

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
d/b/a LIBERTY

Docket No. DG 20-105

Distribution Service Rate Case

Record Request – Exhibit 60

REQUEST:

Please provide an explanation of the Company’s net utility plant increase of \$18,582,886 in the Company’s NHPUC F-16 Annual Filing for calendar year 2020 versus the request of \$36,204,417 for non-growth capital placed in service in 2020 in the Settlement Agreement.

RESPONSE:

The NHPUC F-16 Annual Filing (the “F-16”) and the accounting for rate base in the Settlement Agreement are not equivalent. Therefore, changes in net utility plant will also not be equivalent. One is not a proxy for another.

More specifically, the computation of Net Utility Plant for the purposes of quantifying rate base for the Settlement Agreement is a ratemaking exercise. Conversely, the reporting of Net Utility Plant in the annual F-16 is based on the Company’s booked amounts, *without* ratemaking adjustments.

The data shown in the table below are taken from the Company’s 2019 F-16 and from the Company’s filing in Docket No. DG 20-105 (the “Rate Case”), which is the proceeding that was resolved via the Settlement Agreement. Both computations show the end-of-year 2019 balances. As indicated, the starting balance for Utility Plant is virtually the same in both computations, except that there are two adjustments associated with software for the rate case that are not applicable to the F-16 that total \$527,705, which accounts for the difference in the starting amounts shown below. Also, as shown below, the calculation of Net Utility Plant in the 2019 F-16 included amounts associated with Utility Plant Held for Future Use and Construction Work in Progress (“CWIP”). The Net Utility Plant from the Rate Case filing would not include those amounts as

these types of accounts are not included in the computation of rate base for purpose of setting base rates.¹

	Rate Case		F-16	
[1] Balance 1/1/2019	\$537,746,391	<i>RR-EN-3-5, line 76</i>		
[2] Additions	\$56,830,804	<i>RR-EN-3-5, line 76</i>		
[3] Account 106	\$47,140,284	<i>RR-EN-3-5, line 76</i>		
[4] Total Utility Plant	\$641,717,479	<i>Sum [1+2+3+4]</i>		
[5] Rate Case Adjustments	(\$527,705)	<i>RR-EN-3-5, line 6</i>		
[6] Utility Plant*	\$641,189,774	<i>RR-EN-5, line 1</i>	\$641,717,749	<i>p. 17, line 8</i>
[7] Held for future use			\$1,618,272	<i>p. 17, line 10</i>
[8] CWIP			\$22,518,944	<i>p. 17, line 11</i>
[9] Depreciation allowance	(\$204,751,433)	<i>RR-EN-5, line 2</i>	(\$193,462,473)	<i>p. 17, line 14</i>
[10] Net Utility Plant	\$436,438,341		\$472,392,492	

*The sum of lines 4 plus 5 are greater than line 6 by \$270 due to rounding.

The Net Utility Plant that is calculated for purposes of the Rate Case is significantly less than the Net Utility Plant reported in the 2019 F-16, mostly because CWIP is included in the 2019 F-16, whereas it is excluded from the computation of rate base in a Rate Case. In addition, in the Rate Case, the calculation of the Company's rate base as of the end of 2019 is subject to an additional \$80.0 million in adjustments to account for cash-working capital, tax-related items, and other items. Those adjustments are shown in Attachment 1, pages 2-3, and are summarized in Schedule RR-EN-05 (p. 4 of Attachment 1).

With regard to the Company's request of \$36.2 million for non-growth capital placed in service in 2020, the derivation of that amount and its associated \$4 million revenue requirement is provided in Attachment 1 of the Settlement Agreement and also provided herewith as Attachment 1, page 5. That calculation indicates that the capital additions placed in service in 2020 would have a revenue requirement of \$4.6 million. However, because of the cap imposed in the Settlement Agreement, the step is only \$4.0 million.

The inclusion of different items and the use of different techniques to calculate balances in the Rate Case versus reporting for the F-16 is appropriate because the output is used for different purposes, *i.e.*, ratemaking purposes versus financial accounting purposes. In each instance, the Company provides data to support its calculation. Because the collection of the revenue requirement associated with the First Step Adjustment is a ratemaking issue determined by the Settlement Agreement, the accounting methods and balances that are part of the record of the Rate Case provide the best and most relevant basis for the Commission's review of Settlement Agreement implementation issues.

¹ The referenced supporting data are provided in Attachment 1 to this response.

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	Accumulated Reserve					
				Balance 1/1/2019	Additions	Account 106	Balance 12/31/2019	Decoupling IT over \$50k	Balance (less IT) 12/31/2019	Depreciation Expense	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)
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)
Step Increase - EnergyNorth For Non-Growth Projects Placed In-Service During 2020

