STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DG 20-105

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
Distribution Service Rate Case

REBUTTAL TESTIMONY

OF

DAVID B. SIMEK

AND

KENNETH A. SOSNICK

April 29, 2021

Liberty™

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ATTACHMENTS

Attachment	Title
DBS/KAS-1-Rebuttal	Revenue Requirement Schedules Showing Impact of Rebuttal Adjustments
DBS/KAS-2-Rebuttal	Data Responses
DBS-KAS-3-Rebuttal	December 31, 2017, Regulatory Assets Supporting the Determination of Excess Accumulated Deferred Income Taxes
DBS-KAS-4-Rebuttal	Updated FCOS Model

I. INTRODUCTION AND BACKGROUND

Q. Please state your full name, position, and business address.

A. (DS) My name is David B. Simek. My business address is 15 Buttrick Road, Londonderry, New Hampshire.

(KS) My name is Kenneth A. Sosnick. My business address is 200 State Street, 9th Floor, Boston, Massachusetts.

Q. By whom are you employed, and in what position?

A. (DS) I am employed by Liberty Utilities Service Company, which provides services to Liberty Utilities (EnergyNorth Natural Gas) Corp. ("EnergyNorth" or the "Company"). My title is Manager, Rates and Regulatory Affairs.

(KS) I am employed by FTI Consulting ("FTI"), which is a worldwide consulting firm dedicated to helping organizations manage change, mitigate risk, and resolve disputes. Our Power & Utilities practice brings these services to firms in regulated and competitive energy industries. The services we provide our utility clients include expert testimony, regulatory advice, support for strategic decision-making, and advice regarding investments and capital allocation. Our team is comprised of former utility executives, regulators, investors, and financial analysts that combine for hundreds of years of experience in the regulated energy space. My title is Managing Director.

Q. Have you previously submitted testimony in this proceeding?

A. Yes. We submitted joint pre-filed testimony as part of the Company's July 31, 2020, filing for an increase in distribution rates. Our professional backgrounds and qualifications are contained in that testimony. Terms defined in our pre-filed direct testimony have the same meaning in this rebuttal testimony.

II. PURPOSE AND SUMMARY OF TESTIMONY

Q. What is the purpose of your testimony?

A. Our testimony responds to the revenue requirement recommendations of Staff witness Donna H. Mullinax. Our testimony explains that the Company agrees with several of these recommendations, but that the majority of Staff's proposed adjustments are unwarranted and should be rejected by the Commission. As noted below, our testimony includes an updated revenue requirement analysis that incorporates the Company's rebuttal positions.

Q. Are you submitting any attachments with your testimony?

A. Yes, we are submitting the following attachments:

- Attachment DBS/KAS-1-Rebuttal, updated revenue requirement schedules reflecting the Company's rebuttal positions.
- Attachment DBS/KAS-2-Rebuttal, copies of certain data responses referred to in this rebuttal testimony.
- Attachment DBS-KAS-3-Rebuttal, a breakout of regulatory assets on December 31, 2017, used in the determination of the excess accumulated deferred income taxes ("EADIT").
- Attachment DBS-KAS-4-Rebuttal, the updated functional cost of service model reflecting the Company's rebuttal revenue requirement.

Q. Please summarize the results of your testimony.

A. The Company agrees with four changes proposed by Staff, which are described as follows in reference to the schedules where the changes appear in Attachment DBS/KAS-1-Rebuttal:

- Adjustment of Payroll Expense annualization to reflect the actual payroll percent increase for 2020 (Adjustment #1 on page 2 of Attachment DBS-KAS-Rebuttal-1, reflected on Schedule RR-EN-3-2, lines 4 and 13).
- Adjustment to normalize CSR 2019 Ratification Bonus over the term of the contract (Adjustment #2 on page 2 of Attachment DBS-KAS-Rebuttal-1, reflected on Schedule RR-EN-3-2, lines 22 and 23).
- Adjustment to remove the double count of New Hampshire property tax true-up (Adjustment #3 on page 2 of Attachment DBS-KAS-Rebuttal-1, reflected on Schedule RR-EN-3-7, line 89).
- Adjustment to remove $5,313 in additional Keene production costs (Adjustment #4 on page 2 of Attachment DBS-KAS-Rebuttal-1, reflected on Schedule RR-EN-3-10, line 21).

Aside from these changes and those contained in the Company's March 3, 2021, Corrections and Updates ("CU") filing, the Company disagrees with the balance of the revenue requirement adjustments recommended in Staff's testimony. These additional adjustments are unwarranted and should be rejected for reasons discussed below in our rebuttal testimony.

Q. Did you update the revenue requirement to reflect the Company's rebuttal position?

A. Yes. The Company last updated the revenue requirement in the CU filing, which demonstrated a reduced revenue increase of $4,933,718. The Company's rebuttal position results in an additional decrease of $358,410 or a total revenue requirement of $4,575,308. The Company's updated schedules are attached as DBS/KAS-1-Rebuttal.

Q. Please summarize Staff's proposed revenue requirement adjustments.

A. Ms. Mullinax recommended fourteen[1] adjustments to the Company's revenue requirement. The table below summarizes Staff's proposed adjustments:[2]

	Description	Rate Base	Operating Income	Revenue Deficiency
Adj-1	Normalize M&S Reflected in Rate Base	(849,232)		(77,679)
Adj-2	Cash Working Capital	(72,407)		(6,623)
Adj-3	Modify Amortization of Non-Protected EADIT		533,216	(731,234)
Adj-4	Payroll Expense – 2020 Increase		68,201	(93,528)
Adj-5	Normalize CSR 2019 Ratification Bonus Over Term of Contract		10,500	(14,399)
Adj-6	Long-Term Incentive Compensation		183,978	(252,301)
Adj-7	Payroll Tax		297,051	(407,365)
Adj-8	Sharing of D&O Liability Insurance		10,410	(14,275)
Adj-9	Property Tax-Remove Doubled State of NH TRUE UP		168,225	(230,698)
Adj-10	Remove Additional Keene Production Costs		3,874	(5,313)
Adj-11	Modify Presentation of Pelham Risk Sharing		(47,092)	64,580
Adj-12	Remove Amortization of Depreciation Reserve Imbalance		1,119,705	(1,535,526)
Adj-13	Capitalized Fleet Depreciation	(445,959)	(325,180)	405,149
Adj-15	Interest Synchronization		26,043	(35,714)
	Impact of Staff's Recommended Cost of Capital			(3,797,586)
	Pelham Risk Sharing			(95,837)
	iNATGAS			(301,742)
	Keene Risk Sharing			(43,742)
		(1,367,598)	2,048,930	(7,173,832)

[1] Staff lists fifteen adjustments but in fact only makes fourteen adjustments.
[2] Source: Direct Testimony of Donna H. Mullinax dated March 18, 2021, Bates 000006.

III. RESPONSE TO STAFF REVENUE REQUIREMENT ADJUSTMENTS

Q. Please summarize Staff's Adjustment #1 regarding Working Capital.

A. Staff argues that the most current 13-monthly average of Materials and Supplies are not expected to continue during the rate effective period and therefore should be adjusted downward based on the average working capital balance for thirty-nine months.[3]

Q. Is this adjustment appropriate?

A. No, for several reasons. First, Staff's adjustment is not a known and measurable change to the test year and is purely speculative. Additionally, Staff's position is based on a misreading of the Company's response to Staff TS 3-14,[4] which it cites in support of its adjustment. In this response, the Company answered a question about the Company's expectations for continued *increases* in Materials and Supplies balances going forward: ". . . Pipeline replacement is leveling off and the Company expects to see some improvement in Materials and Supplies planning as a result of the move towards an integrated system under SAP." Staff misconstrues the Company's use of the term "leveling off" in this context, which was intended to convey the expectation that Materials and Supplies expense is expected to remain steady and not decline as Staff suggests.[5] Lastly, Staff's adjustment inappropriately relies on annual balances as of December 31, which are not representative of actual costs. As acknowledged by Staff in

[3] Mullinax Direct Testimony, Bates 000014, lines 23 through 27.
[4] Staff did not submit TS 3-14 into the record or cite it directly in its testimony only identifying the source of the Company's response in data response LU 1-1; both responses are included in Attachment DBS/KAS-2-Rebuttal.
[5] "Leveling off" is generally defined as "to approach or reach a steady rate, volume or amount." *See* https://www merriam-webster.com/dictionary/level%20off

its response to LU 1-2,[6] the month of December is outside the construction season and at a time when inventory balances are typically lower. In summary, Staff's adjustment is not known and measurable, is not supported by the facts, and does not appropriately reflect an average of inventory balances carried throughout the year, and therefore the proposed adjustment to Materials and Supplies should be rejected.

Q. Please summarize Staff's Adjustment #2 regarding Cash Working Capital.

A. Staff proposes to update the amount of Cash Working Capital included in the Company's rate base for changes related to Staff's various revenue and expense adjustments.[7]

Q. Do you agree with this adjustment?

A. Yes, in concept. Staff took no issue with the Company's proposed Cash Working Capital rate. The Company supports updating the Cash Working Capital calculation based on the outcome of revenue and expense adjustments in this proceeding.

Q. Please summarize Staff's Adjustment #3 regarding the amortization of Non-Protected EADIT.

A. Staff adjusts the amortization period for Non-Protected EADIT amortization to five years.[8] For the Non-Protected Non-Property related EADIT, Staff states that because the largest contributor to Non-Protected Non-Property related EADIT was regulatory assets, and regulatory assets are "characteristically short lived,"[9] the appropriate amortization

[6] Attached as Attachment DBS/KAS-2-Rebuttal, pages 3–4.
[7] Mullinax Direct Testimony, Bates 000015, lines 3–9.
[8] Mullinax Direct Testimony, Bates 000018, lines 18–22.
[9] Mullinax Direct Testimony, Bates 000019, line 7.

period should be five years. For Non-Protected Property related EADIT, Staff claims that due to the delay in the start of amortization, Non-Protected Property related EADIT should be returned over the same five-year period.[10]

Q. Are these adjustments appropriate?

A. No. EnergyNorth is proposing the same EADIT treatment that was allowed for its sister company, Granite State, in its recent rate case. That is, the Company proposes to return the Non-Protected EADIT to customers over the same period of time as the protected EADIT.

Staff's generalization that regulatory assets are "characteristically short-lived" is incorrect. Its position is purely speculative and is not based on a detailed analysis of the regulatory assets that were in existence on December 31, 2017. In fact, a review of the EnergyNorth's December 31, 2017, regulatory assets[11] shows the regulatory assets are long-lived items that are primarily related to environmental costs and pension and other post-retirement employment benefits. Environmental regulatory assets, for example, have lives closer to thirty years. More importantly, of the $77.5 million of regulatory assets in existence on December 31, 2017, environmental regulatory assets make up $48.1 million or 62 percent of the entire balance. Therefore, Staff's recommendation to amortize Non-Protected Non-Property EADIT related to these assets over five years is not reasonable and should be rejected. The Company continues to believe that

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[10] Mullinax Direct Testimony, Bates 000019, lines 12–14.
[11] Attached as Attachment DBS/KAS-3-Rebuttal.

amortizing all EADIT over the average remaining life produces an equitable result for both EnergyNorth and its customers, as was allowed for Granite State.

Q. Do you agree with Staff's proposal to return Non-Protected Property related EADIT over five years?

A. No. Staff cites[12] the delay in EADIT amortization the Company requested to determine if it had adequate information to calculate the Average Rate Assumption Method ("ARAM") rate as support for its recommendation for returning Non-Protected Property related EADIT over five years. However, if the Company had failed to utilize ARAM, assuming it had the information required to calculate ARAM, it would have been in direct conflict with the 2017 Tax Act. The 2017 Tax Act required companies with the ability to calculate ARAM to return Protected Property related EADIT under that method. Failure to calculate ARAM would have created a tax normalization violation, thus jeopardizing the Company's ability to utilize accelerated depreciation for income tax purposes, which would be a completely unacceptable outcome for the Company and its customers. Accelerated depreciation allows the Company to access cash free capital while customers enjoy the benefit of that cash free capital through a deduction in rate base. Additionally, customers were not materially harmed by the Commission-approved slight delay in the start of the amortization as all the EADIT created by the tax rate change will flow back to customers. Staff admits that returning Non-Protected Property related EADIT over the average remaining life is not an unreasonable approach.[13] For

[12] Mullinax Direct Testimony Bates 00019, lines 8–14.
[13] Mullinax Direct Testimony Bates 000019, lines 8 and 9.

these reasons, Staff's recommendation to return Non-Protected Property related EADIT over five years should be rejected.

Q. Please summarize Staff's Adjustment #6 regarding long term incentive compensation (LTIP).

A. Staff proposes to remove LTIP costs from the Company's revenue requirement.[14]

Q. Is it reasonable to exclude LTIP costs from recovery in the Company's revenue requirement?

A. No. These plans are part of the Company's market-based compensation and enable the Company to attract and retain a highly qualified senior management team. Incentives are part of the Company's overall compensation package. The incentive compensation (i.e. variable pay) is tied to the Company's performance, which is a widely utilized method of compensating employees by placing a portion of compensation at risk. The plan includes financial performance goals that are designed to drive cost efficiencies in Company operations. The Company's compensation program creates incentives for its employees to reduce costs to the ultimate benefit of customers. Because the Company operates in a return-regulated environment with an obligation to serve its customers, the incentive plan serves an important purpose of aligning the interests of the Company and its customers to reduce costs and identify operational efficiencies. Further, the LTIP program also measures achievements in the areas of safety and customer satisfaction, which have direct customer benefit and are not associated with Company earnings (Staff's witness did not

[14] Mullinax Direct Testimony Bates 000027, lines 13–16.

make note of these additional areas, although they were recognized by Staff's revenue requirements witness in EnergyNorth's prior rate case). For these reasons, the Commission should reject Staff's proposal to exclude these costs.

Q. Please summarize Staff's Adjustment #7 regarding payroll taxes.

A. Staff makes two adjustments to the Company's payroll taxes. First, Staff substitutes the Company's payroll tax loading factor with that of its sister company, Granite State, from Docket No. DE 19-064.[15] Second, Staff updates the payroll tax expense amount based on other proposed changes to the Company's proposed labor expense.[16]

Q. Do you agree with Staff's adjustment to substitute Granite State's payroll tax load factor for the Company's?

A. No. Staff's adjustment fails to consider the Company's accounting for capitalized payroll tax expense. The Company records all payroll taxes in FERC Account No. 408 Taxes Other Than Income Taxes, for both capitalized and operating labor. The capitalized portion is then removed from Account No. 408 through a credit to FERC Account No. 922 Administrative Expenses Transferred – Credit, and a debit to FERC Account No. 107 Construction Work in Progress – Gas as part of the overhead burden rate applied to construction projects. Staff's adjustment essentially only calculates, and would only allow the Company to recover, payroll tax expense related solely to operating labor. If payroll tax expense is calculated solely applied to operating labor, the Company will under-collect. The Company's method of calculating payroll tax expense provides a

[15] Mullinax Direct Testimony Bates 000028, lines 10–18.
[16] Mullinax Direct Testimony Bates 000028, lines 20–23.

more accurate estimate of payroll tax expense for both capitalized and operating labor on a prospective basis while Staff's adjustment would result in a revenue deficiency for the Company.

Q. Do you agree with Staff's proposed adjustment to include the effects of its labor increase percentage and CSR Ratification Bonus amortization in the calculation of payroll tax expense?

A. Yes, in theory. Any changes to labor expense should be considered when determining the appropriate amount of payroll tax expense going forward.

Q. Please summarize Staff's Adjustment #8 regarding Directors and Officers ("D&O") Liability Insurance.

A. Staff adjusted the Company's requested D&O insurance to assign fifty percent of the cost responsibly to the Company's shareholders.

Q. Do you agree with Staff's proposed adjustment to assign fifty percent of D&O cost to shareholders?

A. No. D&O insurance is a necessary business expense and is prudently incurred by the Company. D&O insurance, like property insurance or any other type of insurance the Company requires to operate its business, is designed to protect the Company from financial risks in conducting its business, which, in effect, protects customer interests. D&O insurance policies not only protect the directors and officers individually, but also protect the assets of the Company. As such, recovery of the entire amount of D&O

insurance costs through distribution rates is appropriate. Accordingly, Staff's proposal to assign fifty percent of the cost to shareholders should be rejected.

Q. Please summarize Staff's Adjustment #11 regarding the presentation of Pelham risk sharing.

A. Staff adjusted the Company's revenue requirement for Pelham risk sharing based on the Company's inclusion of projected revenues from a committed large industrial customer that has yet to take service.[17]

Q. Is this adjustment appropriate?

A. No. The joint rebuttal testimony of Company witnesses William J. Clark and Steven E. Mullen discusses the Company's position regarding Pelham risk sharing. Attachment DBS/KAS-1-Rebuttal includes no adjustment related to Pelham risk sharing.

Q. Please summarize Staff's Adjustment #12 regarding the amortization of the Company's depreciation reserve imbalance.

A. Staff recommends that the Company's current depreciation imbalance should stop, and the amortization removed from the Test Year.[18]

Q. Is this a reasonable adjustment?

A. No. The rebuttal testimony of Mr. Mullen discusses the Company's response to the Staff's position on the depreciation reserve imbalance amortization. Attachment

[17] Frink Direct Testimony Bates 000037, line 20–Bates 00038, line 2
[18] Frink Direct Testimony Bates 000042, lines 12–16.

