22,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (180,679)	\$ 917,903	5.99%	
15	O&M - Distribution Expenses															
17	Measuring and Regulating Station Expenses (Transmission)	857	\$ -		\$ -									\$ -	0.00%	
18	Maintenance of Mains (Transmission)	863	-											0	0.00%	
19	Operation Supervision and Engineering (Transmission)	870	9,719		9,719									400,803	2.61%	
20	Distribution Load Dispatching	871	10,319		10,319									425,558	2.78%	
21	Mains Services Expenses	874	86,311		86,311									3,559,369	23.22%	
22	Measuring and Regulating Station Expenses - General	875	254											10,494	0.07%	
23	Measuring and Regulating Station Expenses - Industrial	876	-											0	0.00%	
24	Meter and House Regulator Expenses	878	29,318		29,318									1,209,052	7.89%	
25	Customer Installations Expenses	879	14,274		14,274									588,664	3.84%	
26	Other Expenses	880	27,290		27,290									1,125,393	7.34%	
27	Rents	881	-											0	0.00%	
28	Maintenance Supervision and Engineering	885	-											0	0.00%	
29	Maintenance of Structures and Improvements	886	3,238		3,238									133,546	0.87%	
30	Maintenance of Mains	887	19,662		19,662									810,853	5.29%	
31	Maintenance of Measuring and Regulating Station Expenses	889	-											0	0.00%	
32	Maintenance of Services	892	6,333		6,333									261,149	1.70%	
33	Maintenance of Meters and House Regulators	893	7,906		7,906									326,021	2.13%	
34	Maintenance of Other Equipment	894	2,275		2,275									93,801	0.61%	
35	Total O&M - Distribution		216,899		216,899									8,944,702	58.35%	
36	Total O&M - Gas Production and Distribution		\$ 58,479	\$ -	\$ 239,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (180,679)	\$ 9,862,605	64.34%	
37	Customer Accounts Expenses															
39	Supervision	901	\$ 7,783		\$ 7,783									\$ 320,946	2.09%	
40	Meter Reading Expenses	902	6,702		6,702									276,393	1.80%	
41	Customer Records and Collection Expenses	903	36,702		36,702									1,513,547	9.87%	
42	Uncollectible Accounts	904.0	-											0	0.00%	
43	Bad Debt Expense - Commodity	904.1	-											0	0.00%	
44	Miscellaneous Customer Accounts Expenses	905	-											0	0.00%	
45	Total Customer Accounting		\$ 51,187	\$ -	\$ 51,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,110,886	13.77%	
46	Customer Service and Informational & Sales Expenses															
48	Cust Assistance	908	\$ -		\$ -									\$ -	0.00%	
49	Cust Service Misc	910	0											0	0.00%	
50	Sales & Advertising	912	10,730		10,730									442,501	2.89%	
51	Total Customer Service and Informational & Sales Expenses		10,730		10,730									442,501	2.89%	
52	Total Customer Accounts, Customer Service and Informational		\$ 61,917	\$ -	\$ 61,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,553,387	16.66%	
53	Administrative and General Expenses															
55	A&G Salaries	920.0	\$ 70,648		\$ 70,648									\$ 2,913,469	19.01%	
56	A&G Salaries - LU Head Office	920.1	-											Allocated costs	0.00%	
57	Office Supplies and Expenses	921.0	-											0	0.00%	
58	Administrative Expenses Transferred	922.0	357,672				357,672							Allocated costs	0.00%	
59	LU Labor Allocations Capitalized	922.1	-											Allocated costs	0.00%	
60	Outside Services Employed	923.0	(50,000)										(50,000)	0	0.00%	
61	Allocated LU Head Office	923.1	-											0	0.00%	
62	Property Insurance	924	-											0	0.00%	
63	Injuries and Damages	925	50,000										50,000	0	0.00%	
64	Employee Pensions and Benefits	926	(806,805)				(1,295,552)						488,747	0	0.00%	
65	Regulatory Commission Expenses	928	(28,271)										(28,271)	0	0.00%	
66	Miscellaneous General Expenses	930	-											0	0.00%	
67	Rents	931	(9,523)										(9,523)	0	0.00%	
68	Maintenance of General Plant	932	-											0	0.00%	
69	Total Administrative & General		(416,278)		70,648		(937,880)							450,953	19.01%	
70	Total Operation and Maintenance Expenses		\$ (295,883)	\$ -	\$ 371,723	\$ -	\$ (937,880)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (180,679)	\$ 270,274	100.00%	

Liberty Utilities (EnergyNorth)
Summary of Adjustments
Test Year Ended June 30, 2019

	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9	Adjustment 10
(1,120,258)	(1,304,094)	371,723	38,867	(937,880)	182,574	(148,604)	(100,772)	66,815	440,839	270,274

