



Ken Sosnick

Managing Director

ken.sosnick@fticonsulting.com

200 State Street
9th Floor
Boston, MA 02109
Tel: (724) 422-3564

Education

B.S., Accounting,
Indiana University of
Pennsylvania

Ken Sosnick is a Managing Director at FTI Consulting and is based in Boston. Mr. Sosnick has more than 16 years of experience with electric utility, natural gas pipeline and crude/product pipeline industry matters before the Federal Regulatory Commission (FERC).

Prior to joining FTI, Mr. Sosnick spent over 5 years as a consultant extensively engaged in the natural gas, crude/product and electricity markets. His work included analysis of natural gas pipeline and crude/product pipeline cost of service rates, market-based rates, discounted and negotiated rates, incremental vs. rolled-in project costs, initial certificate rates, allocation of corporate overhead costs, master-limited partnership income taxes, throughput/system rate design quantities, fuel recovery mechanisms, NGA Section 5 rate complaints, Return on Equity calculations under the DCF/Risk Premium/CAPM/Expected Earnings methods, depreciation rate and negative salvage rate calculations, Asset Retirement Obligations, FERC Form 1 and 2 filing requirements as well as being proficient in the application of FERC's Uniform System of Accounts.

Mr. Sosnick served as a panelist for the Liquid Shippers Group in Docket No. RM15-19-000 seeking revisions to the FERC Form 6 Page 700 as well as addressing FERC's regulation of common carrier liquid pipelines including the review of liquid markets and specifically understanding product pipeline pro-rationing policies.

Mr. Sosnick has prepared expert testimony for proceedings at FERC as well as expert reports assessing and quantifying damages in civil litigation, conducted strategic analysis for a large energy company considering alternatives for its existing pipeline and storage portfolio. In addition, he conducted confidential buy-side valuations and assessments of regulated electric and natural gas utilities in the U.S.

Mr. Sosnick has also written a whitepapers, an example is discussing the regulatory and rate impacts of the Tax Cuts and Jobs Act on FERC regulated assets as well as a whitepaper on the impacts of FERC Orders in SFPP, LP Docket No. IS08-390 related to Master Limited Partnerships and other pass-through entities income tax allowance.

Mr. Sosnick spent 10 years at FERC in which he spent two years as an auditor in the Office of Enforcement, and 8 years as an expert witness and one of the lead technical staff negotiators on major electric utility proceedings, interstate natural gas pipeline and crude/product pipeline in the Office of Administrative Litigation.

Mr. Sosnick's insights were incorporated into the revision of the FERC Form 2 in Docket No. RM07-9-000, which led to the FERC-initiated Section 5 natural gas pipeline proceedings from 2009 to today.

Mr. Sosnick currently teaches an executive FERC Natural Gas 101 course for EUCI, and previously taught at the New Mexico State University Center for Public Utilities Practical and Regulatory Training for the Natural Gas Interstate Pipeline Industry specifically addressing FERC requirements for determining "Just and Reasonable" rates.

PROFESSIONAL EXPERIENCE

- *FTI Consulting*, Managing Director, Boston, MA, 2019 – Present
- *Concentric Energy Advisors*, Senior Project Manager, Marlborough MA, 2015 – 2019
- *MRW & Associates, LLC, Energy Consultants*, Senior Project Manager, Oakland, CA, 2013 – 2015
- *Federal Energy Regulatory Commission*, Energy Industry Analyst, Office of Administrative Litigation, Washington, D.C., 2005 – 2013
- *Federal Energy Regulatory Commission*, Auditor, Office of Enforcement, Washington, D.C., 2003 – 2005

SELECTED PROJECTS

Cost of Service: Natural Gas, Electric and Liquids Experience

Mr. Sosnick assists clients, state regulatory agencies, and other experts developing and refining cost of service models regarding rate base calculations, appropriate levels of operations and maintenance expenses, appropriate levels of directly assigned or allocated affiliated or parent company overhead costs, the application of cost allocation procedures in the allocation of costs between jurisdictional activities, between non-jurisdictional and jurisdictional activities or amongst separate jurisdictional systems.

Cost Allocation & Rate Design: Natural Gas, Electric and Liquids Experience

Mr. Sosnick assists clients, regulatory agencies, and other experts developing and refining cost allocation and rate design models.

Regulatory Policy & Strategic Analysis: Natural Gas and Electric Experience

Utilizing his background in accounting, regulatory affairs, and the nuances of the energy sector, Mr. Sosnick has helped clients ensure they are charging or paying appropriate rates, under terms and conditions that are just, reasonable and not unduly discriminatory or preferential. In addition, Mr. Sosnick helps clients develop safe, reliable and efficient energy infrastructure that serves the public interest.

Tariffs: *Natural Gas, Electric and Liquids Experience*

- Analyzed Open Access Transmission Tariff formula rates to verify conformity to FERC's Uniform System of Accounts and the structure of their formula had FERC's approval
- Participated in the review and refunding of Southern Company's RTO Development Costs that were collected erroneously through their Open Access Transmission Tariff, Unit Power Sales Agreements, and Transmission Service Agreements
- Confidential Client; Review of a SPP Member's ATRR to provide an opinion on the appropriateness of the inclusion of certain costs
- Confidential Client; Review of multiple entities RTO/ISO Formula Rates to ensure compliance with current FERC precedent
- Served the role of advisor to clients to internal FERC Trial Staff on settlements on FERC wholesale electric, liquid pipeline and natural gas pipelines Tariff matters

Negotiations: *Natural Gas, Electric and Liquids Experience*

- Coordinated Pre-filing Settlement negotiations on behalf of a firm storage customer in a state rate proceeding in the western US
- Facilitated the settlement of the refund amounts associated with the sale and related costs of the portion of the Kewaunee Nuclear Power Plant owned by Wisconsin Public Service Corp.
- California Independent System Operator Corporation, ER05-150: Reviewed the Utility Distribution Company Operating Agreement to ensure compliance with FERC precedent and coordinated with all parties to confirm understanding of commitments being filed
- PG&E, ER05-130: Reviewed the CASIO requirements and Western Interconnection Agreement as well as the FERC precedent to assist TPUD and PG&E to reach a settlement resolving the interconnection issue
- KO Transmission Company, Docket No. RP16-1097-000: Filed testimony on behalf of KO Transmission and served as the Rate Case Filing/Settlement Coordinator
- Served the role of lead FERC Trial Staff Technical Witness on settlements on FERC wholesale electric, liquid pipeline and natural gas pipelines related to cost of service and cost allocation and rate design

PRESENTATIONS

- Panelist EBA-Section 5 Perspectives, January 2018
- FC Intelligence-Natural Gas Impact, Transportation Options and Regulatory Oversight, May 2016

- Western States Association of Tax Administrators, four presentations between 2015 to 2017
- Panelist, “Will Fracking Change the Gas Pipeline Flows in Ways that Affect Rate Design and Cost Allocation?” EBA Mid-Year Meeting, November 2014
- Panelist at the FERC Commission Open Meeting for the Revisions to the FERC Form 2, Docket No. RM07-9-000, 2009

**Liberty Utilities (EnergyNorth)
Index to Revenue Requirement Schedules
Test Year Ended December 31, 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	\$ 356,411,727
2			
3	Target Rate of Return on Rate Base	RR-4	<u>7.47%</u>
4			
5	Operating Income Requirement	Line 1 X Line 3	\$ 26,623,956
6			
7	Operating Income at Present Rates	RR-2	<u>\$ 16,781,762</u>
8			
9	Operating Income Deficiency	Line 5 - Line 7	\$ 9,842,195
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>\$ 13,497,250</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>\$ 3,655,055</u></u>
22			
23	Distribution Revenue at Present Rates	RR-2	\$ 85,789,234
24			
25	% Increase Needed	Line 13 / Line 23	15.73%
26			
27	Revenue with Increase	RR-2	\$ 99,286,484
28			
29	% Increase Needed - Total Revenue		8.60%