DBS/KAS-1-Rebuttal includes no adjustment related to EnergyNorth's current depreciation imbalance amortization.

Q. Please summarize Staff's Adjustment #13 regarding capitalized fleet depreciation.

A. Staff recommended the Company remove from its rate base allocated capitalized fleet depreciation expense and recover the removed amount in depreciation expense.[19] Specifically, Staff's position is that the Company is incorrectly capitalizing a portion of its fleet vehicle depreciation expense as a component of gas plant costs and should instead expense the entire amount.

Q. Is Staff's position correct?

A. No. The Company's accounting treatment of these costs complies with the FERC Uniform System of Accounts ("FERC USoA"). The Gas Plant Instructions in 18 C.F.R. Pt. 201, 3 - *Components of construction cost*, sections (4) and (5) state:

> (4) "Transportation" includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own equipment. (See item 5 following.)
>
> (5) Special machine service includes, the cost of labor (optional), materials and supplies, *depreciation*, and other expenses incurred in the maintenance, operation and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental, maintenance and operation of machines of others. It does not include the cost of small value or short life which are include in the cost of materials and supplies. (See item 3, above.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book value thereof, less the appraised or salvage value

[19] Mullinax Direct Testimony Bates 000042, lines 8–13.

> at the time of release from the job, shall be included in the cost of construction. (Emphasis added)

Fleet vehicles are routinely utilized to perform activities and to transport employees to and from construction sites. Section 4 above makes it clear that the cost of operating the "utility's own equipment" is an allowable capitalized cost. Depreciation is a cost of operating the fleet vehicles and is even called out specifically under section 5 of FERC's components of construction costs. Further, Note B to the instructions for Account 403 Depreciation Expense states:

> Depreciation expenses applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment and other general equipment may be charged to clearing accounts as necessary in order to obtain a proper distribution of expenses between construction and operation.

Thus, the capitalization of depreciation expense under these conditions is necessary and appropriate under US GAAP standard ASC 360, and the Uniform System of Accounts. For those reasons, Staff's proposed adjustment to capitalized fleet depreciation expense is unfounded and should be rejected.

Q. Do you have any other concerns with Staff's testimony regarding its adjustment to rate base and depreciation expense for capitalized fleet depreciation?

A. Yes. Contrary to Staff's view, the accounting treatment in question is a benefit to customers. For rate making purposes, uncapitalized operating expenses are recovered annually while capitalized expenses are recovered over the life of the underlying asset. In essence, what the Company does is take a small amount of depreciation expense, recognizing it as a cost of construction and therefore correctly including it in the cost of a long-lived asset, and amortizing recovery of that amount over many years. Through capitalization, future customers will pay their fair share of all of the costs involved with installation of a new asset, including fleet depreciation, while under Staff's approach costs would only be borne by the current generation of customers.

Q. Please summarize Staff's Adjustment #15 regarding interest synchronization.

A. Staff's adjustment synchronizes rate base and cost of capital with the tax calculation using Staff's proposed weighted cost of debt.[20]

Q. Do you agree with this adjustment?

A. Yes, in theory. The Company agrees that interest synchronization should be adjusted to reflect any final adjustments to rate base and the cost of capital. That approach is consistent with the approach taken by the Company in its original filing and CU filing. Schedule RR-EN-3-8, line 11 shows the adjusted amount of synchronized interest expense of $7,626,555, which is $407 lower than the $7,626,962 included in the CU filing.

[20] Mullinax Direct Testimony Bates 000042, lines 16–19.

Q. Does the Company agree with Staff's proposed adjustments relative to the cost of capital?

A. No. Liberty supports its initial filing with respect to the return on equity and capital structure. This is discussed in the rebuttal testimony of Company witness John Cochrane of FTI Consulting.

Q. Ms. Mullinax's testimony also includes adjustments that are labeled "iNATGAS" and "Keene Risk Sharing." What is the Company's position with respect to those adjustments?

A. Both of Staff's proposed adjustments should be rejected. These topics are addressed in the joint rebuttal testimony of Messrs. Clark and Mullen.

Q. Did you update the functional cost of service model to reflect the Company's rebuttal revenue requirement position?

A. Yes. We have provided an updated functional cost of service model based on the Company's rebuttal revenue requirement.[21] The proposed revenue increase related to the cost of gas has decreased by $20,207 from the CU filing amount of $2,033,998, to $2,013,791.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

[21] Attached as Attachment DBS/KAS-4-Rebuttal.

Liberty Utilities (EnergyNorth)
Index to Revenue Requirement Schedules
Test Year Ended December 31, 2019

Line	Title	Reference
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9		
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22		
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25		
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30		
31	Step Increase	
32	Step Increase - EnergyNorth	Schedule Step-EN
33		
34	Rate Case Expense	
35	Rate Case Expense	Schedule RC

Adjustment No.	Source	Schedule Changed	Description	Adjustment Amount - Rate Base	Change in Revenue Increase
1	Staff Adjustment 4	RR-EN-3-2	Payroll rate increase to 2.47%	$ -	$ (108,956)
2	Staff Adjustment 5	RR-EN-3-2	Normalize CSR 2019 Ratificaiton Bonus	-	(14,400)
3	Staff Adjustment 9	RR-EN-3-7	Remove Double Count NH True Up	-	(230,708)
4	Staff Adjustment 10	RR-EN-3-10	Remove Additional Keene Costs	-	(5,313)
5	Clark/Mullen Rebuttal	RR-EN-3-1	Pelham Risk Sharing Change	-	2,712
6	n/a	RR-EN-5-2	Cash Working Capital True-up	(18,519)	(1,746)
				$ (18,519)	$ (358,410)

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

Line	Description	Reference		EnergyNorth
1	Rate Base	*RR-5*	$	346,131,311
2				
3	Target Rate of Return on Rate Base	*RR-4*		7.47%
4				
5	Operating Income Requirement	*Line 1 X Line 3*	$	25,856,009
6				
7	Operating Income at Present Rates	*RR-2*	$	22,519,695
8				
9	Operating Income Deficiency	*Line 5 - Line 7*	$	3,336,314
10				
11	Gross-up Factor for Additional Income Taxes	*Line 19*		1.3714
12				
13	Revenue Deficiency	*Line 9 X Line 11*	$	4,575,308
14				
15	Gross-up Factor for Income Taxes			
16	Federal Income Tax Rate			21.00%
17	New Hampshire State Income Tax Rate			7.70%
18	Combined Income Tax Rate	*Line 16 + Line 17 - (Line 16 X Line 17)*		27.08%
19	Gross-up Factor	*1 / (1- Line 18)*		1.3714
20				
21	Additional Income Tax Required	*Line 13 - Line 9*	$	1,238,993
22				
23	Distribution Revenue at Present Rates	*RR-2*	$	94,850,554
24				
25	% Increase Needed	*Line 13 / Line 23*		4.82%
26				
27	Revenue with Increase	*RR-2*	$	99,425,862
28				
29	% Increase Needed - Total Revenue			2.79%

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

Line	Account	Test Year Ended December 31, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year at Current Rates	Proposed Increase	Distribution Operating Income with Proposed Increase
	Source				RR-EN-3		RR-1	
1	**Revenue**							
2	Operating Revenue	$ 157,984,809	$ (72,649,313)	$ 85,335,497	$ 1,348,864	$ 86,684,361	$ 2,561,517	$ 89,245,877
3	Decoupling	4,965,231	-	4,965,231	-	4,965,231	-	4,965,231
4	COG Revenue (credit to Account 846)	-	1,993,587	1,993,587	-	1,993,587	2,013,791	4,007,378
5	Other Revenue	1,207,376	-	1,207,376	-	1,207,376	-	1,207,376
6		**$ 164,157,416**	**$ (70,655,726)**	**$ 93,501,690**	**$ 1,348,864**	**$ 94,850,554**	**$ 4,575,308**	**$ 99,425,862**
7								
8	**Operating Expenses**							
9	Operations and Maintenance - Gas	$ 70,188,045	$ (68,365,777)	$ 1,822,267	$ (152,771)	$ 1,669,496		$ 1,669,496
10	Operations and Maintenance - Distribution	14,187,750	-	14,187,750	117,974	14,305,724		14,305,724
11	Customer Accounting	4,011,638	983,441	4,995,080	30,109	5,025,189		5,025,189
12	Sales and New Business	663,477	-	663,477	(33,575)	629,902		629,902
13	Administrative & General	8,719,450	-	8,719,450	(643,667)	8,075,783		8,075,783
14	Depreciation and Amortization	25,339,396	(3,025,052)	22,314,344	586,182	22,900,526		22,900,526
15	Taxes other than Income Taxes	14,030,617	-	14,030,617	162,818	14,193,436		14,193,436
16	Income Taxes	3,709,928	-	3,709,928	1,820,876	5,530,804	1,238,993	6,769,798
18		**$ 140,850,302**	**$ (70,407,388)**	**$ 70,442,914**	**$ 1,887,946**	**$ 72,330,860**	**$ 1,238,993**	**$ 73,569,853**
19								
20	**Utility Net Income**	**$ 23,307,114**	**$ (248,338)**	**$ 23,058,776**	**$ (539,082)**	**$ 22,519,695**	**$ 3,336,314**	**$ 25,856,009**
21								
22	Rate Base			**$ 346,131,311**		**$ 346,131,311**		**$ 346,131,311**
23								
24	Rate of Return on Rate Base			**6.66%**		**6.51%**		**7.47%**

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

Line	Account	Account Number	Test Year Ended December 31, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor	Labor Pro Forma
	Source					RR-EN-3			RR-EN-3
1	**OPERATION AND MAINTENANCE EXPENSES**								
2	**O&M - Gas Production**								
3	Operation Supervision and Engineering	710	$ 976,663	$ -	$ 976,663	$ 13,426	$ 990,089	$ 944,645	$ 958,071
4	Liquefied Petroleum Gas Expenses	717	-	-	-	-	-	-	-
5	Liquefied Petroleum Gas	728	-	-	-	-	-	-	-
6	Gas Mixing Expense	733	185,703	-	185,703	(121,666)	64,037	185,703	188,343
7	Miscellaneous Production Expenses	735	514,254	-	514,254	(44,534)	469,719	-	-
8	Maintenance of Production Equipment	742	119,531	-	119,531	-	119,531	-	-
9	Natural Gas City Gate Purchases	804	1,458,035	(1,458,035)	-	-	-	-	-
10	Other Gas Purchases	805	67,686,807	(67,686,807)	-	-	-	-	-
11	Gas Withdrawn from Storage	808	1,214,522	(1,214,522)	-	-	-	-	-
12	Operation Labor and Expenses	841	-	-	-	-	-	-	-
13	Other Expenses	846	(1,967,471)	1,993,587	26,116	4	26,120	263	267
14	*Total O&M - Gas Production*		$ 70,188,045	$ (68,365,777)	$ 1,822,267	$ (152,771)	$ 1,669,496	$ 1,130,611	$ 1,146,680
15									
16	**O&M - Distribution Expenses**								
17	Measuring and Regulating Station Expenses (Transmission)	857	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	Maintenance of Mains (Transmission)	863	-	-	-	-	-	-	-
19	Operation Supervision and Engineering	870	536,299	-	536,299	4,219	540,518	331,359	336,069
20	Distribution Load Dispatching	871	575,530	-	575,530	8,173	583,704	575,068	583,241
21	Mains Services Expenses	874	5,633,309	-	5,633,309	48,327	5,681,636	3,497,946	3,547,661
22	Measuring and Regulating Station Expenses - General	875	-	-	-	-	-	-	-
23	Measuring and Regulating Station Expenses - Industrial	876	-	-	-	-	-	-	-
24	Meter and House Regulator Expenses	878	1,118,308	-	1,118,308	14,767	1,133,075	1,038,978	1,053,744
25	Customer Installations Expenses	879	629,292	-	629,292	8,858	638,150	623,226	632,084
26	Other Expenses	880	1,717,919	-	1,717,919	12,280	1,730,199	864,000	876,280
27	Rents	881	10,618	-	10,618	-	10,618	-	-
28	Maintenance Supervision and Engineering	885	-	-	-	-	-	-	-
29	Maintenance of Structures and Improvements	886	147,555	-	147,555	1,706	149,261	120,051	121,758
30	Maintenance of Mains	887	2,660,338	-	2,660,338	11,591	2,671,929	815,525	827,116
31	Maintenance of Measuring and Regulating Station Expenses	889	-	-	-	-	-	-	-
32	Maintenance of Services	892	462,357	-	462,357	2,929	465,285	206,069	208,998
33	Maintenance of Meters and House Regulators	893	351,020	-	351,020	3,746	354,765	263,554	267,300
34	Maintenance of Other Equipment	894	345,205	-	345,205	1,379	346,584	97,049	98,428
35	*Total O&M - Distribution*		$ 14,187,750	$ -	$ 14,187,750	$ 117,974	$ 14,305,724	$ 8,432,825	$ 8,552,678
36	*Total O&M - Gas Production and Distribution*		**$ 84,375,795**	**$ (68,365,777)**	**$ 16,010,018**	**$ (34,797)**	**$ 15,975,221**	**$ 9,563,437**	**$ 9,699,359**
37									
38	**Customer Accounts Expenses**								
39	Supervision	901	$ 243,201	$ -	$ 243,201	$ 3,457	$ 246,658	$ 243,201	$ 246,658
40	Meter Reading Expenses	902	323,371	-	323,371	4,231	327,602	297,723	301,954
41	Customer Records and Collection Expenses	903	2,734,690	-	2,734,690	22,421	2,757,111	1,577,532	1,599,953
42	Uncollectible Accounts	904 0	1,680,770	-	1,680,770	-	1,680,770	-	-
43	Bad Debt Expense - Commodity	904 1	(983,441)	983,441	-	-	-	-	-
44	Miscellaneous Customer Accounts Expenses	905	13,047	-	13,047	-	13,047	-	-
45	*Total Customer Accounting*		$ 4,011,638	$ 983,441	$ 4,995,080	$ 30,109	$ 5,025,189	$ 2,118,456	$ 2,148,565
46									
47	**Customer Service and Informational & Sales Expenses**								
48	Cust Assistance	908	$ -	$ -	$ -	$ -	$ -	$ -	$ -
49	Informational and Instructinal Advertising Expenses	909	95,856	-	95,856	(14,122)	81,733	21,409	21,713
50	Cust Service Misc	910	15,180	-	15,180	-	15,180	-	-
51	Sales & Advertising	912	449,660	-	449,660	5,946	455,606	418,379	424,325
52	Advertising Expenses	913	26,484	-	26,484	(26,484)	0	-	-
53	Miscellaneous Sales Expenses	916	76,299	-	76,299	1,084	77,383	76,299	77,383
54	*Total Customer Service and Informational & Sales Expenses*		$ 663,477	$ -	$ 663,477	$ (33,575)	$ 629,902	$ 516,086	$ 523,421
55	*Total Customer Accounts, Customer Service and Informational*		**$ 4,675,116**	**$ 983,441**	**$ 5,658,557**	**$ (3,466)**	**$ 5,655,091**	**$ 2,634,542**	**$ 2,671,986**
56									
57	**Administrative and General Expenses**								
58	A&G Salaries	920 0	$ 2,690,132	$ -	$ 2,690,132	$ 34,648	$ 2,724,780	$ 2,437,821	$ 2,472,469
59	A&G Salaries - LU Head Office	920 1	3,128,482	-	3,128,482	-	3,128,482	Allocated costs	
60	Office Supplies and Expenses	921	2,214,501	-	2,214,501	(16,202)	2,198,299	-	-
61	Administrative Expenses Transferred	922 0	(13,438,703)	-	(13,438,703)	233,952	(13,204,750)	Allocated costs	
62	LU Labor Allocations Capitalized	922 1	(2,935,673)	-	(2,935,673)	-	(2,935,673)		
63	Outside Services Employed	923 0	1,038,455	-	1,038,455	(84,318)	954,137	-	-
64	Allocated LU Head Office	923 1	6,179,915	-	6,179,915	-	6,179,915	-	-
65	Property Insurance	924	51,523	-	51,523	-	51,523	-	-
66	Injuries and Damages	925	814,179	-	814,179	-	814,179	-	-
67	Employee Pensions and Benefits	926	7,987,623	-	7,987,623	(732,228)	7,255,395	-	-
68	Regulatory Commission Expenses	928	813,919	-	813,919	(36,883)	777,036	-	-
69	Miscellaneous General Expenses	930	1,146	-	1,146	-	1,146	-	-
70	Rents	931	173,951	-	173,951	(42,637)	131,314	-	-
71	Maintenance of General Plant	932	-	-	-	-	-	-	-
72	*Total Administrative & General*		$ 8,719,450	$ -	$ 8,719,450	$ (643,667)	$ 8,075,783	$ 2,437,821	$ 2,472,469
73	**Total Operation and Maintenance Expenses**		**$ 97,770,361**	**$ (67,382,336)**	**$ 30,388,025**	**$ (681,930)**	**$ 29,706,094**	**$ 14,635,799**	**$ 14,843,813**
74									