Line	Account	Account Number	Total	Revenue Adjustments	Salary and Wage Expense	Payroll Tax Expense	Pension and Benefits Expense	Depreciation Expense	Amortization Expense	Property Tax	Income Tax Expense - Historical Test Year	Income Tax Expense - Pro Forma Test Year at Current Rates	Other Adjustments	Historical Test Year Labor Expense	% Total Labor
71															
72	DEPRECIATION AND AMORTIZATION EXPENSE														
73	Depreciation Expense	403.0	\$ 182,574					\$ 182,574							
74	Amortization - Intangibles	405.0	(139,462)						(139,462)						
75	Regulatory Debits	407.3	1,303,028						1,303,028						
76	Regulatory Credits - Amortization of Regulatory Assets	407.4	(1,312,170)						(1,312,170)						
77	<i>Total Depreciation and Amortization Expense</i>		<u>\$ 33,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,574</u>	<u>\$ (148,604)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
78															
79	TAXES OTHER THAN INCOME TAXES														
80	Taxes other than Income Taxes - Payroll Taxes	408	\$ 38,867			\$ 38,867									
81	Taxes other than Income Taxes - Property Taxes	408	(100,772)							(100,772)					
82	<i>Total Taxes other than Income Taxes</i>		<u>\$ (61,905)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,772)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
83															
84	FEDERAL / STATE INCOME TAXES														
85	Income Tax Expense		\$ 507,654								\$ 66,815	\$ 440,839			
86															
87															
88															
89	TOTAL EXPENSES		<u>\$ 183,836</u>	<u>\$ -</u>	<u>\$ 371,723</u>	<u>\$ 38,867</u>	<u>\$ (937,880)</u>	<u>\$ 182,574</u>	<u>\$ (148,604)</u>	<u>\$ (100,772)</u>	<u>\$ 66,815</u>	<u>\$ 440,839</u>	<u>\$ 270,274</u>		
90															
91	REVENUES														
92	Operating Revenue		\$ 1,304,094	\$ 1,304,094											
93	Other Revenue		-	-											
94	Total Revenue		<u>\$ 1,304,094</u>	<u>\$ 1,304,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
95															
96	UTILITY NET INCOME		<u>\$ 1,120,258</u>	<u>\$ 1,304,094</u>	<u>\$ (371,723)</u>	<u>\$ (38,867)</u>	<u>\$ 937,880</u>	<u>\$ (182,574)</u>	<u>\$ 148,604</u>	<u>\$ 100,772</u>	<u>\$ (66,815)</u>	<u>\$ (440,839)</u>	<u>\$ (270,274)</u>		

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 1
Revenue Adjustments

Line	Description	Current Amounts (12/31/2016_ Test Year)	Source/Notes
1	Operating Revenue	\$ 82,224,851	Trial Balance
2			
3	<u>Adjustments to Operating Revenue</u>		
4	Decoupling Adjusment	\$ (184,279)	Input (Table 1 of DeCoursey Testimony)
5	NWA Adjustment	(672,124)	Input (Table 1 of DeCoursey Testimony)
6	RLIAP Adjustment	2,166,034	Input (Table 1 of DeCoursey Testimony)
7	Calendar Month Adjustment	156,363	Input (Table 1 of DeCoursey Testimony)
8	End of Year Rate Adjustment	(209,058)	Input (Table 1 of DeCoursey Testimony)
9	Timing Adjustment	47,157	Input (Table 1 of DeCoursey Testimony)
10	Pro Forma Operating Revenue	\$ 83,528,944	
11			
12	Total Adjustment to Operating Revenues	<u>\$ 1,304,094</u>	

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 2
Salary and Wage Expense

Line	Department	Total
1	Test Year LU NH Labor Charged to EnergyNorth	\$ 15,329,461.3
2	2019 Salary & Wage Increase - O&M	3%
3	2019 Payroll Increase	459,884
4	Adjustment for pro rated increase (effective March)	(153,295)
5		
6	Test year LU Regional Allocated Labor (not included in test year labor)	3,256,676
7	2019 Salary & Wage Increase - O&M	3%
8	2019 Payroll Increase on Regional Allocated Labor	97,700
9	Adjustment for pro rated increase (effective March)	(32,567)
10		
11		
12		
13	Pro Forma LU NH Labor for 2019 Payroll Increase	15,701,184
14		
15	Test Year Labor Charged to EnergyNorth - O&M	15,329,461
16		
17	Increase Due to Known and Measurable - O&M Payroll	\$ 371,723

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 3
Payroll Tax Expense

Line	Particulars	Reference	Expense (\$)
1	Unadjusted Test Year Labor Expense	<i>RR-EN-2-1</i>	\$ 15,329,461
2	Unadjusted Test Year Payroll Tax Expense	<i>RR-EN-2-1</i>	1,602,822
3	Payroll Tax Rate (%)		10.46%
4			
5	Adjusted Test Year Labor Expense		\$ 15,701,184
6	Payroll Tax Rate (%)		10.46%
7	Adjusted Payroll Tax Expense		1,641,689
8	Increase Due to Known and Measurable Payroll Tax Expense		\$ 38,867

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 4
Pension and Benefits Expense

Line	Particulars	Source	Amount
1	Test Year ended 12/31/2019 Benefits Expense	RR-3-04WP	\$ 5,610,634
2	Adjustment to Benefits Expense		\$ 22,831
3			
4	Historical Test Year Pension & OPEB Expense	RR-3-04WP	\$ 2,264,771
5	Adjustment to Pension & OPEB Expense	RR-3-04WP	\$ (1,124,401)
6			
7	Historical Test Year Other Employee Benefits Expense	RR-3-04WP	\$ 193,982
8	Adjustment to Other Employee Benefits Expense		\$ (193,982)
9			
10			
11	Adjustment - Including Capitalized Portion of Pensions and OPEBs - To Account 926		\$ (1,295,552)
12			
13	Total	Ln 5	(1,124,401)
14	Capitalization Rate		31.81%
15			
16	Adjustment - Capitalized Portion - To Account 922		\$ 357,672
17			
18			
19	Adjustment to Rate Year Expense		\$ (937,880)
20			
21			