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 December 31, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year at Current Rates	Proposed Increase	
1 Revenue							
2 Operating Revenue	\$ 155,813,183	\$ (72,649,313)	\$ 83,163,870	\$ 1,427,588	\$ 84,591,458	\$ 13,497,250	\$ 98,088,708
3 Other Revenue	1,197,776	-	1,197,776	-	1,197,776		1,197,776
4	\$ 157,010,959	\$ (72,649,313)	\$ 84,361,646	\$ 1,427,588	\$ 85,789,234	\$ 13,497,250	\$ 99,286,484
5							
6 Operating Expenses							
7 Operations and Maintenance - Gas	\$ 68,016,418	\$ (68,187,738)	\$ (171,320)	\$ (138,439)	\$ (309,759)		\$ (309,759)
8 Operations and Maintenance - Distribution	14,187,750	-	14,187,750	182,041	14,369,791		14,369,791
9 Customer Accounting	4,011,638	983,441	4,995,080	45,731	5,040,811		5,040,811
10 Sales and New Business	663,477	-	663,477	11,141	674,618		674,618
11 Administrative & General	8,719,450	-	8,719,450	(530,336)	8,189,114		8,189,114
12 Depreciation and Amortization	25,339,396	(3,025,052)	22,314,344	597,567	22,911,910		22,911,910
13 Taxes other than Income Taxes	14,030,617	-	14,030,617	784,558	14,815,175		14,815,175
14 Income Taxes	3,709,928	-	3,709,928	(394,116)	3,315,812	3,655,055	6,970,867
15	\$ 138,678,675	\$ (70,229,348)	\$ 68,449,327	\$ 558,145	\$ 69,007,472	\$ 3,655,055	\$ 72,662,528
16							
17 Utility Net Income	\$ 18,332,284	\$ (2,419,965)	\$ 15,912,319	\$ 869,443	\$ 16,781,762	\$ 9,842,195	\$ 26,623,956
18							
19 Rate Base			<u>\$ 356,411,727</u>		<u>\$ 356,411,727</u>		<u>\$ 356,411,727</u>
20							
21 Rate of Return on Rate Base			4.46%		4.71%		7.47%

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 December 31, 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	\$ 976,663	\$ -	\$ 976,663	\$ 20,392	\$ 997,056	\$ 944,645	\$ 965,037
4	Liquefied Petroleum Gas Expenses	717	-	-	-	-	-	-	-
5	Liquefied Petroleum Gas	728	-	-	-	-	-	-	-
6	Gas Mixing Expense	733	185,703	-	185,703	(114,984)	70,719	185,703	189,712
7	Miscellaneous Production Expenses	735	514,254	-	514,254	(43,853)	470,400	-	-
8	Maintenance of Production Equipment	742	119,531	-	119,531	-	119,531	-	-
9	Natural Gas City Gate Purchases	804	(713,592)	713,592	-	-	-	-	-
10	Other Gas Purchases	805	67,686,807	(67,686,807)	-	-	-	-	-
11	Gas Withdrawn from Storage	808	1,214,522	(1,214,522)	-	-	-	-	-
12	Operation Labor and Expenses	841	-	-	-	-	-	-	-
13	Other Expenses	846	(1,967,471)	-	(1,967,471)	6	(1,967,465)	263	269
14	Total O&M - Gas Production		\$ 68,016,418	\$ (68,187,738)	\$ (171,320)	\$ (138,439)	\$ (309,759)	\$ 1,130,611	\$ 1,155,018
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	536,299	-	536,299	7,153	543,453	331,359	338,512
20	Distribution Load Dispatching	871	575,530	-	575,530	12,414	587,944	575,068	587,482
21	Mains Services Expenses	874	5,633,309	-	5,633,309	75,511	5,708,819	3,497,946	3,573,456
22	Measuring and Regulating Station Expenses - General	875	-	-	-	-	-	-	-
23	Measuring and Regulating Station Expenses - Industrial	876	-	-	-	-	-	-	-
24	Meter and House Regulator Expenses	878	1,118,308	-	1,118,308	22,429	1,140,737	1,038,978	1,061,406
25	Customer Installations Expenses	879	629,292	-	629,292	13,454	642,746	623,226	636,680
26	Other Expenses	880	1,717,919	-	1,717,919	18,651	1,736,570	864,000	882,651
27	Rents	881	10,618	-	10,618	-	10,618	-	-
28	Maintenance Supervision and Engineering	885	-	-	-	-	-	-	-
29	Maintenance of Structures and Improvements	886	147,555	-	147,555	2,592	150,147	120,051	122,643
30	Maintenance of Mains	887	2,660,338	-	2,660,338	17,605	2,677,943	815,525	833,130
31	Maintenance of Measuring and Regulating Station Expenses	889	-	-	-	-	-	-	-
32	Maintenance of Services	892	462,357	-	462,357	4,448	466,805	206,069	210,518
33	Maintenance of Meters and House Regulators	893	351,020	-	351,020	5,689	356,709	263,554	269,244
34	Maintenance of Other Equipment	894	345,205	-	345,205	2,095	347,300	97,049	99,144
35	Total O&M - Distribution		\$ 14,187,750	\$ -	\$ 14,187,750	\$ 182,041	\$ 14,369,791	\$ 8,432,825	\$ 8,614,866
36	Total O&M - Gas Production and Distribution		\$ 82,204,168	\$ (68,187,738)	\$ 14,016,431	\$ 43,601	\$ 14,060,032	\$ 9,563,437	\$ 9,769,884
37									
38	Customer Accounts Expenses								
39	Supervision	901	\$ 243,201	\$ -	\$ 243,201	\$ 5,250	\$ 248,451	\$ 243,201	\$ 248,451
40	Meter Reading Expenses	902	323,371	-	323,371	6,427	329,798	297,723	304,150
41	Customer Records and Collection Expenses	903	2,734,690	-	2,734,690	34,054	2,768,744	1,577,532	1,611,586
42	Uncollectible Accounts	904.0	1,680,770	-	1,680,770	-	1,680,770	-	-
43	Bad Debt Expense - Commodity	904.1	(983,441)	983,441	-	-	-	-	-
44	Miscellaneous Customer Accounts Expenses	905	13,047	-	13,047	-	13,047	-	-
45	Total Customer Accounting		\$ 4,011,638	\$ 983,441	\$ 4,995,080	\$ 45,731	\$ 5,040,811	\$ 2,118,456	\$ 2,164,187
46									
47	Customer Service and Informational & Sales Expenses								
48	Cust Assistance	908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	Informational and Instructional Advertising Expenses	909	95,856	-	95,856	462	96,318	21,409	21,871
50	Cust Service Misc	910	15,180	-	15,180	-	15,180	-	-
51	Sales & Advertising	912	449,660	-	449,660	9,032	458,691	418,379	427,410
52	Advertising Expenses	913	26,484	-	26,484	-	26,484	-	-
53	Miscellaneous Sales Expenses	916	76,299	-	76,299	1,647	77,946	76,299	77,946
54	Total Customer Service and Informational & Sales Expenses		\$ 663,477	\$ -	\$ 663,477	\$ 11,141	\$ 674,618	\$ 516,086	\$ 527,227
55	Total Customer Accounts, Customer Service and Informational		\$ 4,675,116	\$ 983,441	\$ 5,658,557	\$ 56,872	\$ 5,715,429	\$ 2,634,542	\$ 2,691,414
56									
57	Administrative and General Expenses								
58	A&G Salaries	920.0	\$ 2,690,132	\$ -	\$ 2,690,132	\$ 52,626	\$ 2,742,757	\$ 2,437,821	\$ 2,490,446
59	A&G Salaries - LU Head Office	920.1	3,128,482	-	3,128,482	-	3,128,482	Allocated costs	-
60	Office Supplies and Expenses	921	2,214,501	-	2,214,501	(10,202)	2,204,299	-	-
61	Administrative Expenses Transferred	922.0	(13,438,703)	-	(13,438,703)	233,952	(13,204,750)	Allocated costs	-
62	LU Labor Allocations Capitalized	922.1	(2,935,673)	-	(2,935,673)	-	(2,935,673)	-	-
63	Outside Services Employed	923.0	1,038,455	-	1,038,455	-	1,038,455	-	-
64	Allocated LU Head Office	923.1	6,179,915	-	6,179,915	-	6,179,915	-	-
65	Property Insurance	924	51,523	-	51,523	-	51,523	-	-
66	Injuries and Damages	925	814,179	-	814,179	-	814,179	-	-
67	Employee Pensions and Benefits	926	7,987,623	-	7,987,623	(727,193)	7,260,431	-	-
68	Regulatory Commission Expenses	928	813,919	-	813,919	(36,883)	777,036	-	-
69	Miscellaneous General Expenses	930	1,146	-	1,146	-	1,146	-	-
70	Rents	931	173,951	-	173,951	(42,637)	131,314	-	-
71	Maintenance of General Plant	932	-	-	-	-	-	-	-
72	Total Administrative & General		\$ 8,719,450	\$ -	\$ 8,719,450	\$ (530,336)	\$ 8,189,114	\$ 2,437,821	\$ 2,490,446
73	Total Operation and Maintenance Expenses		\$ 95,598,734	\$ (67,204,296)	\$ 28,394,438	\$ (429,863)	\$ 27,964,575	\$ 14,635,799	\$ 14,951,744
74									