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

Line	Account	Account Number	Test Year Ended December 31, 2019	Cost of Gas & LDAC	Distribution Operating Income	Known and Measurable Adjustments	Test Year At Current Rates	Labor	Labor Pro Forma
	Source					RR-EN-3			RR-EN-3
75	**DEPRECIATION AND AMORTIZATION EXPENSE**								
76	Depreciation Expense	403	$ 18,173,439	$ -	$ 18,173,439	$ 1,836,152	$ 20,009,591		
77	Amortization - Intangibles	405	3,435,643	-	3,435,643	(128,313)	3,307,330		
78	Regulatory Debits - Amortization of Regulatory Assets	407 3	705,261	-	705,261	186,853	892,115		
79	Regulatory Credits - Amortization of Regulatory Liabilities	407 4	3,025,052	(3,025,052)	-	(1,308,511)	(1,308,511)		
80	*Total Depreciation and Amortization Expense*		$ 25,339,396	$ (3,025,052)	$ 22,314,344	$ 586,182	$ 22,900,526		
81									
82	**TAXES OTHER THAN INCOME TAXES**								
83	Taxes other than Income Taxes - Payroll Taxes	408	$ 1,625,755	$ -	$ 1,625,755	$ 372,220	$ 1,997,975		
84	Taxes other than Income Taxes - Property Taxes	408	12,404,863	-	12,404,863	(209,402)	12,195,461		
85	*Total Taxes other than Income Taxes*		$ 14,030,617	$ -	$ 14,030,617	$ 162,818	$ 14,193,436		
86									
87	**FEDERAL / STATE INCOME TAXES**								
88	Income Tax Expense	409-410	$ 3,709,928	$ -	$ 3,709,928	$ 1,820,876	$ 5,530,804		
89	*Subtotal - Income Tax*		$ 3,709,928	$ -	$ 3,709,928	$ 1,820,876	$ 5,530,804		
90									
91									
92									
93	**TOTAL EXPENSES**		**$ 140,850,302**	**$ (70,407,388)**	**$ 70,442,914**	**$ 1,887,946**	**$ 72,330,860**	**$ 14,635,799**	**$ 14,843,813**
94									
95	**REVENUES**								
96	Operating Revenue		$ 157,984,809	$ (72,649,313)	$ 85,335,497	$ 1,348,864	$ 86,684,361		
97	Decoupling		4,965,231	-	4,965,231	-	4,965,231		
98	COG Revenue (credit to Account 846)			1,993,587	1,993,587	-	1,993,587		
99	Other Revenue		1,207,376	-	1,207,376	-	1,207,376		
100	**Total Revenue**		**$ 164,157,416**	**$ (70,655,726)**	**$ 93,501,690**	**$ 1,348,864**	**$ 94,850,554**		
101									
102	**UTILITY NET INCOME**		**$ 23,307,114**	**$ (248,338)**	**$ 23,058,776**	**$ (539,082)**	**$ 22,519,695**		
103									
104	**TOTAL RATE BASE**	*RR-EN-5*	**$ 346,131,311**		**$ 346,131,311**		**$ 346,131,311**		
105									
106	Income Tax Rate		13 73%		13 86%		19 72%		
107									
108	Rate of Return		6 73%		6 66%		6 51%		

Docket No. DG 20-105
Attachment DBS/KAS-1-Rebuttal
Schedule RR-EN-3(R)
Page 1 of 2

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

	Total	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9	Adjustment 10
	539,082	(1,348,864)	208,014	372,220	(498,276)	1,836,152	(1,249,970)	(168,070)	1,473,766	347,110	(433,001)

Line	Account	Account Number	Total	Revenue Adjustments	Salary and Wage Expense	Payroll Tax Expense	Pension and Benefits Expense	Depreciation Expense	Amortization Expense	Property Tax	Income Tax Expense - Historical Test Year	Income Tax Expense - Pro Forma Test Year at Current Rates	Other Adjustments	Historical Test Year Labor Expense	% Total Labor
1	**OPERATION AND MAINTENANCE EXPENSES**														
2	**O&M - Gas Production**														
3	Operation Supervision and Engineering	710	$ 13,426		$ 13,426									$ 944,645	6.45%
4	Liquefied Petroleum Gas Expenses	717	-		-									-	0.00%
5	Liquefied Petroleum Gas	728	-		-									-	0.00%
6	Gas Mixing Expense	733	(121,666)		2,639								(124,306)	185,703	1.27%
7	Miscellaneous Production Expenses	735	(44,534)		-								(44,534)	-	0.00%
8	Maintenance of Production Equipment	742	-		-									-	0.00%
9	Natural Gas City Gate Purchases	804	-		-									-	0.00%
10	Other Gas Purchases	805	-		-									-	0.00%
11	Gas Withdrawn from Storage	808	-		-									-	0.00%
12	Operation Labor and Expenses	841	-		-									-	0.00%
13	Other Expenses	846	4		4									263	0.00%
14	*Total O&M - Gas Production*		$ (152,771)	$ -	$ 16,069	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (168,840)	$ 1,130,611	7.72%
15															
16	**O&M - Distribution Expenses**														
17	Measuring and Regulating Station Expenses (Transmission	857	$ -		$ -									$ -	0.00%
18	Maintenance of Mains (Transmission)	863	-		-									-	0.00%
19	Operation Supervision and Engineering (Transmission)	870	4,219		4,710								(491)	331,359	2.26%
20	Distribution Load Dispatching	871	8,173		8,173									575,068	3.93%
21	Mains Services Expenses	874	48,327		49,715								(1,388)	3,497,946	23.90%
22	Measuring and Regulating Station Expenses - General	875	-		-									-	0.00%
23	Measuring and Regulating Station Expenses - Industrial	876	-		-									-	0.00%
24	Meter and House Regulator Expenses	878	14,767		14,767									1,038,978	7.10%
25	Customer Installations Expenses	879	8,858		8,858									623,226	4.26%
26	Other Expenses	880	12,280		12,280									864,000	5.90%
27	Rents	881	-		-									-	0.00%
28	Maintenance Supervision and Engineering	885	-		-									-	0.00%
29	Maintenance of Structures and Improvements	886	1,706		1,706									120,051	0.82%
30	Maintenance of Mains	887	11,591		11,591									815,525	5.57%
31	Maintenance of Measuring and Regulating Station Expense	889	-		-									-	0.00%
32	Maintenance of Services	892	2,929		2,929									206,069	1.41%
33	Maintenance of Meters and House Regulators	893	3,746		3,746									263,554	1.80%
34	Maintenance of Other Equipment	894	1 379		1 379									97 049	0.66%
35	*Total O&M - Distribution*		117,974	-	119,853	-	-	-	-	-	-	-	(1,879)	8,432,825	57.62%
36	*Total O&M - Gas Production and Distribution*		$ (34,797)	$ -	$ 135,922	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (170,719)	$ 9,563,437	65.34%
37															
38	**Customer Accounts Expenses**														
39	Supervision	901	$ 3,457		$ 3,457									$ 243,201	1.66%
40	Meter Reading Expenses	902	4,231		4,231									297,723	2.03%
41	Customer Records and Collection Expenses	903	22,421		22,421									1,577,532	10.78%
42	Uncollectible Accounts	904.0	-		-									-	0.00%
43	Bad Debt Expense - Commodity	904.1	-		-									-	0.00%
44	Miscellaneous Customer Accounts Expenses	905	-		-									-	0.00%
45	*Total Customer Accounting*		$ 30,109	$ -	$ 30,109	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,118,456	14.47%
46															
47	**Customer Service and Informational & Sales Expenses**														
48	Cust Assistance	908	$ -		$ -									$ -	0.00%
49	Informational and Instructinal Advertising Expenses	909	(14,122)		304								$ (14,426)	21,409	0.15%
50	Cust Service Misc	910	-		-									-	0.00%
51	Sales & Advertising	912	5,946		5,946									418,379	2.86%
52	Advertising Expenses	913	(26,484)		-								$ (26,484.00)	-	0.00%
53	Miscellaneous Sales Expenses	916	1,084		1,084									76,299	0.52%
54	*Total Customer Service and Informational & Sales Expenses*		(33 575)	-	7 335	-	-	-	-	-	-	-	(40 910)	516 086	3.53%
55	*Total Customer Accounts Customer Service and Informational*		$ (3 466)	$ -	$ 37 444	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (40 910)	$ 2 634 542	18.00%
56															
57	**Administrative and General Expenses**														
58	A&G Salaries	920.0	$ 34,648		$ 34,648									$ 2,437,821	16.66%
59	A&G Salaries - LU Head Office	920.1	-		-									Allocated costs	0.00%
60	Office Supplies and Expenses	921.0	(16,202)		-								(16,202)	-	0.00%
61	Administrative Expenses Transferred	922.0	233,952		-		233,952							Allocated costs	0.00%
62	LU Labor Allocations Capitalized	922.1	-		-									Allocated costs	0.00%
63	Outside Services Employed	923.0	(84,318)		-								(84,318)	-	0.00%
64	Allocated LU Head Office	923.1	-		-									-	0.00%
65	Property Insurance	924	-		-									-	0.00%
66	Injuries and Damages	925	-		-									-	0.00%
67	Employee Pensions and Benefits	926	(732,228)		-		(732,228)							-	0.00%
68	Regulatory Commission Expenses	928	(36,883)		-								(36,883)	-	0.00%
69	Miscellaneous General Expenses	930	-		-									-	0.00%
70	Rents	931	(42,637)		-								(42,637)	-	0.00%
71	Maintenance of General Plant	932	-		-									-	0.00%
72	*Total Administrative & General*		(643 667)	-	34 648	-	(498 276)	-	-	-	-	-	(180 040)	2 437 821	16.66%
73	**Total Operation and Maintenance Expenses**		**$ (681,930)**	**$ -**	**$ 208,014**	**$ -**	**$ (498,276)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (391,669)**	**$ 14,635,799**	**100.00%**

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

Line	Account	Account Number	Total	Revenue Adjustments	Salary and Wage Expense	Payroll Tax Expense	Pension and Benefits Expense	Depreciation Expense	Amortization Expense	Property Tax	Income Tax Expense - Historical Test Year	Income Tax Expense - Pro Forma Test Year at Current Rates	Other Adjustments	Historical Test Year Labor Expense	% Total Labor
				Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9	Adjustment 10		
			539,082	(1,348,864)	208,014	372,220	(498,276)	1,836,152	(1,249,970)	(168,070)	1,473,766	347,110	(433,001)		
74															
75	**DEPRECIATION AND AMORTIZATION EXPENSE**														
76	Depreciation Expense	403.0	$ 1,836,152					$ 1,836,152							
77	Amortization - Intangibles	405.0	(128,313)						(128,313)						
78	Regulatory Debits	407.3	186,853						186,853						
79	Regulatory Credits - Amortization of Regulatory Assets	407.4	(1,308,511)						(1,308,511)						
80	*Total Depreciation and Amortization Expense*		$ 586,182	$ -	$ -	$ -	$ -	$ 1,836,152	$ (1,249,970)	$ -	$ -	$ -	$ -		
81															
82	**TAXES OTHER THAN INCOME TAXES**														
83	Taxes other than Income Taxes - Payroll Taxes	408	$ 372,220			$ 372,220									
84	Taxes other than Income Taxes - Property Taxes	408	(209,402)							(168,070)			(41,332)		
85	*Total Taxes other than Income Taxes*		$ 162,818	$ -	$ -	$ 372,220	$ -	$ -	$ -	$ (168,070)	$ -	$ -	$ (41,332)		
86															
87	**FEDERAL / STATE INCOME TAXES**														
88	Income Tax Expense		$ 1,820,876	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,473,766	$ 347,110	$ -		
89															
90															
91															
92	**TOTAL EXPENSES**		**$ 1,887,946**	**$ -**	**$ 208,014**	**$ 372,220**	**$ (498,276)**	**$ 1,836,152**	**$ (1,249,970)**	**$ (168,070)**	**$ 1,473,766**	**$ 347,110**	**$ (433,001)**		
93															
94	**REVENUES**														
95	Operating Revenue		$ 1,348,864	$ 1,348,864											
96	Other Revenue		-	-											
97	**Total Revenue**		$ 1,348,864	$ 1,348,864	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
98															
99	**UTILITY NET INCOME**		**$ (539,082)**	**$ 1,348,864**	**$ (208,014)**	**$ (372,220)**	**$ 498,276**	**$ (1,836,152)**	**$ 1,249,970**	**$ 168,070**	**$ (1,473,766)**	**$ (347,110)**	**$ 433,001**		

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

Line	Description	Current Amounts (12/31/2019 Test Year)	Source/Notes
1	**Operating Revenue**	$ 85,335,497	Trial Balance
2			
3	Adjustments to Operating Revenue		
4			
5	CNG Station Revenue Requirement Adjustment	$ (11,187)	Staff Request TS 3-6
6	Low Income Adjustment	(64,825)	
7	Granite Ridge Special Contract	(776,312)	
8	iNATGAS Special Contract	(24,630)	
9	Allowed Base Revenue Adjustment to Test Year	(831,044)	
10	Customer Count Adjustment	734,227	Required by Commission Order No 26,122
11	Pelham Risk Sharing Adjustment	61,871	Mullen Testimony
12	One-time correcting entry - ROR on Concord Steam Adjustment	(45,747)	DBS/KAS-1
13	One-time correcting entry - True-up on LRAM Adjustment	81,406	DBS/KAS-1
14	CIBS Revenue Adjustment	1,612,633	Required by Commission in Docket DG 20-049
15	End of Year Rate Adjustment	612,472	Input (Table 1 of DeCourcey Testimony)
16	Pro Forma Operating Revenue	$ 86,684,361	
17			
18	Total Adjustment to Operating Revenues	$ 1,348,864	

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

Line	Department	Total
1	Test Year LU NH Labor Charged to EnergyNorth	$ 14,635,799
2	Less: vacancy adjustment	211,691
3	Net Test Year Labor Charged to EnergyNorth	$ 14,424,108
4	2019 Salary & Wage Increase Annualization- O&M	2.47%
5	2019 Payroll Increase Annualization (not in test year, effective March 2019)	58,781
6	2019 LU NH Labor Charged to EnergyNorth Annualized	14,482,889
7		
8	2020 Salary & Wage Increase - O&M	357,727
9	Adjustment for pro rated increase (effective March 2020)	(59,621)
10	2020 Payroll Increase - O&M	$ 298,106
11		
12	Test year LU Regional Allocated Labor (not included in test year labor)	$ 3,128,482
13	2019 Salary & Wage Increase LU Regional	2.47%
14	2019 Salary & Wage Increase Annualization (not in test year)	12,565
15	2019 Salary & Wages Annualized	$ 3,141,047
16		
17	2020 Salary & Wage Increase - O&M	77,584
18	Adjustment for pro rated increase (effective March 2020)	(12,931)
19	2020 Payroll Increase - O&M	$ 64,653
20		
21	Pro Forma LU NH Labor for 2020 Payroll Increase	17,986,695
22	Less: 2019 Ratification Bonus	18,000
23	Plus: 5 year amortization of 2019 Ratification Bonus	3,600
24	Net Pro Forma LU NH Labor for 2020 Payroll Increase	17,972,295
25		
26	Test Year Labor Charged to EnergyNorth	17,764,281
27		
28	**Increase Due to Known and Measurable - Payroll**	**$ 208,014**

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

Line	Particulars	Reference	Expense ($)
1	Unadjusted Test Year Labor Expense	*RR-EN-2-1*	$ 14,635,799
2	Unadjusted Test Year Payroll Tax Expense	*RR-EN-2-1*	1,625,755
3	Payroll Tax Rate (%)		11.11%
4			
5	Adjusted Test Year Labor Expense		$ 17,986,695
6	Payroll Tax Rate (%)		11.11%
7	Adjusted Payroll Tax Expense		1,997,975
8	**Increase Due to Known and Measurable Payroll Tax Expense**		**$ 372,220**

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

Line	Particulars	Source	Amount
1	Test Year ended 12/31/2019 Benefits Expense	RR-3-04WP	$ 4,623,151
2	Adjustment to Benefits Expense		$ 11,974
3			
4	Historical Test Year Pension & OPEB Expense	RR-3-04WP	$ 3,300,364
5	Adjustment to Pension & OPEB Expense	RR-3-04WP	$ (680,094)
6			
7	Historical Test Year Other Employee Benefits Expense	RR-3-04WP	$ 64,108
8	Adjustment to Other Employee Benefits Expense		$ (64,108)
9			
10			
11	**Adjustment - Including Capitalized Portion of Pensions and OPEBs - To Account 926**		**$ (732,228)**
12			
13	Total	Ln 5	(680,094)
14	Capitalization Rate		34 40%
15			
16	**Adjustment - Capitalized Portion - To Account 922**		**$ 233,952**
17			
18			
19	**Adjustment to Rate Year Expense**		**$ (498,276)**
20			
21			

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

				Plant in Service						Pro Forma	Accumulated Reserve			
Line	Account	Account Number	Depreciation Rates	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
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														
8	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														
18	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 Terminaling and Processing			$ 4,595,825	$ (33,412)	$ -	$ 4,562,412	$ -	$ 4,562,412	$ 222,350	$ 2,860,448	$ -	$ -	$ 2,860,448
22														
23	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

