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RESUME OF HOWARD S. GORMAN

SUMMARY

Mr. Gorman has more than 25 years of experience in the energy industry, including 15 years in rate and regulatory proceedings, and more than 30 years experience overall in accounting, finance and rate and regulatory matters.

Mr. Gorman has testified as an expert witness regarding utility revenue requirements, class cost of service, revenue allocation and rate design. He has testified as an expert witness before the Massachusetts Department of Public Utilities, New Jersey Board of Public Utilities, New York State Public Service Commission, Ontario Energy Board, Pennsylvania Public Utility Commission and Rhode Island Public Utilities Commission.

Mr. Gorman has performed financial analyses of energy infrastructure projects for acquisitions and in support of due diligence for financing, and has negotiated and completed construction and term loans, tax-exempt and taxable bonds and subordinated debt. His experience includes financial modeling, financial analysis and forecasting.

Mr. Gorman also has experience in financial accounting, as Controller and Treasurer of Trigen Energy Corporation, where he built the finance function, managed subsidiary controllers and supported an IPO with NYSE listing.

PROFESSIONAL EMPLOYMENT

2010 - Present	HSG Group, Inc. <ul style="list-style-type: none">▪ <i>President</i>
1997 - 2010	Black & Veatch Corporation (R.J. Rudden Associates, Inc. before 2005) <ul style="list-style-type: none">▪ <i>Principal Consultant</i>
1995 - 1997	Independent Consultant
1987 – 1995	Trigen Energy Corporation <ul style="list-style-type: none">▪ 1987-1993 <i>Corporate Controller</i>; Trigen was formed in 1987▪ 1993-1995 <i>Treasurer</i>; Trigen had IPO with NYSE listing in 1994
1982 - 1987	Coleco Industries, Inc. <ul style="list-style-type: none">▪ <i>Director, Treasury</i>
1976 - 1979	Touche Ross & Co. <ul style="list-style-type: none">▪ <i>Staff Accountant</i>

PROFESSIONAL EXPERIENCE

Rate and Regulatory Support for Utilities

Mr. Gorman has provided rate and regulatory support for numerous electric and gas utilities in several jurisdictions, including performing the following:

- Developing utility revenue requirements
- Performing class cost allocation studies and marginal cost studies
- Recommending class revenue allocation
- Analyzing and recommending rate design structures
- Reviewing interaffiliate cost allocation methodology

A list of rate case dockets in which Mr. Gorman has provided expert testimony is presented in the table '**Expert Testimony**' at the end of this resume.

Energy Project Analysis

Mr. Gorman has performed financial analyses of energy-related assets, including electric and gas distribution companies, power plants and transmission operators. These analyses included developing cash flows and financial statements for both regulatory and accounting purposes, and included review of assumptions, analysis of data, modeling, sensitivity testing and stress testing.

Among these analyses are: valuations of power plants, financial projections for cogeneration heat and power plants and energy companies for the purpose of acquisition, valuation of waste-to-energy assets, valuation of a publicly traded multi-jurisdiction utility, and assessment of strategic fit and valuation for a utility considering diversifying into energy-related services.

Energy Project Financing

Mr. Gorman has sourced, structured, negotiated and completed transactions including construction and term loans, tax-exempt bonds, taxable bonds, subordinated debt and asset-backed (receivables and inventory) revolving credit facilities.

Mr. Gorman has supported energy projects in connection with due diligence for financing, including contract review, financial modeling, supply analysis, forward price projections, and economic valuation with cash flow forecasting, and the identification, assessment and mitigation of financial and operating risks for the project and its investors.

Financial Management

Mr. Gorman has extensive experience in financial accounting. As Controller and Treasurer of Trigen Energy Corporation, he built the finance and accounting function, developed reports, procedures and management tools, and managed subsidiary controllers across North America, including an IPO with NYSE listing (1994).

He managed the corporate insurance portfolios and the benefit plans for Trigen Energy Corporation and for Coleco Industries.

Computer Modeling and Decision Support

Mr. Gorman is an accomplished modeler with expertise in spreadsheet and database applications, as well as the use of programming tools. He has developed analytical tools to perform valuations, projections and simulations. These models have been applied to financial analysis, cost allocations, rate design and pricing, forecasting revenue requirements, numerous tax and accounting matters, supply modeling and optimizations. Several of these models have contained interactive modules for automated scenario testing and sensitivity analysis.

PUBLICATIONS AND PRESENTATIONS

“What Wall Street Needs From FERC,” published in R. J. Rudden Financial, LLC’s *Energy Capital Markets Report*, September 2002

“A Balanced Look at Balance Sheets,” published in R.J. Rudden Financial, LLC’s *Energy Capital Markets Report*, June 2002

“From Wires To Riches: Shareholder Value Creation In The T&D Business,” April 2002 (co-authored).

“Assessment of Retail Choice Programs,” presented at the American Gas Association Rate and Strategic Issues Committee Conference, March 2002

“Value Creation With Transmission Assets,” quoted in *Electrical World’s Special Edition Quarter 1, 2002*, March 2002

“The Remarkable Story on Enron,” published in Scudder’s *Annual End of Year Issue*, December 2001

EDUCATION

New York University, B.S., Accounting, 1976

Harvard Business School, MBA, 1981

Expert Testimony Submitted by Howard S. Gorman				
Jurisdiction	Docket	Client	Date	Subject Matter
New York	14-E-0035	Village of Freeport	2014	Electric revenue requirements; sales forecast; rate design
Pennsylvania	R-2013-2386293	Veolia Energy Philadelphia, Inc.	2013	Steam system revenue requirements, sales forecast
Ontario	EB-2013-0321 et al	Ontario Power Generation Inc.	2013, 2010, 2006	Electric Cost allocation methodology
Pennsylvania	R-2013-2372129	Duquesne Light Company	2013	Electric class cost of service; revenue allocation; rate design
New Hampshire	DE13-063	Granite State Electric Company	2013	Electric class cost of service (marginal cost); revenue allocation; rate design
New York	12-E-0201	Niagara Mohawk Power Corporation	2012	Electric class cost of service; revenue allocation
Rhode Island	RIPUC 4323	Narragansett Electric	2012	Electric class cost of service
Ontario	EB-2005-0378 et al	Hydro One Networks Inc.	2012, 2010, 2009, 2008, 2006, 2005	Electric Transmission and Distribution Cost allocation; OH capitalization rates
New York	11-E-0590	Village of Rockville Centre	2011	Electric revenue requirements; rate design; sales forecast
New York	11-G-0142	Chautauqua Utilities, Inc.	2011	Gas revenue requirements, rate design
Pennsylvania	R-2010-2179103	Kellogg Company (intervener)	2010	Water class cost of service; revenue allocation
Pennsylvania	R-2010-2179522	Duquesne Light Company	2010	Electric class cost of service; revenue allocation; rate design

Expert Testimony Submitted by Howard S. Gorman				
Jurisdiction	Docket	Client	Date	Subject Matter
Pennsylvania	R-2010-2172662	Wellsboro Electric Company	2010	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania	R-2010-2172665	Citizens' Electric Company of Lewisburg, PA	2010	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania	R-2010-2174470	Valley Energy, Inc.	2010	Gas revenue requirements, rate design
Pennsylvania	R-2010-2161592	PECO Energy (Gas)	2010	Gas class cost of service; revenue allocation; rate design
Pennsylvania	R-2010-2161575	PECO Energy (Electric)	2010	Electric class cost of service; revenue allocation; rate design
New York	10-E-0050	Niagara Mohawk Power Corporation	2010	Electric class cost of service
New York	09-E-0862	Jamestown Board of Public Utilities	2009	Electric revenue requirements
Pennsylvania	R-2009 2139884	Philadelphia Gas Works	2009	Gas class cost of service; revenue allocation
Rhode Island	RIPUC 4065	Narragansett Electric	2009	Electric class cost of service; revenue allocation; rate design
Massachusetts	DPU 09-39	Massachusetts Electric and Nantucket Electric	2009	Electric revenue requirements; adjustment mechanisms; class cost of service; revenue allocation; rate design
Pennsylvania	R-2008-2028394	PECO Energy (Gas)	2008	Gas class cost of service; revenue allocation; rate design
Pennsylvania	R-00072350	Wellsboro Electric Company	2007	Electric revenue requirements; rate design
Pennsylvania	R-00072348	Citizens' Electric Company of Lewisburg, PA	2007	Electric revenue requirements; rate design
Pennsylvania	R-00072349	Valley Energy, Inc.	2007	Gas revenue requirements; rate design

Expert Testimony Submitted by Howard S. Gorman				
Jurisdiction	Docket	Client	Date	Subject Matter
Pennsylvania	R-00061931	Philadelphia Gas Works	2006	Gas class cost of service; revenue allocation; rate design
New York	06-E-0911	Village of Freeport	2006	Electric revenue requirements; rate design
Pennsylvania	R-00061346	Duquesne Light Company	2006	Electric class cost of service; revenue allocation; rate design
New York	03-E-1568	Village of Rockville Centre	2003	Electric revenue requirements; rate design; sales forecast
New Jersey	ER020805 06 et al	Gerdau AmeriSteel aka Co-Steel (intervenor)	2002	Electric cost allocation and rate design; industrial rates
New Jersey	ER020503 03 et al	Gerdau AmeriSteel aka Co-Steel (intervenor)	2002	Electric cost allocation and rate design; industrial rates
Pennsylvania	M-00021612	Philadelphia Gas Works	2002	Gas rate unbundling
Pennsylvania	R-00017034	Philadelphia Gas Works	2002	Gas class cost of service
Pennsylvania	R-00006042	Philadelphia Gas Works	2001	Gas class cost of service; recovery of fixed costs

Index **Liberty Utilities (EnergyNorth)**
vFiled **Index to Revenue Requirement Schedules**
IN **Test Year Ended Mar. 31, 2014**

Docket No. DG 14-180
Attachment SEM/HSG-2

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Line	Title	Reference
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3	Operating Income Statement	Schedule RR-2
4	Operating Income Statement- Detail	Schedule RR-2-1
5	Summary of Adjustments	Schedule RR-3
6	Weighted Average Cost of Capital	Schedule RR-4
7	Rate Base	Schedule RR-5
8	Rate Base Monthly Balances	Schedule RR-5-1
9	Utility Plant and Depreciation- Surplus	Schedule RR-5-2
10	Cash Working Capital	Schedule RR-5-3
11	Accumulated Deferred Income Tax- Plant	Schedule RR-5-4
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13	<u>Adjustments</u>	
14	Adjustment 01- Salary and Wage Expense	Schedule RR-3-01
15	Adjustment 02- Payroll Tax Expense	Schedule RR-3-02
16	Adjustment 03- Pension and Benefits Expense	Schedule RR-3-03
17	Adjustment 04- Property and Casualty Insurance Expense	Schedule RR-3-04
18	Adjustment 05- Revenue	Schedule RR-3-05
19	Adjustment 06- PUC 500 Rules	Schedule RR-3-06
20	Adjustment 07- Amortization of Costs to Achieve (CTA)	Schedule RR-3-07
21	Adjustment 08- Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	Schedule RR-3-08
22	Adjustment 09- Other Adjustments	Schedule RR-3-09
23	Adjustment 10- Contract Labor	Schedule RR-3-10
24	Adjustment 11- Depreciation Expense	Schedule RR-3-11
25	Adjustment 12- Office Relocation to Londonderry	Schedule RR-3-12
26	Adjustment 13- Algonquin / Liberty Support Costs	Schedule RR-3-13
27	Adjustment 13- Algonquin / Liberty Support Costs- Allocated to LU	Schedule RR-3-13A
28	Adjustment 14- Property Taxes	Schedule RR-3-14
29	Adjustment 15- Cost of Gas	Schedule RR-3-15
30	Adjustment 16- Amortization of Intangibles	Schedule RR-3-16
31	Adjustment 17- Income Tax Expense-Historic Test Year	Schedule RR-3-17
32	Adjustment 18- Income Tax Expense- Pro Forma Test Year at Current Rates	Schedule RR-3-18