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 December 31, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor	Labor Pro Forma
75	DEPRECIATION AND AMORTIZATION EXPENSE								
76	Depreciation Expense	403	\$ 18,173,439	\$ -	\$ 18,173,439	\$ 1,836,152	\$ 20,009,591		
77	Amortization - Intangibles	405	3,435,643	-	3,435,643	(128,313)	3,307,330		
78	Regulatory Debits - Amortization of Regulatory Assets	407.3	705,261	-	705,261	186,853	892,115		
79	Regulatory Credits - Amortization of Regulatory Liabilities	407.4	3,025,052	(3,025,052)	-	(1,297,126)	(1,297,126)		
80	<i>Total Depreciation and Amortization Expense</i>		<u>\$ 25,339,396</u>	<u>\$ (3,025,052)</u>	<u>\$ 22,314,344</u>	<u>\$ 597,567</u>	<u>\$ 22,911,910</u>		
81									
82	TAXES OTHER THAN INCOME TAXES								
83	Taxes other than Income Taxes - Payroll Taxes	408	\$ 1,625,755	\$ -	\$ 1,625,755	\$ 382,609	\$ 2,008,364		
84	Taxes other than Income Taxes - Property Taxes	408	12,404,863	-	12,404,863	401,949	12,806,811		
85	<i>Total Taxes other than Income Taxes</i>		<u>\$ 14,030,617</u>	<u>\$ -</u>	<u>\$ 14,030,617</u>	<u>\$ 784,558</u>	<u>\$ 14,815,175</u>		
86									
87	FEDERAL / STATE INCOME TAXES								
88	Income Tax Expense	409-410	\$ 3,709,928	\$ -	\$ 3,709,928	\$ (394,116)	\$ 3,315,812		
89	<i>Subtotal - Income Tax</i>		<u>\$ 3,709,928</u>	<u>\$ -</u>	<u>\$ 3,709,928</u>	<u>\$ (394,116)</u>	<u>\$ 3,315,812</u>		
90									
91									
92									
93	TOTAL EXPENSES		<u>\$ 138,678,675</u>	<u>\$ (70,229,348)</u>	<u>\$ 68,449,327</u>	<u>\$ 558,145</u>	<u>\$ 69,007,472</u>	<u>\$ 14,635,799</u>	<u>\$ 14,951,744</u>
94									
95	REVENUES								
96	Operating Revenue		\$ 155,813,183	\$ (72,649,313)	\$ 83,163,870	\$ 1,427,588	\$ 84,591,458		
97	Other Revenue		1,197,776	-	1,197,776	-	1,197,776		
98	Total Revenue		<u>\$ 157,010,959</u>	<u>\$ (72,649,313)</u>	<u>\$ 84,361,646</u>	<u>\$ 1,427,588</u>	<u>\$ 85,789,234</u>		
99									
100	UTILITY NET INCOME		<u>\$ 18,332,284</u>	<u>\$ (2,419,965)</u>	<u>\$ 15,912,319</u>	<u>\$ 869,443</u>	<u>\$ 16,781,762</u>		
101									
102	TOTAL RATE BASE	RR-EN-5	<u>\$ 356,411,727</u>		<u>\$ 356,411,727</u>		<u>\$ 356,411,727</u>		
103									
104	Income Tax Rate		16.83%		18.91%		16.50%		
105									
106	Rate of Return		5.14%		4.46%		4.71%		

Liberty Utilities (EnergyNorth)
 Summary of Adjustments
 Test Year Ended December 31, 2019

	(869,443)	(1,427,588)	315,945	382,609	(493,240)	1,836,152	(1,238,585)	443,281	(522,835)	128,718	(293,900)
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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	\$ 20,392		\$ 20,392									\$ 944,645	6.45%	
4	Liquefied Petroleum Gas Expenses	717	-											-	0.00%	
5	Liquefied Petroleum Gas	728	-											-	0.00%	
6	Gas Mixing Expense	733	(114,984)		4,009								(118,993)	185,703	1.27%	
7	Miscellaneous Production Expenses	735	(43,853)										(43,853)	-	0.00%	
8	Maintenance of Production Equipment	742	-											-	0.00%	
9	Natural Gas City Gate Purchases	804	-											-	0.00%	
10	Other Gas Purchases	805	-											-	0.00%	
11	Gas Withdrawn from Storage	808	-											-	0.00%	
12	Operation Labor and Expenses	841	-											-	0.00%	
13	Other Expenses	846	6		6									263	0.00%	
14	<i>Total O&M - Gas Production</i>		<i>\$ (138,439)</i>	<i>\$ -</i>	<i>\$ 24,407</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ (162,846)</i>	<i>\$ 1,130,611</i>	<i>7.72%</i>	
15	O&M - Distribution Expenses															
17	Measuring and Regulating Station Expenses (Transmission)	857	\$ -		\$ -									\$ -	0.00%	
18	Maintenance of Mains (Transmission)	863	-											-	0.00%	
19	Operation Supervision and Engineering (Transmission)	870	7,153		7,153									331,359	2.26%	
20	Distribution Load Dispatching	871	12,414		12,414									575,068	3.93%	
21	Mains Services Expenses	874	75,511		75,511									3,497,946	23.90%	
22	Measuring and Regulating Station Expenses - General	875	-											-	0.00%	
23	Measuring and Regulating Station Expenses - Industrial	876	-											-	0.00%	
24	Meter and House Regulator Expenses	878	22,429		22,429									1,038,978	7.10%	
25	Customer Installations Expenses	879	13,454		13,454									623,226	4.26%	
26	Other Expenses	880	18,651		18,651									864,000	5.90%	
27	Rents	881	-											-	0.00%	
28	Maintenance Supervision and Engineering	885	-											-	0.00%	
29	Maintenance of Structures and Improvements	886	2,592		2,592									120,051	0.82%	
30	Maintenance of Mains	887	17,605		17,605									815,525	5.57%	
31	Maintenance of Measuring and Regulating Station Expense	889	-											-	0.00%	
32	Maintenance of Services	892	4,448		4,448									206,069	1.41%	
33	Maintenance of Meters and House Regulators	893	5,689		5,689									263,554	1.80%	
34	Maintenance of Other Equipment	894	2,095		2,095									97,049	0.66%	
35	<i>Total O&M - Distribution</i>		<i>182,041</i>	<i>-</i>	<i>182,041</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>8,432,825</i>	<i>57.62%</i>	
36	<i>Total O&M - Gas Production and Distribution</i>		<i>\$ 43,601</i>	<i>\$ -</i>	<i>\$ 206,447</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ (162,846)</i>	<i>\$ 9,563,437</i>	<i>65.34%</i>	
37	Customer Accounts Expenses															
39	Supervision	901	\$ 5,250		\$ 5,250									\$ 243,201	1.66%	
40	Meter Reading Expenses	902	6,427		6,427									297,723	2.03%	
41	Customer Records and Collection Expenses	903	34,054		34,054									1,577,532	10.78%	
42	Uncollectible Accounts	904.0	-											-	0.00%	
43	Bad Debt Expense - Commodity	904.1	-											-	0.00%	
44	Miscellaneous Customer Accounts Expenses	905	-											-	0.00%	
45	<i>Total Customer Accounting</i>		<i>\$ 45,731</i>	<i>\$ -</i>	<i>\$ 45,731</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 2,118,456</i>	<i>14.47%</i>	
46	Customer Service and Informational & Sales Expenses															
48	Cust Assistance	908	\$ -		\$ -									\$ -	0.00%	
49	Informational and Instructional Advertising Expenses	909	462		462									21,409	0.15%	
50	Cust Service Misc	910	-											-	0.00%	
51	Sales & Advertising	912	9,032		9,032									418,379	2.86%	
52	Advertising Expenses	913	-											-	0.00%	
53	Miscellaneous Sales Expenses	916	1,647		1,647									76,299	0.52%	
54	<i>Total Customer Service and Informational & Sales Expenses</i>		<i>11,141</i>	<i>-</i>	<i>11,141</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>516,086</i>	<i>3.53%</i>	
55	<i>Total Customer Accounts, Customer Service and Informational</i>		<i>\$ 56,872</i>	<i>\$ -</i>	<i>\$ 56,872</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 2,634,542</i>	<i>18.00%</i>	
56	Administrative and General Expenses															
58	A&G Salaries	920.0	\$ 52,626		\$ 52,626									\$ 2,437,821	16.66%	
59	A&G Salaries - LU Head Office	920.1	-											Allocated costs	0.00%	
60	Office Supplies and Expenses	921.0	(10,202)										(10,202)	-	0.00%	
61	Administrative Expenses Transferred	922.0	233,952				233,952							Allocated costs	0.00%	
62	LU Labor Allocations Capitalized	922.1	-											Allocated costs	0.00%	
63	Outside Services Employed	923.0	-											-	0.00%	
64	Allocated LU Head Office	923.1	-											-	0.00%	
65	Property Insurance	924	-											-	0.00%	
66	Injuries and Damages	925	-											-	0.00%	
67	Employee Pensions and Benefits	926	(727,193)				(727,193)							-	0.00%	
68	Regulatory Commission Expenses	928	(36,883)										(36,883)	-	0.00%	
69	Miscellaneous General Expenses	930	-											-	0.00%	
70	Rents	931	(42,637)										(42,637)	-	0.00%	
71	Maintenance of General Plant	932	-											-	0.00%	
72	<i>Total Administrative & General</i>		<i>(530,336)</i>	<i>-</i>	<i>52,626</i>	<i>-</i>	<i>(493,240)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(89,722)</i>	<i>2,437,821</i>	<i>16.66%</i>	
73	Total Operation and Maintenance Expenses		\$ (429,863)	\$ -	\$ 315,945	\$ -	\$ (493,240)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (252,568)	\$ 14,635,799	100.00%	