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 5
Depreciation Expense

Line	Account	Account Number	Depreciation Rates	Plant in Service					Pro Forma	Accumulated Reserve				
				Balance 6/30/2018	Additions, Less Post Test Year Retirements	Account 106	Balance 6/30/2019	CIBS spending	Balance (less CIBS) 6/30/2019	Depreciation Expense	Accumulated Reserve as of 6/30/2019	CIBS ADDA	Accounts 1084 and 2420 by FERC Account	Adjusted Accumulated Reserve
1	Franchises and Consents	302	0.00%	250,950	-	-	250,950	-	250,950	-	-	-	-	-
2	Capital Software	303.0	16.13%	15,733,851	1,235,233	-	-	-	-	-	142,576	-	-	142,576
3	Capital Software - 3 Years	303.1	33.33%	-	-	(18,950)	880,422	-	880,422	293,474	366,068	-	-	366,068
4	Capital Software - 5 Years	303.2	20.00%	-	-	(273,061)	12,688,901	-	12,688,901	2,537,780	9,284,067	-	-	9,284,067
5	Capital Software - 10 Years	303.4	10.00%	-	-	(65,480)	3,042,270	-	3,042,270	304,227	1,768,322	-	-	1,768,322
6	Subtotal - INTANGIBLE PLANT			\$ 15,984,801	\$ 1,235,233	\$(37,491)	\$ 16,862,543	\$ -	\$ 16,862,543	\$ 3,135,481	\$ 11,561,032	\$ -	\$ -	\$ 11,561,032
7														
8	Land & Land Rights	304		\$ 419,475	\$(31,970)	\$ -	\$ 97,504	\$ -	\$ 97,504	\$ -	\$ -	\$ -	\$ -	\$ -
9	Structures and Improvements	305	2.86%	1,993,854	20,069	-	2,013,923	-	2,013,923	57,598	1,310,991	-	-	1,310,991
10	Liquefied Petroleum Gas Equipment	311	2.86%	258,481	-	-	258,481	-	258,481	7,393	75,116	-	-	75,116
11	Gas Mixing Equipment	319	5.00%	336,984	31,360	-	368,345	-	368,345	18,417	237,563	-	-	237,563
12	Other Equipment - LNG	320.0	2.86%	2,628,000	21,422	(21,422)	2,628,000	-	2,628,000	75,161	537,542	-	-	537,542
13	Other Equipment	320.1	2.86%	8,777,306	(20,750)	-	8,756,555	-	8,756,555	250,437	6,900,687	-	-	6,900,687
14	Purification Equipment	361	2.86%	96,980	-	-	96,980	-	96,980	2,774	15,498	-	-	15,498
15	Other Equipment	363	2.86%	7,646	-	-	7,646	-	7,646	219	1,916	-	-	1,916
16	Subtotal - PRODUCTION PLANT			\$ 14,518,724	\$(269,869)	\$(21,422)	\$ 14,227,433	\$ -	\$ 14,227,433	\$ 411,999	\$ 9,079,313	\$ -	\$ -	\$ 9,079,313
17														
18	Land & Land Rights	364.1	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Subtotal LNG Terminaling and Processing			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20														
21	Land & Land Rights	365	0.00%	\$ 197,931	\$ -	\$ -	\$ 197,931	\$ -	\$ 197,931	\$ -	\$ -	\$ -	\$ -	\$ -
22	Structures and Improvements	366.2	2.86%	269,809	(17,133)	-	252,675	-	252,675	7,227	165,499	-	-	165,499
23	Structures and Improv-Other	366.3	2.86%	353,851	-	-	353,851	-	353,851	10,120	283,484	-	-	283,484
24	Mains	367	1.92%	240,246,459	(566,376)	0	239,680,082	1,615,314	238,064,768	4,570,844	67,701,078	2,108	-	67,698,970
25	Measuring and Regulating Station Equipment	369	2.86%	4,912,339	22,924	(53,733)	4,881,531	-	4,881,531	139,612	2,247,606	-	-	2,247,606
26	Land & Land Rights	374	0.00%	-	-	-	159,972	-	159,972	-	-	-	-	-
27	T&D Mains - STL-PLST-CI-Mixed	376.0	1.92%	16,412,499	22,174,897	30,786,598	69,373,994	-	69,373,994	1,331,981	1,431,518	-	1,579,115	(147,596)
28	T&D Mains - OTH	376.1	1.92%	288	-	-	288	-	288	6	288	-	318	(30)
29	T&D Mains - PLST	376.2	1.92%	2,781,766	65,875	-	2,847,641	-	2,847,641	54,675	958,736	-	1,057,586	(98,850)
30	T&D Mains - CI	376.3	1.92%	6,137	-	-	6,137	-	6,137	118	6,770	-	6,770	(633)
31	T&D Mains - Valve > 4"	376.4	1.92%	7,061	-	-	7,061	-	7,061	136	916	-	1,011	(94)
32	Measuring and Regulating Station Equipment - General	378	2.86%	13,984	1,272,152	(273,586)	1,012,550	-	1,012,550	28,959	40,668	-	14,531	26,137
33	T&D Gas Services - STL	380.0	3.55%	157,205,227	6,392,215	21,415,678	185,013,119	-	185,013,119	6,567,966	82,589,173	-	812,861	81,776,312
34	T&D Gas Services - OTH	380.1	3.55%	778,116	227,635	1,219,995	2,225,746	-	2,225,746	79,014	144,734	-	451	144,284
35	T&G Gas Services - PLST	380.2	3.55%	757,753	23,939	-	781,692	-	781,692	27,750	232,173	-	-	232,173
36	Meters	381.0	3.13%	14,253,466	(1,111,099)	253,972	13,396,339	-	13,396,339	419,305	4,459,421	-	-	4,459,421
37	Meters - Instrument	381.1	3.13%	276,522	-	-	276,522	-	276,522	8,655	107,875	-	-	107,875
38	Meters - ERTS	381.2	6.67%	6,007,249	30,770	-	6,038,019	-	6,038,019	402,736	2,324,650	-	-	2,324,650
39	Meter Installations	382	3.13%	18,597,177	-	-	18,597,177	-	18,597,177	582,092	3,789,680	-	-	3,789,680
40	Other Equipment	387	5.26%	1,062,982	(13,109)	(5,539)	1,044,334	-	1,044,334	54,932	509,008	-	-	509,008
41	Subtotal - DISTRIBUTION PLANT			\$ 464,140,616	\$ 28,662,662	\$ 53,343,385	\$ 464,146,663	\$ 1,615,314	\$ 464,146,663	\$ 14,286,125	\$ 166,992,647	\$ 2,108	\$ 3,472,643	\$ 163,517,896
42														
43	Land & Land Rights	389	0.00%	\$ 16,806	\$ 104,683	\$ -	\$ 121,489	\$ -	\$ 121,489	\$ -	\$ -	\$ -	\$ -	\$ -
44	Structures and Improvements	390.0	2.86%	17,399,317	1,430,340	(701,839)	18,127,819	-	18,127,819	518,456	4,546,362	-	-	4,546,362
45	Structures and Improvements - Boiler	390.1	2.86%	20,705	-	425,683	446,387	-	446,387	12,767	5,064	-	-	5,064
46	Structures and Improvements	390.2	2.86%	-	-	-	-	-	-	-	654	-	-	654
47	Office Furniture and Equipment	391.0	5.28%	334,663	42,755	53,019	430,437	-	430,437	22,727	91,465	-	-	91,465
48	Office Furniture and Equipment - Computers	391.1	10.00%	1,840,911	(994,696)	20,888	867,103	-	867,103	86,710	(519,431)	-	-	(519,431)
49	Office Furniture and Equipment - Laptop Computers	391.2	20.00%	719,870	114,607	(260,911)	573,565	-	573,565	114,713	323,589	-	-	323,589
50	Transportation Equipment - Auto	392.0	20.00%	4,399,676	2,074,376	(188,815)	6,285,237	-	6,285,237	1,257,047	2,782,442	-	-	2,782,442
51	Transportation Equipment - Truck	392.1	20.00%	170,840	(20,060)	(225,246)	(74,466)	-	(74,466)	(14,893)	150,780	-	-	150,780
52	Transportation Equipment - Van	392.2	20.00%	60,238	81,982	-	142,220	-	142,220	28,444	13,613	-	-	13,613
53	Transportation Equipment - Van	392.3	20.00%	-	-	-	-	-	-	-	21,209	-	-	21,209
54	Stores Equipment	393	3.33%	99,421	-	-	99,421	-	99,421	3,311	31,930	-	-	31,930
55	Tools, Shop, and Garage Equipment	394.0	5.26%	1,048,606	1,950,366	130,951	3,129,933	-	3,129,933	164,634	1,059,368	-	-	1,059,368
56	Tools, Shop, and Garage Equipment - CNG Station	394.1	5.26%	221,199	-	-	221,199	-	221,199	11,635	186,575	-	-	186,575
57	Power Operated Equipment <=12,000 lbs	396.0	20.00%	454,189	214,302	532,338	765,562	-	765,562	153,112	453,389	-	-	453,389
58	Power Operated Equipment >=12,000 lbs	396.1	20.00%	177,393	-	-	177,393	-	177,393	35,479	177,393	-	-	177,393
59	Power Operated Equipment <=12,000 lbs	396.2	20.00%	-	-	-	435,268	-	435,268	87,054	23,442	-	-	23,442
60	Communications Equipment	397	10.00%	507,407	-	335,418	842,826	-	842,826	84,283	362,801	-	-	362,801
61	Miscellaneous Equipment	398	6.67%	401,227	84,697	239,152	725,075	-	725,075	48,363	224,529	-	-	224,529
62	Subtotal - GENERAL PLANT			\$ 27,872,467	\$ 5,083,353	\$ 360,637	\$ 33,316,458	\$ -	\$ 33,316,458	\$ 2,613,840	\$ 9,935,173	\$ -	\$ -	\$ 9,935,173
63	TOTAL			\$ 522,516,608	\$ 34,711,378	\$ 53,325,109	\$ 610,553,097	\$ 1,615,314	\$ 608,937,783	\$ 20,447,445	\$ 197,568,165	\$ 2,108	\$ 3,472,643	\$ 194,093,414
64														
65	OPI-LAND RETAINED	121					13,665		Non-Rate Base					
66	OPI-STRUCTURES-RETAINED	121.1					133,284		Non-Rate Base		133,284			Not In Rate Base
67	PLANT HELD FOR FUTURE USE	105					852,305		Non-Rate Base					
68														
69	GRAND TOTAL			\$ 522,516,608	\$ 34,711,378	\$ 53,325,109	\$ 611,552,350	\$ 1,615,314	\$ 608,937,783	\$ 20,447,445	\$ 197,701,449	\$ 2,108	\$ 3,472,643	\$ 194,093,414
70														
71	Less: Amortization expense included above						To RR-EN-3-6							
72	Pro Forma Depreciation Expense													
73	Test Year Actual Depreciation Expense													
74	Adjustment to Depreciation Expense													