RR-1 **Liberty Utilities (EnergyNorth)**
vFiled **Computation of Revenue Deficiency and Revenue Requirement**
RR **Test Year With Known and Measurable Changes**

Schedule RR-1

Line	Description	Reference	Amount
1	Rate Base	Schedule RR-5	172,908,291
2			
3	Target Rate of Return on Rate Base	Schedule RR-4	7.63%
4			
5	Operating income requirement	Line 1 X Line 3	13,192,903
6			
7	Operating income at present rates	Schedule RR-2	5,074,692
8			
9	Operating income deficiency	Line 5 - Line 7	8,118,211
10			
11	Gross-up Factor for Additional income taxes	Line 19	1.6559
12			
13	Revenue deficiency	Line 9 X Line 11	13,442,972
14			
15	<u>Gross-up Factor for Income Taxes</u>		
16	Federal income tax rate		34.00%
17	New Hampshire state income tax rate		8.50%
18	Combined income tax rate	Line 16 + Line 17 - (Line 16 X Line 17)	39.61%
19	Gross-up Factor	1 / (1 - Line 18)	1.6559
20			
21	Additional income tax required	Line 13 - Line 9	5,324,761
22			

RR-2 Liberty Utilities (EnergyNorth)

Docket No. DG 14-180

vFiled Operating Income Statement

Attachment SEM/HSG-2

RR Test Year With Known and Measurable Changes

Schedule RR-2

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Schedule RR-2

Source		RR-3				RR-1		
Line	Account	Test Year Ended Mar. 31, 2014	Flow- Through and Reclass	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Proposed Increase	Distribution Operating Income With Proposed Increase
1	Revenue							
2	Operating revenue	158,502,751	(529,795)	157,972,955	(103,141,934)	54,831,021	13,442,972	68,273,993
3	Other revenue	492,263	529,795	1,022,058	(598,422)	423,636		423,636
4		158,995,014	0	158,995,014	(103,740,357)	55,254,657	13,442,972	68,697,629
5								
6	Operating Expenses							
7	O&M- Gas	100,621,978	0	100,621,978	(101,444,594)	(822,615)		(822,615)
8	O&M- Distribution	9,455,735	0	9,455,735	1,639,063	11,094,798		11,094,798
9	Customer Accounting	4,766,598	0	4,766,598	3,824	4,770,421		4,770,421
10	Sales & New Business	588,814	0	588,814	21,183	609,997		609,997
11	Administrative And General	12,366,566	0	12,366,566	2,698,988	15,065,554		15,065,554
12	Depreciation Expense	10,147,810	0	10,147,810	(143,650)	10,004,160		10,004,160
13	General taxes	9,094,407	0	9,094,407	(704,412)	8,389,995		8,389,995
14	Income taxes	3,162,166	0	3,162,166	(2,094,509)	1,067,657	5,324,761	6,392,418
15		150,204,073	0	150,204,073	(100,024,108)	50,179,965	5,324,761	55,504,726
16								
17	Utility Net Income	8,790,941	0	8,790,941	(3,716,249)	5,074,692	8,118,211	13,192,903
18	Check	8,790,941	0	8,790,941	(3,716,249)	5,074,692	0	0
19								
20	Rate Base			172,908,291		172,908,291		172,908,291
21								
22	Rate of Return on Rate Base			5.08%		2.93%		7.63%

Source			RR-3-05		RR-3			
Line	Account	Acct. No.	Test Year Ended Mar. 31, 2014	Flow-Through and Reclass	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor Labor Pro Forma
1	I. OPERATING AND MAINTENANCE EXPENSES							
2	O&M- Gas							
3	Oper Supv & Eng	710	450,041		450,041	94,150	544,190	449,100 543,250
4	LPG- Production	717	120,654		120,654	(120,654)	0	0 0
5	LPG- Materials	728	90,509		90,509	18,974	109,483	90,507 109,480
6	Misc Production Exp	735	18,610		18,610	167	18,778	797 964
7	Maint Prod Equip	742	9,143		9,143	0	9,143	0 0
8	Gas Supply	804	95,481,513		95,481,513	(95,481,513)	0	0 0
9	Storage Gas	808	6,032,905		6,032,905	(6,032,905)	0	0 0
10	Gas Term Proc Oper	841	404,280		404,280	76,813	481,093	366,401 443,214
11	Gas Term Proc Other	846	(1,985,677)		(1,985,677)	376	(1,985,302)	1,792 2,168
12			100,621,978	0	100,621,978	(101,444,594)	(822,615)	908,597 1,099,076
13	O&M- Distribution							
14	Maint Overhead Lines	593	7,475		7,475	(7,475)	0	0 0
15	Transmission Expense	870	660,759		660,759	131,156	791,915	641,723 776,255
16	Load Dispatching	871	219,363		219,363	37,928	257,291	180,921 218,850
17	Mains & Services Oper	874	5,427,905		5,427,905	1,011,281	6,439,187	3,730,805 4,512,934
18	Oper Meas & Regulating	875	69,565		69,565	26,084	95,649	69,565 84,149
19	Station Exp-Industrial	876	6,969		6,969	1,461	8,430	6,969 8,430
20	Meter & House Regulators	878	801,409		801,409	160,615	962,024	766,143 926,757
21	Customer installations expenses	879	4,000		4,000	0	4,000	0 0
22	Other Distribution Oper Exp	880	529,432		529,432	47,713	577,145	227,594 275,307
23	Distribution Rents	881	14,185		14,185	0	14,185	0 0
24	Maint Supv & Eng	885	2,045		2,045	429	2,474	2,045 2,474
25	Maint Struct & Impr	886	93,336		93,336	19,323	112,658	92,170 111,492
26	Maint Mains	887	822,861		822,861	64,132	886,992	305,911 370,043
27	Maint Meas & Regulating	889	33,637		33,637	7,714	41,352	36,797 44,512
28	Maintenance of Services	892	560,531		560,531	99,181	659,713	473,100 572,281
29	Maint Meter & House Regulators	893	134,354		134,354	25,285	159,639	120,610 145,895
30	Maint Other Equipment	894	67,909		67,909	14,236	82,145	67,909 82,145
31			9,455,735	0	9,455,735	1,639,063	11,094,798	6,722,262 8,131,524
32			110,077,713	0	110,077,713	(99,805,531)	10,272,183	7,630,859 9,230,600
33	Customer Accounting							

		Source	RR-3-05		RR-3			
Line	Account	Acct. No.	Test Year Ended Mar. 31, 2014	Flow-Through and Reclass	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor Labor Pro Forma
34	Cust Accounts- Supervision	901	983,506		983,506	206,183	1,189,689	983,506 1,189,689
35	Meter Reading	902	821,596		821,596	(232,859)	588,737	256,202 309,912
36	Cust Records & Collections	903	1,079,505		1,079,505	30,499	1,110,004	572,057 691,984
37	Uncollectible Accounts	904	1,591,522		1,591,522	0	1,591,522	0 0
38	Cust Accounts- Misc	905	290,468		290,468	0	290,468	0 0
39	Total Customer Accounting		4,766,598	0	4,766,598	3,824	4,770,421	1,811,765 2,191,586
40								
41	Sales & New Business							
42	Cust Assistance	908	(5,380)		(5,380)	(24,987)	(30,367)	(3,329) (4,026)
43	Cust Service Misc	910	242,290		242,290	1,526	243,816	7,281 8,808
44	Sales & Advertising	912	351,904		351,904	44,644	396,547	213,430 258,173
45	Total Customer Service & Info.		588,814	0	588,814	21,183	609,997	217,382 262,955
46	Total Customer Accounts		5,355,411	0	5,355,411	25,007	5,380,418	2,029,148 2,454,540
47								
48	E. ADMINISTRATIVE AND GENERAL							
49	General Office Salaries	920	2,545,973		2,545,973	533,740	3,079,713	2,545,973 3,079,713
50	General Office Salaries- LU	920.1	285,480		285,480	0	285,480	Allocated costs
51	Office Supplies	921	1,160,523		1,160,523	(60,598)	1,099,925	0 0
52	Office Supplies- LU	921.5	40,291		40,291	0	40,291	Allocated costs
53	A&G Transferred	922	(1,108,519)		(1,108,519)	0	(1,108,519)	(202,437) (202,437)
54	Allocated Costs Capitalized	922.1	(823,510)		(823,510)	(87,091)	(910,602)	Allocated costs
55	Outside Services	923.0	2,186,138		2,186,138	(248,795)	1,937,344	0 0
56	Allocated LU/APUC/LABS	923.1	2,862,562		2,862,562	332,925	3,195,487	Allocated costs
57	Property insurance	924	180,475		180,475	(67,423)	113,051	0 0
58	Injuries and damages	925	592,294		592,294	(28,866)	563,428	0 0
59	Employee Pensions & Benefits	926	3,378,030		3,378,030	2,609,216	5,987,246	0 0
60	Regulatory Commission	928	788,667		788,667	(271,710)	516,957	0 0
61	Miscellaneous General Expenses	930.2	109,699		109,699	0	109,699	0 0
62	A&G Rents	931	168,464		168,464	(12,410)	156,054	0 0
63	Total Administrative & General		12,366,566	0	12,366,566	2,698,988	15,065,554	2,343,537 2,877,277
64	Total Operating Expenses		127,799,691	0	127,799,691	(97,081,536)	30,718,154	12,003,543 14,562,417
65			127,799,691					
66	II. DEPRECIATION AND AMORTIZATION EXPENSE							

Source			RR-3-05		RR-3				
Line	Account	Acct. No.	Test Year Ended Mar. 31, 2014	Flow-Through and Reclass	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor	Labor Pro Forma
67	Amortization-Intangibles	407	103,194		103,194	306,006	409,200	0	0
68	Depreciation Exp	403	9,978,938		9,978,938	(581,679)	9,397,259	0	0
69	Regulatory - debits	405	65,678		65,678	132,023	197,701	0	0
70	Total Depreciation Expense		10,147,810	0	10,147,810	(143,650)	10,004,160	0	0
71									
72	A. GENERAL TAXES								
73	Payroll taxes	408-L	911,169		911,169	118,984	1,030,153	0	0
74	Property taxes	408-P	8,183,238		8,183,238	(823,396)	7,359,842	0	0
75	Interest on Customer Deposits		0		0	0	0	0	0
76	Subtotal - General Taxes		9,094,407	0	9,094,407	(704,412)	8,389,995	0	0
77									
78	B. FEDERAL / STATE INCOME TAXES								
79	Income Tax Exp	409	3,162,166		3,162,166	(2,094,509)	1,067,657	0	0
80	Subtotal - Income Tax		3,162,166	0	3,162,166	(2,094,509)	1,067,657	0	0
81									
82	Total Expenses		150,204,073	0	150,204,073	(100,024,108)	50,179,965	12,003,543	14,562,417
83									
84	Revenue								
85	Operating revenue	Oper Re CR	158,502,751	(529,795)	157,972,955	(103,141,934)	54,831,021		
86	Other revenue	Oth Rev CR	492,263	529,795	1,022,058	(598,422)	423,636		
87	Total Revenue		158,995,014	0	158,995,014	(103,740,357)	55,254,657		
88									
89	Utility Net Income		8,790,941	0	8,790,941	(3,716,249)	5,074,692		
90	Check		8,790,941						
91	TOTAL RATE BASE	RR-5	172,908,291		172,908,291		172,908,291		
92	Check		172,908,291						

RR-3 **Liberty Utilities (EnergyNorth)**
[Adjustment 01](#)
[Adjustment 02](#)
[Adjustment 03](#)
[Adjustment 04](#)
[Adjustment 05](#)
[Adjustment 06](#)
vFile **Summary of Adjustments**RR **Test Year Ended Mar. 31, 2014**

3,716,249

2,558,874

118,984

2,609,216

(96,290)