Liberty Utilities (EnergyNorth)
Summary of Adjustments
Test Year Ended December 31, 2019

	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9	Adjustment 10
(869,443)	(1,427,588)	315,945	382,609	(493,240)	1,836,152	(1,238,585)	443,281	(522,835)	128,718	(293,900)

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
74															
75	DEPRECIATION AND AMORTIZATION EXPENSE														
76	Depreciation Expense	403.0	\$ 1,836,152					\$ 1,836,152							
77	Amortization - Intangibles	405.0	(128,313)						(128,313)						
78	Regulatory Debits	407.3	186,853						186,853						
79	Regulatory Credits - Amortization of Regulatory Assets	407.4	(1,297,126)						(1,297,126)						
80	<i>Total Depreciation and Amortization Expense</i>		<u>\$ 597,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,836,152</u>	<u>\$ (1,238,585)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
81															
82	TAXES OTHER THAN INCOME TAXES														
83	Taxes other than Income Taxes - Payroll Taxes	408	\$ 382,609			\$ 382,609									
84	Taxes other than Income Taxes - Property Taxes	408	401,949							443,281					(41,332)
85	<i>Total Taxes other than Income Taxes</i>		<u>\$ 784,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (41,332)</u>
86															
87	FEDERAL / STATE INCOME TAXES														
88	Income Tax Expense		\$ (394,116)									\$ (522,835)		\$ 128,718	\$ -
89															
90															
91															
92	TOTAL EXPENSES		<u>\$ 558,145</u>	<u>\$ -</u>	<u>\$ 315,945</u>	<u>\$ 382,609</u>	<u>\$ (493,240)</u>	<u>\$ 1,836,152</u>	<u>\$ (1,238,585)</u>	<u>\$ 443,281</u>	<u>\$ (522,835)</u>	<u>\$ 128,718</u>	<u>\$ (293,900)</u>		
93															
94	REVENUES														
95	Operating Revenue		\$ 1,427,588	\$ 1,427,588											
96	Other Revenue		-	-											
97	Total Revenue		<u>\$ 1,427,588</u>	<u>\$ 1,427,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
98															
99	UTILITY NET INCOME		<u>\$ 869,443</u>	<u>\$ 1,427,588</u>	<u>\$ (315,945)</u>	<u>\$ (382,609)</u>	<u>\$ 493,240</u>	<u>\$ (1,836,152)</u>	<u>\$ 1,238,585</u>	<u>\$ (443,281)</u>	<u>\$ 522,835</u>	<u>\$ 128,718</u>	<u>\$ 293,900</u>		

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

Line	Description	Current Amounts (12/31/2019 Test Year)	Source/Notes
1	Operating Revenue	\$ 83,163,870	Trial Balance
2			
3	<u>Adjustments to Operating Revenue</u>		
4			
5	Granite Ridge Special Contract	\$ (776,312)	
6	iNATGAS Special Contract	(24,630)	
7	Allowed Base Revenue Adjustment to Test Year	(831,044)	
8	Customer Count Adjustment	734,227	Required by Commission Order No. 26,122
9	Pelham Risk Sharing Adjustment	64,583	Mullen Testimony
10	One-time correcting entry - ROR on Concord Steam Adjustment	(45,747)	DBS/KAS-1
11	One-time correcting entry - True-up on LRAM Adjustment	81,406	DBS/KAS-1
12	CIBS Revenue Adjustment	1,612,633	Required by Commission in Docket DG 20-049
13	End of Year Rate Adjustment	612,472	Input (Table 1 of DeCoursey Testimony)
14	Pro Forma Operating Revenue	\$ 84,591,458	
15			
16	Total Adjustment to Operating Revenues	<u>\$ 1,427,588</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	\$ 14,635,799
2	Less: vacancy adjustment	211,691
3	Net Test Year Labor Charged to EnergyNorth	\$ 14,424,108
4	2019 Salary & Wage Increase Annualization- O&M	3%
5	2019 Payroll Increase Annualization (not in test year, effective March 2019)	71,394
6	2019 LU NH Labor Charged to EnergyNorth Annualized	14,495,502
7		
8	2020 Salary & Wage Increase - O&M	434,865
9	Adjustment for pro rated increase (effective March 2020)	(72,478)
10	2020 Payroll Increase - O&M	\$ 362,388
11		
12	Test year LU Regional Allocated Labor (not included in test year labor)	\$ 3,128,482
13	2019 Salary & Wage Increase LU Regional	3%
14	2019 Salary & Wage Increase Annualization (not in test year)	15,261
15	2019 Salary & Wages Annualized	\$ 3,143,743
16		
17	2020 Salary & Wage Increase - O&M	94,312
18	Adjustment for pro rated increase (effective March 2020)	(15,719)
19	2020 Payroll Increase - O&M	\$ 78,594
20		
21	Pro Forma LU NH Labor for 2020 Payroll Increase	18,080,226
22		
23	Test Year Labor Charged to EnergyNorth	17,764,281
24		
25	Increase Due to Known and Measurable - Payroll	\$ 315,945

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>	\$ 14,635,799
2	Unadjusted Test Year Payroll Tax Expense	<i>RR-EN-2-1</i>	1,625,755
3	Payroll Tax Rate (%)		11.11%
4			
5	Adjusted Test Year Labor Expense		\$ 18,080,226
6	Payroll Tax Rate (%)		11.11%
7	Adjusted Payroll Tax Expense		2,008,364
8	Increase Due to Known and Measurable Payroll Tax Expense		\$ 382,609

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	\$ 4,623,151
2	Adjustment to Benefits Expense		\$ 17,010
3			
4	Historical Test Year Pension & OPEB Expense	RR-3-04WP	\$ 3,300,364
5	Adjustment to Pension & OPEB Expense	RR-3-04WP	\$ (680,094)
6			
7	Historical Test Year Other Employee Benefits Expense	RR-3-04WP	\$ 64,108
8	Adjustment to Other Employee Benefits Expense		\$ (64,108)
9			
10			
11	Adjustment - Including Capitalized Portion of Pensions and OPEBs - To Account 926		\$ (727,193)
12			
13	Total	Ln 5	(680,094)
14	Capitalization Rate		34.40%
15			
16	Adjustment - Capitalized Portion - To Account 922		\$ 233,952
17			
18			
19	Adjustment to Rate Year Expense		\$ (493,240)
20			
21			