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 6
Amortization Expense

Line	Description	Reference	Amortization Expense
1	Adjustment 1: Account 1929-4073 - Amortization of Costs to Achieve		
2			
3	Amount in Historical Test Year	RR-EN-2-1	\$ 888,934
4	Pro Forma Cost to Achieve Interest		16,066
5	Remove Cost to Achieve (Amortization Ends)		(409,205)
6	Remove Test Year Amortization for Concord Steam		(479,729)
7	Add New Concord Steam Amortization		518,100
8	Adjustment		<u>\$ (354,768)</u>
9			
10	Adjustment 2: Amortization of Depreciation Reserve Imbalance		
11	Difference		<u>\$ 9,946,778</u>
12	Proposed Amortization Period (Years)		<u>6</u>
13	Adjustment		<u>\$ 1,657,796</u>
14			
15	Adjustment to Test Year Account 407.3		<u>\$ 1,303,028</u>
16			
17	Adjustment 3: Amortization of Excess Accumulated Deferred Income Taxes (EADIT)		
18	Total EADIT (inclusive of gross-up)		\$ (37,961,079)
19	Weighted Average Remaining Life (years)		<u>28.93</u>
20	Total Amortization Due to Customers		<u>\$ (1,312,170)</u>
21			
22	Adjustment to Test Year Account 407.4		<u>\$ (1,312,170)</u>
23			
24	Adjustment 4: Account 8640-4050 - Amortization of Intangibles		
25	Pro Forma Annual Amortization Expense	RR-EN-3-5	\$ 3,135,481
26	Historical Test Year Expense	RR-EN-2-1	3,274,944
27	Adjustment		<u>\$ (139,462)</u>
28			
29	Adjustment to Test Year Account 405.0		<u>\$ (139,462)</u>
30			
31	Total Adjustment		<u>\$ (148,604)</u>
32			
33			
34			

**Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 7
Property Tax**

Line	Municipality	Parcel	Tax Year 2019		
			Installment #1	Installment #2	Total Due
1	Allenstown	0400-001	28,370	30,526	58,896
2	Amherst	002-033-008	51,467	48,942	100,409
3	Amherst	002-033-007	4,386	4,171	8,557
4	Auburn	000001/000001/000UTL	492	604	1,096
5	Bedford	1-1-A	47,794	45,894	93,688
6	Belmont	999-000-000-001	22,515	21,788	44,302
7	Berlin	000404-000051.0000L1	9,434	10,810	20,244
8	Boscawen	000099-000002-000000	13,979	10,906	24,885
9	Bow	0-9-99	74,316	71,941	146,257
10	Canterbury	000000-000002-000000	4,394	3,726	8,120
11	Derry	35-102	44,702	37,832	82,534
12	Franklin	000-001-00	51,160	44,651	95,811
13	Gilford	210-002.000	50	53	103
14	Gilford	210-003.000	49	49	98
15	Gilford	210-004.000	47	47	94
16	Gilford	210-005.000	48	49	97
17	Gilford	200-003.000	3,299	3,336	6,635
18	Goffstown	99-4-2	22,048	29,805	51,853
19	Goffstown	99-4-1	2,069	2,780	4,848
20	Hollis	056-027-001	2,456	2,647	5,103
21	Hooksett	0GAS-0001	150,612	148,146	298,758
22	Hooksett	0036-0041-0001	2,259	3,009	5,268
23	Hudson	100-006-000	197,161	191,528	388,689
24	Hudson	167-030-000	803	788	1,591
25	Hudson	167-029-000	767	752	1,518
26	Laconia	425/44/83/1	123,874	119,581	243,455
27	Litchfield	000UTL-000UTL-000001	11,326	10,892	22,218
28	Londonderry	81-7-0	216,647	221,407	438,054
29	Londonderry	81-14-0	20,052	19,889	39,941
30	Loudon	000070-000004-000000	198,918	112,584	311,502
31	Manchester	0999A-0075	1,074,129	992,725	2,066,853
32	Manchester	0752-0001	24,132	22,843	46,975
33	Manchester	0508-0002A	73	72	145
34	Manchester	0394-0004	316	310	626
35	Manchester	0471-0008	539	529	1,068
36	Merrimack	006D-3-000000-000000	187,072	180,814	367,886
37	Milford	036-183-000-000	881	884	1,765
38	Milford	055-007-000-000	57,663	56,819	114,482
39	Nashua	0039-00026	3,451	2,676	6,127
40	Nashua	0038-00063	51	88	139
41	Nashua	0038-00020	77	139	216
42	Nashua	0041-00011	1,569,990	1,122,728.96	2,692,719
43	Nashua	0000PC-00005	99,332	62,561	161,893
44	Northfield	000999-000001-000001	34,796	33,990	68,786
45	Pembroke	999-11	57,265	0	57,265
46	Sanbornton	00.003.000.000	1,803	1,156	2,959
47	Tilton	000R23-000013-000000	114,780	110,104	224,884
48	Tilton	000R23-000014-000000	13,659	13,102	26,761

**Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 7
Property Tax**

Line	Municipality	Parcel	Tax Year 2019		
			Installment #1	Installment #2	Total Due
49	Concord	109/1/2	8,448	8,520	16,968
50	Concord	109/1/2	8,520	8,484	17,004
51	Concord	109/1/3	599	603	1,202
52	Concord	109/1/3	603	601	1,204
53	Concord	109/1/4	6,925	6,983	13,908
54	Concord	109/1/4	6,983	6,954	13,937
55	Concord	109/2/1	337	339	676
56	Concord	109/2/1	339	338	677
57	Concord	109/2/3	617	622	1,239
58	Concord	109/2/3	622	619	1,241
59	Concord	109/2/4	979	977	1,956
60	Concord	109/2/4	977	978	1,955
61	Concord	NO00/1/13	1,320	1,332	2,652
62	Concord	NO00/1/13	1,332	1,326	2,657
63	Concord	P000/1/6	229	227	456
64	Concord	P000/1/6	227	228	455
65	Concord	P000/1/3	25,444	35,690	61,134
66	Concord	P000/1/3	35,690	30,567	66,257
67	Concord	NO00/1/2	276,533	362,571	639,104
68	Concord	NO00/1/2	362,571	319,552	682,124
69	Concord	202Z/21	275	277	552
70	Concord	202Z/21	277	276	553
71	Concord	26/1/6	1,904	1,920	3,824
72	Concord	26/1/6	1,920	1,912	3,832
73	Concord	494Z/3	313	316	629
74	Concord	494Z/3	316	315	630
75	Concord	109/2/4/A	12	12	24
76	Concord	109/2/4/A	0	6	6
77	State of NH	TRUE UP	334,891		334,891
78	State of NH	NH DRA 1-2	521,344	605,067	1,126,411
79	State of NH	NH DRA 3-4	521,344	605,067	1,126,411
80	Keene	583038000001000	49,139	45,598	94,736
81	Keene	116039000000000	6,691	8,012	14,703
82	R&M REALTY	582014000000000	5,235	5,249	10,483
83	Keene Propane	047020020000	22,207	21,051	43,258
84	State of NH	TRUE UP	9		9
85	State of NH	NH DRA 1-2	3,856	3,858	7,713
86	State of NH	NH DRA 3-4	3,856	3,858	7,713
87	Total		6,758,385	5,890,979	12,649,363
88	Pro Forma Property Tax (Payment #2 X 2)		\$	11,781,957	
89	Less Amount for Non-Utility Property		\$	-	
90	Property Tax expense, Test Year		\$	11,882,729	
91	Increase (Decrease) in Property tax expense		\$	(100,772)	