103,740,357

416,410

Schedule RR-3

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Schedule RR-3

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Line	Account	Acct. No.	Total	Salary and Wage Expense	Payroll Tax Expense	Pension and Benefits Expense	Property and Casualty Insurance Expense	Revenue	PUC 500 Rules
1	I. OPERATING AND MAINTENANCE EXPENSES								
2	O&M- Gas								
3	Oper Supv & Eng	710	94,150	94,150					
4	LPG- Production	717	(120,654)	0					
5	LPG- Materials	728	18,974	18,974					
6	Misc Production Exp	735	167	167					
7	Maint Prod Equip	742	0	0					
8	Gas Supply	804	(95,481,513)	0					
9	Storage Gas	808	(6,032,905)	0					
10	Gas Term Proc Oper	841	76,813	76,813					
11	Gas Term Proc Other	846	376	376					
12			(101,444,594)	190,479	0	0	0	0	0
13	O&M- Distribution								
14	Maint Overhead Lines	593	(7,475)	0					
15	Transmission Expense	870	131,156	134,531					
16	Load Dispatching	871	37,928	37,928					
17	Mains & Services Oper	874	1,011,281	782,130					416,410
18	Oper Meas & Regulating	875	26,084	14,584					
19	Station Exp-Industrial	876	1,461	1,461					
20	Meter & House Regulators	878	160,615	160,615					
21	Customer installations expenses	879	0	0					
22	Other Distribution Oper Exp	880	47,713	47,713					
23	Distribution Rents	881	0	0					
24	Maint Supv & Eng	885	429	429					
25	Maint Struct & Impr	886	19,323	19,323					
26	Maint Mains	887	64,132	64,132					
27	Maint Meas & Regulating	889	7,714	7,714					
28	Maintenance of Services	892	99,181	99,181					
29	Maint Meter & House Regulators	893	25,285	25,285					
30	Maint Other Equipment	894	14,236	14,236					
31			1,639,063	1,409,262	0	0	0	0	416,410
32			(99,805,531)	1,599,741	0	0	0	0	416,410

RR-3 **Liberty Utilities (EnergyNorth)**[Adjustment 01](#) [Adjustment 02](#) [Adjustment 03](#) [Adjustment 04](#) [Adjustment 05](#) [Adjustment 06](#)vFile **Summary of Adjustments**RR **Test Year Ended Mar. 31, 2014**

3,716,249 2,558,874 118,984 2,609,216 (96,290) 103,740,357 416,410

Schedule RR-3

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Schedule RR-3

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Line	Account	Acct. No.	Total	Salary and Wage Expense	Payroll Tax Expense	Pension and Benefits Expense	Property and Casualty Insurance Expense	Revenue	PUC 500 Rules
33	Customer Accounting								
34	Cust Accounts- Supervision	901	206,183	206,183					
35	Meter Reading	902	(232,859)	53,710					
36	Cust Records & Collections	903	30,499	119,927					
37	Uncollectible Accounts	904	0	0					
38	Cust Accounts- Misc	905	0	0					
39	Total Customer Accounting		3,824	379,820	0	0	0	0	0
40									
41	Sales & New Business								
42	Cust Assistance	908	(24,987)	(698)					
43	Cust Service Misc	910	1,526	1,526					
44	Sales & Advertising	912	44,644	44,744					
45	Total Customer Service & Info.		21,183	45,572	0	0	0	0	0
46	Total Customer Accounts		25,007	425,393	0	0	0	0	0
47									
48	E. ADMINISTRATIVE AND GENERAL								
49	General Office Salaries	920	533,740	533,740					
50	General Office Salaries- LU	920.1	0						
51	Office Supplies	921	(60,598)						
52	Office Supplies- LU	921.5	0						
53	A&G Transferred	922	0						
54	Allocated Costs Capitalized	922.3	(87,091)						
55	Outside Services	923.0	(248,795)						
56	Allocated LU/APUC/LABS	923.1	332,925						
57	Property insurance	924	(67,423)				(67,423)		
58	Injuries and damages	925	(28,866)				(28,866)		
59	Employee Pensions & Benefits	926	2,609,216			2,609,216			
60	Regulatory Commission	928	(271,710)						
61	Miscellaneous General Expenses	930.2	0						
62	A&G Rents	931	(12,410)						
63	Total Administrative & General		2,698,988	533,740	0	2,609,216	(96,290)	0	0
64	Total Operating Expenses		(97,081,536)	2,558,874	0	2,609,216	(96,290)	0	416,410

RR-3 **Liberty Utilities (EnergyNorth)**

vFile **Summary of Adjustments**

RR **Test Year Ended Mar. 31, 2014**

Schedule RR-3

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Line	Account	Acct. No.	Total	Salary and Wage Expense	Payroll Tax Expense	Pension and Benefits Expense	Property and Casualty Insurance Expense	Revenue	PUC 500 Rules
65									
66	II. DEPRECIATION AND AMORTIZATION EXPENSE								
67	Amortization-Intangibles		306,006						
68	Depreciation Exp		(581,679)						
69	Regulatory - debits		132,023						
70	<i>Total Depreciation Expense</i>		<u>(143,650)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
71									
72	A. GENERAL TAXES								
73	Payroll taxes		118,984		118,984				
74	Property taxes		(823,396)						
75	Interest on Customer Deposits		0						
76	Subtotal - General Taxes		<u>(704,412)</u>	<u>0</u>	<u>118,984</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
77									
78	B. FEDERAL / STATE INCOME TAXES								
79	Income Tax Exp		<u>(2,094,509)</u>						
80	Subtotal - Income Tax		<u>(2,094,509)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
81									
82	Total Expenses		<u>(100,024,108)</u>	<u>2,558,874</u>	<u>118,984</u>	<u>2,609,216</u>	<u>(96,290)</u>	<u>0</u>	<u>416,410</u>
83									
84	Operating Revenue								
85	Operating revenue	Oper Rev	(103,141,934)					(103,141,934)	
86	Other revenue	Oth Rev	(598,422)					(598,422)	
87	Total Revenue		<u>(103,740,357)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(103,740,357)</u>	<u>0</u>
88									
89	Net Income		<u>(3,716,249)</u>	<u>(2,558,874)</u>	<u>(118,984)</u>	<u>(2,609,216)</u>	<u>96,290</u>	<u>(103,740,357)</u>	<u>(416,410)</u>
90				0	0	0	0	0	0

RR-3 **Liberty Utilities (EnergyNorth)**

vFile **Summary of Adjustments**

RR **Test Year Ended Mar. 31, 2014**

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Line	Account	Acct. No.	Amortization of Costs to Achieve (CTA)	Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	Other Adjustments	Contract Labor	Depreciation Expense	Office Relocation to Londonderry	Algonquin / Liberty Support Costs	Property Taxes
1	I. OPERATING AND MAINTENANCE EXPENSES									
2	O&M- Gas									
3	Oper Supv & Eng	710								
4	LPG- Production	717								
5	LPG- Materials	728								
6	Misc Production Exp	735								
7	Maint Prod Equip	742								
8	Gas Supply	804								
9	Storage Gas	808								
10	Gas Term Proc Oper	841								
11	Gas Term Proc Other	846								
12			0	0	0	0	0	0	0	0
13	O&M- Distribution									
14	Maint Overhead Lines	593			(7,475)					
15	Transmission Expense	870				(3,375)				
16	Load Dispatching	871								
17	Mains & Services Oper	874		(184,244)		(3,014)				
18	Oper Meas & Regulating	875			11,500					
19	Station Exp-Industrial	876								
20	Meter & House Regulators	878								
21	Customer installations expenses	879								
22	Other Distribution Oper Exp	880								
23	Distribution Rents	881								
24	Maint Supv & Eng	885								
25	Maint Struct & Impr	886								
26	Maint Mains	887								
27	Maint Meas & Regulating	889								
28	Maintenance of Services	892								
29	Maint Meter & House Regulators	893								
30	Maint Other Equipment	894								
31			0	(184,244)	4,025	(6,389)	0	0	0	0
32			0	(184,244)	4,025	(6,389)	0	0	0	0

RR-3 **Liberty Utilities (EnergyNorth)**vFile **Summary of Adjustments**RR **Test Year Ended Mar. 31, 2014**

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Line	Account	Acct. No.	Amortization of Costs to Achieve (CTA)	Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	Other Adjustments	Contract Labor	Depreciation Expense	Office Relocation to Londonderry	Algonquin / Liberty Support Costs	Property Taxes
33	Customer Accounting									
34	Cust Accounts- Supervision	901								
35	Meter Reading	902		(286,569)						
36	Cust Records & Collections	903				(89,428)				
37	Uncollectible Accounts	904								
38	Cust Accounts- Misc	905								
39	Total Customer Accounting		0	(286,569)	0	(89,428)	0	0	0	0
40										
41	Sales & New Business									
42	Cust Assistance	908		14		(24,303)				
43	Cust Service Misc	910								
44	Sales & Advertising	912				(100)				
45	Total Customer Service & Info.		0	14	0	(24,403)	0	0	0	0
46	Total Customer Accounts		0	(286,555)	0	(113,831)	0	0	0	0
47										
48	E. ADMINISTRATIVE AND GENERAL									
49	General Office Salaries	920								
50	General Office Salaries- LU	920.1								
51	Office Supplies	921			(6,000)	(54,598)				
52	Office Supplies- LU	921.5								
53	A&G Transferred	922								
54	Allocated Costs Capitalized	922.3							(87,091)	
55	Outside Services	923.0		(709,373)	75,000	385,579				
56	Allocated LU/APUC/LABS	923.1							332,925	
57	Property insurance	924								
58	Injuries and damages	925								
59	Employee Pensions & Benefits	926								
60	Regulatory Commission	928			(271,710)					
61	Miscellaneous General Expenses	930.2								
62	A&G Rents	931						(12,410)		
63	Total Administrative & General		0	(709,373)	(202,710)	330,981	0	(12,410)	245,834	0
64	Total Operating Expenses		0	(1,180,173)	(198,685)	210,761	0	(12,410)	245,834	0

RR-3 **Liberty Utilities (EnergyNorth)**

vFile **Summary of Adjustments**

RR **Test Year Ended Mar. 31, 2014**

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Line	Account	Acct. No.	Amortization of Costs to Achieve (CTA)	Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	Other Adjustments	Contract Labor	Depreciation Expense	Office Relocation to Londonderry	Algonquin / Liberty Support Costs	Property Taxes
65										
66	II. DEPRECIATION AND AMORTIZATION I									
67	Amortization-Intangibles		306,006							
68	Depreciation Exp						(581,679)			
69	Regulatory - debits									
70	<i>Total Depreciation Expense</i>		<u>306,006</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(581,679)</u>	<u>0</u>	<u>0</u>	<u>0</u>
71										
72	A. GENERAL TAXES									
73	Payroll taxes									
74	Property taxes									(823,396)
75	Interest on Customer Deposits									
76	Subtotal - General Taxes		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(823,396)</u>
77										
78	B. FEDERAL / STATE INCOME TAXES									
79	Income Tax Exp									
80	Subtotal - Income Tax		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
81										
82	Total Expenses		<u>306,006</u>	<u>(1,180,173)</u>	<u>(198,685)</u>	<u>210,761</u>	<u>(581,679)</u>	<u>(12,410)</u>	<u>245,834</u>	<u>(823,396)</u>
83										
84	Operating Revenue									
85	Operating revenue	Oper Rev								
86	Other revenue	Oth Rev								
87	Total Revenue		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
88										
89	Net Income		<u>(306,006)</u>	<u>1,180,173</u>	<u>198,685</u>	<u>(210,761)</u>	<u>581,679</u>	<u>12,410</u>	<u>(245,834)</u>	<u>823,396</u>
90			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

RR-3 **Liberty Utilities (EnergyNorth)**

[Adjustment 15](#) [Adjustment 16](#) [Adjustment 17](#) [Adjustment 18](#)

vFile **Summary of Adjustments**

RR **Test Year Ended Mar. 31, 2014**

(101,635,073) 132,023 207,132 (2,301,641)