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

Line	Account	Account Number	Depreciation Rates	Plant in Service					Pro Forma Depreciation Expense	Accumulated Reserve				
				Balance 1/1/2019	Additions	Account 106	Balance 12/31/2019	Decoupling IT over \$50k		Balance (less IT) 12/31/2019	Accumulated Reserve as of 12/31/2019	Decoupling IT over \$50k	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%	16,411,722	989,181	-	-	-	-	-	-	-	-	-
3	Capital Software - 3 Years	303.1	33.33%	-	-	9,806	909,178	185,436	723,742	241,247	526,686	41,208	-	485,478
4	Capital Software - 5 Years	303.2	20.00%	-	-	141,332	13,103,294	-	13,103,294	2,620,659	10,753,219	-	-	10,753,219
5	Capital Software - 10 Years	303.4	10.00%	-	-	34,862	3,232,162	-	3,232,162	323,216	2,322,064	-	-	2,322,064
6	Subtotal - INTANGIBLE PLANT			\$ 16,662,672	\$ 989,181	\$ 186,000	\$ 17,495,584	\$ 185,436	\$ 17,310,148	\$ 3,185,122	\$ 13,601,969	\$ 41,208	\$ -	\$ 13,560,761
7	Land & Land Rights	304		\$ 97,504	\$ -	\$ -	\$ 97,504	\$ -	\$ 97,504	\$ -	\$ -	\$ -	\$ -	\$ -
9	Structures and Improvements	305	2.86%	815,122	37,045	-	852,167	-	852,167	24,372	280,124	-	-	280,124
10	Liquefied Petroleum Gas Equipment	311	2.86%	-	-	-	-	-	-	-	(35,647)	-	-	(35,647)
11	Gas Mixing Equipment	319	5.00%	336,984	31,360	-	368,345	-	368,345	18,417	241,392	-	-	241,392
12	Other Equipment - LNG	320.0	2.86%	294,148	21,422	-	315,570	-	315,570	9,025	(57,148)	-	-	(57,148)
13	Other Equipment	320.1	2.86%	3,478,111	0	-	3,478,111	-	3,478,111	99,474	1,389,131	-	-	1,389,131
13	Purification Equipment	361	2.86%	96,980	-	-	96,980	-	96,980	2,774	17,233	-	-	17,233
15	Other Equipment	363	2.86%	7,646	-	-	7,646	-	7,646	219	2,044	-	-	2,044
16	Subtotal - PRODUCTION PLANT			\$ 5,126,494	\$ 89,827	\$ -	\$ 5,216,322	\$ -	\$ 5,216,322	\$ 154,281	\$ 1,837,129	\$ -	\$ -	\$ 1,837,129
17	Land & Land Rights	364.1	0.00%	\$ 57,315	\$ -	\$ -	\$ 57,315	\$ -	\$ 57,315	\$ -	\$ -	\$ -	\$ -	\$ -
19	Structures and Improvements	364.2	2.86%	609,078	-	-	609,078	-	609,078	17,420	460,293	-	-	460,293
20	Other Equipment	364.8	5.26%	3,929,432	(33,412)	-	3,896,019	-	3,896,019	204,931	2,400,155	-	-	2,400,155
21	Subtotal LNG Terminating and Processing			\$ 4,595,825	\$ (33,412)	\$ -	\$ 4,562,412	\$ -	\$ 4,562,412	\$ 222,350	\$ 2,860,448	\$ -	\$ -	\$ 2,860,448
22	Land & Land Rights	365	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Structures and Improvements	366.2	2.86%	-	-	-	-	-	-	-	(34,860)	-	-	(34,860)
25	Structures and Improv-Other	366.3	2.86%	-	-	-	-	-	-	-	(48,434)	-	-	(48,434)
26	Mains	367	1.92%	11,722,426	(11,827)	29,863	11,740,462	-	11,740,462	225,417	404,274	-	-	404,274
27	Measuring and Regulating Station Equipment	369	2.86%	115,257	22,924	-	138,182	-	138,182	3,952	(18,159)	-	-	(18,159)
28	Land & Land Rights	374	0.00%	357,903	-	-	357,903	-	357,903	-	-	-	-	-
29	Structures and Improvements	375	2.86%	99,272	1,590,024	-	1,689,296	-	1,689,296	48,314	213,309	-	-	213,309
30	T&D Mains - STL-PLST-CI-Mixed	376.0	1.92%	257,097,448	29,961,341	25,023,889	312,082,678	-	312,082,678	5,991,987	72,204,757	-	2,799,937	69,404,820
31	T&D Mains - OTH	376.1	1.92%	288	-	-	288	-	288	6	288	-	11	277
32	T&D Mains - PLST	376.2	1.92%	2,783,066	305,297	1,444,003	4,532,366	-	4,532,366	87,021	988,333	-	38,325	950,008
33	T&D Mains - CI	376.3	1.92%	6,137	-	-	6,137	-	6,137	118	6,137	-	238	5,899
34	T&D Mains - Valve > 4"	376.4	1.92%	7,061	-	-	7,061	-	7,061	136	984	-	38	946
35	Dist-Compressor station equipment	377	1.92%	-	2,246,186	-	2,246,186	-	2,246,186	43,127	192,723	-	-	192,723
36	Measuring and Regulating Station Equipment - General	378	2.86%	6,490,028	943,675	1,587	7,435,290	-	7,435,290	212,649	4,358,391	-	-	4,358,391
37	Dist-Measuring and regulating station equipment-CI	379	2.86%	1,883,503	3,411,244	-	5,294,746	-	5,294,746	151,430	1,321,095	-	-	1,321,095
38	T&D Gas Services - STL	380.0	3.55%	159,518,056	10,726,295	6,311,903	176,556,254	-	176,556,254	6,267,747	86,081,825	-	872,591	85,209,235
39	T&D Gas Services - OTH	380.1	3.55%	893,282	124,699	371,956	1,389,937	-	1,389,937	49,343	151,982	-	-	151,982
40	T&G Gas Services - PLST	380.2	3.55%	757,753	153,465	66,375	977,594	-	977,594	34,705	250,267	-	-	250,267
41	Meters	381.0	3.13%	13,446,533	(201,985)	1,550,680	14,795,228	-	14,795,228	463,091	4,544,359	919	-	4,543,440
42	Meters - Instrument	381.1	3.13%	276,522	-	-	276,522	-	276,522	8,655	113,499	-	-	113,499
43	Meters - ERTS	381.2	6.67%	6,073,154	(27,801)	-	6,045,353	-	6,045,353	403,225	2,744,146	-	-	2,744,146
44	Meter Installations	382	3.13%	18,597,177	-	7,464,547	26,061,724	-	26,061,724	815,732	4,122,684	-	-	4,122,684
45	Indust meas and reg station equip	385	2.86%	-	53,375	-	53,375	-	53,375	1,527	5,332	-	1,229	4,103
46	Other Equipment	387	5.26%	1,714,172	24,435	939,163	2,677,770	-	2,677,770	140,851	1,078,797	-	-	1,078,797
47	Subtotal - DISTRIBUTION PLANT			\$ 481,839,040	\$ 49,321,346	\$ 43,203,966	\$ 574,364,353	\$ -	\$ 574,364,353	\$ 14,949,031	\$ 178,681,730	\$ -	\$ 3,713,289	\$ 174,968,441