				Plant in Service						Pro Forma	Accumulated Reserve			
Line	**Account**	**Account Number**	**Depreciation Rates**	**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)
Adjustments to Test Year
Adjustment 6
Amortization Expense

Line	Description	Reference	Amortization Expense
1	Adjustment 1: Account 1929-4073 - Amortization of Costs to Achieve		
2			
3	Amount in Historical Test Year	RR-EN-2-1	$ 705,261
4	Remove Cost to Achieve		(195,850)
5	New Costs to Achieve		48,197
6	Proposed Cost to Achieve		3
7	Add New Cost to Achieve Amortization		16,066
8	Remove Test Year Amortization for Concord Steam		(500,658)
9	Add New Concord Steam Amortization		518,100
10	Adjustment		$ (162,343)
11			
12	Adjustment 2: NHDAS Special Contract Amortization		
13	Total NHDAS Special Contract Amount		$ 1,047,589
14	Proposed Amortization Period (Years)		3
15	Adjustment		$ 349,196
16			
17	**Adjustment to Test Year Account 407.3**		**$ 186,853**
18			
19	Adjustment 3: Amortization of Excess Accumulated Deferred Income Taxes (EADIT)		
20	Total EADIT (inclusive of gross-up)		$ (37,855,214)
21	Protected EADIT		$ (33,434,927)
22	Weighted Average Remaining Life (years)		28 93
23	Protected EADIT Amortization		$ (1,155,718)
24			
25	Unprotected EADIT (inclusive of gross-up)		$ (4,420,287)
26	Unprotected EADIT Amortization Period (years)		28 93
27	Unprotected EADIT Amortization		$ (152,792)
28			
29	**Adjustment to Test Year Account 407.4**		**$ (1,308,511)**
30			
31	Adjustment 4: Account 8640-4050 - Amortization of Intangibles		
32	Annual Amortization Expense, as Calculated	RR-EN-3-5	$ 3,185,122
33	Deprecation Reserve Imbalance (Account 405)		$ 733,248
34	Amortization Period		6
35	Depreciation Reserve Impalance Amortization		$ 122,208
36	Pro Forma Annual Amortization Expense		3,307,330
37	Historical Test Year Expense	RR-EN-2-1	3,435,643
38	Adjustment		$ (128,313)
39			
40	**Adjustment to Test Year Account 405.0**		**$ (128,313)**
41			
42	**Total Adjustment**		**$ (1,249,970)**

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

			Tax Year 2019		
Line	Municipality	Parcel	Installment #1	Installment #2	Total Due
1	Allenstown	0400-001	$ 30,526	$ 32,637	$ 63,163
2	Amherst	002-033-008	48,942	47,884	96,826
3	Amherst	002-033-007	4,171	4,081	8,252
4	Auburn	000001/000001/000UTL	604	743	1,347
5	Bedford	1-1-A	45,894	59,286	105,180
6	Belmont	999-000-000-001	21,788	20,272	42,060
7	Berlin	000404-000051.0000L1	10,810	11,418	22,228
8	Boscawen	000099-000002-000000	10,906	12,263	23,169
9	Bow	0-9-99	71,941	78,266	150,207
10	Canterbury	000000-000002-000000	3,726	2,682	6,408
11	Derry	35-102	37,832	57,824	95,656
12	Franklin	000-001-00	44,651	47,057	91,709
13	Gilford	210-002.000	53	70	123
14	Gilford	210-003.000	49	67	116
15	Gilford	210-004.000	47	65	112
16	Gilford	210-005.000	49	67	116
17	Gilford	200-003.000	3,336	3,954	7,290
18	Goffstown	99-4-2	29,805	48,006	77,811
19	Goffstown	99-4-1	2,780	(478)	2,302
20	Hollis	056-027-001	2,647	2,614	5,261
21	Hooksett	0GAS-0001	148,146	139,528	287,674
22	Hooksett	0036-0041-0001	3,009	2,834	5,843
23	Hudson	100-006-000	191,528	179,829	371,357
24	Hudson	167-030-000	788	807	1,594
25	Hudson	167-029-000	752	770	1,522
26	Laconia	425/44/83/1	119,581	134,274	253,855
27	Litchfield	000UTL-000UTL-000001	10,892	11,171	22,063
28	Londonderry	81-7-0	221,407	232,117	453,524
29	Londonderry	81-14-0	19,889	19,464	39,353
30	Loudon	000070-000004-000000	112,584	121,342	233,926
31	Manchester	0999A-0075	992,725	1,031,464	2,024,189
32	Manchester	0752-0001	22,843	24,254	47,097
33	Manchester	0508-0002A	72	76	148
34	Manchester	0394-0004	310	329	639
35	Manchester	0471-0008	529	562	1,091
36	Merrimack	006D-3-000000-000000	180,814	180,650	361,464
37	Milford	036-183-000-000	884	690	1,575
38	Milford	055-007-000-000	56,819	63,292	120,111
39	Nashua	0039-00026	2,676	2,681	5,357
40	Nashua	0038-00063	88	93	181
41	Nashua	0038-00020	139	146	285
42	Nashua	0041-00011	1,122,729	1,037,077	2,159,806
43	Nashua	0000PC-00005	50,409	22,535	72,944
44	Northfield	000999-000001-000001	33,990	35,226	69,216
45	Pembroke	999-11	67,304	51,160	118,464
46	Sanborton	00.003.000.000	1,156	1,969	3,125
47	Tilton	000R23-000013-000000	110,104	108,282	218,386
48	Tilton	000R23-000014-000000	13,102	11,615	24,717

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

			Tax Year 2019		
Line	**Municipality**	**Parcel**	**Installment #1**	**Installment #2**	**Total Due**
49	Concord	109/1/2	$ 8,484	$ 8,275	$ 16,759
50	Concord	109/1/2	8,484	8,275	16,759
51	Concord	109/1/3	601	586	1,188
52	Concord	109/1/3	601	586	1,188
53	Concord	109/1/4	6,954	6,783	13,737
54	Concord	109/1/4	6,954	6,783	13,737
55	Concord	109/2/1	338	330	668
56	Concord	109/2/1	338	330	668
57	Concord	109/2/3	619	604	1,223
58	Concord	109/2/3	619	604	1,223
59	Concord	109/2/4	978	954	1,932
60	Concord	109/2/4	978	954	1,932
61	Concord	NO00/1/13	1,326	1,293	2,619
62	Concord	NO00/1/13	1,326	1,293	2,619
63	Concord	P000/1/6	228	236	464
64	Concord	P000/1/6	228	236	464
65	Concord	P000/1/3	30,567	37,111	67,678
66	Concord	P000/1/3	30,567	37,111	67,678
67	Concord	NO00/1/2	319,552	370,457	690,009
68	Concord	NO00/1/2	319,552	370,457	690,009
69	Concord	202Z/21	276	269	545
70	Concord	202Z/21	276	269	545
71	Concord	26/1/6	1,912	1,865	3,777
72	Concord	26/1/6	1,912	1,865	3,777
73	Concord	494Z/3	315	307	621
74	Concord	494Z/3	315	307	621
75	Concord	109/2/4/A	6	6	12
76	Concord	109/2/4/A	6	6	12
77	State of NH	TRUE UP		230,708	230,708
78	State of NH	NH DRA 1-2	605,067	605,067	1,210,134
79	State of NH	NH DRA 3-4	605,067	605,067	1,210,134
80	Keene	583038000001000	45,598	43,361	88,959
81	Keene	116039000000000	8,012	8,264	16,276
82	R&M REALTY	582014000000000	5,249	5,385	10,633
83	Keene Propane	047020020000	21,051	20,281	41,332
84	State of NH	NH DRA 1-2	3,858	3,858	7,716
85	State of NH	NH DRA 3-4	3,858	3,858	7,716
86	Total		$ 5,897,896	$ 6,227,020	$ 12,124,916

87	Pro Forma Property Tax	$ 12,454,039
88	Less Amount for Non-Utility Property (adjustment to Pro Forma)	3,514
89	Less NH True-up Double Count (adjustment to Pro Forma)	230,708
90	Property Tax expense, Test Year	12,404,863
91	Less Education Tax Removal (adjustment to book)	16,976
92	**Increase (Decrease) in Property tax expense**	**$ (168,070)**

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

Line	Description	Reference	Amount
1	**Test Year Actual to Statutory Rates**		
2			
3	Normalized Revenue	RR-EN-2, line 6	$ 93,501,690
4	Normalized Expenses, Excluding Income Tax	RR-EN-2, lines 9-15	66,732,986
5	Income (Loss) Before Taxes		$ 26,768,704
6			
7	Rate Base	RR-1	$ 346,131,311
8	Debt Portion	RR-4	49.85%
9	Debt Component		172,546,459
10	Debt Cost	RR-4	4.420%
11	Synchronized Interest Expense		7,626,553
12	Pre-Tax Income		$ 19,142,151
13			
14	Combined Income Tax Rate	Line 20	27.08%
15	Income Tax Expense (Credit) at Statutory Rates		$ 5,183,694
16	Income Tax Expense (Credit) Recorded		3,709,928
17	**Adjustment to Normalize Historical Test Year**		**$ 1,473,766**
18			
19	Federal Statutory Rate		21.00%
20	New Hampshire Business Tax Rate		7.70%
21	Combined Income Tax Rate		27.08%
22			
23	This adjustment normalizes income tax expense in the Test Year before adjustments to reflect statutory rates.		

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

Line	Description	Reference	Adjustment Amount	Items with Tax Effects
1	Adjustments to increase (decrease) taxable income:			() = Lower income
2	Revenue Adjustments	RR-EN-3-1	$ 1,348,864	$ 1,348,864
3	Salary and Wage Expense	RR-EN-3-2	(208,014)	(208,014)
4	Payroll Tax Expense	RR-EN-3-3	(372,220)	(372,220)
5	Pension and Benefits Expense	RR-EN-3-4	498,276	498,276
6	Depreciation Expense	RR-EN-3-5	(1,836,152)	(1,836,152)
7	Amortization Expense	RR-EN-3-6	1,249,970	1,249,970
8	Property Tax	RR-EN-3-7	168,070	168,070
9	Income Tax Expense - Historical Test Year	RR-EN-3-8	(1,473,766)	
10	Income Tax Expense - Pro Forma Test Year at Current Rates	RR-EN-3-9	(347,110)	
11	Other Adjustments	RR-EN-3-10	433,001	433,001
12			$ (539,082)	$ 1,281,795
13	Tax Rate			27.08%
14	**Adjustment to Test Year at Current Rates**			**$ 347,110**
15				
16	This adjustment reflects income tax expense related to the Company's adjustments, computed at statutory rates.			

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

Line	Description	Account		Amount
1	**Adjustment for PUC Annual Assessment**			
2	Liberty Utilities (ENNG) - Gas		$	579,781
3	Liberty Utilities (ENNG) - IESR			149,295
4				
5	Liberty Utilities (ENNG) - GPSP		$	39,717
6	Liberty Utilities (ENNG) - PIESR			7,805
7	Regulatory Expenses- Test Year			(813,481)
8				
9				
10	**Total PUC Annual Assessment Adjustment**	**Account 928**	**$**	**(36,883)**
11				
12	**Adjustment for Concord Rental Expense Credit**			
13	Test Year Concord Training Center Lease Credit		$	(267,014)
14	Going forward Concord Training Center Lease Credit			(309,651)
15				
16				
17	**Total Concord Rental Expense Credit Adjustment**	**Account 931**	**$**	**(42,637)**
18				
19	Adjustment to Remove Keene Production Costs			
20	Keene Production Cost	Account 733	$	(118,993)
21		Account 733	$	(5,313)
22		Account 735	$	(41,034)
23		Account 921	$	(10,202)
24		Account 408		(41,332)
25				
26	**Total Keene Production Cost Adjustment**		**$**	**(216,874)**
27				
28	**Adjustment to Exclude GSE Related Costs**			
29	**GSE September Lease Payment**	Account 874	$	(888)
30	**Electric Manuals**	Account 870		(491)
31				
32	**Total GSE Related Cost Adjustment**		**$**	**(1,379)**
33				
34	**Adjustment to Remove NHPUC Penalty Expenses**			
35	Penalty Expenses	Account 735	$	(3,500)
36		Account 874		(500)
37		Account 921.4		(3,000)
38		Account 923		(78,000)
39				
40	**Total Adjustment to Remove NHPUC Penalty Expenses**		**$**	**(85,000)**
41				
42	**Adjustment to Remove Lobbying Expense**			
43	American Gas Association		$	(2,955)
44	New England Council			(45)
45				
46	**Total Adjustment to Remove Lobbying Expense**	**Account 921**	**$**	**(3,000)**
47				
48	**Adjustment to Outside Services**			
49	CBIZ Cottonwood 2018 Removal		$	(21,025)
50	CBIZ Cottonwood 2019 Addition			26,833
51	K&Y Removal			(4,830)
52	KPMG Removal			(7,296)
53				
54	**Total Outside Services Adjustment**	**Account 923**	**$**	**(6,318)**
55				
56	**Adjustment to Remove Non-Recoverable Advertising Expenses**			
57	Comcast Advertising	Account 909	$	(14,084)
58	Newsletter	Account 909	$	(342)
59	Advertising Expenses	Account 913	$	(26,484)
60				
61	**Total Adjustment for Non-Recoverable Advertising Expenses**		**$**	**(40,910)**

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

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

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		$ 436,438,341
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	$ 3,239,217
9			
10	Deferred Tax Liability, Net (Balance at 12/31/2019)	RR-EN-5-WP1	$ (58,607,821)
11			
12	Excess Accumulated Deferred Income Taxes	RR-EN-5-WP1	$ (37,855,214)
13			
14	**Rate Base**		**$ 346,131,311**

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

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

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

Line	Description	Reference	Test Year Pro Forma
1	**O&M Expenses**		
2	Distribution, before Adjustments	RR-EN-2-1	$ 70,442,914
3	Less: Depreciation and Amortization	RR-EN-2-1	(22,314,344)
4	Less: Deferred Income Taxes	RR-EN-2-1-WP	(3,483,997)
5	Known and Measurable Adjustments (excluding depreciation and amortization)	RR-EN-2-1	1,301,764
6			$ 45,946,337
7			
8	Cash Working Capital Required - Days	25.72	7.05%
9			
10	**Cash Working Capital Required**		**$ 3,239,217**

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. D/B/A LIBERTY DISTRIBUTION SERVICE RATE CASE

DOCKET NO. DG 20-105

Staff's Responses to Liberty Utilities' First Set of Data Requests

Date Request Received: March 25, 2021 Date of Response: April 8, 2021
Data Request No.: **LU 1-1** Witness: Donna H. Mullinax

Request:
Reference the Direct Testimony of Donna H. Mullinax at Bates 000013, lines 4 – 13, regarding Staff's adjustment to material and supplies ("M&S"). Please confirm that Witness Mullinax reviewed Energy North's M&S quarterly balances for 2020. If so, please explain why the quarterly balances for 2020 were not addressed.

Response:
The Company used a five-quarter average (M&S balances for December 2018, March 2019, June 2019, September 2019, and December 2019) to calculate the $5.94 million proposed to be included in rate base. On November 11, 2020, the Company's response to Staff 2-5 provided the monthly M&S balances for the test year and each of the three preceding calendar years. Staff's analysis of this information found significant increases in the M&S balances since the last base rate case. The 2018 balance increased by $4.9 million, 35.8% over 2017. The 2019 balance increased by $6.0 million, 25.3% over 2019.

In Staff TS 3-14, Staff asked the Company whether the "Company expects the reason(s) for the increase to continue such that the M&S balance in 2019 is expected during the rate effective period." The Company responded, "No. Pipeline replacement is leveling off and the Company expects to see some improvement in materials planning as a result of move towards an integrated system under SAP." The Company's response was provided on February 24, 2021, and did not state when the pipeline replacement was leveling off or when the Company *expects* to see "some improvement in materials planning as a result of move towards an integrated system under SAP." The response implied a future event (after February 2021). Thus, Staff disregarded the 2020 balances and did not review them.

Since the Company is anticipating the leveling off of pipeline replacement and improvements in material planning process, the amount included within the Company's requested M&S balance should be adjusted to be reflective of the M&S balance expected during the rate-effective period. Staff used the provided historical amounts to normalize the M&S balance.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty

DG 20-105
Distribution Service Rate Case

Staff Technical Session Data Requests - Set 3

Date Request Received: 2/8/21
Request No. Staff TS 3-14

Date of Response: 2/24/21
Respondent: David Simek
Kenneth Sosnick

REQUEST:

M&S. Reference Staff 2-5. The response provided the monthly balances for M&S items for the test year and each of the three preceding years. Staff's analysis shows the average total balances (for EnergyNorth and Keene) are as follows:

- 2016 – $3.3 million
- 2017 – $3.6 million (7.8% increase over 2016)
- 2018 – $4.9 million (35.8% increase over 2017)
- 2019 – $6.0 million (25.2% increase over 2018)

a. Please explain the significant increase from 2017 to 2018.

b. Please explain the significant increase from 2018 to 2019.

c. Does the Company expect the reason(s) for the increase to continue such that the M&S balance in 2019 is expected during the rate effective period?