Schedule RR-3

2,558,874

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Line	Account	Acct. No.	Cost of Gas	Amortization of Intangibles	Income Tax Expense- Historic Test Year	Income Tax Expense- Pro Forma Test Year at Current	Labor	% Total Labor
1	I. OPERATING AND MAINTENANCE EXPE							
2	O&M- Gas							
3	Oper Supv & Eng	710					449,100	3.7%
4	LPG- Production	717	(120,654)				0	0.0%
5	LPG- Materials	728					90,507	0.7%
6	Misc Production Exp	735					797	0.0%
7	Maint Prod Equip	742					0	0.0%
8	Gas Supply	804	(95,481,513)				0	0.0%
9	Storage Gas	808	(6,032,905)				0	0.0%
10	Gas Term Proc Oper	841					366,401	3.0%
11	Gas Term Proc Other	846					1,792	0.0%
12			(101,635,073)	0	0	0	908,597	7.4%
13	O&M- Distribution							
14	Maint Overhead Lines	593					0	0.0%
15	Transmission Expense	870					641,723	5.3%
16	Load Dispatching	871					180,921	1.5%
17	Mains & Services Oper	874					3,730,805	30.6%
18	Oper Meas & Regulating	875					69,565	0.6%
19	Station Exp-Industrial	876					6,969	0.1%
20	Meter & House Regulators	878					766,143	6.3%
21	Customer installations expenses	879					0	0.0%
22	Other Distribution Oper Exp	880					227,594	1.9%
23	Distribution Rents	881					0	0.0%
24	Maint Supv & Eng	885					2,045	0.0%
25	Maint Struct & Impr	886					92,170	0.8%
26	Maint Mains	887					305,911	2.5%
27	Maint Meas & Regulating	889					36,797	0.3%
28	Maintenance of Services	892					473,100	3.9%
29	Maint Meter & House Regulators	893					120,610	1.0%
30	Maint Other Equipment	894					67,909	0.6%
31			0	0	0	0	6,722,262	55.1%
32			(101,635,073)	0	0	0	7,630,859	62.5%

RR-3 **Liberty Utilities (EnergyNorth)**

[Adjustment 15](#) [Adjustment 16](#) [Adjustment 17](#) [Adjustment 18](#)

vFile **Summary of Adjustments**

RR **Test Year Ended Mar. 31, 2014**

(101,635,073) 132,023 207,132 (2,301,641)

Schedule RR-3

2,558,874

Line	Account	Acct. No.	Cost of Gas	Amortization of Intangibles	Income Tax Expense- Historic Test Year	Income Tax Expense- Pro Forma Test Year at Current	Labor	% Total Labor
33	Customer Accounting							
34	Cust Accounts- Supervision	901					983,506	8.1%
35	Meter Reading	902					256,202	2.1%
36	Cust Records & Collections	903					572,057	4.7%
37	Uncollectible Accounts	904					0	0.0%
38	Cust Accounts- Misc	905					0	0.0%
39	Total Customer Accounting		0	0	0	0	1,811,765	14.8%
40								
41	Sales & New Business							
42	Cust Assistance	908					(3,329)	0.0%
43	Cust Service Misc	910					7,281	0.1%
44	Sales & Advertising	912					213,430	1.7%
45	Total Customer Service & Info.		0	0	0	0	217,382	1.8%
46	Total Customer Accounts		0	0	0	0	2,029,148	16.6%
47								
48	E. ADMINISTRATIVE AND GENERAL							
49	General Office Salaries	920					2,545,973	20.9%
50	General Office Salaries- LU	920.1						
51	Office Supplies	921						
52	Office Supplies- LU	921.5						
53	A&G Transferred	922						
54	Allocated Costs Capitalized	922.3						
55	Outside Services	923.0						
56	Allocated LU/APUC/LABS	923.1						
57	Property insurance	924						
58	Injuries and damages	925						
59	Employee Pensions & Benefits	926						
60	Regulatory Commission	928						
61	Miscellaneous General Expenses	930.2						
62	A&G Rents	931						
63	Total Administrative & General		0	0	0	0	2,545,973	20.9%
64	Total Operating Expenses		(101,635,073)	0	0	0	12,205,979	100.0%

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RR-3	Liberty Utilities (EnergyNorth)	Adjustment 15	Adjustment 16	Adjustment 17	Adjustment 18
vFile	Summary of Adjustments				
RR	Test Year Ended Mar. 31, 2014	(101,635,073)	132,023	207,132	(2,301,641)
	Schedule RR-3				

2,558,874

Line	Account	Acct. No.	Cost of Gas	Amortization of Intangibles	Income Tax Expense- Historic Test Year	Income Tax Expense- Pro Forma Test Year at Current	Labor	% Total Labor
65								
66	II. DEPRECIATION AND AMORTIZATION							
67	Amortization-Intangibles							
68	Depreciation Exp							
69	Regulatory - debits			132,023				
70	Total Depreciation Expense		0	132,023	0	0		
71								
72	A. GENERAL TAXES							
73	Payroll taxes							
74	Property taxes							
75	Interest on Customer Deposits							
76	Subtotal - General Taxes		0	0	0	0		
77								
78	B. FEDERAL / STATE INCOME TAXES							
79	Income Tax Exp				207,132	(2,301,641)		
80	Subtotal - Income Tax		0	0	207,132	(2,301,641)		
81								
82	Total Expenses		(101,635,073)	132,023	207,132	(2,301,641)		
83								
84	Operating Revenue							
85	Operating revenue	Oper Rev						
86	Other revenue	Oth Rev						
87	Total Revenue		0	0	0	0		
88								
89	Net Income		101,635,073	(132,023)	(207,132)	2,301,641		
90								
			0	0	0	0		

Line	Department	Employees	Regular Salary	Incentive	Overtime and Premiums	Total Salary	To EnergyNorth	To EN OpEx	% To EN	% To EN OpEx
1	Ops-Compliance	3	345,146	48,350	8,653	402,149	241,897	241,897	60.2%	100.0%
2	Ops/Engineering	8	773,033	97,478	1,917	872,428	665,058	385,856	76.2%	58.0%
3	Finance	17	1,496,399	197,291	395	1,694,085	1,015,665	968,383	60.0%	95.3%
4	Legal	3	310,704	58,066	0	368,770	166,715	165,669	45.2%	99.4%
5	Operations	2	317,574	78,072	0	395,646	226,057	213,683	57.1%	94.5%
6	Customer Care	52	3,012,966	288,103	85,861	3,386,930	2,253,609	2,133,251	66.5%	94.7%
7	Env, Health & Safety	4	463,385	56,756	0	520,141	272,437	247,189	52.4%	90.7%
8	Ops/Prod-Disp-Ctrl	27	2,073,364	135,412	324,162	2,532,938	2,081,722	1,218,077	82.2%	58.5%
9	Human Resources	5	610,212	107,278	709	718,199	452,450	384,575	63.0%	85.0%
10	Executive	2	336,139	81,974	0	418,113	260,943	260,943	62.4%	100.0%
11	Operations/Gas	92	6,553,175	264,176	1,751,961	8,569,313	8,568,462	7,373,829	100.0%	86.1%
12	Energy Procurement	13	1,236,199	156,786	0	1,392,985	1,227,400	579,211	88.1%	47.2%
13	Govt/Reg & Comm Rel.	6	633,656	95,981	0	729,637	389,854	389,854	53.4%	100.0%
14	Totals	234	18,161,952	1,665,723	2,173,659	22,001,334	17,822,268	14,562,417	81.0%	81.7%
15										
16	<u>Deferred Debits (Credits)</u>	Amortized to Pension expense							Capitalized	18.3%
17	Pro Forma Expense									
18	Test Year 3/31/2014							12,003,543		
19	Adjustment to Rate Year Expense							2,558,874		
20	Change %							21.3%		
21										

RR-3-02 **Liberty Utilities (EnergyNorth)**

vFiled **Adjustments to Test Year**

AD **Adjustment 02**

Payroll Tax Expense

Schedule RR-3-02

Line	Department	Payroll Taxes	To EnergyNorth	To EN OpEx
1	Ops-Compliance	26,419	15,771	15,771
2	Ops/Engineering	56,995	45,203	26,000
3	Finance	110,586	66,912	63,584
4	Legal	19,681	8,666	8,591
5	Operations	18,230	10,527	9,706
6	Customer Care	238,501	159,083	150,789
7	Env, Health & Safety	34,809	18,164	16,502
8	Ops/Prod-Disp-Ctrl	184,571	151,540	89,609
9	Human Resources	41,091	26,259	22,953
10	Executive	18,023	12,686	12,686
11	Operations/Gas	637,518	637,456	550,641
12	Energy Procurement	91,987	80,633	38,140
13	Govt/Reg & Comm Rel.	45,906	25,097	25,097
14	Totals	1,524,317	1,257,998	1,030,071
15				
16				
17				
18	Test Year 3/31/2014			911,087
19	Adjustment to Rate Year Expense			118,984
20	Change %			13.1%
21				

Line	Department	Health Care / Other	Pension / OPEB	Total Health		To EN OpEx
				Care / Pension / OPEB	To EnergyNorth	
1	Ops-Compliance	64,230	25,182	89,412	45,736	45,736
2	Ops/Engineering	145,320	35,971	181,291	140,940	82,898
3	Finance	268,225	67,628	335,853	207,534	202,020
4	Legal	46,080	14,014	60,094	26,531	26,313
5	Operations	38,580	72	38,652	22,499	20,353
6	Customer Care	636,008	155,301	791,309	550,129	520,924
7	Env, Health & Safety	57,209	47,072	104,281	55,127	49,412
8	Ops/Prod-Disp-Ctrl	384,096	79,005	463,101	373,857	212,557
9	Human Resources	85,310	32,569	117,879	77,522	65,629
10	Executive	30,955	15,329	46,284	26,750	26,750
11	Operations/Gas	1,631,753	402,764	2,034,516	2,034,338	1,766,115
12	Energy Procurement	178,765	58,583	237,348	213,020	91,196
13	Govt/Reg & Comm Rel.	122,687	17,255	139,942	70,818	70,818
14	Totals	3,689,216	950,745	4,639,961	3,844,802	3,180,722
15	Inactive employees- Pension (gain)				651,742	(476,000)
16	Inactive employees- OPEB costs					33,000
17	Deferred Debits (Credits) Amortized to Pension expense			Line 26		3,249,605
18	Pro Forma Expense					5,987,328
19	Test Year 3/31/2014			RR-2-1		3,378,112
20	Adjustment to Rate Year Expense (Account 926)					2,609,216
22	Deferred Debits (Credits) Amort	Balance	Rem. Life	Monthly		
23	Pension- Prior Acquisition			Amortization for calendar 2014		755,304
24	FAS 106- Prior Acquisition			Amortization for calendar 2014		491,917
25	Liberty Acquisition	21,625,753	10.80			2,002,385
26	Deferred Debit					3,249,605

RR-3-04 **Liberty Utilities (EnergyNorth)**
vFiled **Adjustments to Test Year**
AD **Adjustment 04**
Property and Casualty Insurance Expense
Schedule RR-3-04

Docket No. DG 14-180
Attachment SEM/HSG-2
Schedule RR-3-04
Page 1 of 1

Line	Description	Annual Premium- Test Year	Fee	Annual Cost- Rate Year	Capitalized Portion from RR-3-01	Expense to O&M- Rate Year
1	Property insurance		0.84%		18.29%	
2	All risk	112,115	937	113,051		113,051
3		112,115	937	113,051	0	113,051
4	Property Insurance expense- Historic Test Year Account 924				RR-2-1	180,475
5	Pro Forma Adjustment, Account 924					(67,423)
6						
7						
8	Liability insurance					
9	Comprehensive General Liability	56,594	473	57,067	10,438	46,629
10	Umbrella	262,614	2,194	264,808	48,436	216,372
11	Excess	73,830	617	74,447	13,617	60,830
12	Automobile	75,378	630	76,008	13,902	62,105
13		468,417	3,914	472,330	86,393	385,937
14						
15	Workers Compensation insurance	215,423	1,800	217,223	39,732	177,491
16	Totals in O&M	683,840	5,713	689,553	126,125	563,428
17	Injuries and Damages Insurance expense- Historic Test Year Account 925				RR-2-1	592,294
18	Pro Forma Adjustment, Account 925					(28,866)
19						
20	Total Adjustment					(96,290)