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

Line	Account	Account Number	Depreciation Rates	Plant in Service					Pro Forma Depreciation Expense	Accumulated Reserve					
				Balance 1/1/2019	Additions	Account 106	Balance 12/31/2019	Decoupling IT over \$50k		Balance (less IT) 12/31/2019	Accumulated Reserve as of 12/31/2019	Decoupling IT over \$50k	Accounts 1084 and 2420 by FERC Account	Adjusted Accumulated Reserve	
48															
49	Land & Land Rights	389	0.00%	\$ 174,525	\$ (53,036)	\$ -	\$ 121,489	\$ -	\$ 121,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	Structures and Improvements	390.0	2.86%	18,958,404	2,605,825	1,068,183	22,632,412	-	22,632,412	647,287	5,559,722	-	26,833	5,532,889	
51	Structures and Improvements - Boiler	390.1	2.86%	20,705	-	-	20,705	-	20,705	592	21,812	-	-	21,812	
52	Structures and Improvements	390.2	2.86%	-	-	-	-	-	-	-	5,360	-	-	5,360	
53	Office Furniture and Equipment	391.0	5.28%	357,246	176,299	102,823	636,368	-	636,368	33,600	119,886	-	-	119,886	
54	Office Furniture and Equipment - Computers	391.1	10.00%	846,215	-	20,888	867,103	-	867,103	86,710	(403,214)	-	-	(403,214)	
55	Office Furniture and Equipment - Laptop Computers	391.2	20.00%	834,476	44,256	20,888	899,621	-	899,621	179,924	440,849	-	-	440,849	
56	Transportation Equipment - Auto	392.0	20.00%	5,380,959	1,102,627	1,230,529	7,714,115	-	7,714,115	1,542,823	3,451,477	-	-	3,451,477	
57	Transportation Equipment - Truck	392.1	20.00%	170,840	(20,060)	-	150,780	-	150,780	30,156	150,780	-	-	150,780	
58	Transportation Equipment - Van	392.2	20.00%	13,613	128,607	-	142,220	-	142,220	28,444	13,613	-	-	13,613	
59	Transportation Equipment - Van	392.3	20.00%	-	-	-	-	-	-	-	34,070	-	-	34,070	
60	Stores Equipment	393	3.33%	99,421	-	38,722	138,142	-	138,142	4,600	35,198	-	-	35,198	
61	Tools, Shop, and Garage Equipment	394.0	5.26%	1,041,043	2,099,550	198,864	3,339,457	-	3,339,457	175,655	787,804	-	-	787,804	
62	Tools, Shop, and Garage Equipment - CNG Station	394.1	5.26%	-	-	-	-	-	-	-	(33,749)	-	-	(33,749)	
63	Power Operated Equipment <=12,000 lbs	396.0	20.00%	454,189	214,302	532,868	1,201,359	-	1,201,359	240,272	177,393	-	-	177,393	
64	Power Operated Equipment >=12,000 lbs	396.1	20.00%	177,393	-	-	177,393	-	177,393	35,479	461,164	-	-	461,164	
65	Power Operated Equipment <=12,000 lbs	396.2	20.00%	-	-	-	-	-	-	-	44,952	-	-	44,952	
66	Communications Equipment	397	10.00%	507,407	165,492	219,503	892,402	-	892,402	89,240	433,204	-	-	433,204	
67	Miscellaneous Equipment	398	6.67%	485,924	-	317,050	802,973	-	802,973	53,558	251,165	-	-	251,165	
68	Subtotal - GENERAL PLANT			\$ 29,522,360	\$ 6,463,862	\$ 3,750,318	\$ 39,736,540	\$ -	\$ 39,736,540	\$ 3,148,341	\$ 11,551,486	\$ -	\$ 26,833	\$ 11,524,653	
69															
70	TOTAL			\$ 537,746,391	\$ 56,830,804	\$ 47,140,284	\$ 641,375,210	\$ 185,436	\$ 641,189,774	\$ 21,659,125	\$ 208,532,762	\$ 41,208	\$ 3,740,121	\$ 204,751,433	
71															
72	OPI-LAND RETAINED	121					13,665		Non-Rate Base						
73	OPI-STRUCTURES-RETAINED	121.1					133,284		Non-Rate Base		133,284			Not In Rate Base	
74	PLANT HELD FOR FUTURE USE	105					852,305		Non-Rate Base						
75															
76	GRAND TOTAL			\$ 537,746,391	\$ 56,830,804	\$ 47,140,284	\$ 642,374,464	\$ 185,436	\$ 641,189,774	\$ 21,659,125	\$ 208,666,046	\$ 41,208	\$ 3,740,121	\$ 204,751,433	
77															
78	Less: Amortization expense included above						To RR-EN-3-6			\$ (3,185,122)					
79	Depreciation Expense, as Calculated									\$ 18,474,003					
80	Depreciation Reserve Imbalance									\$ 9,213,530					
81	Amortization Period									6					
82	Depreciation Reserve Imbalance Adjustment Amortization (Account 403)									\$ 1,535,588					
83	Pro Forma Depreciation Expense									\$ 20,009,591					
84	Test Year Actual Depreciation Expense									\$ 18,173,439					
85	Adjustment to Depreciation Expense									\$ 1,836,152					

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	\$ 705,261
4	Remove Cost to Achieve		(195,850)
5	New Costs to Achieve		48,197
6	Proposed Cost to Achieve		3
7	Add New Cost to Achieve Amortization		<u>16,066</u>
8	Remove Test Year Amortization for Concord Steam		(500,658)
9	Add New Concord Steam Amortization		518,100
10	Adjustment		<u>\$ (162,343)</u>
11			
12	Adjustment 2: NHDAS Special Contract Amortization		
13	Total NHDAS Special Contract Amount		\$ 1,047,589
14	Proposed Amortization Period (Years)		3
15	Adjustment		<u>\$ 349,196</u>
16			
17	Adjustment to Test Year Account 407.3		<u>\$ 186,853</u>
18			
19	Adjustment 3: Amortization of Excess Accumulated Deferred Income Taxes (EADIT)		
20	Total EADIT (inclusive of gross-up)		\$ (37,525,847)
21	Weighted Average Remaining Life (years)		28.93
22	Total Amortization Due to Customers		<u>\$ (1,297,126)</u>
23			
24	Adjustment to Test Year Account 407.4		<u>\$ (1,297,126)</u>
25			
26	Adjustment 4: Account 8640-4050 - Amortization of Intangibles		
27	Annual Amortization Expense, as Calculated	RR-EN-3-5	\$ 3,185,122
28	Deprecation Reserve Imbalance (Account 405)		\$ 733,248
29	Amortization Period		6
30	Depreciation Reserve Impalance Amortization		<u>\$ 122,208</u>
31	Pro Forma Annual Amortization Expense		3,307,330
32	Historical Test Year Expense	RR-EN-2-1	3,435,643
33	Adjustment		<u>\$ (128,313)</u>
34			
35	Adjustment to Test Year Account 405.0		<u>\$ (128,313)</u>
36			
37	Total Adjustment		<u>\$ (1,238,585)</u>

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	\$ 30,526	\$ 32,637	\$ 63,163
2	Amherst	002-033-008	48,942	47,884	96,826
3	Amherst	002-033-007	4,171	4,081	8,252
4	Auburn	000001/000001/000UTL	604	743	1,347
5	Bedford	1-1-A	45,894	59,286	105,180
6	Belmont	999-000-000-001	21,788	20,272	42,060
7	Berlin	000404-000051.0000L1	10,810	11,418	22,228
8	Boscawen	000099-000002-000000	10,906	12,263	23,169
9	Bow	0-9-99	71,941	78,266	150,207
10	Canterbury	000000-000002-000000	3,726	2,682	6,408
11	Derry	35-102	37,832	57,824	95,656
12	Franklin	000-001-00	44,651	47,057	91,709
13	Gilford	210-002.000	53	70	123
14	Gilford	210-003.000	49	67	116
15	Gilford	210-004.000	47	65	112
16	Gilford	210-005.000	49	67	116
17	Gilford	200-003.000	3,336	3,954	7,290
18	Goffstown	99-4-2	29,805	48,006	77,811
19	Goffstown	99-4-1	2,780	(478)	2,302
20	Hollis	056-027-001	2,647	2,614	5,261
21	Hooksett	0GAS-0001	148,146	139,528	287,674
22	Hooksett	0036-0041-0001	3,009	2,834	5,843
23	Hudson	100-006-000	191,528	179,829	371,357
24	Hudson	167-030-000	788	807	1,594
25	Hudson	167-029-000	752	770	1,522
26	Laconia	425/44/83/1	119,581	134,274	253,855
27	Litchfield	000UTL-000UTL-000001	10,892	11,171	22,063
28	Londonderry	81-7-0	221,407	232,117	453,524
29	Londonderry	81-14-0	19,889	19,464	39,353
30	Loudon	000070-000004-000000	112,584	121,342	233,926
31	Manchester	0999A-0075	992,725	1,031,464	2,024,189
32	Manchester	0752-0001	22,843	24,254	47,097
33	Manchester	0508-0002A	72	76	148
34	Manchester	0394-0004	310	329	639
35	Manchester	0471-0008	529	562	1,091
36	Merrimack	006D-3-000000-000000	180,814	180,650	361,464
37	Milford	036-183-000-000	884	690	1,575
38	Milford	055-007-000-000	56,819	63,292	120,111
39	Nashua	0039-00026	2,676	2,681	5,357
40	Nashua	0038-00063	88	93	181
41	Nashua	0038-00020	139	146	285
42	Nashua	0041-00011	1,122,729	1,037,077	2,159,806
43	Nashua	0000PC-00005	62,561	26,914	89,475
44	Northfield	000999-000001-000001	33,990	35,226	69,216
45	Pembroke	999-11	774,000	51,160	825,160
46	Sanborton	00.003.000.000	1,156	1,969	3,125
47	Tilton	000R23-000013-000000	110,104	108,282	218,386
48	Tilton	000R23-000014-000000	13,102	11,615	24,717