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 8
Income Tax Expense - Historical Test Year

Line	Description	Reference	Amount
1	Test Year Actual to Statutory Rates		
2			
3	Normalized Revenue	RR-EN-2, line 4	\$ 83,382,176
4	Normalized Expenses, Excluding Income Tax	RR-EN-2, lines 7-13	65,453,276
5	Income (Loss) Before Taxes		\$ 17,928,900
6			
7	Rate Base	RR-1	\$ 334,577,902
8	Debt Portion	RR-4	50.00%
9	Debt Component		167,288,951
10	Debt Cost	RR-4	4.417%
11	Synchronized Interest Expense		7,389,153
12	Pre-Tax Income		\$ 10,539,747
13			
14	Combined Income Tax Rate	Line 20	27.08%
15	Income Tax Expense (Credit) at Statutory Rates		\$ 2,854,163
16	Income Tax Expense (Credit) Recorded		2,787,348
17	Adjustment to Normalize Historical Test Year		\$ 66,815
18			
19	Federal Statutory Rate		21.00%
20	New Hampshire Business Tax Rate		7.70%
21	Combined Income Tax Rate		27.08%
22			
23	This adjustment normalizes income tax expense in the Test Year before adjustments to reflect statutory rates.		

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 9
Income Tax Expense - Pro Forma Test Year at Current Rates

Line	Description	Reference	Adjustment Amount	Items with Tax Effects
1	<u>Adjustments to increase (decrease) taxable income:</u>			() = Lower income
2	Revenue Adjustments	RR-EN-3-1	\$ 1,304,094	\$ 1,304,094
3	Salary and Wage Expense	RR-EN-3-2	(371,723)	(371,723)
4	Payroll Tax Expense	RR-EN-3-3	(38,867)	(38,867)
5	Pension and Benefits Expense	RR-EN-3-4	937,880	937,880
6	Depreciation Expense	RR-EN-3-5	(182,574)	(182,574)
7	Amortization Expense	RR-EN-3-6	148,604	148,604
8	Property Tax	RR-EN-3-7	100,772	100,772
9	Income Tax Expense - Historical Test Year	RR-EN-3-8	(66,815)	
10	Income Tax Expense - Pro Forma Test Year at Current Rates	RR-EN-3-9	(440,839)	
11	Other Adjustments	RR-EN-3-10	(270,274)	(270,274)
12			<u>\$ 1,120,258</u>	<u>\$ 1,627,912</u>
13	Tax Rate			27.08%
14	Adjustment to Test Year at Current Rates			\$ 440,839
15				
16	This adjustment reflects income tax expense related to the Company's adjustments, computed at statutory rates.			

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 10
Other Adjustments

Line	Description	Account	Amount
1	Adjustment for PUC Annual Assessment		
2	Liberty Utilities (ENNG) - Gas		\$ 579,781
3	Liberty Utilities (ENNG) - IESR		\$ 149,295
4			
5	Liberty Utilities (ENNG) - GPSP		\$ 39,718
6	Liberty Utilities (ENNG) - PIESR		\$ 7,505
7	Regulatory Expenses- Test Year		(804,570)
8			
9			
10	Adjustment to Account 928		\$ (28,271)
11			
12			
13	Adjustment to Remove Keene Production Costs	Account 733	\$ (135,999)
14		Account 735	(44,680)
15	Total Keene Production Cost Adjustment		\$ (180,679)
16			

Liberty Utilities (EnergyNorth)
Adjustments to Test Year
Adjustment 10
Other Adjustments

Line	Description	Account	Amount
17			
18	Concord Rental Expense Credit	Account 931	\$ (9,523)
19	Total Concord Rental Expense Credit		\$ (9,523)
20			
21	Adjustment to Remove Non-Recurring Items		
22	Liberty Consulting audit findings	Account 923.0	\$ (50,000)
23	Injuries and Damages Settlement #1	Account 925.0	35,000
24	Injuries and Damages Settlement #2	Account 925.0	15,000
25	FAS 112 Adjustment	Account 926.0	125,624
26	Pension Expense Adjustment	Account 926.7	363,123
27	Total Non-Recurring Item Adjustment		\$ 488,747

Liberty Utilities (EnergyNorth)
Weighted Average Cost of Capital
Test Year Ended June 30, 2019

Line	Description	Capital Structure	Cost of Capital	Weighted Cost of Capital	Tax Rate	Pre-Tax
1	Common Stock	50.00%	10.00%	5.00%	27.08%	6.86%
2	Long-Term Debt	<u>50.00%</u>	4.417%	<u>2.21%</u>		<u>2.21%</u>
3		<u>100.00%</u>		<u>7.21%</u>		<u>9.07%</u>

Liberty Utilities (EnergyNorth)
Rate Base - EnergyNorth
Balances at June 30, 2019