RR-3-05 **Liberty Utilities (EnergyNorth)**vFiled **Adjustments to Test Year**AD **Adjustment 05****Revenue**

Schedule RR-3-05

Docket No. DG 14-180

Attachment SEM/HSG-2

Schedule RR-3-05

Page 1 of 2

		RR-2-1	Line 36					
Line	Description	Historic per Trial Balance	Reclass	After Reclass	Adjustment			Pro Forma
1	Operating revenue	158,502,751	(529,795)	157,972,955	Adjust to amount computed	Line 20	2,544,011	54,831,021
2					Remove Gas revenue	Line 22	(104,423,831)	
3					Normalization	Attachment RATES-3, page 2, line 30	(1,645,434)	
4					CIBS as of 2014-07-01	Attachment RATES-3, page 3, line 30	383,320	
5								
6	Other revenue	492,263	529,795	1,022,058	Adjust to amount computed	Line 34	(598,422)	423,636
7	Adjustments to Revenue	158,995,014	0	158,995,014			(103,740,357)	55,254,657
8								
9	Operating revenue- Computed separately							
10	Distribution- billed				Attachment RATES-1, page 2, line 15		54,984,777	
11	Distribution- unbilled				Attachment RATES-3 page 1, line 30		325,700	
12	Special contracts						782,658	
13	Total Distribution revenue- Computed						56,093,135	
14								
15	Cost of Gas- billed and unbilled						100,096,780	
16	Local Distribution Adjustment Charge (LDAC)						4,327,051	
17	Total Gas revenue- Computed						104,423,831	
18	Total Operating revenue- Computed						160,516,966	
19	Operating revenue on books after reclass				From Line 1		157,972,955	
20	Adjustment to Operating revenue				To Line 1		2,544,011	
21								
22	Remove Gas revenue				To Line 2		(104,423,831)	
23								

RR-3-05 **Liberty Utilities (EnergyNorth)**vFiled **Adjustments to Test Year**AD **Adjustment 05****Revenue**

Schedule RR-3-05

Docket No. DG 14-180

Attachment SEM/HSG-2

Schedule RR-3-05

Page 2 of 2

		RR-2-1	Line 36			
Line	Description	Historic per Trial Balance	Reclass	After Reclass	Adjustment	Pro Forma
24	Miscellaneous revenue- Computed separately					
25	Forfeited discounts (Late payment)			287,102		287,102
26	DSM incentive revenue			290,377	Excluded	0
27	Reconnect fees			134,780		134,780
28	Gas storage income for LDC			7,500	Non-recurring	0
29	Voided hedging transaction			14,300	Non-recurring	0
30	Distribution / Gas revenue			69,796	Correct misposted entry	0
31	Other revenue			1,754		1,754
32	Interest income			68,570	Interest on CTA balance	0
33	AFUDC			147,879	CWIP is not in Rate base	0
34	Adjustment to Interest / AFUDC Revenue			1,022,058	To Line 6	423,636
35	Trial balance- amount above		Line 6	492,263		
36	Reclass		To Line 1	529,795		

RR-3-06 Liberty Utilities (EnergyNorth)

vFiled Adjustments to Test Year

AD Adjustment 06

PUC 500 Rules

Schedule RR-3-06

Docket No. DG 14-180

Attachment SEM/HSG-2

Schedule RR-3-06

Page 1 of 1

Line	Description	Rule	Capital Cost	Expense	One-Time	Notes
1	Welding Safety Training	506.01 (d)			8,000	Non-recurring
2	Marking Liberty Facilities	506.01 (q) (r)			37,500	\$18,750/yr until complete
3	Written verification of required construction and testing standards	506.02 (o)		4,000		
4	Leakage surveys & inspections	508.04 (l)			72,000	One-time training cost re: new leakage classifications
5	Leakage surveys & inspections	508.04 (m)(2)		91,500		Annual incremental leak repair
6	Leakage surveys & inspections	FERC 380	30,750			In service by 3/31/15; Step Increase
7	Leakage surveys & inspections	508.04 (m)(3)			520,000	One-time cost to repair 330 leaks (Grade 3 reclassified to Grade 2)
8	Leakage surveys & inspections	FERC 376	175,000			In service by 3/31/15; Step Increase
9	Leakage surveys & inspections	FERC 380	175,000			In service by 3/31/15; Step Increase
10	Telemetry stations	FERC 378	51,900			In service by 3/31/15; Step Increase
11	Telemetry stations			2,160		Annual labor
12			<u>432,650</u>	97,660	637,500	
13	Amortization period- years				<u>2</u>	
14	Annual amortization			318,750	<u>318,750</u>	
15	Adjustment to Account 874- Annual expense			<u>416,410</u>		
16						
17	Leakage surveys & inspections	FERC 380	30,750			After 3/31/15

RR-3-07 **Liberty Utilities (EnergyNorth)**
vFiled **Adjustments to Test Year**
AD **Adjustment 07**
Amortization of Costs to Achieve (CTA)
Schedule RR-3-07

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Attachment SEM/HSG-2
Schedule RR-3-07
Page 1 of 1

		<i>Subtract</i>	<i>Add</i>			
Line	Month	Starting Balance	Amortization Expense	Carrying Charge	Ending Balance	WACC
1	Monthly Amortization Expense Pursuant to Order 24,777		34,100			
2						
3	Pro Forma Annual Amortization Expense		409,200			
4	Amount in Historic Test Year RR-2-1		103,194			
5	Adjustment to Test Year Amortization Expense		306,006			
6						

RR-3-08 **Liberty Utilities (EnergyNorth)**
vFiled **Adjustments to Test Year**
AD **Adjustment 08**
Non-Recurring Costs in Test Year- Post-Acquisition (TSA)
Schedule RR-3-08

Docket No. DG 14-180
Attachment SEM/HSG-2
Schedule RR-3-08
Page 1 of 1

Line	Description	Account Charged	Total
1	Mains & services expenses	874	184,244
2	Meter reading expenses	902	286,569
3	Customer assistance expenses	908	(14)
4	Outside services	923	709,373
5	TSA Costs in Test Year, Normalized Out		1,180,173
6			
7			
8			

RR-3-09 **Liberty Utilities (EnergyNorth)**vFiled **Adjustments to Test Year**AD **Adjustment 09****Other Adjustments**

Schedule RR-3-09

Docket No. DG 14-180

Attachment SEM/HSG-2

Schedule RR-3-09

Page 1 of 1

Line	Description	Amount
1	Maintenance of Overhead Lines	(7,475)
2	Account 593	(7,475)
3		
4	Additional O&M for INatGas compressor	11,500
5	Account 874	11,500
6		
7	Hallsville School- Contribution	(3,000)
8	Pelham Good neighbor Fund- Contribution	(1,000)
9	Northeast Public Power Association	(2,000)
10	Account 921	(6,000)
11		
12	PUC Annual Assessment- Historic	390,608
13	PUC Annual Assessment- Future	449,199
14		
15	PUC Gas Pipeline Safety Assessment- Historic	67,758
16	PUC Gas Pipeline Safety Assessment- Future	67,758
17	Regulatory Expenses- Test Year	(788,667)
18	Account 928	(271,710)
19		
20	Repairs Study- Annual Cost	75,000
21	Account 923	75,000
22		
23	Adjustment- Costs to be added (removed)	(\$198,685)

RR-3-10 **Liberty Utilities (EnergyNorth)**vFiled **Adjustments to Test Year**AD **Adjustment 10****Contract Labor**

Schedule RR-3-10

Docket No. DG 14-180

Attachment SEM/HSG-2

Schedule RR-3-10

Page 1 of 1

Line	Description	Account	FYE 2014-03-31 Expense	FYE 2015-03-31 Expense- Total	Portion to EnergyNorth	FYE 2015-03-31 Expense to EnergyNorth	Adjustment
1	Oper supv and eng-labor	870	3,375				(3,375)
2	Mains & services expenses	874	3,014				(3,014)
3	Cust records and collect	903	89,428				(89,428)
4	Customer assistance	908	24,303				(24,303)
5	Advertising (Major only)	913	100				(100)
6	Office supplies and expenses	921	54,598				(54,598)
7	Outside services- Customer service	923 CA	337,500	756,600	70%	529,620	192,120
8	Outside services- Energy procurement	923 En	6,708	252,720	70%	176,904	170,196
9	Outside services- Finance & Admin	923 F	360,126	552,760	70%	386,932	26,806
10	Outside services- HR	923 HR	5,422				(5,422)
11	Outside services- Legal	923 L	35,912	60,320	70%	42,224	6,312
12	Outside services- Operations	923 Op	48,934	156,000	100%	156,000	107,066
13	Outside services- Regulatory	923 R	111,499				(111,499)
14	Total		<u>1,080,919</u>	<u>1,778,400</u>		<u>1,291,680</u>	<u>210,761</u>
15							
16							

Line	Account	Acct. No.	Depreciation Rates	Plant in Service			Accumulated Depreciation			Pro Forma
				Balance 03/31/2013	Additions	Balance 03/31/2014	Balance 03/31/2013	Additions Expense	Balance 03/31/2014	Additions Expense
1	Organization			0	0	0	0	0		0
2	Other Intangible assets	Intang	20.00%	210,525	777,979	988,504	154,296	119,903	274,199	197,701
3	Subtotal - INTANGIBLE PLANT			210,525	777,979	988,504	154,296	119,903	274,199	197,701
4										
5	Production Plant	Prod	3.33%	13,142,237	(166,313)	12,975,923	10,034,713	434,867	10,469,580	432,098
6	Production Plant			13,142,237	(166,313)	12,975,923	10,034,713	434,867	10,469,580	432,098
7										
8	Land & Land Rights	365		197,764	0	197,764	0	0		0
9	Measuring & Regulating Stations	366	3.33%	623,659	0	623,659	411,552	20,768	432,320	20,768
10	Mains	367	1.92%	183,428,622	8,302,471	191,731,093	48,657,124	3,601,533	52,258,657	3,681,237
11	Station Equipment	369	3.33%	4,783,269	96,657	4,879,926	1,348,838	160,892	1,509,730	162,502
12	Services	380	4.00%	113,020,349	6,687,585	119,707,935	44,178,984	4,654,566	48,833,550	4,788,317
13	Meters and Installations	381	2.86%	23,768,919	504,830	24,273,748	11,839,085	687,010	12,526,095	694,229
14	Other Distribution	387	3.33%	535,863	39,323	575,186	275,836	18,499	294,335	19,154
15	Subtotal - DISTRIBUT. PLANT			326,358,445	15,630,866	341,989,311	106,711,420	9,143,268	115,854,688	9,366,207
16										
17	Land & Land Rights	389		16,550	171	16,721	0	0	0	0
18	Structures and Improvements	390	3.33%	5,383,806	272,415	5,656,221	2,078,466	183,816	2,262,282	188,352
19	Office equipment	391	5.28%	1,257,198	390,903	1,648,101	709,089	76,700	785,789	87,020
20	Transportation- Auto	392	20.00%	95,002	179,450	274,452	73,028	36,945	109,973	54,890
21	Transportation- Truck	392 Tr	14.29%	45,117	0	45,117	38,670	6,447	45,117	6,447
22	Stores equipment	393	3.33%	28,211	66,628	94,839	25,766	2,049	27,814	3,158
23	Tools	394	5.26%	685,510	76,827	762,337	443,400	38,078	481,478	40,099
24	Power equipment	396	20.00%	364,349	220,164	584,513	(26,079)	94,886	68,807	116,903
25	Communications equipment	397	6.67%	329,783	23,913	353,696	282,883	22,794	305,677	23,592
26	Miscellaneous equipment	398	6.67%	176,619	4,506	181,125	280,661	11,931	292,592	12,081
27	Subtotal - GENERAL PLANT			8,382,145	1,234,978	9,617,122	3,905,883	473,647	4,379,530	532,542
28	TOTAL			348,093,352	17,477,509	365,570,861	120,806,311	10,171,686	130,977,997	10,528,548
29	Less: Amortization expense included								To RR-3-16	(197,701)
30	Amortization of Reserve Surplus			12,401,522					From RR-5-2	(933,588)
31	Pro Forma Depreciation Expense									9,397,259
32	Test Year Actual Depreciation Expense									9,978,938
33	Adjustment									(581,679)