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 Appendix 1
 Page 2 of 2

Line	Description	Misc. Intangible Plant - 3 yr	Misc. Intangible Plant - 5 yr	LNG Plant	Mains	Station Equipment	Mains	Meas. & Reg. Station Equip.	Services	Meters	Office Equipment	Vehicles	Tools	Communication Equipment	Total
	FERC Account	303	303	320	367	369	376	378	380	381	391	392	394	397	
1	Capital Spending	\$ 273,898	\$ 677,987	\$ 122,782	\$ 25,939,975	\$ 400,008	\$ 466,494	\$ 127,041	\$ 1,529,769	\$ 2,921,224	\$ 1,479,706	\$ 1,736,136	\$ 425,842	\$ 105,556	\$ 36,206,417
2															
3	Deferred Tax Calculation														
4	Tax Method	MACRS15	MACRS15	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS7	MACRS5	MACRS7	MACRS7	
5	Tax Depreciation Rate	5.00%	5.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	14.29%	20.00%	14.29%	14.29%	
6															
7	Bonus Depreciation @ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8															
9	Tax Basis	\$ 273,898	\$ 677,987	\$ 122,782	\$ 25,939,975	\$ 400,008	\$ 466,494	\$ 127,041	\$ 1,529,769	\$ 2,921,224	\$ 1,479,706	\$ 1,736,136	\$ 425,842	\$ 105,556	\$ 36,206,417
10	MACRS Depreciation	\$ 13,695	\$ 33,899	\$ 4,604	\$ 972,749	\$ 15,000	\$ 17,494	\$ 4,764	\$ 57,366	\$ 109,546	\$ 211,387	\$ 347,227	\$ 60,835	\$ 15,079	\$ 1,863,645
11															
12	Tax Depreciation - Federal	\$ 13,695	\$ 33,899	\$ 4,604	\$ 972,749	\$ 15,000	\$ 17,494	\$ 4,764	\$ 57,366	\$ 109,546	\$ 211,387	\$ 347,227	\$ 60,835	\$ 15,079	\$ 1,863,645
13	Tax Depreciation - State	\$ 13,695	\$ 33,899	\$ 4,604	\$ 972,749	\$ 15,000	\$ 17,494	\$ 4,764	\$ 57,366	\$ 109,546	\$ 211,387	\$ 347,227	\$ 60,835	\$ 15,079	\$ 1,863,645
14															
15	Book Depreciation Rate	33.33%	20.00%	2.86%	1.92%	2.86%	1.92%	2.86%	3.55%	3.13%	5.28%	20.00%	5.26%	10.00%	
16	Book Depreciation	\$ 91,290	\$ 135,597	\$ 3,512	\$ 498,048	\$ 11,440	\$ 8,957	\$ 3,633	\$ 54,307	\$ 91,434	\$ 78,128	\$ 347,227	\$ 22,399	\$ 10,556	\$ 1,356,529
17															
18	Tax over (under) Book - Federal	\$ (77,595)	\$ (101,698)	\$ 1,093	\$ 474,702	\$ 3,560	\$ 8,537	\$ 1,131	\$ 3,060	\$ 18,112	\$ 133,258	\$ -	\$ 38,435	\$ 4,524	\$ 507,117
19	Tax over (under) Book - State	(77,595)	(101,698)	1,093	474,702	3,560	8,537	1,131	3,060	18,112	133,258	-	38,435	4,524	507,117
20	Deferred Taxes - Federal @ 19.38%	(15,040)	(19,712)	212	92,011	690	1,655	219	593	3,511	25,829	-	7,450	877	98,294
21	Deferred Taxes - State @ 7.70%	(5,975)	(7,831)	84	36,552	274	657	87	236	1,395	10,261	-	2,960	348	39,048
22	Deferred Tax Balance @ 0.00%	\$ (21,015)	\$ (27,543)	\$ 296	\$ 128,563	\$ 964	\$ 2,312	\$ 306	\$ 829	\$ 4,905	\$ 36,090	\$ -	\$ 10,409	\$ 1,225	\$ 136,117
23															
24	Rate Base Calculation														
25	Plant in Service	\$ 273,898	\$ 677,987	\$ 122,782	\$ 25,939,975	\$ 400,008	\$ 466,494	\$ 127,041	\$ 1,529,769	\$ 2,921,224	\$ 1,479,706	\$ 1,736,136	\$ 425,842	\$ 105,556	\$ 36,206,417
26	Accumulated Depreciation	(91,290)	(135,597)	(3,512)	(498,048)	(11,440)	(8,957)	(3,633)	(54,307)	(91,434)	(78,128)	(347,227)	(22,399)	(10,556)	(1,356,529)
27	Deferred Tax Balance	21,015	27,543	(296)	(128,563)	(964)	(2,312)	(306)	(829)	(4,905)	(36,090)	0	(10,409)	(1,225)	(137,342)
28	Rate Base	\$ 203,623	\$ 569,932	\$ 118,975	\$ 25,313,364	\$ 387,604	\$ 455,225	\$ 123,101	\$ 1,474,634	\$ 2,824,885	\$ 1,365,487	\$ 1,388,908	\$ 393,033	\$ 93,776	\$ 34,712,546
29															
30	Revenue Requirement Calculation														
31	Return on Rate Base @ 8.76%	\$ 17,837	\$ 49,926	\$ 10,422	\$ 2,217,451	\$ 33,954	\$ 39,878	\$ 10,784	\$ 129,178	\$ 247,460	\$ 119,617	\$ 121,668	\$ 34,430	\$ 8,215	\$ 3,040,819
32	Depreciation Expense	91,290	135,597	3,512	498,048	11,440	8,957	3,633	54,307	91,434	78,128	347,227	22,399	10,556	1,356,529
33	Property Tax @ \$6.60 per \$1000			810	171,204	2,640	3,079	838	10,096	19,280					207,948
34	Annual Revenue Requirement	\$ 109,128	\$ 185,523	\$ 14,744	\$ 2,886,702	\$ 48,034	\$ 51,913	\$ 15,255	\$ 193,581	\$ 358,174	\$ 197,745	\$ 468,896	\$ 56,829	\$ 18,770	\$ 4,605,296
35															
36	Rate of Return Calculation														
37	Equity				Portion	After-Tax Cost	Pre-Tax WACC	Tax							
38	Debt				52.0%	9.30%	6.64%	27.08%							
39					48.0%	4.420%	2.12%								
					100.0%		8.76%								

Capped at \$4,000,000