Line	Description	Reference	Rate Base
1	Utility Plant (Balance 6/30/2019)	RR-EN-3-5	\$ 608,937,783
2	Depreciation Allowance (Balance 6/30/2019)	RR-EN-3-5	(194,093,414)
3	Net Utility Plant		<u>\$ 414,844,369</u>
4			
5	Materials and Supplies (Average of 5 Quarterly Balances)	RR-EN-5-1	\$ 5,499,291
6	Customer Deposits (Average of 5 Quarterly Balances)	RR-EN-5-1	(2,894,996)
7			
8	Cash Working Capital	RR-EN-5-2	\$ 3,123,094
9			
10	Deferred Tax Liability, Net (Balance 6/30/2019)	RR-EN-5-WP1	\$ (58,463,722)
11			
12	Excess Accumulated Deferred Income Taxes (less gross-up)		\$ (27,530,133)
13			
14	Rate Base		<u><u>\$ 334,577,902</u></u>

Liberty Utilities (EnergyNorth)
Rate Base Quarterly Balances - EnergyNorth
Test Year Ended June 30, 2019

Line	Description	2018 Q3	2018 Q3	2018 Q4	2019 Q1	2019 Q2	5 Quarter Average
1							
2	Materials and Supplies	\$ 5,116,217	\$ 5,416,513	\$ 5,281,934	\$ 5,460,957	\$ 6,220,835	\$ 5,499,291
3							
4							
5	Customer Deposits	\$(2,689,804)	\$(2,789,691)	\$(2,978,242)	\$(2,965,354)	\$(3,051,888)	\$(2,894,996)

Liberty Utilities (EnergyNorth)
Cash Working Capital - EnergyNorth
Test Year Ended June 30, 2019

Line	Description	Reference	Test Year Pro Forma
1	O&M Expenses		
2	Distribution, before Adjustments	RR-EN-2-1	\$ 68,240,624
3	Less: Depreciation and Amortization	RR-EN-2-1	(21,293,267)
4	Less: Deferred Income Taxes	RR-EN-2-1-WP	(3,417,589)
5	Known and Measurable Adjustments (excluding depreciation and amortization)	RR-EN-2-1	149,866
6			<u>\$ 43,679,634</u>
7			
8	Cash Working Capital Required - Days	26.10	<u>7.15%</u>
9			
10	Cash Working Capital Required		<u><u>\$ 3,123,094</u></u>

Liberty Utilities (EnergyNorth)
Step Increase - EnergyNorth

Line	Description	Misc. Intangible Plant	Misc. Intangible Plant	LNG Plant	Mains	Station Equipment	General-Structures	Mains	Services	Meters
	FERC Account	303	303	320	367	369	366/375	376	380	381
1	Capital Spending	\$ 588,006	\$ 455,000	\$ 100,000	\$ 14,019,670	\$ 271,261	\$ 10,000	\$ 266,974	\$ 911,429	\$ 750,488
2										
3	<u>Deferred Tax Calculation</u>									
4	Tax Method	MACRS15	MACRS15	MACRS20	MACRS20	MACRS20	MACRS39	MACRS20	MACRS20	MACRS20
5	Tax Depreciation Rate	5.00%	5.00%	3.75%	3.75%	3.75%	1.28%	3.75%	3.75%	3.75%
6										
7	Bonus Depreciation @ 0.00%			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8										
9	Tax Basis	\$ 588,006	\$ 455,000	\$ 100,000	\$ 14,019,670	\$ 271,261	\$ 10,000	\$ 266,974	\$ 911,429	\$ 750,488
10	MACRS Depreciation	\$ 29,400	\$ 22,750	\$ 3,750	\$ 525,738	\$ 10,172	\$ 128	\$ 10,012	\$ 34,179	\$ 28,143
11										
12	Tax Depreciation - Federal	\$ 29,400	\$ 22,750	\$ 3,750	\$ 525,738	\$ 10,172	\$ 128	\$ 10,012	\$ 34,179	\$ 28,143
13	Tax Depreciation - State	\$ 29,400	\$ 22,750	\$ 3,750	\$ 525,738	\$ 10,172	\$ 128	\$ 10,012	\$ 34,179	\$ 28,143
14										
15	Book Depreciation Rate	20.00%	10.00%	2.86%	1.92%	2.86%	2.86%	1.92%	3.55%	3.13%
16	Book Depreciation	\$ 117,601	\$ 45,500	\$ 2,860	\$ 269,178	\$ 7,758	\$ 286	\$ 5,126	\$ 32,356	\$ 23,490
17										
18	Tax over (under) Book - Federal	\$ (88,201)	\$ (22,750)	\$ 890	\$ 256,560	\$ 2,414	\$ (158)	\$ 4,886	\$ 1,823	\$ 4,653
19	Tax over (under) Book - State	(88,201)	(22,750)	890	256,560	2,414	(158)	4,886	1,823	4,653
20	Deferred Taxes - Federal @ 19.38%	(17,096)	(4,410)	173	49,729	468	(31)	947	353	902
21	Deferred Taxes - State @ 7.70%	(6,791)	(1,752)	69	19,755	186	(12)	376	140	358
22	Deferred Tax Balance @ 0.00%	\$ (23,887)	\$ (6,161)	\$ 241	\$ 69,484	\$ 654	\$ (43)	\$ 1,323	\$ 494	\$ 1,260
23										
24	<u>Rate Base Calculation</u>									
25	Plant in Service	\$ 588,006	\$ 455,000	\$ 100,000	\$ 14,019,670	\$ 271,261	\$ 10,000	\$ 266,974	\$ 911,429	\$ 750,488
26	Accumulated Depreciation	(117,601)	(45,500)	(2,860)	(269,178)	(7,758)	(286)	(5,126)	(32,356)	(23,490)
27	Deferred Tax Balance	23,887	6,161	(241)	(69,484)	(654)	43	(1,323)	(494)	(1,260)
28	Rate Base	\$ 494,292	\$ 415,661	\$ 96,899	\$ 13,681,008	\$ 262,849	\$ 9,757	\$ 260,525	\$ 878,579	\$ 725,738
29										
30	<u>Revenue Requirement Calculation</u>									
31	Return on Rate Base @ 9.07%	\$ 44,832	\$ 37,700	\$ 8,789	\$ 1,240,867	\$ 23,840	\$ 885	\$ 23,630	\$ 79,687	\$ 65,824
32	Depreciation Expense	117,601	45,500	2,860	269,178	7,758	286	5,126	32,356	23,490
33	Property Tax @ 2.57%			2,567	359,919	6,964	257	6,854		
34	Insurance @ 0.16%			163	22,881	443	16	436	1,488	1,225
35	Annual Revenue Requirement	\$ 162,434	\$ 83,200	\$ 14,379	\$ 1,892,845	\$ 39,005	\$ 1,444	\$ 36,045	\$ 113,530	\$ 90,540