RESPONSE:

a. During 2017, the Company was informed that one of the suppliers of regulators was moving to Mexico. The Company made additional purchases in order to avoid any potential delays in the delivery of meter sets and assemblies arising from the supplier's move. The Company also increased its inventories to accommodate for the expected increase in main replacement associated with the CIBS program.

b. During 2019, the Company added an additional contractor to provide sufficient resources to meet the increased pipeline replacement. To meet that requirement, the Company purchased additional materials to support the new contractor.

c. No. Pipeline replacement is leveling off and the Company expects to see some improvements in materials planning as a result of move towards an integrated system under SAP.

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. D/B/A LIBERTY DISTRIBUTION SERVICE RATE CASE

DOCKET NO. DG 20-105

Staff's Responses to Liberty Utilities' First Set of Data Requests

Date Request Received: March 25, 2021
Date of Response: April 8, 2021
Data Request No.: **LU 1-2**
Witness: Donna H. Mullinax

Request:
Reference the Direct Testimony of Witness Mullinax, at Bates 000013 through 000014.

a. Please explain the use of year-end M&S balances for a rate base recommendation rather than using a five-quarter average or 13-month average approach. Please explain whether Witness Mullinax typically use year-end balances for M&S when making revenue requirement recommendations.
b. Given the typical construction season in EnergyNorth's service territory due to seasonal climate and ground conditions, please explain whether Staff would expect the M&S balance to be higher or lower at the end of December than compared to the balances required during the construction season.

Response:
a. The Company used a five-quarter average (M&S balances for December 2018, March 2019, June 2019, September 2019, and December 2019) to calculate the $5.94 million proposed to be included in rate base. Staff's analysis found significant increases in the M&S balances since the last base rate case. The 2018 balance increased by $4.9 million, 35.8% over 2017. The 2019 balance increased by $6.0 million, 25.3% over 2019.

In Staff TS 3-14, Staff asked the Company whether the "Company expects the reason(s) for the increase to continue such that the M&S balance in 2019 is expected during the rate effective period." The Company responded, "No. Pipeline replacement is leveling off and the Company *expects* to see some improvement in materials planning as a result of move towards an integrated system under SAP."

Based upon the Company's response, Staff determined that the Company's proposed five-quarter average M&S balance of $5.94 million would not be reflective of the M&S balance expected during the rate-effective period and that an adjustment was appropriate.

In selecting the basis for an adjustment, Staff considered several approaches in determining the M&S balance to be included in rate base. The 2020 M&S balances were disregarded. The Company's response to Staff TS 3-14 (provided on February 24, 2021) stated that pipeline replacement is leveling off and that additional improvements were *expected*, and thus Staff assumed them to have not been realized yet. Staff considered using (1) the average of three-year end balances (December 2017, December 2018, and

December 2019); (2) the average of three 13-month averages; and (3) a 36-month average. The results of that analysis are shown below.

Method	Amount	Difference from Company Proposed Balance
5-Quarter Average Used by Company	$ 5,936,060	
Average of 3 Year End Balances Recommended by Staff	$ 5,086,828	$ (849,231)
3 - 13 Month Averages	$ 4,851,297	$ (1,084,762)
36 Month Average	$ 4,908,650	$ (1,027,410)

Staff selected the average of three-year end balances to develop a proxy for the M&S balance during the rate effective period. Use of the other methods would have resulted in a larger adjustment.

b. Assuming good inventory control practices, Staff would expect M&S balances to be higher during the construction season.

Regulatory Assets on Decmeber 31, 2017

	Energy North	NH Gas Co	
ASSETS			
Reg_assets_non_cur Regulatory assets - non-current	77,557,708	692,196	78,249,904
Reg_assets_environmental Environmental costs	48,163,464	-	
10_1920_1863 KS R/A-Environmental-Materials	27,075,097	-	27,075,097
10_1920_1864 KS R/A-Environmental-Purch Gas	20,964,352	-	20,964,352
10_1930_1824 Environmental Response Fund	124,016	-	124,016
Reg_assets_pension Pension and post employment benefits	21,625,753	-	
10_1930_1826 Reg asset pension/OPEB tracker	21,625,753	-	21,625,753
Reg_assets_rate_case Rate case costs	2,499,338	-	
10_1930_1745 Rate Case Recovery	486,876	-	486,876
10_1930_1823 Deferred Rate Case	2,012,462	-	2,012,462
Reg_assets_taxes Taxes	1,157,159	-	
10_1929_1863 Regulatory Assets - FAS 109	425,019	-	425,019
10_1930_2830 Accum Def Inc Taxes-Other Reg Asset	732,140	-	732,140
Reg_assets_other Other regulatory assets	4,111,994	692,196	
10_1920_1860 Misc Deferred Debits	3,444,180	692,196	4,136,376
10_1930_1828 NEG & KeySpan CTA	667,813	-	667,813

FUNCTIONAL COST STUDY
SUMMARY OF RESULTS

Line No.	Description	System Total	Delivery Costs	Direct Gas Costs	LPG & LNG	Misc	Production Costs
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Rate Base						
1	Plant in Service	$ 641,189,774	$ 631,599,724	$ -	$ 9,590,051	$ -	$ 9,590,051
2	Accumulated Reserve	(204,751,433)	(200,951,293)	-	(3,800,140)	-	(3,800,140)
3	Other Rate Base Items	(90,307,030)	(89,340,674)	-	(987,780)	21,425	(966,355)
4	Total Rate Base	$ 346,131,311	$ 341,307,756	$ -	$ 4,802,130	$ 21,425	$ 4,823,555
	Revenues at Current Rates						
5	Sales Revenue	$ 93,643,178	$ 91,649,591	$ -	$ 1,980,418	$ 13,170	$ 1,993,587
6	Miscellaneous Revenues	1,207,376	1,206,507	-	800	69	869
7	Total Revenues	$ 94,850,554	$ 92,856,098	$ -	$ 1,981,218	$ 13,238	$ 1,994,456
	Expenses at Current Rates						
8	Operations & Maintenance Expenses	$ 29,706,094	$ 27,196,266	$ -	$ 2,225,393	$ 284,435	$ 2,509,828
9	Depreciation Expense	22,900,526	22,208,248	-	661,449	30,828	692,277
10	Taxes Other Than Income Taxes	14,193,436	13,841,955	-	351,481	-	351,481
	Interest on Customer Deposits	-	-	-	-	-	-
11	Total Expenses - Current	$ 66,800,055	$ 63,246,469	$ -	$ 3,238,323	$ 315,264	$ 3,553,587
12	Total Income Taxes	$ 5,530,804	$ 5,981,798	$ -	$ (369,077)	$ (81,916)	$ (450,993)
13	Current Operating Income	$ 22,519,695	$ 23,627,832	$ -	$ (888,028)	$ (220,109)	$ (1,108,137)
14	Return at Current Rates	6.51%	6.92%	0 00%	-18.49%	-1027.35%	-22.97%
15	Index Rate of Return	1.00	1.06	-	(2.84)	(157.91)	(3.53)
	Revenue Requirement at Equal Rates of Return						
16	Required Return	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%
17	Required Operating Income	$ 25,856,009	$ 25,495,689	$ -	$ 358,719	$ 1,600	$ 360,320
18	Operating Income (Deficiency)/Surplus	$ (3,336,314)	$ (1,867,858)	$ -	$ (1,246,747)	$ (221,709)	$ (1,468,456)
	Expenses at Required Return						
19	Operations & Maintenance Expenses	$ 29,706,094	$ 27,196,266	$ -	$ 2,225,393	$ 284,435	$ 2,509,828
20	Depreciation Expense	22,900,526	22,208,248	-	661,449	30,828	692,277
21	Taxes Other than Income	14,193,436	13,841,955	-	351,481	-	351,481
22	Interest on Customer Deposits	-	-	-	-	-	-
23	Total Expenses Required	$ 66,800,055	$ 63,246,469	$ -	$ 3,238,323	$ 315,264	$ 3,553,587
24	Income Taxes	$ 6,769,798	$ 6,675,456	$ -	$ 93,922	$ 419	$ 94,341
25	Total Revenue Requirement at Equal Return	$ 99,425,862	$ 95,417,615	$ -	$ 3,690,964	$ 317,283	$ 4,008,247
26	Revenue (Deficiency)/Surplus	$ (4,575,308)	$ (2,561,517)	$ -	$ (1,709,747)	$ (304,045)	$ (2,013,791)

Functional Cost Study
Account Detail

Line No.	Description	LPG & LNG Costs	Misc. Production Costs	Bad Debts Excl. LPG & LNG	Gas Cost Working Capital	Total Indirect Costs
	(A)	(B)	(C)	(D)	(E)	(F)
	Summary of Results at Present Rates					
	Rate Base					
1	Gas Plant in Service	$ 9,590,051	$ -	$ -	$ -	$ 9,590,051
2	Accumulated Reserve	(3,800,140)	-	-	-	(3,800,140)
3	Net Utility Plant in Service	$ 5,789,911	$ -	$ -	$ -	$ 5,789,911
	Other Rate Base Items:					
4	Fuel Stock	$ -	$ -	$ -	$ -	$ -
5	Materials and Supplies	77,309.14	$ -	$ -	$ -	77,309.14
6	Gas Stored Underground	-	-	-	-	-
7	LNG Inventory	-	-	-	-	-
8	Cash Working Capital	191,211	21,425	-	-	212,636
9	Accumulated Deferred Income Taxes	(763,288)	-	-	-	(763,288)
10	Excess Accum. Deferred Income Taxes	(493,013)	-	-	-	(493,013)
11	Total Rate Base	$ 4,802,130	$ 21,425	$ -	$ -	$ 4,823,555
	Revenues					
12	Total Sales Revenue	$ 1,980,418	$ 13,170	$ -	$ -	$ 1,993,587
13	Other Operating Revenues	800	69	-	-	869
14	Total Operating Revenues	$ 1,981,218	$ 13,238	$ -	$ -	$ 1,994,456
	Expenses					
15	Purchased Gas Costs	$ -	$ -	$ -	$ -	$ -
16	Other O&M excl. Uncollectible	2,162,998	279,072	-	-	2,442,070
17	Uncollectible Expense	62,395	-	5,364	-	67,758
18	Depreciation Expense	661,449	30,828	-	-	692,277
19	Other Taxes	351,481	-	-	-	351,481
20	Income Taxes	(369,077)	(80,464)	(1,453)	-	(450,993)
21	Total Operating Expenses	$ 2,869,246	$ 229,436	$ 3,911	$ -	$ 3,102,593
22	Operating Income	$ (888,028)	$ (216,198)	$ (3,911)	$ -	$ (1,108,137)
23	Rate of Return	-18.49%	-1009.10%	0.00%	0.00%	-22.97%
24	Index Rate of Return	1.00	54.57	-	-	1.24
25	Net Revenues	$ 1,980,418	$ 13,170	$ -	$ -	$ 1,993,587

Functional Cost Study
Account Detail

Line No.	Description	LPG & LNG Costs	Misc. Production Costs	Bad Debts Excl. LPG & LNG	Gas Cost Working Capital	Total Indirect Costs
	(A)	(B)	(C)	(D)	(E)	(F)
	Summary of Results at Claimed Rates					
	Rate Base					
26	Gas Plant in Service	$ 9,590,051	$ -	$ -	$ -	$ 9,590,051
27	Accumulated Reserve	(3,800,140)	-	-	-	(3,800,140)
28	Net Utility Plant in Service	$ 5,789,911	$ -	$ -	$ -	$ 5,789,911
	Other Rate Base Items:					
29	Fuel Stock	$ -	$ -	$ -	$ -	$ -
30	Materials and Supplies	77,309				77,309
31	Gas Stored Underground	-				-
32	LNG Inventory	-				-
33	Cash Working Capital	191,211	21,425	-	-	212,636
34	Accumulated Deferred Income Taxes	(763,288)	-	-	-	(763,288)
35	Excess Accum. Deferred Income Taxes	(493,013)				(493,013)
36	Total Rate Base	$ 4,802,130	$ 21,425	$ -	$ -	$ 4,823,555
37	Required Rate of Return	7.47%	7.47%	7.47%	7.47%	7.47%
38	Required Operating Income	$ 358,719	$ 1,600	$ -	$ -	$ 360,320
	Expenses					
39	Purchased Gas Costs	$ -	$ -	$ -	$ -	$ -
40	Other O&M excl. Uncollectible	2,162,998	279,072	-	-	2,442,070
41	Uncollectible Expense	62,395	-	5,364	-	67,758
42	Depreciation Expense	661,449	30,828	-	-	692,277
43	Other Taxes	351,481	-	-	-	351,481
44	Total Expenses Required	$ 3,238,323	$ 309,900	$ 5,364	$ -	$ 3,553,587
45	Income Taxes	93,922	419	(0)	-	$ 94,341
46	Total Rev.Req. at Required Return	$ 3,690,964	$ 311,920	$ 5,363	$ -	$ 4,008,247
	Revenues					
47	Total Sales Revenue	$ 3,690,164	$ 311,851	$ 5,363	$ -	$ 4,007,379
48	Other Operating Revenues	800	69	-	-	869
49	Total Operating Revenues	$ 3,690,964	$ 311,920	$ 5,363	$ -	$ 4,008,247

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	Delivery Costs				Direct Gas Costs			
			DEM	CUS	COM	TOTAL	DEM	CUS	COM	TOTAL
RATE BASE										
Plant in Service										
Intangible Plant										
Misc. Intangible Plant	17,059,198	LABOR	8,865,727	6,749,844	-	15,615,571	-	-	-	-
Sub-total	***17,310,148***		***8,996,147***	***6,849,138***	**-**	***15,845,285***	**-**	**-**	**-**	**-**
Production Plant										
Production Plant EN	5,216,322	DPROD	453,820	-	-	453,820	-	-	-	-
Production Plant Keene	-	DPROD_K	-	-	-	-	-	-	-	-
Sub-total	***5,216,322***		***453,820***	**-**	**-**	***453,820***	**-**	**-**	**-**	**-**
Distribution Plant										
Land & Land Rights	-	DIST	-	-	-	-	-	-	-	-
M&R Stations	-	DIST	-	-	-	-	-	-	-	-
Mains	11,740,462	DIST	11,740,462	-	-	11,740,462	-	-	-	-
Compressor Station Equipment	2,246,186	DIST	2,246,186	-	-	2,246,186	-	-	-	-
M&R Stations	7,435,290	DIST	7,435,290	-	-	7,435,290	-	-	-	-
Services	178,923,785	CUST	-	178,923,785	-	178,923,785	-	-	-	-
Meters & Meter Installations	21,117,103	CUST	-	21,117,103	-	21,117,103	-	-	-	-
Other Equipment	2,677,770	DIST	2,677,770	-	-	2,677,770	-	-	-	-
Sub-total	***578,926,765***		***352,824,153***	***226,102,612***	**-**	***578,926,765***	**-**	**-**	**-**	**-**
General Plant										
Land & Land Rights	121,489	LABOR	63,138	48,070	-	111,208	-	-	-	-
Structures & Improvements	22,653,117	LABOR	11,772,907	8,963,200	-	20,736,107	-	-	-	-
Office Furniture & Equipment	2,403,092	LABOR	1,248,896	950,836	-	2,199,732	-	-	-	-
Transportation Equipment	8,007,116	LABOR	4,161,327	3,168,190	-	7,329,517	-	-	-	-
Stores Equipment	138,142	LABOR	71,793	54,659	-	126,452	-	-	-	-
Tools, Shop & Garage Equip.	3,339,457	LABOR	1,735,528	1,321,329	-	3,056,857	-	-	-	-
Laboratory Equip.	-	LABOR	-	-	-	-	-	-	-	-
Power Operated Equip.	1,378,752	LABOR	716,542	545,533	-	1,262,075	-	-	-	-
Communication Equip.	892,402	LABOR	463,785	353,098	-	816,883	-	-	-	-
Miscellaneous Equip.	802,973	LABOR	417,308	317,714	-	735,022	-	-	-	-
Sub-total	***39,736,540***		***20,651,224***	***15,722,630***	**-**	***36,373,854***	**-**	**-**	**-**	**-**
TOTAL PLANT-IN-SERVICE	**641,189,774**		**382,925,343**	**248,674,380**	**-**	**631,599,724**	**-**	**-**	**-**	**-**
Accumulated Reserve for Depreciation										
Intangible Plant										
Misc. Intangible Plant	(13,560,761)	LABOR	(7,047,577)	(5,365,611)	-	(12,413,188)	-	-	-	-
Sub-total	***(13,560,761)***		***(7,047,577)***	***(5,365,611)***	**-**	***(12,413,188)***	**-**	**-**	**-**	**-**
Production Plant										
Production Plant	(1,837,129)	DPROD	(159,830)	-	-	(159,830)	-	-	-	-
Production Plant Keene	-	DPROD_K	-	-	-	-	-	-	-	-
Sub-total	***(1,837,129)***		***(159,830)***	**-**	**-**	***(159,830)***	**-**	**-**	**-**	**-**
Distribution Plant										
Land & Land Rights	-	DIST	-	-	-	-	-	-	-	-
M&R Stations	83,294	DIST	83,294	-	-	83,294	-	-	-	-
Mains	(404,274)	DIST	(404,274)	-	-	(404,274)	-	-	-	-
Compressor Station Equipment	(192,723)	DIST	(192,723)	-	-	(192,723)	-	-	-	-
M&R Stations	(4,358,391)	DIST	(4,358,391)	-	-	(4,358,391)	-	-	-	-
Services	(85,611,484)	DIST	(85,611,484)	-	-	(85,611,484)	-	-	-	-
Meters & Meter Installations	(7,401,085)	DIST	(7,401,085)	-	-	(7,401,085)	-	-	-	-
Meters Installations	(4,122,684)	CUST	-	(4,122,684)	-	(4,122,684)	-	-	-	-
Land & Land Rights	-	CUST	-	-	-	-	-	-	-	-
Structures and Improvements	(460,293)	CUST	-	(460,293)	-	(460,293)	-	-	-	-
Other Equipment	(2,400,155)	DIST	(2,400,155)	-	-	(2,400,155)	-	-	-	-
Other Equipment	(1,078,797)	DIST	(1,078,797)	-	-	(1,078,797)	-	-	-	-
Measuring and Regulating Station Equipment	18,159	DIST	18,159	-	-	18,159	-	-	-	-
Dist-Measuring and regulating station equipment-Ci	(1,321,095)	DIST	(1,321,095)	-	-	(1,321,095)	-	-	-	-
Indust meas and reg station equip	(4,103)	DIST	(4,103)	-	-	(4,103)	-	-	-	-
Structures and Improvements	(213,309)	DIST	(213,309)	-	-	(213,309)	-	-	-	-
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Sub-total	***(177,828,890)***		***(173,245,912)***	***(4,582,977)***	**-**	***(177,828,890)***	**-**	**-**	**-**	**-**