RR-3-12 **Liberty Utilities (EnergyNorth)**
vFiled **Adjustments to Test Year**
AD **Adjustment 12**
Office Relocation to Londonderry
Schedule RR-3-12

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Schedule RR-3-12
Page 1 of 1

Line	Description	Ref. / Note	Amount
1	<u>Londonderry Office</u>		
2	Annual base Rent		189,756
3	Monthly base Rent		15,813
4	Annual rate per sq. ft.		\$7.67
5	EnergyNorth portion		73%
6			
7	EnergyNorth annual base rent- Londonderry		138,522
8	EnergyNorth annual base rent- Salem	<i>Line 17</i>	150,932
9	Adjustment for Londonderry Office Relocation- Account 931		(12,410)
10			
11	<u>Account 931 analysis</u>		
12	EnergyNorth monthly base rent- Salem	<i>May 13-Mar 14</i>	13,477
13		<i># of Months</i>	11
14			148,247
15		<i>Apr 13</i>	13,081
16	Understatement of EnergyNorth Rents	<i>Billed to affiliates</i>	(10,396)
17	EnergyNorth monthly base rent- Salem in Account 931		150,932
18	Utilities		3,325
19	Snowplowing		14,207
20			168,464
21	Account 931 Trial balance amount	<i>RR-2-1</i>	168,464
22			
23			

RR-3-13 **Liberty Utilities (EnergyNorth)**vFiled **Adjustments to Test Year**AD **Adjustment 13****Algonquin / Liberty Support Costs**

Schedule RR-3-13

Docket No. DG 14-180

Attachment SEM/HSG-2

Schedule RR-3-13

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<u>RR-2-1</u>							Pro Forma Test Year		
Historic Test Year							Ref.	Pro Forma	Adjustment
Line	Description	Account	Total	LU	LABS	APUC			
1	General Office Salaries- LU	920.1	164,239	164,239			96.68%	158,790	(5,449)
2	General Office Salaries- LABS	920.4	121,240		121,240		Same	121,240	0
3	LU HO	923.1	1,114,459	1,114,459			96.68%	1,077,482	(36,977)
4	APUC HO	923.2	612,502			612,502	RR-3-13A	735,669	123,167
5	APUC labor	923.3	147,410			147,410	Same	147,410	0
6	LABS labor	923.4L	247,655		247,655		Same	247,655	0
7	LABS Non-labor	923.4	740,536		740,536		RR-3-13A	992,721	252,185
8	Total Incurred		3,148,041	1,278,699	1,109,431	759,912		3,480,967	332,925
9	Adjustment to Account 923								332,925
10									
11	LU Labor Alloc Capitalized	922.1	(7,827)	(7,827)					
12	LU Admin Alloc Capitalized	922.2	(368,278)	(368,278)					
13	APUC labor Alloc Capitalized	922.3	(224,372)			(224,372)			
14	LABS labor Captil	922.4L	(23,786)		(23,786)				
15	LABS Non-labor Captil	922.4	(199,248)		(199,248)				
16	Total Capitalized from Allocated		(823,510)	(376,105)	(223,034)	(224,372)	Same %	(910,602)	(87,091)
17	Portion Capitalized		26.16%					26.16%	
18	Adjustment to Account 922								(87,091)
19	Net Expense		2,324,531	902,594	886,397	535,540			
20	Net Adjustment								245,834

RR-3-13A **Liberty Utilities (EnergyNorth)**

vFiled **Adjustments to Test Year**

AD **Adjustment 13**

Algonquin / Liberty Support Costs- Allocated to LU

Schedule RR-3-13A

Line	Description	LABS Incurred 4/13-12/13	LABS Incurred 1/14-3/14	Portion of allocation that is based on							LU Share	Allocated to LU 4/13-12/13	Allocated to LU 1/14-3/14
				Employees	O&M	Squ. Feet	Revenue	Net Plant	Cap Exp	Total			
1	IT	637,251	213,183	90.0%	10.0%					100.0%	83.6%	532,488	178,136
2	Transition	0	(64,332)	90.0%	10.0%					100.0%	83.6%	0	(53,756)
3	HR	2,127,059	34,563	100%						100.0%	84.2%	1,791,759	29,114
4	Payroll	0	187,496	100%						100.0%	84.2%	0	157,940
5	Training	0	21,209	100%						100.0%	84.2%	0	17,866
6	SHE&S	96,726	75,465	100%						100.0%	84.2%	81,479	63,569
7	Finance	1,692,999	151,320		33.3%		33.3%	33.3%		100.0%	62.5%	1,057,572	94,526
8	Risk	11,364	97,812		33.3%		33.3%	33.3%		100.0%	62.5%	7,099	61,100
9	Treasury	0	16,079		50.0%			25.0%	25.0%	100.0%	62.6%	0	10,066
10	Legal	0	96,906	33.3%	33.3%			33.3%		100.0%	69.3%	0	67,174
11	Internal Audit	0	75,619		75.0%			25.0%		100.0%	69.7%	0	52,682
12	Purchasing	0	14,790		50.0%				50.0%	100.0%	63.3%	0	9,369
13	Facilities	0	304,150			100.0%				100.0%	84.2%	0	256,205
14	Communications	41,245	29,819	100.0%						100.0%	84.2%	34,743	25,119
15	Total LABS	4,606,645	1,254,078									3,505,140	969,109
16													
17		APUC Incurred 4/13-12/13	APUC Incurred 1/14-3/14								LU Share	Allocated to LU 4/13-12/13	Allocated to LU 1/14-3/14
18	Legal Costs	295,252	1,697	33.3%	33.3%			33.3%		100.0%	69.3%	204,667	1,176
19	Tax Services	290,125	63,750		33.3%		33.3%	33.3%		100.0%	62.5%	181,233	39,823
20	Audit	488,250	85,709		33.3%		33.3%	33.3%		100.0%	62.5%	304,997	53,540
21	Investor Relations	(19,995)	4,032		33.3%		33.3%	33.3%		100.0%	62.5%	(12,490)	2,519
22	Director Fee & Ins	478,464	189,623		33.3%		33.3%	33.3%		100.0%	62.5%	298,884	118,453
23	Licenses & Fees	501,819	212,394		33.3%		33.3%	33.3%		100.0%	62.5%	313,473	132,677
24	Escrow/Trans Agent	30,000	4,655		33.3%		33.3%	33.3%		100.0%	62.5%	18,740	2,908
25	Other Profess.	100,682	31,965		33.3%		33.3%	33.3%		100.0%	62.5%	62,893	19,968
26	Office Admin.	1,156,355	814,526	50.0%		50.0%				100.0%	84.2%	974,073	686,128
27	Total APUC	3,320,952	1,408,352									2,346,469	1,057,192
28													
29	LU Share			84.2%	77.5%	84.2%	63.7%	46.2%	49.2%				
30													
31					\$000		\$000	\$000	\$000				
32	APUC			192	47,465	192	177,282	1,567	199				
33	LU			1,026	163,244	1,026	310,836	1,348	193				
34				1,218	210,709	1,218	488,118	2,915	391				
35													

RR-3-13A **Liberty Utilities (EnergyNorth)**

vFiled **Adjustments to Test Year**

AD **Adjustment 13**

Algonquin / Liberty Support Costs- Allocated to LU

Schedule RR-3-13A

Line	Description	LABS Incurred 4/13-12/13	LABS Incurred 1/14-3/14	Portion of allocation that is based on							LU Share	Allocated to LU 4/13-12/13	Allocated to LU 1/14-3/14
				Employees	O&M	Squ. Feet	Revenue	Net Plant	Cap Exp	Total			
36													
37	Total LABS to LU											3,505,140	969,109
38	% of LU to Energy North											25.1%	21.8%
39	LABS Costs to Energy North										1,091,091	879,853	211,238
40	To USD at	1.099091									992,721	800,528	192,194
41													
42	Total APUC to LU											2,346,469	1,057,192
43	% of LU to Energy North											24.6%	21.8%
44	APUC Costs to Energy North										808,567	578,130	230,438
45	To USD at	1.099091									735,669	526,007	209,662

Line	Municipality	Parcel	Assessed 2014	Assessed 2013	Assessed 2012	Assessed 2011	Basis	Tax 2014	Tax 2013	Tax 2012	Tax 2011
1	Allenstown	0400-001	1,811,600	1,811,600	1,939,200	1,939,200	Part	52,844	52,844	42,313	52,281
2	Amherst	002-033-008	3,423,700	3,423,700	3,124,700	2,946,400	Full	81,998	81,998	73,930	54,243
3	Amherst	002-033-007	343,100	343,100	380,600	380,600	Part	8,217	8,217	8,118	7,007
4	Auburn	000001/000001/000UTL	76,400	76,400	83,800	83,800	Part	1,299	1,299	1,415	698
5	Bedford	1-1-A	3,118,100	3,118,100	1,830,300	Missing	Part	61,052	61,052	52,141	Missing
6	Belmont	999-000-000-001	1,735,700	1,735,700	1,581,000	1,429,000	Part	35,287	35,287	30,893	26,737
7	Berlin	000404-000051.0000L1	605,800	605,800	610,300	518,800	Full	32,287	18,622	18,187	7,583 (a)
8	Boscawen	000099-000002-000000	566,100	566,100	691,700	661,100	Part	14,017	14,017	13,122	12,501
9	Bow	0-9-99	6,884,700	6,884,700	5,829,000	5,167,581	Part	190,156	190,156	154,235	57,309 (a)
10	Canterbury	000000-000002-000000	181,200	181,200	174,400	439,000	Part	4,296	4,296	4,043	9,957
11	Concord	109/1/3	81,900	Missing	84,500	88,300	Full	1,048	Missing	1,039	1,023
12	Concord	109/1/4	100	Missing	Missing	100	Full	1	Missing	Missing	1
13	Concord	109/2/4	900	Missing	Missing	1,200	Full	12	Missing	Missing	14
14	Concord	NO00/1/13	203,600	203,600	228,300	228,300	Part	5,208	5,208	5,564	2,644
15	Concord	P000/1/6	28,900	28,900	32,900	32,900	Part	848	848	905	422
16	Concord	P000/1/3	2,018,000	2,018,000	2,000,000	1,950,000	Part	54,405	54,405	50,100	22,532
17	Concord	NO00/1/2	28,730,000	28,730,000	27,500,000	27,000,000	Part	665,674	665,674	603,075	278,775
18	Concord	77/2/23	42,400	42,400	42,400	42,400	Part	982	982	930	438
19	Concord	26/1/6	355,000	355,000	422,900	359,900	Part	8,225	8,225	9,274	3,716
20	Concord	70/1/1	48,300	48,300	69,300	63,700	Part	1,119	1,119	1,520	658
21	Concord	109/2/1	33,800	33,800	33,800	35,400	Part	783	783	741	366
22	Concord	109/2/3	161,400	161,400	135,300	136,800	Part	3,740	3,740	2,967	1,412
23	Concord	109/1/2	786,900	786,900	915,600	851,000	Part	18,232	18,232	20,079	8,787
24	Derry	35-102	1,730,200	1,793,584	1,735,400	1,735,400	Part	51,781	51,781	48,400	22,560 (a)
25	Franklin	000-001-00	2,438,700	2,438,700	2,438,700	2,438,700	Part	48,237	48,237	48,237	46,482
26	Gilford	210-002.000	30,420	30,420	30,420	30,420	Full	552	552	564	564
27	Gilford	210-003.000	7,760	7,760	7,760	7,760	Full	140	141	142	144
28	Gilford	210-004.000	7,550	7,550	7,550	7,550	Full	138	137	138	140
29	Gilford	210-005.000	17,000	17,000	17,000	17,000	Full	308	309	311	315
30	Gilford	200-003.000	436,000	436,000	436,000	436,000	Full	6,788	6,789	6,806	6,893
31	Goffstown	42	1,901,900	1,901,900	1,614,900	Missing	Full	46,882	46,882	36,642	Missing
32	Goffstown	99-4-1	478,500	478,500	362,500	Missing	Full	11,795	11,795	8,225	Missing
33	Hollis	056-027-001	113,900	113,900	113,900	Missing	Full	2,319	2,599	2,154	Missing
34	Hooksett	0GAS-0001	12,104,700	12,104,700	9,882,900	8,908,100	Full	255,168	255,167	197,362	172,104