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	\$ 8,484	\$ 8,275	\$ 16,759
50	Concord	109/1/2	8,484	8,275	16,759
51	Concord	109/1/3	601	586	1,188
52	Concord	109/1/3	601	586	1,188
53	Concord	109/1/4	6,954	6,783	13,737
54	Concord	109/1/4	6,954	6,783	13,737
55	Concord	109/2/1	338	330	668
56	Concord	109/2/1	338	330	668
57	Concord	109/2/3	619	604	1,223
58	Concord	109/2/3	619	604	1,223
59	Concord	109/2/4	978	954	1,932
60	Concord	109/2/4	978	954	1,932
61	Concord	NO00/1/13	1,326	1,293	2,619
62	Concord	NO00/1/13	1,326	1,293	2,619
63	Concord	P000/1/6	228	236	464
64	Concord	P000/1/6	228	236	464
65	Concord	P000/1/3	30,567	37,111	67,678
66	Concord	P000/1/3	30,567	37,111	67,678
67	Concord	NO00/1/2	319,552	370,457	690,009
68	Concord	NO00/1/2	319,552	370,457	690,009
69	Concord	202Z/21	276	269	545
70	Concord	202Z/21	276	269	545
71	Concord	26/1/6	1,912	1,865	3,777
72	Concord	26/1/6	1,912	1,865	3,777
73	Concord	494Z/3	315	307	621
74	Concord	494Z/3	315	307	621
75	Concord	109/2/4/A	6	6	12
76	Concord	109/2/4/A	6	6	12
77	State of NH	TRUE UP		230,708	230,708
78	State of NH	NH DRA 1-2	605,067	605,067	1,210,134
79	State of NH	NH DRA 3-4	605,067	605,067	1,210,134
80	Keene	583038000001000	45,598	43,361	88,959
81	Keene	116039000000000	8,012	8,264	16,276
82	R&M REALTY	582014000000000	5,249	5,385	10,633
83	Keene Propane	047020020000	21,051	20,281	41,332
84	State of NH	NH DRA 1-2	3,858	3,858	7,716
85	State of NH	NH DRA 3-4	3,858	3,858	7,716
86	Total		\$ 6,616,745	\$ 6,231,399	\$ 12,848,143
87	Pro Forma Property Tax		\$ 12,848,143		
88	Less Amount for Non-Utility Property		-		
89	Property Tax expense, Test Year		\$ 12,404,863		
90	Increase (Decrease) in Property tax expense		\$ 443,281		

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	\$ 84,361,646
4	Normalized Expenses, Excluding Income Tax	RR-EN-2, lines 7-13	64,739,399
5	Income (Loss) Before Taxes		\$ 19,622,247
6			
7	Rate Base	RR-1	\$ 356,411,727
8	Debt Portion	RR-4	49.85%
9	Debt Component		177,671,246
10	Debt Cost	RR-4	4.420%
11	Synchronized Interest Expense		7,853,069
12	Pre-Tax Income		\$ 11,769,178
13			
14	Combined Income Tax Rate	Line 20	27.08%
15	Income Tax Expense (Credit) at Statutory Rates		\$ 3,187,093
16	Income Tax Expense (Credit) Recorded		3,709,928
17	Adjustment to Normalize Historical Test Year		\$ (522,835)
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	\$ 1,427,588	\$ 1,427,588
3	Salary and Wage Expense	RR-EN-3-2	(315,945)	(315,945)
4	Payroll Tax Expense	RR-EN-3-3	(382,609)	(382,609)
5	Pension and Benefits Expense	RR-EN-3-4	493,240	493,240
6	Depreciation Expense	RR-EN-3-5	(1,836,152)	(1,836,152)
7	Amortization Expense	RR-EN-3-6	1,238,585	1,238,585
8	Property Tax	RR-EN-3-7	(443,281)	(443,281)
9	Income Tax Expense - Historical Test Year	RR-EN-3-8	522,835	
10	Income Tax Expense - Pro Forma Test Year at Current Rates	RR-EN-3-9	(128,718)	
11	Other Adjustments	RR-EN-3-10	293,900	293,900
12			<u>\$ 869,443</u>	<u>\$ 475,326</u>
13	Tax Rate			27.08%
14	Adjustment to Test Year at Current Rates			\$ 128,718
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		\$ 39,717
6	Liberty Utilities (ENNG) - PIESR		7,805
7	Regulatory Expenses- Test Year		(813,481)
8			
9			
10	Total PUC Annual Assessment Adjustment	Account 928	\$ (36,883)
11			
12	Adjustment for Concord Rental Expense Credit		
13	Test Year Concord Training Center Lease Credit		\$ (267,014)
14	Going forward Concord Traing Center Lease Credit		(309,651)
15			
16			
17	Total Concord Rental Expense Credit Adjustment	Account 931	\$ (42,637)
18			
19	Adjustment to Remove Keene Production Costs		
20	Keene Production Cost	Account 733	\$ (118,993)
21		Account 735	\$ (43,853)
22		Account 921	\$ (10,202)
23		Account 408	(41,332)
24			
25	Total Keene Production Cost Adjustment		\$ (214,380)

Liberty Utilities (EnergyNorth)
Weighted Average Cost of Capital
Test Year Ended December 31, 2019

Line	Description	Capital Structure	Cost of Capital	Weighted Cost of Capital	Tax Rate	Pre-Tax
1	Common Stock	50.15%	10.51%	5.27%	27.08%	7.23%
2	Long-Term Debt	<u>49.85%</u>	4.420%	<u>2.20%</u>		<u>2.20%</u>
3	Total	<u>100.00%</u>		<u>7.47%</u>		<u>9.43%</u>

Liberty Utilities (EnergyNorth)
Rate Base - EnergyNorth
Balances at December 31, 2019

Line	Description	Reference	Rate Base
1	Utility Plant (Balance at 12/31/2019)	RR-EN-3-5	\$ 641,189,774
2	Depreciation Allowance (Balance at 12/31/2019)	RR-EN-3-5	(204,751,433)
3	Net Utility Plant		<u>\$ 436,438,341</u>
4			
5	Materials and Supplies (Average of 5 Quarterly Balances)	RR-EN-5-1	\$ 5,936,060
6	Customer Deposits (Average of 5 Quarterly Balances)	RR-EN-5-1	(3,019,271)
7			
8	Cash Working Capital	RR-EN-5-2	\$ 3,004,115
9			
10	Deferred Tax Liability, Net (Balance at 12/31/2019)	RR-EN-5-WP1	\$ (58,583,670)
11			
12	Excess Accumulated Deferred Income Taxes (less gross-up)	RR-EN-5-WP1	\$ (27,363,848)
13			
14	Rate Base		<u><u>\$ 356,411,727</u></u>

Liberty Utilities (EnergyNorth)
Rate Base Quarterly Balances - EnergyNorth
Test Year Ended December 31, 2019

Line	Description	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	5 Quarter Average
1							
2	Materials and Supplies	\$ 5,281,934	\$ 5,460,957	\$ 6,220,835	6,712,826	6,003,746	\$ 5,936,060
3							
4							
5	Customer Deposits	\$(2,989,774)	\$(2,978,394)	\$(3,062,985)	(3,000,070)	(3,065,133)	\$(3,019,271)

Liberty Utilities (EnergyNorth)
Cash Working Capital - EnergyNorth
Test Year Ended December 31, 2019

Line	Description	Reference	Test Year Pro Forma
1	O&M Expenses		
2	Distribution, before Adjustments	RR-EN-2-1	\$ 68,449,327
3	Less: Depreciation and Amortization	RR-EN-2-1	(22,314,344)
4	Less: Deferred Income Taxes	RR-EN-2-1-WP	(3,483,997)
5	Known and Measurable Adjustments (excluding depreciation and amortization)	RR-EN-2-1	(39,421)
6			<u>\$ 42,611,565</u>
7			
8	Cash Working Capital Required - Days	25.72	<u>7.05%</u>
9			
10	Cash Working Capital Required		<u><u>\$ 3,004,115</u></u>