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	LPG & LNG				Misc			
			DEM	CUS	COM	TOTAL	DEM	CUS	COM	TOTAL
RATE BASE										
Plant in Service										
Intangible Plant										
Misc. Intangible Plant	17,059,198	LABOR	1,443,627	-	-	1,443,627	-	-	-	-
Sub-total	***17,310,148***		***1,464,863***	-	-	***1,464,863***	-	-	-	-
Production Plant										
Production Plant EN	5,216,322	DPROD	4,762,502	-	-	4,762,502	-	-	-	-
Production Plant Keene	-	DPROD_K	-	-	-	-	-	-	-	-
Sub-total	***5,216,322***		***4,762,502***	-	-	***4,762,502***	-	-	-	-
Distribution Plant										
Land & Land Rights	-	DIST	-	-	-	-	-	-	-	-
M&R Stations	-	DIST	-	-	-	-	-	-	-	-
Mains	11,740,462	DIST	-	-	-	-	-	-	-	-
Compressor Station Equipment	2,246,186	DIST	-	-	-	-	-	-	-	-
M&R Stations	7,435,290	DIST	-	-	-	-	-	-	-	-
Services	178,923,785	CUST	-	-	-	-	-	-	-	-
Meters & Meter Installations	21,117,103	CUST	-	-	-	-	-	-	-	-
Other Equipment	2,677,770	DIST	-	-	-	-	-	-	-	-
Sub-total	***578,926,765***		-	-	-	-	-	-	-	-
General Plant										
Land & Land Rights	121,489	LABOR	10,281	-	-	10,281	-	-	-	-
Structures & Improvements	22,653,117	LABOR	1,917,009	-	-	1,917,009	-	-	-	-
Office Furniture & Equipment	2,403,092	LABOR	203,361	-	-	203,361	-	-	-	-
Transportation Equipment	8,007,116	LABOR	677,598	-	-	677,598	-	-	-	-
Stores Equipment	138,142	LABOR	11,690	-	-	11,690	-	-	-	-
Tools, Shop & Garage Equip.	3,339,457	LABOR	282,600	-	-	282,600	-	-	-	-
Laboratory Equip.	-	LABOR	-	-	-	-	-	-	-	-
Power Operated Equip.	1,378,752	LABOR	116,676	-	-	116,676	-	-	-	-
Communication Equip.	892,402	LABOR	75,519	-	-	75,519	-	-	-	-
Miscellaneous Equip.	802,973	LABOR	67,951	-	-	67,951	-	-	-	-
Sub-total	***39,736,540***		***3,362,686***	-	-	***3,362,686***	-	-	-	-
TOTAL PLANT-IN-SERVICE	**641,189,774**		**9,590,051**	-	-	**9,590,051**	-	-	-	-
Accumulated Reserve for Depreciation										
Intangible Plant										
Misc. Intangible Plant	(13,560,761)	LABOR	(1,147,573)	-	-	(1,147,573)	-	-	-	-
Sub-total	***(13,560,761)***		***(1,147,573)***	-	-	***(1,147,573)***	-	-	-	-
Production Plant										
Production Plant	(1,837,129)	DPROD	(1,677,299)	-	-	(1,677,299)	-	-	-	-
Production Plant Keene	-	DPROD_K	-	-	-	-	-	-	-	-
Sub-total	***(1,837,129)***		***(1,677,299)***	-	-	***(1,677,299)***	-	-	-	-
Distribution Plant										
Land & Land Rights	-	DIST	-	-	-	-	-	-	-	-
M&R Stations	83,294	DIST	-	-	-	-	-	-	-	-
Mains	(404,274)	DIST	-	-	-	-	-	-	-	-
Compressor Station Equipment	(192,723)	DIST	-	-	-	-	-	-	-	-
M&R Stations	(4,358,391)	DIST	-	-	-	-	-	-	-	-
Services	(85,611,484)	DIST	-	-	-	-	-	-	-	-
Meters & Meter Installations	(7,401,085)	DIST	-	-	-	-	-	-	-	-
Meters Installations	(4,122,684)	CUST	-	-	-	-	-	-	-	-
Land & Land Rights	-	CUST	-	-	-	-	-	-	-	-
Structures and Improvements	(460,293)	CUST	-	-	-	-	-	-	-	-
Other Equipment	(2,400,155)	DIST	-	-	-	-	-	-	-	-
Other Equipment	(1,078,797)	DIST	-	-	-	-	-	-	-	-
Measuring and Regulating Station Equipment	18,159	DIST	-	-	-	-	-	-	-	-
Dist-Measuring and regulating station equipment-Ci	(1,321,095)	DIST	-	-	-	-	-	-	-	-
Indust meas and reg station equip	(4,103)	DIST	-	-	-	-	-	-	-	-
Structures and Improvements	(213,309)	DIST	-	-	-	-	-	-	-	-
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Sub-total	***(177,828,890)***		-	-	-	-	-	-	-	-

Functional Cost Study
Account Detail

			Delivery Costs				Direct Gas Costs			
Account Description	**Amount**	**Alloc. Factor**	**DEM**	**CUS**	**COM**	**TOTAL**	**DEM**	**CUS**	**COM**	**TOTAL**
General Plant										
Land & Land Rights	-	0	-	-	-	-	-	-	-	-
Structures & Improvements	(5,560,061)	LABOR	(2,889,584)	(2,199,960)	-	(5,089,543)	-	-	-	-
Office Furniture & Equipment	(157,522)	LABOR	(81,865)	(62,327)	-	(144,192)	-	-	-	-
Transportation Equipment	(3,649,940)	LABOR	(1,896,887)	(1,444,178)	-	(3,341,065)	-	-	-	-
Stores Equipment	(35,198)	LABOR	(18,293)	(13,927)	-	(32,219)	-	-	-	-
Tools, Shop & Garage Equip.	(754,055)	LABOR	(391,885)	(298,358)	-	(690,244)	-	-	-	-
Laboratory Equip.	-	LABOR	-	-	-	-	-	-	-	-
Power Operated Equip.	(683,509)	LABOR	(355,222)	(270,445)	-	(625,667)	-	-	-	-
Communication Equip.	(433,204)	LABOR	(225,138)	(171,407)	-	(396,544)	-	-	-	-
Miscellaneous Equip.	(251,165)	LABOR	(130,531)	(99,379)	-	(229,910)	-	-	-	-
Other	-	PLANT	-	-	-	-	-	-	-	-
Sub-total	***(11,524,653)***		***(5,989,404)***	***(4,559,981)***	**-**	***(10,549,385)***	**-**	**-**	**-**	**-**
TOTAL DEPRECIATION ACCRUAL	**(204,751,433)**		**(186,442,724)**	**(14,508,570)**	**-**	**(200,951,293)**	**-**	**-**	**-**	**-**
NET PLANT	**436,438,341**		**196,482,620**	**234,165,811**	**-**	**430,648,430**	**-**	**-**	**-**	**-**
Rate Base Adjustments										
Additions										
Fuel Stock	-	PDGPLT	-	-	-	-	-	-	-	-
Gas Materials and Supplies	5,936,060	PDGPLT	3,557,843	2,300,907	-	5,858,751	-	-	-	-
Gas Stored Underground - Current A/C 164	-	PDGPLT	-	-	-	-	-	-	-	-
LNG Inventory - Current A/C 164	-	PDGPLT	-	-	-	-	-	-	-	-
Gas Stored Underground - Non-Current A/C 117	-	PDGPLT	-	-	-	-	-	-	-	-
Cash Working Capital (Other)	3,239,217	OMEXPX	1,842,826	1,164,663	19,092	3,026,581	-	-	-	-
Prepayments	-	PDGPLT	-	-	-	-	-	-	-	-
Sub-total	***9,175,276***		***5,400,669***	***3,465,570***	***19,092***	***8,885,331***	**-**	**-**	**-**	**-**
Deductions										
Customer Deposits	(3,019,271)	CUST	-	(3,019,271)	-	(3,019,271)	-	-	-	-
Excess Accum. Deferred Income Taxes	(37,855,214)	PDGPLT	(22,688,944)	(14,673,257)	-	(37,362,201)	-	-	-	-
Accum. Deferred Income Taxes	(58,607,821)	PDGPLT	(35,127,250)	(22,717,284)	-	(57,844,533)	-	-	-	-
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Sub-total	***(99,482,306)***		***(57,816,193)***	***(40,409,812)***	**-**	***(98,226,006)***	**-**	**-**	**-**	**-**
TOTAL RATE BASE ADJ.	**(90,307,030)**		**(52,415,524)**	**(36,944,242)**	**19,092**	**(89,340,674)**	**-**	**-**	**-**	**-**
TOTAL RATE BASE	**346,131,311**		**144,067,096**	**197,221,569**	**19,092**	**341,307,756**	**-**	**-**	**-**	**-**

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	LPG & LNG DEM	LPG & LNG CUS	LPG & LNG COM	LPG & LNG TOTAL	Misc DEM	Misc CUS	Misc COM	Misc TOTAL
General Plant										
Land & Land Rights	-	0	-	-	-	-	-	-	-	-
Structures & Improvements	(5,560,061)	LABOR	(470,518)	-	-	(470,518)	-	-	-	-
Office Furniture & Equipment	(157,522)	LABOR	(13,330)	-	-	(13,330)	-	-	-	-
Transportation Equipment	(3,649,940)	LABOR	(308,874)	-	-	(308,874)	-	-	-	-
Stores Equipment	(35,198)	LABOR	(2,979)	-	-	(2,979)	-	-	-	-
Tools, Shop & Garage Equip.	(754,055)	LABOR	(63,812)	-	-	(63,812)	-	-	-	-
Laboratory Equip.	-	LABOR	-	-	-	-	-	-	-	-
Power Operated Equip.	(683,509)	LABOR	(57,842)	-	-	(57,842)	-	-	-	-
Communication Equip.	(433,204)	LABOR	(36,660)	-	-	(36,660)	-	-	-	-
Miscellaneous Equip.	(251,165)	LABOR	(21,255)	-	-	(21,255)	-	-	-	-
Other	-	PLANT	-	-	-	-	-	-	-	-
Sub-total	***(11,524,653)***		***(975,268)***	-	-	***(975,268)***	-	-	-	-
TOTAL DEPRECIATION ACCRUAL	**(204,751,433)**		**(3,800,140)**	-	-	**(3,800,140)**	-	-	-	-
NET PLANT	**436,438,341**		**5,789,911**	-	-	**5,789,911**	-	-	-	-
Rate Base Adjustments										
Additions										
Fuel Stock	-	PDGPLT	-	-	-	-	-	-	-	-
Gas Materials and Supplies	5,936,060	PDGPLT	77,309	-	-	77,309	-	-	-	-
Gas Stored Underground - Current A/C 164	-	PDGPLT	-	-	-	-	-	-	-	-
LNG Inventory - Current A/C 164	-	PDGPLT	-	-	-	-	-	-	-	-
Gas Stored Underground - Non-Current A/C 117	-	PDGPLT	-	-	-	-	-	-	-	-
Cash Working Capital (Other)	3,239,217	OMEXPX	191,211	-	-	191,211	-	-	21,425	21,425
Prepayments	-	PDGPLT	-	-	-	-	-	-	-	-
Sub-total	***9,175,276***		***268,520***	-	-	***268,520***	-	-	***21,425***	***21,425***
Deductions										
Customer Deposits	(3,019,271)	CUST	-	-	-	-	-	-	-	-
Excess Accum. Deferred Income Taxes	(37,855,214)	PDGPLT	(493,013)	-	-	(493,013)	-	-	-	-
Accum. Deferred Income Taxes	(58,607,821)	PDGPLT	(763,288)	-	-	(763,288)	-	-	-	-
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Sub-total	***(99,482,306)***		***(1,256,300)***	-	-	***(1,256,300)***	-	-	-	-
TOTAL RATE BASE ADJ.	**(90,307,030)**		**(987,780)**	-	-	**(987,780)**	-	-	**21,425**	**21,425**
TOTAL RATE BASE	**346,131,311**		**4,802,130**	-	-	**4,802,130**	-	-	**21,425**	**21,425**

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	Delivery Costs				Direct Gas Costs			
			DEM	CUS	COM	TOTAL	DEM	CUS	COM	TOTAL
EXPENSES										
O & M Expenses										
Production (LPG LNG) - Operation										
Supervision	990,089	DPROD	86,138	-	-	86,138	-	-	-	-
LPG - Production	-	DPROD	-	-	-	-	-	-	-	-
LPG - Materials	-	DPROD	-	-	-	-	-	-	-	-
Gas Mixing & Misc Exp - Keene	64,037	DPROD	5,571	-	-	5,571	-	-	-	-
Misc. Prod. Exp.	469,719	DPROD	40,866	-	-	40,866	-	-	-	-
Operation Labor & Expenses	-	DPROD	-	-	-	-	-	-	-	-
Other	26,120	DPROD	2,272	-	-	2,272	-	-	-	-
Indirect Expenses	-	INDIRECT	-	-	-	-	-	-	-	-
Sub-total	***1,549,966***		***134,847***	-	-	***134,847***	-	-	-	-
Production (LPG LNG) - Maintenance										
Maint. of Prod. Equip	119,531	DPROD	10,399	-	-	10,399	-	-	-	-
Sub-total	***119,531***		***10,399***	-	-	***10,399***	-	-	-	-
Total Production	***1,669,496***		***145,246***	-	-	***145,246***	-	-	-	-
Purchased Gas Expenses										
Gas Supply	-	GASCOST	-	-	-	-	-	-	-	-
Storage Gas	-	GASCOST	-	-	-	-	-	-	-	-
Other Gas Supply	-	GASSPLY	-	-	-	-	-	-	-	-
Sub-total	-		-	-	-	-	-	-	-	-
Distribution Operation Expenses										
Operation Supervision & Engineering	540,518	DISTOPX	442,600	97,918	-	540,518	-	-	-	-
Distribution Load Dispatch	583,704	DIST	583,704	-	-	583,704	-	-	-	-
Mains & Services Expenses	5,681,636	DIST	5,681,636	-	-	5,681,636	-	-	-	-
M&R Station Expenses - General	-	DIST	-	-	-	-	-	-	-	-
M&R Station Expenses - Industrial	-	DIST	-	-	-	-	-	-	-	-
Meter & House Regulator Expenses	1,133,075	CUST	-	1,133,075	-	1,133,075	-	-	-	-
Customer Installation Expenses	638,150	CUST	-	638,150	-	638,150	-	-	-	-
Other Expenses	1,730,199	DIST	1,730,199	-	-	1,730,199	-	-	-	-
Rents	10,618	DIST	10,618	-	-	10,618	-	-	-	-
Sub-total	***10,317,899***		***8,448,756***	***1,869,143***	-	***10,317,899***	-	-	-	-
Distribution Maintenance Expenses										
Maint. Supervision & Engineering	-	DISTMNX	-	-	-	-	-	-	-	-
Maint. of Structures & Improv.	149,261	DIST	149,261	-	-	149,261	-	-	-	-
Maint. of Mains	2,671,929	DIST	2,671,929	-	-	2,671,929	-	-	-	-
Maint. of M&R Station Equip. - General	-	DIST	-	-	-	-	-	-	-	-
Maint. of Services	465,285	CUST	-	465,285	-	465,285	-	-	-	-
Maint. of Meters & House Regulators	354,765	CUST	-	354,765	-	354,765	-	-	-	-
Maint. of Other Equip.	346,584	DIST	346,584	-	-	346,584	-	-	-	-
Sub-total	***3,987,825***		***3,167,775***	***820,051***	-	***3,987,825***	-	-	-	-
Total Distribution	***14,305,724***		***11,616,531***	***2,689,194***	-	***14,305,724***	-	-	-	-