Line	Municipality	Parcel	Assessed 2014	Assessed 2013	Assessed 2012	Assessed 2011	Basis	Tax 2014	Tax 2013	Tax 2012	Tax 2011
35	Hooksett	0036-0041-0001	312,300	312,300	278,300	278,300	Full	6,584	6,583	5,558	5,377
36	Hudson	100-006-000	21,030,000	21,030,000	20,134,700	Missing	Part	379,171	379,171	351,552	Missing
37	Hudson	167-030-000	83,700	83,700	83,700	111,600	Part	1,509	1,509	1,461	776 (a)
38	Hudson	167-029-000	79,900	79,900	79,900	106,500	Part	1,441	1,441	1,395	740 (a)
39	Laconia	425/44/83/1	8,178,800	8,178,800	7,992,000	7,281,300	Part	158,833	158,833	147,133	63,056 (a)
40	Litchfield	000UTL-000UTL-0000001	482,400	482,400	455,100	465,600	Part	8,789	8,789	7,941	3,920 (a)
41	Londonderry	81-7-0	10,100,000	10,100,000	10,100,000	10,100,000	Part	191,092	191,092	183,820	183,214
42	Londonderry	81-10-0	10,300,000	10,300,000	10,300,000	10,300,000	Part	194,876	194,876	187,460	186,842
43	Londonderry	7-34-1	2,521,800	2,213,500	Missing	Missing	Part	46,705	46,705	Missing	Missing
44	Loudon	000070-000004-000000	3,567,700	3,567,700	3,200,400	Missing	Part	65,539	65,539	58,215	Missing
45	Manchester	0999A-0075	63,953,600	63,953,600	58,655,800	58,467,700	Part	1,291,223	1,291,223	1,156,692	457,217 (a)
46	Manchester	0752-0001	2,082,500	2,082,500	2,082,500	2,455,300	Part	42,046	42,046	41,067	19,200 (a)
47	Manchester	0508-0002A	6,700	6,700	6,700	8,300	Part	135	135	132	65 (a)
48	Manchester	0394-0004	28,700	28,700	28,700	35,200	Part	579	579	566	275 (a)
49	Manchester	0471-0008	49,500	49,500	49,500	60,900	Part	999	999	976	476 (a)
50	Merrimack	006D-3-000000-000000	11,934,300	11,934,300	11,475,700	7,361,700	Part	257,304	257,304	238,695	64,194 (a)
51	Milford	036-183-000-000	65,500	65,500	65,500	102,400	Part	1,599	1,599	1,510	883 (a)
52	Milford	055-007-000-000	3,200,000	3,200,000	3,200,000	3,230,200	Part	78,112	78,112	73,792	27,860 (a)
53	Nashua	0039-00026	163,800	163,800	163,800	163,800	Full	3,432	3,432	3,122	3,045
54	Nashua	0038-00063	10,800	10,800	10,800	10,800	Full	226	226	206	201
55	Nashua	0038-00020	17,300	17,300	17,300	17,300	Full	362	362	330	322
56	Nashua	0041-00011	54,589,500	54,589,500	52,115,800	50,215,800	Full	1,143,650	1,143,650	993,327	933,512
57	Nashua	0000-00005	2,000,000	2,000,000	2,000,000	Missing	Full	47,000	47,000	38,120	Missing
58	Northfield	000999-000001-000001	2,713,900	2,713,900	2,600,000	1,146,300	Part	65,459	65,459	65,884	10,936 (a)
59	Pembroke	999-11	6,254,000	6,254,000	4,707,700	4,067,700	Part	154,161	154,161	115,668	47,775 (a)
60	Pembroke	632-18-16	235,600	235,600	235,600	235,600	Part	6,323	6,323	6,277	6,229
61	Sanbornton	00.003.000.000	34,600	34,600	28,300	25,700	Full	706	706	508	446
62	Tilton	000R23-000013-000000	8,549,600	8,549,600	8,073,300	7,771,500	Part	152,269	152,269	143,221	138,877
63	Tilton	000R23-000013-000000	1,254,900	1,254,900	1,254,900	1,254,900	Part	22,350	22,350	22,262	22,426
64	State of NH		207,807,314	207,807,314	201,985,730	179,561,363	Part	1,371,528	1,371,528	1,333,106	1,185,105
65			492,112,944	491,785,128	465,738,760	402,772,174		7,359,842	7,345,397	6,623,571	4,161,274
66	Property Tax expense, Test Year							8,183,238			
67	Increase (Decrease) in Property tax expense							(823,396)			
69	(a) Tax 2011 represents first half bill only ; 2nd half bill was not located										

RR-3-15 **Liberty Utilities (EnergyNorth)**
vFiled **Adjustments to Test Year**
AD **Adjustment 15**
Cost of Gas
Schedule RR-3-15

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Schedule RR-3-15
Page 1 of 1

Line	Description	Account	Ref.	Amount
1	LPG Production	Account 817	RR-2-1	(120,654)
2	Gas Supply	Account 804	RR-2-1	(95,481,513)
3	Storage Gas	Account 808	RR-2-1	(6,032,905)
4	Adjustment for Cost of Gas			(101,635,073)
5				

RR-3-16 **Liberty Utilities (EnergyNorth)**
vFiled **Adjustments to Test Year**
AD **Adjustment 16**
Amortization of Intangibles
Schedule RR-3-16

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Schedule RR-3-16
Page 1 of 1

Line	Description	Reference	Amount
1	Pro Forma amortization expense, Intangible assets	RR-3-11	197,701
2	Historic Test Year amortization expense, Account 405	RR-2-1	65,678
3	Adjustment to amortization expense		132,023
4			
5			

RR-3-17 **Liberty Utilities (EnergyNorth)**vFiled **Adjustments to Test Year**AD **Adjustment 17****Income Tax Expense-Historic Test Year**

Schedule RR-3-17

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Schedule RR-3-17

Page 1 of 1

Line	Description	Reference	Amount
1	Test Year Actual to Statutory Rates		
2	Normalized Revenue	RR-2, line 4	158,995,014
3	Normalized Expenses, excluding income tax	RR-2, lines 7-13	147,041,907
4	Income (loss) before taxes		11,953,107
5			
6	Rate base	RR-1	172,908,291
7	Debt Portion	RR-4	45.00%
8	Debt Component		77,808,731
9	Debt cost	RR-4	4.43%
10	Synchronized Interest expense		3,446,927
11	Pre-tax income		8,506,180
12			
13	Combined income tax rate	Line 20	39.61%
14	Income tax expense (credit) at Statutory rates		3,369,298
15	Income tax expense (credit) recorded		3,162,166
16	Adjustment to Normalize Historic Test Year		207,132
17			
18	Federal statutory rate		34.00%
19	New Hampshire Business tax rate		8.50%
20	Combined income tax rate		39.61%
21			
22	This adjustment normalizes income tax expense in the Test Year before adjustments to reflect statutory rates.		
23			

RR-3-18 **Liberty Utilities (EnergyNorth)**vFiled **Adjustments to Test Year****AD Adjustment 18****Income Tax Expense- Pro Forma Test Year at Current Rates**

Schedule RR-3-18

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Schedule RR-3-18

Page 1 of 1

Line	Description	Reference	Adjustment Amount	Items with Tax Effects
1	Adjustments to increase (decrease) taxable income:			() = Lower income
2	Salary and Wage Expense	RR-3-01	(2,558,874)	(2,558,874)
3	Payroll Tax Expense	RR-3-02	(118,984)	(118,984)
4	Pension and Benefits Expense	RR-3-03	(2,609,216)	(2,609,216)
5	Property and Casualty Insurance Expense	RR-3-04	96,290	96,290
6	Revenue	RR-3-05	(103,740,357)	(103,740,357)
7	PUC 500 Rules	RR-3-06	(416,410)	(416,410)
8	Amortization of Costs to Achieve (CTA)	RR-3-07	(306,006)	(306,006)
9	Non-Recurring Costs in Test Year- Post-Acquisition (TSA)	RR-3-08	1,180,173	1,180,173
10	Other Adjustments	RR-3-09	198,685	198,685
11	Contract Labor	RR-3-10	(210,761)	(210,761)
12	Depreciation Expense	RR-3-11	581,679	581,679
13	Office Relocation to Londonderry	RR-3-12	12,410	12,410
14	Algonquin / Liberty Support Costs	RR-3-13	(245,834)	(245,834)
15	Property Taxes	RR-3-14	823,396	823,396
16	Cost of Gas	RR-3-15	101,635,073	101,635,073
17	Amortization of Intangibles	RR-3-16	(132,023)	(132,023)
18	Income Tax Expense-Historic Test Year	RR-3-17	(207,132)	
19	Income Tax Expense- Pro Forma Test Year at Current Rates	This Schedule	2,301,641	
20			<u>(3,716,249)</u>	<u>(5,810,758)</u>
21	Tax rate			39.61%
22	Adjustment to Test Year at Current Rates			<u>(2,301,641)</u>
23				
24	This adjustment reflects income tax expense computed at statutory rates, related to the Company's adjustments.			
25				

RR-4 **Liberty Utilities (EnergyNorth)**
vFile
d **Weighted Average Cost of Capital**
RR **Test Year Ended Mar. 31, 2014**

Schedule RR-4

Line	Description	Refer- ence	Capital Structure	Cost of Capital	Weighted Cost of Capital
1	Common stock		55.00%	10.25%	5.64%
2	Preferred stock				
3	Long-term debt		45.00%	4.43%	1.99%
4	Short-term debt				
5			<u>100.00%</u>		<u>7.63%</u>
6					
7					

RR-5 Liberty Utilities (EnergyNorth)

vFile
d Rate Base

RR Balances at Dec. 31, 2012

Docket No. DG 14-180

Attachment SEM/HSG-2

Schedule RR-5

Page 1 of 1

Schedule RR-5

Line	Description	Ref.	Description	Pro Forma Rate Base
	<i>Source:</i>			
1	Utility plant in service			
2	Utility plant	RR-3-11	Balance 2014-03-31	365,570,861
3	Depreciation Allowance	RR-3-11	Balance 2014-03-31	(130,977,997)
4	Reduction in Depreciation Allowance	RR-5-2		1,633,779
5	Net Utility plant			236,226,643
6				
7	Materials and Supplies	RR-5-1	Use 13-month avg	9,620,327
8	Prepayments	RR-5-1	Use 13-month avg	2,060,672
9	Customer Deposits	RR-5-1	Use 13-month avg	(816,315)
10				
11	Cash Working Capital	RR-5-3	Computed	4,326,552
12				
13	Deferred Tax Liability, net	RR-5-4	Computed	(78,509,589)
14				172,908,291
15	Rate Base			172,908,291
16				
17				
18				