<u>Rate of Return Calculation</u>		Portion	After-Tax Cost	Tax	Pre-Tax WACC
Equity		50.0%	10.00%	27.08%	6.86%
Debt		50.0%	4.417%		2.21%
		100.0%			9.07%

Description	Reference	Amount
Property taxes (Account 408-P)	RR-StepWP2	\$ 12,649,363
Property insurance (Account 924)	RR-EN-2-1	\$ 4,046
Injuries and Damage (Casualty Insurance) (Account 925)	RR-EN-2-1	822,397
		<u>\$ 12,649,363</u>
Plant at Cost	RR-Step-EN-WP2	\$ 492,721,925
As % of Plant Cost		2.57%
		0.16%

Liberty Utilities (EnergyNorth)
Step Increase - EnergyNorth

Line	Description	Structures and Improvements	Office Equipment	Vehicles	Tools	Communication Equipment	Total
	<i>FERC Account</i>	<i>390</i>	<i>391</i>	<i>392</i>	<i>394</i>	<i>397</i>	
1	Capital Spending	\$ 150,000	\$ 828,002	\$ 1,555,021	\$ 66,621	\$ 291,500	\$ 20,263,973
2							
3	<u>Deferred Tax Calculation</u>						
4	Tax Method	MACRS39	MACRS7	MACRS5	MACRS7	MACRS7	
5	Tax Depreciation Rate	1.28%	14.29%	20.00%	14.29%	14.29%	
6							
7	Bonus Depreciation @ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8							
9	Tax Basis	\$ 150,000	\$ 828,002	\$ 1,555,021	\$ 66,621	\$ 291,500	\$ 20,263,973
10	MACRS Depreciation	\$ 1,923	\$ 118,286	\$ 311,004	\$ 9,517	\$ 41,643	\$ 1,146,645
11							
12	Tax Depreciation - Federal	\$ 1,923	\$ 118,286	\$ 311,004	\$ 9,517	\$ 41,643	\$ 1,146,645
13	Tax Depreciation - State	\$ 1,923	\$ 118,286	\$ 311,004	\$ 9,517	\$ 41,643	
14							
15	Book Depreciation Rate	2.86%	5.28%	20.00%	5.26%	0.00%	
16	Book Depreciation	\$ 4,290	\$ 43,718	\$ 311,004	\$ 3,504	\$ -	\$ 866,672
17							
18	Tax over (under) Book - Federal	\$ (2,367)	\$ 74,567	\$ -	\$ 6,013	\$ 41,643	\$ 279,973
19	Tax over (under) Book - State	(2,367)	74,567	0	6,013	41,643	279,973
20	Deferred Taxes - Federal @ 19.38%	(459)	14,453	0	1,166	8,072	54,267
21	Deferred Taxes - State @ 7.70%	(182)	5,742	0	463	3,207	21,558
22	Deferred Tax Balance @ 0.00%	\$ (641)	\$ 20,195	\$ -	\$ 1,629	\$ 11,278	\$ 64,547
23							
24	<u>Rate Base Calculation</u>						
25	Plant in Service	\$ 150,000	\$ 828,002	\$ 1,555,021	\$ 66,621	\$ 291,500	\$ 20,263,973
26	Accumulated Depreciation	(4,290)	(43,718)	(311,004)	(3,504)	0	(866,672)
27	Deferred Tax Balance	641	(20,195)	0	(1,629)	(11,278)	(75,825)
28	Rate Base	\$ 146,351	\$ 764,088	\$ 1,244,017	\$ 61,489	\$ 280,222	\$ 19,321,476
29							
30	<u>Revenue Requirement Calculation</u>						
31	Return on Rate Base @ 9.07%	\$ 13,274	\$ 69,303	\$ 112,832	\$ 5,577	\$ 25,416	\$ 1,752,458
32	Depreciation Expense	4,290	43,718	311,004	3,504	0	866,672
33	Property Tax @ 2.57%	3,851					380,411
34	Insurance @ 0.16%	245	1,351	2,538	109	476	31,370
35	Annual Revenue Requirement	\$ 21,660	\$ 114,373	\$ 426,374	\$ 9,190	\$ 25,892	\$ 3,030,911

Liberty Utilities (EnergyNorth)
Rate Case Expense
Test Year Ended June 30, 2019

Line	Description	Vendor	Amount
1	Revenue Requirement		
2	Marginal Cost Study		
3	Rate Design/Rate Calculations	FTI Consulting	310,000
4	Decoupling		
5	Functional Cost Study		
6	Cost of Capital		
7	Depreciation Reserve Review		10,000
8	Miscellaneous (printing, legal notices, court reporter, Staff/OCA consultants, etc.)		280,000
9	Total		<u>\$ 600,000</u>