Functional Cost Study
Account Detail

			LPG & LNG				Misc			
Account Description	Amount	Alloc. Factor	DEM	CUS	COM	TOTAL	DEM	CUS	COM	TOTAL
EXPENSES										
O & M Expenses										
Production (LPG LNG) - Operation										
Supervision	990,089	DPROD	903,952	-	-	903,952	-	-	-	-
LPG - Production	-	DPROD	-	-	-	-	-	-	-	-
LPG - Materials	-	DPROD	-	-	-	-	-	-	-	-
Gas Mixing & Misc Exp - Keene	64,037	DPROD	58,466	-	-	58,466	-	-	-	-
Misc. Prod. Exp.	469,719	DPROD	428,854	-	-	428,854	-	-	-	-
Operation Labor & Expenses	-	DPROD	-	-	-	-	-	-	-	-
Other	26,120	DPROD	23,847	-	-	23,847	-	-	-	-
Indirect Expenses	-	INDIRECT	-	-	-	-	-	-	-	-
Sub-total	***1,549,966***		***1,415,119***	-	-	***1,415,119***	-	-	-	-
Production (LPG LNG) - Maintenance										
Maint. of Prod. Equip	119,531	DPROD	109,132	-	-	109,132	-	-	-	-
Sub-total	***119,531***		***109,132***	-	-	***109,132***	-	-	-	-
Total Production	***1,669,496***		***1,524,250***	-	-	***1,524,250***	-	-	-	-
Purchased Gas Expenses										
Gas Supply	-	GASCOST	-	-	-	-	-	-	-	-
Storage Gas	-	GASCOST	-	-	-	-	-	-	-	-
Other Gas Supply	-	GASSPLY	-	-	-	-	-	-	-	-
Sub-total	-		-	-	-	-	-	-	-	-
Distribution Operation Expenses										
Operation Supervision & Engineering	540,518	DISTOPX	-	-	-	-	-	-	-	-
Distribution Load Dispatch	583,704	DIST	-	-	-	-	-	-	-	-
Mains & Services Expenses	5,681,636	DIST	-	-	-	-	-	-	-	-
M&R Station Expenses - General	-	DIST	-	-	-	-	-	-	-	-
M&R Station Expenses - Industrial	-	DIST	-	-	-	-	-	-	-	-
Meter & House Regulator Expenses	1,133,075	CUST	-	-	-	-	-	-	-	-
Customer Installation Expenses	638,150	CUST	-	-	-	-	-	-	-	-
Other Expenses	1,730,199	DIST	-	-	-	-	-	-	-	-
Rents	10,618	DIST	-	-	-	-	-	-	-	-
Sub-total	***10,317,899***		-	-	-	-	-	-	-	-
Distribution Maintenance Expenses										
Maint. Supervision & Engineering	-	DISTMNX	-	-	-	-	-	-	-	-
Maint. of Structures & Improv.	149,261	DIST	-	-	-	-	-	-	-	-
Maint. of Mains	2,671,929	DIST	-	-	-	-	-	-	-	-
Maint. of M&R Station Equip. - General	-	DIST	-	-	-	-	-	-	-	-
Maint. of Services	465,285	CUST	-	-	-	-	-	-	-	-
Maint. of Meters & House Regulators	354,765	CUST	-	-	-	-	-	-	-	-
Maint. of Other Equip.	346,584	DIST	-	-	-	-	-	-	-	-
Sub-total	***3,987,825***		-	-	-	-	-	-	-	-
Total Distribution	***14,305,724***		-	-	-	-	-	-	-	-

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	Delivery Costs DEM	Delivery Costs CUS	Delivery Costs COM	Delivery Costs TOTAL	Direct Gas Costs DEM	Direct Gas Costs CUS	Direct Gas Costs COM	Direct Gas Costs TOTAL
Customer Account										
Supervision	246,658	CACCTX	-	246,658	-	246,658	-	-	-	-
Meter Reading	327,602	CUST	-	327,602	-	327,602	-	-	-	-
Customer Records & Collection	2,757,111	CUST	-	2,757,111	-	2,757,111	-	-	-	-
Uncollectable Accounts - Delivery	1,613,012	PREV_DEL	-	-	1,613,012	1,613,012	-	-	-	-
Uncollectable Accounts - Production	67,758	PREV_PROD	-	-	-	-	-	-	-	-
Misc. Customer Accounts	13,047	CUST	-	13,047	-	13,047	-	-	-	-
Sub-total	***5,025,189***		**-**	***3,344,419***	***1,613,012***	***4,957,430***	**-**	**-**	**-**	**-**
Customer Service & Information Expenses										
Informational and Instructional Advertisign Expenses	81,733	CUST	-	81,733	-	81,733	-	-	-	-
Misc Customer Assistance Expense	15,180	CUST	-	15,180	-	15,180	-	-	-	-
Sub-total	***96,913***		**-**	***96,913***	**-**	***96,913***	**-**	**-**	**-**	**-**
Sales Expenses										
Demostrating & Selling Expenses	455,606	CUST	-	455,606	-	455,606	-	-	-	-
Advertising Expenses	0	CUST	-	0	-	0	-	-	-	-
Misc. Sales Expenses	77,383	CUST	-	77,383	-	77,383	-	-	-	-
Sub-total	***532,989***		**-**	***532,989***	**-**	***532,989***	**-**	**-**	**-**	**-**
Administrative and General Expenses										
Administrative & General Salaries	5,432,241	LABOR	2,823,156	2,149,385	-	4,972,541	-	-	-	-
A&G Salaries - Energy Procurement	421,021	GASSPLY	-	-	-	-	-	-	-	-
Office Supplies	2,029,906	LABOR	1,054,949	803,177	-	1,858,126	-	-	-	-
Office Supplies - Energy Procurement	168,393	GASSPLY	-	-	-	-	-	-	-	-
A&G Transferred	(16,140,423)	AGxTRANSFER	(7,840,061)	(5,968,963)	(497,026)	(14,306,050)	-	-	-	-
A&G Transferred - Energy Procurement	-	GASSPLY	-	-	-	-	-	-	-	-
Outside Services	6,917,962	LABOR	3,595,290	2,737,243	-	6,332,533	-	-	-	-
Outside Serv. - Gas Acquistion	216,091	GASSPLY	-	-	-	-	-	-	-	-
Property Insurance	51,523	LABOR	26,777	20,386	-	47,163	-	-	-	-
Injuries & Damages	814,179	LABOR	423,132	322,148	-	745,280	-	-	-	-
Employee Pension & Benefits	7,255,395	LABOR	3,770,655	2,870,756	-	6,641,411	-	-	-	-
Regulatory Commission - Delivery	745,711	PREV_DEL	-	-	745,711	745,711	-	-	-	-
Regulatory Commission - Production	31,325	REG_COMM	-	-	-	-	-	-	-	-
Misc. General Expenses	1,146	LABOR	595	453	-	1,049	-	-	-	-
Office Rent	131,314	LABOR	68,244	51,957	-	120,202	-	-	-	-
Maintenance of General Plant	-	LABOR	-	-	-	-	-	-	-	-
Sub-total	***8,075,783***		***3,922,737***	***2,986,542***	***248,685***	***7,157,963***	**-**	**-**	**-**	**-**
TOTAL O & M EXPENSES	**29,706,094**		**15,684,514**	**9,650,056**	**1,861,696**	**27,196,266**	**-**	**-**	**-**	**-**
Labor Expense										
Production - Operation										
Supervision	958,071	DPROD	83,352	-	-	83,352	-	-	-	-
LPG - Production	-	DPROD	-	-	-	-	-	-	-	-
LPG - Materials	-	DPROD	-	-	-	-	-	-	-	-
Gas Mixing & Misc Exp - Keene	188,343	DPROD	16,386	-	-	16,386	-	-	-	-
Misc. Prod. Exp.	-	DPROD	-	-	-	-	-	-	-	-
Operation Labor & Expenses	-	DPROD	-	-	-	-	-	-	-	-
Sub-total	***1,146,680***		***99,761***	**-**	**-**	***99,761***	**-**	**-**	**-**	**-**
Production - Maintenance										
Maint. of Prod. Equip	-	DPROD	-	-	-	-	-	-	-	-
Sub-total	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Production	***1,146,680***		***99,761***	**-**	**-**	***99,761***	**-**	**-**	**-**	**-**

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	LPG & LNG DEM	LPG & LNG CUS	LPG & LNG COM	LPG & LNG TOTAL	Misc DEM	Misc CUS	Misc COM	Misc TOTAL
Customer Account										
Supervision	246,658	CACCTX	-	-	-	-	-	-	-	-
Meter Reading	327,602	CUST	-	-	-	-	-	-	-	-
Customer Records & Collection	2,757,111	CUST	-	-	-	-	-	-	-	-
Uncollectable Accounts - Delivery	1,613,012	PREV_DEL	-	-	-	-	-	-	-	-
Uncollectable Accounts - Production	67,758	PREV_PROD	-	-	62,395	62,395	-	-	5,364	5,364
Misc. Customer Accounts	13,047	CUST	-	-	-	-	-	-	-	-
Sub-total	***5,025,189***		**-**	**-**	***62,395***	***62,395***	**-**	**-**	***5,364***	***5,364***
Customer Service & Information Expenses										
Informational and Instructional Advertisign Expenses	81,733	CUST	-	-	-	-	-	-	-	-
Misc Customer Assistance Expense	15,180	CUST	-	-	-	-	-	-	-	-
Sub-total	***96,913***		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales Expenses										
Demostrating & Selling Expenses	455,606	CUST	-	-	-	-	-	-	-	-
Advertising Expenses	0	CUST	-	-	-	-	-	-	-	-
Misc. Sales Expenses	77,383	CUST	-	-	-	-	-	-	-	-
Sub-total	***532,989***		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Administrative and General Expenses										
Administrative & General Salaries	5,432,241	LABOR	459,701	-	-	459,701	-	-	-	-
A&G Salaries - Energy Procurement	421,021	GASSPLY	-	-	-	-	-	-	421,021	421,021
Office Supplies	2,029,906	LABOR	171,780	-	-	171,780	-	-	-	-
Office Supplies - Energy Procurement	168,393	GASSPLY	-	-	-	-	-	-	168,393	168,393
A&G Transferred	(16,140,423)	AGxTRANSFER	(1,276,615)	-	-	(1,276,615)	-	-	(557,758)	(557,758)
A&G Transferred - Energy Procurement	-	GASSPLY	-	-	-	-	-	-	-	-
Outside Services	6,917,962	LABOR	585,429	-	-	585,429	-	-	-	-
Outside Serv. - Gas Acquistion	216,091	GASSPLY	-	-	-	-	-	-	216,091	216,091
Property Insurance	51,523	LABOR	4,360	-	-	4,360	-	-	-	-
Injuries & Damages	814,179	LABOR	68,900	-	-	68,900	-	-	-	-
Employee Pension & Benefits	7,255,395	LABOR	613,984	-	-	613,984	-	-	-	-
Regulatory Commission - Delivery	745,711	PREV_DEL	-	-	-	-	-	-	-	-
Regulatory Commission - Production	31,325	REG_COMM	-	-	-	-	-	-	31,325	31,325
Misc. General Expenses	1,146	LABOR	97	-	-	97	-	-	-	-
Office Rent	131,314	LABOR	11,112	-	-	11,112	-	-	-	-
Maintenance of General Plant	-	LABOR	-	-	-	-	-	-	-	-
Sub-total	***8,075,783***		***638,748***	**-**	**-**	***638,748***	**-**	**-**	***279,072***	***279,072***
TOTAL O & M EXPENSES	**29,706,094**		**2,162,998**	**-**	**62,395**	**2,225,393**	**-**	**-**	**284,435**	**284,435**
Labor Expense										
Production - Operation										
Supervision	958,071	DPROD	874,719	-	-	874,719	-	-	-	-
LPG - Production	-	DPROD	-	-	-	-	-	-	-	-
LPG - Materials	-	DPROD	-	-	-	-	-	-	-	-
Gas Mixing & Misc Exp - Keene	188,343	DPROD	171,957	-	-	171,957	-	-	-	-
Misc. Prod. Exp.	-	DPROD	-	-	-	-	-	-	-	-
Operation Labor & Expenses	-	DPROD	-	-	-	-	-	-	-	-
Sub-total	***1,146,680***		***1,046,919***	**-**	**-**	***1,046,919***	**-**	**-**	**-**	**-**
Production - Maintenance										
Maint. of Prod. Equip	-	DPROD	-	-	-	-	-	-	-	-
Sub-total	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Production	***1,146,680***		***1,046,919***	**-**	**-**	***1,046,919***	**-**	**-**	**-**	**-**

Functional Cost Study
Account Detail

			Delivery Costs				Direct Gas Costs			
Account Description	**Amount**	**Alloc. Factor**	**DEM**	**CUS**	**COM**	**TOTAL**	**DEM**	**CUS**	**COM**	**TOTAL**
Distribution Operation Expenses										
Operation Supervision & Engineering	336,069	DISTOPX	275,188	60,881	-	336,069	-	-	-	-
Distribution Load Dispatch	583,241	DIST	583,241	-	-	583,241	-	-	-	-
Mains & Services Expenses	3,547,661	DIST	3,547,661	-	-	3,547,661	-	-	-	-
M&R Station Expenses - General	-	DIST	-	-	-	-	-	-	-	-
M&R Station Expenses - Industrial	-	DIST	-	-	-	-	-	-	-	-
Meter & House Regulator Expenses	1,053,744	CUST	-	1,053,744	-	1,053,744	-	-	-	-
Customer Installation Expenses	632,084	CUST	-	632,084	-	632,084	-	-	-	-
Other Expenses	876,280	DIST	876,280	-	-	876,280	-	-	-	-
Rents	-	DIST	-	-	-	-	-	-	-	-
Sub-total	***7,029,078***		***5,282,370***	***1,746,709***	**-**	***7,029,078***	**-**	**-**	**-**	**-**
Distribution Maintenance Expenses										
Maint. Supervision & Engineering	-	DISTMNX	-	-	-	-	-	-	-	-
Maint. of Structures & Improv.	121,758	DIST	121,758	-	-	121,758	-	-	-	-
Maint. of Mains	827,116	DIST	827,116	-	-	827,116	-	-	-	-
Maint. of M&R Station Equip. - General	-	DIST	-	-	-	-	-	-	-	-
Maint. of Services	208,998	CUST	-	208,998	-	208,998	-	-	-	-
Maint. of Meters & House Regulators	267,300	CUST	-	267,300	-	267,300	-	-	-	-
Maint. of Other Equip.	98,428	DIST	98,428	-	-	98,428	-	-	-	-
Sub-total	***1,523,600***		***1,047,302***	***476,298***	**-**	***1,523,600***	**-**	**-**	**-**	**-**
Total Distribution	***8,552,678***		***6,329,672***	***2,223,007***	**-**	***8,552,678***	**-**	**-**	**-**	**-**
Customer Account										
Supervision	246,658	CACCTX	-	246,658	-	246,658	-	-	-	-
Meter Reading	301,954	CUST	-	301,954	-	301,954	-	-	-	-
Customer Records & Collection	1,599,953	CUST	-	1,599,953	-	1,599,953	-	-	-	-
Uncollectable Accounts	-	0	-	-	-	-	-	-	-	-
Misc. Customer Accounts	-	CUST	-	-	-	-	-	-	-	-
Sub-total	***2,148,565***		**-**	***2,148,565***	**-**	***2,148,565***	**-**	**-**	**-**	**-**
Customer Service & Information Expenses										
Informational and Instructional Advertising Expenses	21,713	CUST	-	21,713	-	21,713	-	-	-	-
Misc Customer Assistance Expense	-	CUST	-	-	-	-	-	-	-	-
Sub-total	***21,713***		**-**	***21,713***	**-**	***21,713***	**-**	**-**	**-**	**-**
Sales Expenses										
Demostrating & Selling Expenses	424,325	CUST	-	424,325	-	424,325	-	-	-	-
Advertising Expenses	-	CUST	-	-	-	-	-	-	-	-
Misc. Sales Expenses	77,383	CUST	-	77,383	-	77,383	-	-	-	-
~	-	~	-	-	-	-	-	-	-	-
Sub-total	***501,708***		**-**	***501,708***	**-**	***501,708***	**-**	**-**	**-**	**-**
TOTAL O & M LABOR EXP.	**12,371,345**		**6,429,433**	**4,894,993**	**-**	**11,324,425**	**-**	**-**	**-**	**-**