Schedule RR-5-1

Line	Description	13- Month Average	2013-03	2013-04	2013-05	2013-06	2013-07	2013-08	2013-09	2013-10	2013-11	2013-12	2014-01	2014-02	2014-03
1	Materials and Supplies														
2	Plant Supplies	1,302.5	740.3	931.2	1,119.6	1,278.3	1,352.3	1,481.3	1,446.3	1,601.8	1,612.6	1,214.1	1,310.5	1,357.1	1,487.2
3	Stores Expense	3.0	0.0	21.0	28.6	0.0	0.0	(4.4)	(3.6)	0.0	(2.1)	0.0	0.0	0.0	0.0
4	Gas Stored Underground	7,057.0	7,834.7	7,372.2	7,640.2	7,895.7	7,941.1	8,242.8	8,506.7	8,668.7	8,448.7	7,207.0	5,857.4	4,144.2	1,981.7
5	Fuel Stock - Propane	1,135.3	1,019.9	1,011.0	1,005.4	999.0	994.2	991.8	1,445.7	1,537.3	1,477.6	1,396.2	1,015.3	1,115.3	750.0
6	UG Storage-LNG	122.5	105.7	95.0	77.4	58.3	58.5	42.0	133.8	115.9	92.2	147.9	204.9	282.8	177.8
7		9,620.3	9,700.6	9,430.4	9,871.2	10,231.3	10,346.1	10,753.5	11,528.9	11,923.8	11,629.1	9,965.2	8,387.9	6,899.5	4,396.7
8															
9	Prepayments														
10	Prepays	100.8	124.5	163.0	326.5	163.0	163.0	163.0	0.0	0.0	0.0	0.0	76.0	69.1	62.2
11	Prepaid Muni Pty Tax	1,959.9	1,380.0	1,554.5	1,214.9	2,806.5	2,806.5	2,806.5	3,300.8	3,300.8	2,377.9	1,656.0	1,310.0	758.0	206.0
12		2,060.7	1,504.5	1,717.6	1,541.4	2,969.5	2,969.5	2,969.5	3,300.8	3,300.8	2,377.9	1,656.0	1,386.0	827.1	268.2
13															
14	Customer Deposits														
15	Customer Deposits	(746.4)	(576.4)	(576.8)	(592.7)	(595.7)	(584.8)	(570.4)	(693.6)	(779.4)	(821.6)	(855.2)	(912.9)	(1,182.9)	(961.2)
16	Accrued Interest	(69.9)	(70.3)	(67.8)	(69.4)	(72.5)	(68.5)	(70.0)	(70.0)	(70.0)	(70.0)	(70.0)	(70.0)	(70.0)	(70.0)
17		(816.3)	(646.6)	(644.6)	(662.0)	(668.2)	(653.3)	(640.4)	(763.6)	(849.4)	(891.6)	(925.2)	(982.9)	(1,253.0)	(1,031.2)
18															

RR-5-2 **Liberty Utilities (EnergyNorth)**
vFiled **Utility Plant and Depreciation- Surplus**
RR **Test Year Ended Mar. 31, 2014**

Schedule RR-5-2

Line	Account	
1	Annual Surplus Amortization per Order 25,202	933,588
2	Monthly amount	77,799
3		
4	Acquisition	07/01/12
5	End of Test Year	03/31/14
6	Months	21
7		
8	Adjustment- Reduction in Depreciation Allowance	1,633,779
9		
10		
11		
12		

RR-5-3 Liberty Utilities (EnergyNorth)

vFile
d

Cash Working Capital

RR Test Year Ended Mar. 31, 2014

Schedule RR-5-3

Line	Description	Reference	Test Year Pro Forma
1	O&M Expenses		
2	O&M- Gas	Schedule RR-2	(822,615)
	Less: O&M- Gas		822,615
3	O&M- Distribution	Schedule RR-2	11,094,798
4	Customer Accounting	Schedule RR-2	4,770,421
5	Less: Uncollectible accounts	Schedule RR-2-1	(1,591,522)
6	Sales & New Business	Schedule RR-2	609,997
7	Administrative And General	Schedule RR-2	15,065,554
8	Less: Amortization of Regulatory assets	Schedule RR-3-03	(3,249,605)
9	General taxes	Schedule RR-2	8,389,995
10			35,089,637
11			
12	Cash Working Capital Required- days	45	12.33%
13			
14	Cash Working Capital Required		4,326,552
15			
16			

RR-5-4 Liberty Utilities (EnergyNorth)

vFile
d Accumulated Deferred Income Tax- Plant

RR Test Year Ended Mar. 31, 2014

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Schedule RR-5-4

Page 1 of 1

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Schedule RR-5-4

Line	Description	Ref. / Note	Federal	New Hampshire
1	Tax Costs, 12/31/12	<i>Tax return</i>	244,126,860	244,126,860
2	Tax Accumulated depreciation, 12/31/12	<i>Tax return</i>	(188,078,053)	(162,457,717)
3	Tax basis, tax returns, 12/31/12		56,048,807	81,669,143
4	Additions, calendar 2013	<i>True up 10/15/14 returns</i>	19,110,154	19,110,154
5	Tax depreciation, calendar 2013	<i>True up 10/15/14 returns</i>	(17,311,285)	(17,311,285)
6	Tax basis, 12/31/13		57,847,676	83,468,012
7	Additions, quarter 3/31/13		7,094,827	7,094,827
8	Tax depreciation, quarter 3/31/13		(2,088,433)	(2,088,433)
9	Additions (accrual), quarter 3/31/13		2,410,354	2,410,354
10	Tax basis, 3/31/14 estimated		65,264,424	90,884,760
11				
12	Book cost, 3/31/14		365,570,861	
13	Book Accumulated depreciation, 3/31/14		(130,977,997)	
14	Book Cost of removal, 3/31/14		30,872,897	
15	Reduction in Depreciation Allowance		1,633,779	
16	Net Utility plant, 3/31/14		267,099,540	267,099,540
17				
18	Total timing difference (Tax basis - Book Net plant)		(201,835,116)	(176,214,780)
19	Tax rate		34.00%	5.61%
20	ADIT		(68,623,939)	(9,885,649)
21	State ADIT		(9,885,649)	
22	Plant-related Deferred Tax Liability, net, 3/31/14		(78,509,589)	
23				
24	Deferred Tax Asset- Current	<i>Trial Balance 3/31/14</i>	2,118,851	
25	Deferred Tax Liability- Non-Current	<i>Trial Balance 3/31/14</i>	(74,140,546)	
26	Net Deferred Tax Liability		(72,021,695)	
27				

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Line	Description	Capitalized Software	LNG Plant	Mains	General-Structures	Services	Meters	Office Equipment	Vehicles	Com-munications	Total
	<u>FERC Account</u>	303	320	367	375	380	381	391	392	397	
1	<u>Deferred Tax Calculation</u>										
2	Capital Spending	10,719,818	2,045,000	175,000	2,820,000	475,750	650,000	493,381	1,040,000	51,900	18,470,849
3											
4	Tax method	MACRS5	MACRS15	MACRS20	MACRS39	MACRS20	MACRS20	MACRS5	MACRS5	MACRS7	
5	Tax Depreciation Rate	20.00%	5.00%	3.75%	1.28%	3.75%	3.75%	20.00%	20.00%	14.29%	
6											
7	Tax Depr.- Year 1	2,143,964	102,250	6,563	36,154	17,841	24,375	98,676	208,000	7,414	2,645,236
8											
9	Book Depr. Rate- Year 1	10.00%	1.67%	0.96%	1.67%	2.00%	1.43%	2.64%	7.15%	3.34%	
10	Book Depreciation- Year 1	1,071,982	34,049	1,680	46,953	9,515	9,295	13,025	74,308	1,731	1,262,538
11											
12	Tax over (under) Book	1,071,982	68,201	4,883	(10,799)	8,326	15,080	85,651	133,692	5,683	1,382,698
13	Deferred Tax Balance @ 39.61%	424,612	27,014	1,934	(4,278)	3,298	5,973	33,926	52,955	2,251	547,687
14											
15	<u>Rate Base Calculation</u>										
16	Plant in Service	10,719,818	2,045,000	175,000	2,820,000	475,750	650,000	493,381	1,040,000	51,900	18,470,849
17	Accumulated Depreciation	(1,071,982)	(34,049)	(1,680)	(46,953)	(9,515)	(9,295)	(13,025)	(74,308)	(1,731)	(1,262,538)
18	Deferred Tax Balance	(424,612)	(27,014)	(1,934)	4,278	(3,298)	(5,973)	(33,926)	(52,955)	(2,251)	(547,687)
19	Rate Base	9,223,224	1,983,936	171,386	2,777,325	462,937	634,732	446,429	912,737	47,918	16,660,624
20											
21	<u>Revenue Requirement Calculation</u>										
22	Return on Rate Base @ 7.63%	703,732	151,374	13,077	211,910	35,322	48,430	34,063	69,642	3,656	1,271,206
23	Depreciation Expense	1,071,982	34,049	1,680	46,953	9,515	9,295	13,025	74,308	1,731	1,262,538
24	Property Tax @ 2.01%		41,171	3,523	56,774						101,468
25	Insurance @ 0.19%		3,784	324	5,218	880	1,203	913	1,924	96	14,343
26	Annual Revenue Require.	1,775,714	230,379	18,604	320,855	45,717	58,928	48,001	145,874	5,483	2,649,554
27	Annual therms delivered										155,315,222
28	Rate per therm delivered	\$0.01143	\$0.00148	\$0.00012	\$0.00207	\$0.00029	\$0.00038	\$0.00031	\$0.00094	\$0.00004	\$0.01706
29											
30	<u>Rate of Return Calculation</u>										
31	Equity			Portion	After-Tax Cos	WACC					
32	Debt			55.0%	10.25%	5.64%					
33				45.0%	4.43%	1.99%					
				100.0%		7.63%					

Step **Liberty Utilities (EnergyNorth)**
vFiled **Step Adjustment- 2015**
RR Schedule Step

Docket No. DG 14-180
Attachment SEM/HSG-3
Schedule Step
Page 2 of 2

Line	Description	Capitalized Software	LNG Plant	Mains	General- Structures	Services	Meters	Office Equipment	Vehicles	Com- munications	Total
	<i>FERC Account</i>	<i>303</i>	<i>320</i>	<i>367</i>	<i>375</i>	<i>380</i>	<i>381</i>	<i>391</i>	<i>392</i>	<i>397</i>	
34											
35	Capital Projects In Service By 2015-03-31	Capitalized Software	LNG Plant	Mains	General- Structures	Services	Meters	Office Equipment	Vehicles	Com- munications	Total
36	K Meter replacement						650,000				650,000
37	Bare Steel Services Replacement Program					270,000					270,000
38	Facility Upgrades in Manchester and Nashua				1,370,000						1,370,000
39	New Training Center in Concord				1,450,000						1,450,000
40	Leakage surveys & inspections			175,000		205,750					380,750
41	Telemetry stations									51,900	51,900
42	Vehicles								1,040,000		1,040,000
43	iNatGas Compressors		2,045,000								2,045,000
44	IT Costs	10,719,818						493,381			11,213,199
45	Total	10,719,818	2,045,000	175,000	2,820,000	475,750	650,000	493,381	1,040,000	51,900	18,470,849
46											
47	Property taxes					Account 408-P			RR-2-1	7,359,842	
48	Property insurance					Account 924			RR-2-1		113,051
49	Injuries and Damage (Casualty insurance)					Account 925			RR-2-1		563,428
50										7,359,842	676,479
51	Plant at Cost								RR-5	365,570,861	365,570,861
52	As % of Plant Cost									2.01%	0.19%
53											
54	Total Distribution with Step										16,092,526
55	% of distribution										29.12%
56	% total revenue										10.12%

chedule **Liberty Utilities (EnergyNorth)**
vFile
d **Rate Case Expense**
RR **Test Year Ended Mar. 31, 2014**

Schedule RC

Line	Description	Vendor	Amount
1	Revenue Requirement	HSG Group, Inc.	145,000
2	Cost of Capital	Sussex Economic Advisors	76,500
3	Rate Design/Rate Calculations	Concentric Energy Advisors	57,000
4	Decoupling	Concentric Energy Advisors	67,300
5	Marginal Cost Study	Concentric Energy Advisors	89,200
6	Functional Cost Study	Concentric Energy Advisors	13,000
7	Supplies, Printing		12,000
8	Miscellaneous		140,000
9	Total		600,000
10			

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