**Liberty Utilities (EnergyNorth)
Step Increase - EnergyNorth**

Line	Description	Misc. Intangible Plant - 3 yr	Misc. Intangible Plant - 5 yr	LNG Plant	Mains	Station Equipment	Mains	Meas. & Reg. Station Equip.	Services	Meters
	FERC Account	303	303	320	367	369	376	378	380	381
1	Capital Spending	\$ 382,500	\$ 839,457	\$ 100,000	\$ 26,047,414	\$ 350,000	\$ 500,000	\$ 130,000	\$ 1,313,000	\$ 1,880,000
2										
3	Deferred Tax Calculation									
4	Tax Method	MACRS15	MACRS15	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20
5	Tax Depreciation Rate	5.00%	5.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
6										
7	Bonus Depreciation @ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8										
9	Tax Basis	\$ 382,500	\$ 839,457	\$ 100,000	\$ 26,047,414	\$ 350,000	\$ 500,000	\$ 130,000	\$ 1,313,000	\$ 1,880,000
10	MACRS Depreciation	\$ 19,125	\$ 41,973	\$ 3,750	\$ 976,778	\$ 13,125	\$ 18,750	\$ 4,875	\$ 49,238	\$ 70,500
11										
12	Tax Depreciation - Federal	\$ 19,125	\$ 41,973	\$ 3,750	\$ 976,778	\$ 13,125	\$ 18,750	\$ 4,875	\$ 49,238	\$ 70,500
13	Tax Depreciation - State	\$ 19,125	\$ 41,973	\$ 3,750	\$ 976,778	\$ 13,125	\$ 18,750	\$ 4,875	\$ 49,238	\$ 70,500
14										
15	Book Depreciation Rate	33.00%	20.00%	2.86%	1.92%	2.86%	1.92%	2.86%	3.55%	3.13%
16	Book Depreciation	\$ 126,225	\$ 167,891	\$ 2,860	\$ 500,110	\$ 10,010	\$ 9,600	\$ 3,718	\$ 46,612	\$ 58,844
17										
18	Tax over (under) Book - Federal	\$ (107,100)	\$ (125,919)	\$ 890	\$ 476,668	\$ 3,115	\$ 9,150	\$ 1,157	\$ 2,626	\$ 11,656
19	Tax over (under) Book - State	(107,100)	(125,919)	890	476,668	3,115	9,150	1,157	2,626	11,656
20	Deferred Taxes - Federal @ 19.38%	(20,759)	(24,407)	173	92,392	604	1,774	224	509	2,259
21	Deferred Taxes - State @ 7.70%	(8,247)	(9,696)	69	36,703	240	705	89	202	898
22	Deferred Tax Balance @ 0.00%	\$ (29,006)	\$ (34,103)	\$ 241	\$ 129,096	\$ 844	\$ 2,478	\$ 313	\$ 711	\$ 3,157
23										
24	Rate Base Calculation									
25	Plant in Service	\$ 382,500	\$ 839,457	\$ 100,000	\$ 26,047,414	\$ 350,000	\$ 500,000	\$ 130,000	\$ 1,313,000	\$ 1,880,000
26	Accumulated Depreciation	(126,225)	(167,891)	(2,860)	(500,110)	(10,010)	(9,600)	(3,718)	(46,612)	(58,844)
27	Deferred Tax Balance	29,006	34,103	(241)	(129,096)	(844)	(2,478)	(313)	(711)	(3,157)
28	Rate Base	\$ 285,281	\$ 705,668	\$ 96,899	\$ 25,418,207	\$ 339,146	\$ 487,922	\$ 125,969	\$ 1,265,677	\$ 1,817,999
29										
30	Revenue Requirement Calculation									
31	Return on Rate Base @ 9.43%	\$ 26,902	\$ 66,545	\$ 9,138	\$ 2,396,937	\$ 31,982	\$ 46,011	\$ 11,879	\$ 119,353	\$ 171,437
32	Depreciation Expense	126,225	167,891	2,860	500,110	10,010	9,600	3,718	46,612	58,844
33	Property Tax @ 2.14%			2,140	557,456	7,491	10,701	2,782		
34	Insurance @ 0.14%			139	36,144	486	694	180	1,822	2,609
35	Annual Revenue Requirement	\$ 153,127	\$ 234,436	\$ 14,276	\$ 3,490,647	\$ 49,968	\$ 67,006	\$ 18,559	\$ 167,787	\$ 232,890

Rate of Return Calculation		Portion	After-Tax Cost	Pre-Tax WACC	Tax
Equity		50.2%	10.51%	7.23%	27.08%
Debt		49.9%	4.420%	2.20%	
		100.0%		9.43%	

Description	Amount	Reference
Property taxes (Account 408-P)	\$ 12,848,143	RR-StepWP2
Property insurance (Account 924)		RR-EN-2-1 \$ 51,523
Injuries and Damage (Casualty Insurance) (Account 925)		RR-EN-2-1 814,179
	<u>\$ 12,848,143</u>	<u>\$ 865,702</u>
Plant at Cost	\$ 600,336,257	RR-Step-EN-WP2 \$ 623,879,626
As % of Plant Cost	2.14%	0.14%

**Liberty Utilities (EnergyNorth)
Step Increase - EnergyNorth**

Line	Description	Structures and Improvements	Office Equipment	Vehicles	Tools	Communication Equipment	Miscellaneous Equipment	Total
	<i>FERC Account</i>	<i>390</i>	<i>391</i>	<i>392</i>	<i>394</i>	<i>397</i>	<i>398</i>	
1	Capital Spending	\$ 810,000	\$ 2,025,000	\$ 2,861,000	\$ 315,000	\$ 60,000	\$ 15,000	\$ 37,628,371
2								
3	<u>Deferred Tax Calculation</u>							
4	Tax Method	MACRS39	MACRS7	MACRS5	MACRS7	MACRS7	MACRS8	
5	Tax Depreciation Rate	1.28%	14.29%	20.00%	14.29%	14.29%	14.29%	
6								
7	Bonus Depreciation @ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8								
9	Tax Basis	\$ 810,000	\$ 2,025,000	\$ 2,861,000	\$ 315,000	\$ 60,000	\$ 15,000	\$ 37,628,371
10	MACRS Depreciation	\$ 10,385	\$ 289,286	\$ 572,200	\$ 45,000	\$ 8,571	\$ 2,143	\$ 2,125,698
11								
12	Tax Depreciation - Federal	\$ 10,385	\$ 289,286	\$ 572,200	\$ 45,000	\$ 8,571	\$ 2,143	\$ 2,125,698
13	Tax Depreciation - State	\$ 10,385	\$ 289,286	\$ 572,200	\$ 45,000	\$ 8,571	\$ 2,143	
14								
15	Book Depreciation Rate	2.86%	5.28%	20.00%	5.26%	10.00%	6.67%	
16	Book Depreciation	\$ 23,166	\$ 106,920	\$ 572,200	\$ 16,569	\$ 6,000	\$ 1,001	\$ 1,651,726
17								
18	Tax over (under) Book - Federal	\$ (12,781)	\$ 182,366	\$ -	\$ 28,431	\$ 2,571	\$ 1,142	\$ 473,972
19	Tax over (under) Book - State	(12,781)	182,366	-	28,431	2,571	1,142	473,972
20	Deferred Taxes - Federal @ 19.38%	(2,477)	35,348	-	5,511	498	221	91,870
21	Deferred Taxes - State @ 7.70%	(984)	14,042	-	2,189	198	88	36,496
22	Deferred Tax Balance @ 0.00%	\$ (3,462)	\$ 49,390	\$ -	\$ 7,700	\$ 696	\$ 309	\$ 127,360
23								
24	<u>Rate Base Calculation</u>							
25	Plant in Service	\$ 810,000	\$ 2,025,000	\$ 2,861,000	\$ 315,000	\$ 60,000	\$ 15,000	\$ 37,628,371
26	Accumulated Depreciation	(23,166)	(106,920)	(572,200)	(16,569)	(6,000)	(1,001)	(1,651,726)
27	Deferred Tax Balance	3,462	(49,390)	0	(7,700)	(696)	(309)	(128,366)
28	Rate Base	\$ 790,296	\$ 1,868,690	\$ 2,288,800	\$ 290,731	\$ 53,304	\$ 13,690	\$ 35,848,279
29								
30	<u>Revenue Requirement Calculation</u>							
31	Return on Rate Base @ 9.43%	\$ 74,525	\$ 176,217	\$ 215,834	\$ 27,416	\$ 5,027	\$ 1,291	\$ 3,380,493
32	Depreciation Expense	23,166	106,920	572,200	16,569	6,000	1,001	1,651,726
33	Property Tax @ 2.14%	17,335						597,905
34	Insurance @ 0.14%	1,124	2,810	3,970	437	83	21	50,518
35	Annual Revenue Requirement	\$ 116,150	\$ 285,947	\$ 792,004	\$ 44,422	\$ 11,110	\$ 2,312	\$ 5,680,641

Liberty Utilities (EnergyNorth)
Rate Case Expense
Test Year Ended December 31, 2019

Line	Description	Vendor	Amount
1	Revenue Requirement		
2	Marginal Cost Study		
3	Rate Design/Rate Calculations	FTI Consulting	386,000
4	Decoupling/Effects on EE		
5	Functional Cost Study		
6	Cost of Capital		
7	Legal Services	Keegan Werlin	360,000
8	Depreciation Reserve Review	Management Applications Consulting	35,000
9	Miscellaneous (printing, legal notices, court reporter, Staff/OCA consultants, etc.)		319,000
10	Total		<u>\$ 1,100,000</u>