Functional Cost Study
Account Detail

			LPG & LNG				Misc			
Account Description	**Amount**	**Alloc. Factor**	**DEM**	**CUS**	**COM**	**TOTAL**	**DEM**	**CUS**	**COM**	**TOTAL**
Distribution Operation Expenses										
Operation Supervision & Engineering	336,069	DISTOPX	-	-	-	-	-	-	-	-
Distribution Load Dispatch	583,241	DIST	-	-	-	-	-	-	-	-
Mains & Services Expenses	3,547,661	DIST	-	-	-	-	-	-	-	-
M&R Station Expenses - General	-	DIST	-	-	-	-	-	-	-	-
M&R Station Expenses - Industrial	-	DIST	-	-	-	-	-	-	-	-
Meter & House Regulator Expenses	1,053,744	CUST	-	-	-	-	-	-	-	-
Customer Installation Expenses	632,084	CUST	-	-	-	-	-	-	-	-
Other Expenses	876,280	DIST	-	-	-	-	-	-	-	-
Rents	-	DIST	-	-	-	-	-	-	-	-
Sub-total	***7,029,078***		-	-	-	-	-	-	-	-
Distribution Maintenance Expenses										
Maint. Supervision & Engineering	-	DISTMNX	-	-	-	-	-	-	-	-
Maint. of Structures & Improv.	121,758	DIST	-	-	-	-	-	-	-	-
Maint. of Mains	827,116	DIST	-	-	-	-	-	-	-	-
Maint. of M&R Station Equip. - General	-	DIST	-	-	-	-	-	-	-	-
Maint. of Services	208,998	CUST	-	-	-	-	-	-	-	-
Maint. of Meters & House Regulators	267,300	CUST	-	-	-	-	-	-	-	-
Maint. of Other Equip.	98,428	DIST	-	-	-	-	-	-	-	-
Sub-total	***1,523,600***		-	-	-	-	-	-	-	-
Total Distribution	***8,552,678***		-	-	-	-	-	-	-	-
Customer Account										
Supervision	246,658	CACCTX	-	-	-	-	-	-	-	-
Meter Reading	301,954	CUST	-	-	-	-	-	-	-	-
Customer Records & Collection	1,599,953	CUST	-	-	-	-	-	-	-	-
Uncollectable Accounts	-	0	-	-	-	-	-	-	-	-
Misc. Customer Accounts	-	CUST	-	-	-	-	-	-	-	-
Sub-total	***2,148,565***		-	-	-	-	-	-	-	-
Customer Service & Information Expenses										
Informational and Instructional Advertising Expenses	21,713	CUST	-	-	-	-	-	-	-	-
Misc Customer Assistance Expense	-	CUST	-	-	-	-	-	-	-	-
Sub-total	***21,713***		-	-	-	-	-	-	-	-
Sales Expenses										
Demostrating & Selling Expenses	424,325	CUST	-	-	-	-	-	-	-	-
Advertising Expenses	-	CUST	-	-	-	-	-	-	-	-
Misc. Sales Expenses	77,383	CUST	-	-	-	-	-	-	-	-
~	-	~	-	-	-	-	-	-	-	-
Sub-total	***501,708***		-	-	-	-	-	-	-	-
TOTAL O & M LABOR EXP.	**12,371,345**		**1,046,919**	**-**	**-**	**1,046,919**	**-**	**-**	**-**	**-**

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	Delivery Costs DEM	Delivery Costs CUS	Delivery Costs COM	Delivery Costs TOTAL	Direct Gas Costs DEM	Direct Gas Costs CUS	Direct Gas Costs COM	Direct Gas Costs TOTAL
Depreciation Expense										
Intangible Plant										
Misc. Intangible Plant	3,185,122	LABOR	1,655,320	1,260,263	-	2,915,583	-	-	-	-
Sub-total	***3,185,122***		***1,655,320***	***1,260,263***	-	***2,915,583***	-	-	-	-
Production Plant										
Production Plant EN	154,281	DPROD	13,422	-	-	13,422	-	-	-	-
Production Plant Keene	-	DPROD	-	-	-	-	-	-	-	-
Sub-total	***154,281***		***13,422***	-	-	***13,422***	-	-	-	-
Other										
Depr Amort of Reserve Surplus	1,657,796	PLANT	990,054	642,948	-	1,633,001	-	-	-	-
Regulatory Debits	892,115	AGEXP	433,336	329,917	27,472	790,725	-	-	-	-
Amort. Of Regulatory Asset	(1,308,511)	LABOR	(680,038)	(517,741)	-	(1,197,779)	-	-	-	-
Ratemaking Adjustment	-	PDGPLT	-	-	-	-	-	-	-	-
Sub-total	***1,241,400***		***743,352***	***455,124***	***27,472***	***1,225,948***	-	-	-	-
Distribution Plant										
Land & Land Rights	-	0	-	-	-	-	-	-	-	-
M&R Stations	-	0	-	-	-	-	-	-	-	-
Mains	225,417	DIST	225,417	-	-	225,417	-	-	-	-
Compressor Station Equipment	43,127	DIST	43,127	-	-	43,127	-	-	-	-
M&R Stations	212,649	CUST	-	212,649	-	212,649	-	-	-	-
Services	6,351,794	CUST	-	6,351,794	-	6,351,794	-	-	-	-
Meters & Meter Installations	874,971	CUST	-	874,971	-	874,971	-	-	-	-
Other Equipment	140,851	DIST	140,851	-	-	140,851	-	-	-	-
Sub-total	***15,171,381***		***7,731,966***	***7,439,414***	-	***15,171,381***	-	-	-	-
General Plant Plant										
Land & Land Rights	-	0	-	-	-	-	-	-	-	-
Structures & Improvements	647,879	LABOR	336,705	256,348	-	593,053	-	-	-	-
Office Furniture & Equipment	300,235	LABOR	156,033	118,794	-	274,827	-	-	-	-
Transportation Equipment	1,601,423	LABOR	832,265	633,638	-	1,465,903	-	-	-	-
Stores Equipment	4,600	LABOR	2,391	1,820	-	4,211	-	-	-	-
Tools, Shop & Garage Equip.	175,655	LABOR	91,289	69,502	-	160,791	-	-	-	-
Laboratory Equip.	-	0	-	-	-	-	-	-	-	-
Power Operated Equip.	275,750	LABOR	143,308	109,107	-	252,415	-	-	-	-
Communication Equip.	89,240	LABOR	46,378	35,310	-	81,688	-	-	-	-
Miscellaneous Equip.	53,558	LABOR	27,834	21,192	-	49,026	-	-	-	-
Sub-total	***3,148,341***		***1,636,204***	***1,245,710***	-	***2,881,915***	-	-	-	-
TOTAL DEPRECIATION EXPENSES	**22,900,526**		**11,780,265**	**10,400,511**	**27,472**	**22,208,248**	-	-	-	-
Taxes Other Than Income Taxes										
Payroll	1,997,975	LABOR	1,038,355	790,542	-	1,828,897	-	-	-	-
Property	12,195,461	PLANT	7,283,259	4,729,799	-	12,013,058	-	-	-	-
Sub-total	***14,193,436***		***8,321,613***	***5,520,341***	-	***13,841,955***	-	-	-	-
	-									
TOTAL TAXES OTHER THAN INCOME TAX	**14,193,436**		**8,321,613**	**5,520,341**	-	**13,841,955**	-	-	-	-
Operating Revenues										
Distribution Rate Revenue	93,643,178	CUR_REV	-	-	91,649,591	91,649,591	-	-	-	-
Late Payment Charges - Delivery	20,686	PREV_DEL	-	-	20,686	20,686	-	-	-	-
Late Payment Charges - Production	869	PREV_PROD	-	-	-	-	-	-	-	-
Connect/Reconnect Fees	386,715	CUST	-	386,715	-	386,715	-	-	-	-
Other Revenues	799,106	OTH_REV	-	-	799,106	799,106	-	-	-	-
Sub-total	***94,850,554***		-	***386,715***	***92,469,383***	***92,856,098***	-	-	-	-
TOTAL	**94,850,554**		-	**386,715**	**92,469,383**	**92,856,098**	-	-	-	-

Functional Cost Study
Account Detail

Account Description	Amount	Alloc. Factor	LPG & LNG DEM	LPG & LNG CUS	LPG & LNG COM	LPG & LNG TOTAL	Misc DEM	Misc CUS	Misc COM	Misc TOTAL
Depreciation Expense										
Intangible Plant										
Misc. Intangible Plant	3,185,122	LABOR	269,539	-	-	269,539	-	-	-	-
Sub-total	***3,185,122***		***269,539***	-	-	***269,539***	-	-	-	-
Production Plant										
Production Plant EN	154,281	DPROD	140,858	-	-	140,858	-	-	-	-
Production Plant Keene	-	DPROD	-	-	-	-	-	-	-	-
Sub-total	***154,281***		***140,858***	-	-	***140,858***	-	-	-	-
Other										
Depr Amort of Reserve Surplus	1,657,796	PLANT	24,795	-	-	24,795	-	-	-	-
Regulatory Debits	892,115	AGEXP	70,561	-	-	70,561	-	-	30,828	30,828
Amort. Of Regulatory Asset	(1,308,511)	LABOR	(110,732)	-	-	(110,732)	-	-	-	-
Ratemaking Adjustment	-	PDGPLT	-	-	-	-	-	-	-	-
Sub-total	***1,241,400***		***(15,376)***	-	-	***(15,376)***	-	-	***30,828***	***30,828***
Distribution Plant										
Land & Land Rights	-	0	-	-	-	-	-	-	-	-
M&R Stations	-	0	-	-	-	-	-	-	-	-
Mains	225,417	DIST	-	-	-	-	-	-	-	-
Compressor Station Equipment	43,127	DIST	-	-	-	-	-	-	-	-
M&R Stations	212,649	CUST	-	-	-	-	-	-	-	-
Services	6,351,794	CUST	-	-	-	-	-	-	-	-
Meters & Meter Installations	874,971	CUST	-	-	-	-	-	-	-	-
Other Equipment	140,851	DIST	-	-	-	-	-	-	-	-
Sub-total	***15,171,381***		-	-	-	-	-	-	-	-
General Plant Plant										
Land & Land Rights	-	0	-	-	-	-	-	-	-	-
Structures & Improvements	647,879	LABOR	54,826	-	-	54,826	-	-	-	-
Office Furniture & Equipment	300,235	LABOR	25,407	-	-	25,407	-	-	-	-
Transportation Equipment	1,601,423	LABOR	135,520	-	-	135,520	-	-	-	-
Stores Equipment	4,600	LABOR	389	-	-	389	-	-	-	-
Tools, Shop & Garage Equip.	175,655	LABOR	14,865	-	-	14,865	-	-	-	-
Laboratory Equip.	-	0	-	-	-	-	-	-	-	-
Power Operated Equip.	275,750	LABOR	23,335	-	-	23,335	-	-	-	-
Communication Equip.	89,240	LABOR	7,552	-	-	7,552	-	-	-	-
Miscellaneous Equip.	53,558	LABOR	4,532	-	-	4,532	-	-	-	-
Sub-total	***3,148,341***		***266,427***	-	-	***266,427***	-	-	-	-
TOTAL DEPRECIATION EXPENSES	**22,900,526**		**661,449**	-	-	**661,449**	-	-	**30,828**	**30,828**
Taxes Other Than Income Taxes										
Payroll	1,997,975	LABOR	169,078	-	-	169,078	-	-	-	-
Property	12,195,461	PLANT	182,403	-	-	182,403	-	-	-	-
Sub-total	***14,193,436***		***351,481***	-	-	***351,481***	-	-	-	-
	-									
TOTAL TAXES OTHER THAN INCOME TAX	**14,193,436**		**351,481**	-	-	**351,481**	-	-	-	-
Operating Revenues										
Distribution Rate Revenue	93,643,178	CUR_REV	-	-	1,980,418	1,980,418	-	-	13,170	13,170
Late Payment Charges - Delivery	20,686	PREV_DEL	-	-	-	-	-	-	-	-
Late Payment Charges - Production	869	PREV_PROD	-	-	800	800	-	-	69	69
Connect/Reconnect Fees	386,715	CUST	-	-	-	-	-	-	-	-
Other Revenues	799,106	OTH_REV	-	-	-	-	-	-	-	-
Sub-total	***94,850,554***		-	-	***1,981,218***	***1,981,218***	-	-	***13,238***	***13,238***
TOTAL	**94,850,554**		-	-	**1,981,218**	**1,981,218**	-	-	**13,238**	**13,238**

Functional Cost Study
External Allocation Factors

Name	Description		Total	Delivery Costs	Direct Gas Costs	Production Costs	Misc. Costs
DEMAND ALLOCATORS							
LPG_LNG	Production	DEM		0.00%	0.00%	100.00%	0.00%
	Test Yr - Energy North		1			1	
DIST	Distribution	DEM		100.00%	0.00%	0.00%	0.00%
	Test Yr - Energy North		1	1			
DPROD	Delivery & Production	DEM		8.70%	0.00%	91.30%	0.00%
	Test Yr - Energy North		1	0.087		0.913	
DPROD_K	Keene Production	DEM		100.00%	0.00%	0.00%	0.00%
	Test Yr - Energy North		1	1			
CUSTOMER ALLOCATORS							
CUST	Distribution Customer	CUS		100.00%	0.00%	0.00%	0.00%
	Test Yr - Energy North		1	1			
COMMODITY ALLOCATORS							
PROPANE	Propane Commodity	COM		0.00%	0.00%	100.00%	0.00%
	Test Yr - Energy North		1			1	
LNG	LNG Commodity	COM		0.00%	0.00%	100.00%	0.00%
	Test Yr - Energy North		1			1	
GASCOST	Allocated Gas Costs	COM		0.00%	100.00%	0.00%	0.00%
	Test Yr - Energy North		1		1		
GASSPLY	Gas Supply	COM		0.00%	0.00%	0.00%	100.00%
	Test Yr - Energy North		1				1
CUR_REV	Revenues at Current Rates	COM		97.87%	0.00%	2.11%	0.01%
	Test Yr - Energy North		93,645,932	91,652,286	-	1,980,476	13,170
PROP_REV	Proposed Revenues	COM		95.97%	0.00%	3.71%	0.32%
	Test Yr - Energy North		99,425,862	95,417,615		3,690,964	317,283
PREV_DEL	Proposed Revenues Delivery	COM		100.00%	0.00%	0.00%	0.00%
	Test Yr - Energy North		1	1			
PREV_PROD	Proposed Production Revenue	COM		0.00%	0.00%	92.08%	7.92%
	Test Yr - Energy North		4,008,247			3,690,964	317,283
INDIRECT	Settlement Indirect Expenses	COM		0.00%	0.00%	99.34%	0.66%
	Test Yr - Energy North		(1,993,598)			(1,980,428)	(13,170)
REG_COMM	Production Regulatory Comm. Exp	COM		0.00%	0.00%	0.00%	100.00%
	Test Yr - Energy North		1				1
OTH_REV	Other Revenue	COM		100.00%	0.00%	0.00%	0.00%
	Test Yr - Energy North		1	1			

Functional Cost Study
Internal Allocators

Allocator Name	Description	Total	Delivery Costs	Direct Gas Costs	Production Costs	Misc. Costs
PLANT	Total Plant in Service	641,189,774	631,599,724	-	9,590,051	-
	Percent	100.00%	98.50%	0.00%	1.50%	0.00%
OMEXPX	TOI and O&M Exp. excl. gas costs & uncollectible	42,192,640	39,422,936	-	2,490,632	279,072
	Percent	100.00%	93.44%	0.00%	5.90%	0.66%
PRODOEXP	Production Operations Expenses	559,876	48,709	-	511,167	-
	Percent	100.00%	8.70%	0.00%	91.30%	0.00%
PRODMNTX	Production Maintenance Expenses	119,531	10,399	-	109,132	-
	Percent	100.00%	8.70%	0.00%	91.30%	0.00%
DISTOPX	Distribution Operations Expense	9,777,381	9,777,381	-	-	-
	Percent	100.00%	100.00%	0.00%	0.00%	0.00%
DISTMNX	Distribution Maintenance Expense	3,987,825	3,987,825	-	-	-
	Percent	100.00%	100.00%	0.00%	0.00%	0.00%
CACCTX	Customer Accounting Expenses	3,097,761	3,097,761	-	-	-
	Percent	100.00%	100.00%	0.00%	0.00%	0.00%
LABOR	Labor expense excluding A&G	12,371,345	11,324,425	-	1,046,919	-
	Percent	100.00%	91.54%	0.00%	8.46%	0.00%
GENPLT	General Plant	39,736,540	36,373,854	-	3,362,686	-
	Percent	100.00%	91.54%	0.00%	8.46%	0.00%
AGxTRANSFER	A&G Expenses excluding transfer	24,216,206	21,464,013	-	1,915,363	836,830
	Percent	100.00%	88.63%	0.00%	7.91%	3.46%
AGEXP	Total A&G Expense	8,075,783	7,157,963	-	638,748	279,072
	Percent	100.00%	88.63%	0.00%	7.91%	3.46%
DISTRPLT	Distribution Plant	578,926,765	578,926,765	-	-	-
	Percent	100.00%	100.00%	0.00%	0.00%	0.00%
RTBASE	Rate Base	346,131,311	341,307,756	-	4,802,130	21,425
	Percent	100.00%	98.61%	0.00%	1.39%	0.01%
PDGPLT	Production, Distribution & General Plant	623,879,626	615,754,439	-	8,125,188	-
	Percent	100.00%	98.70%	0.00%	1.30%	0.00%