

Unitil Energy Systems, Inc.
2022 Step Adjustment

| Line No. | Rate Effective Date Description | 6/1/2022 | Total | Growth | Non-Growth | Growth Source | Non-Growth Source |
|----------|---|----------------|-----------------|-----------------|-----------------|--------------------------------------|--|
| | | AS FILED | Investment Year | Investment Year | Investment Year | | |
| | | 2021 | 2021 | 2021 | 2021 | | |
| | | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Beginning Utility Plant ⁽¹⁾ | \$ 407,914,123 | \$ 407,914,123 | | | | |
| 2 | Plant Additions ⁽²⁾ | 22,889,867 | 22,267,917 | 5,709,229 | 16,558,688 | Revised Sch CGKS-1, Line 202 | Revised Sch CGKS-1 ⁽²⁾ , Line 203 |
| 3 | Retirements | (5,157,729) | (5,157,729) | (1,254,811) | (3,902,918) | Total x Revised Sch CGKS-1, Line 206 | Total x Revised Sch CGKS-1, Line 207 |
| 4 | Ending Utility Plant | 425,646,261 | 425,024,311 | 4,454,418 | 12,655,770 | | |
| 5 | Beginning Accumulated Depreciation ⁽³⁾ | 138,059,087 | 138,059,087 | | | | |
| 6 | Depreciation Expense | 15,309,001 | 15,309,001 | 3,724,488 | 11,584,514 | Total x Revised Sch CGKS-1, Line 206 | Total x Revised Sch CGKS-1, Line 207 |
| 7 | Retirements | (5,157,729) | (5,157,729) | (1,254,811) | (3,902,918) | Total x Revised Sch CGKS-1, Line 206 | Total x Revised Sch CGKS-1, Line 207 |
| 8 | Cost of Removal, Salvage and Transfers | (2,567,208) | (2,567,208) | (343,445) | (2,223,762) | Revised Sch CGKS-1, Line 202 | Revised Sch CGKS-1, Line 203 |
| 9 | Ending Accumulated Depreciation | 145,643,152 | 145,643,152 | 2,126,231 | 5,457,834 | | |
| 10 | Ending Net Utility Plant | 280,003,109 | 279,381,159 | 2,328,186 | 7,197,936 | | |
| 11 | Change in Net Plant | 10,148,073 | 9,526,123 | 2,328,186 | 7,197,936 | | |
| 12 | Non-Growth % Change in Net Plant ⁽⁴⁾ | 76% | n/a | n/a | n/a | | |
| 13 | Change in Net Plant | 7,679,174 | 9,526,123 | 2,328,186 | 7,197,936 | | |
| 14 | Pre-Tax Rate of Return | 9.19% | 9.19% | 9.19% | 9.19% | | |
| 15 | Return and Taxes | 705,638 | 875,354 | 213,937 | 661,417 | | |
| 16 | Depreciation Expense on Non-Growth Plant Additions at ⁽⁵⁾ | 3.35% | 580,496 | 746,285 | 191,339 | 554,947 | |
| 17 | Property Taxes on Non-Growth Change in Net Plant at ⁽⁶⁾ | 0.66% | 50,683 | 62,872 | 15,366 | 47,506 | |
| 18 | Amortization on Post-Test-Year Projects | | 39,969 | 39,969 | - | 39,969 | |
| 19 | Revenue Requirement Increase | \$ 1,376,786 | \$ 1,724,481 | \$ 420,641 | \$ 1,303,839 | | |
| 20 | Step 1 Revenue Requirement Capped Amount | | | | 1,377,331 | | |
| 21 | Step 1 Revenue Increase Allowed (If Line 19 > Line 20, Line 20 otherwise Line 19) | | | | \$ 1,303,839 | | |

Notes:

- (1) Beginning utility plant corresponds to Schedule RevReq-4, Column 5, Line 1
- (2) Excludes \$577,144 of post-test year adjustments included in DE 21-030 Schedule RevReq-4-4 as well as \$621,950 of additions closed to plant in service after 2/28/2021
- (3) Beginning accumulated depreciation corresponds to Schedule RevReq-4, Column 5, Line 2
- (4) Refer to Schedule CGKS-1
- (5) Refer to DE 21-030 Settlement Attachment 1, Schedule RevReq 3-16 P2 Revised, Col 8, Line 36
- (6) Property Taxes shall include State utility property taxes for all Non-Growth Plant Additions, calculated using the statutory tax rate in RSA 83-F:2, currently \$6.60 per \$1,000 of investment. Local property taxes shall not be included in the calculation and will be recovered through the Company's External Delivery Charge

2021 Gross Plant Detail

| Description | Beginning Balance | Additions | Retirements | Ending Balance |
|-------------------------------------|--------------------|-------------------|--------------------|--------------------|
| 301-00 Organization-E | 380 | - | - | 380 |
| 303-00 Intangible Software-5 Yea-E | 6,638,391 | 876,965 | - | 7,515,356 |
| 303-01 Intangible Software-3 Yea-E | 87,196 | - | - | 87,196 |
| 303-02 Intangible Software-10 Yea-E | 5,489,896 | - | - | 5,489,896 |
| 303-03 Intangible Software-CIS | 9,701,357 | - | - | 9,701,357 |
| 343-00 Prime Movers-E | 56,575 | - | (41,048) | 15,527 |
| 353-00 Transmission Station Equi-E | - | - | - | - |
| 360-01 ROW - Distribution-E | 1,002,660 | 1 | - | 1,002,661 |
| 360-02 ROW - Distribution-E | 1,674,812 | - | - | 1,674,812 |
| 361-00 Distribution Structures-E | 2,173,616 | 26,154 | - | 2,199,770 |
| 362-00 Distribution Station Equi-E | 50,412,132 | 852,146 | (35,132) | 51,229,145 |
| 364-00 Distribution Poles, Tower-E | 75,140,861 | 5,238,646 | (562,099) | 79,817,407 |
| 365-00 Distribution Overhead Con-E | 92,313,723 | 6,687,321 | (1,289,546) | 97,711,498 |
| 366-00 Distribution Underground -E | 2,587,958 | 237,392 | (21,241) | 2,804,109 |
| 367-00 Distribution Underground -E | 23,862,963 | 972,466 | (156,720) | 24,678,709 |
| 368-00 Distribution Line Transfo-E | 29,259,308 | 1,368,531 | (809,951) | 29,817,888 |
| 368-01 Transformer Installations-E | 25,947,042 | 1,945,878 | (566,298) | 27,326,623 |
| 369-00 Distribution Services-E | 25,642,632 | 1,551,537 | (286,759) | 26,907,411 |
| 370-00 Distribution Meters-E | 11,764,062 | 416,418 | (640,874) | 11,539,606 |
| 370-01 Meter Installation-E | 7,165,765 | 174,016 | (339,097) | 7,000,684 |
| 371-00 Installations on Customer-E | 2,404,367 | 202,354 | (327,597) | 2,279,124 |
| 373-00 Street Lights & Signal Sy-E | 3,580,954 | 64,674 | (72,705) | 3,572,923 |
| 373-01 Street Lights & Signal Sy-E | - | - | - | - |
| 389-00 General & Misc. Land-E | 1,363,295 | - | - | 1,363,295 |
| 390-00 Structures-E | 19,114,262 | 1,125,835 | - | 20,240,097 |
| 390-01 General & Misc. Structure-E | - | - | - | - |
| 391-01 Office Furniture & Fixtur-E | 1,289,877 | 128,914 | - | 1,418,790 |
| 391-03 Computer Equipment-E | - | - | - | - |
| 392-00 Transportation Equipment-E | 1,073,517 | - | (8,661) | 1,064,856 |
| 393-00 Stores Equipment-E | 90,657 | 11,433 | - | 102,089 |
| 394-00 Tools, Shop and garage Eq-E | 2,429,892 | 245,043 | - | 2,674,935 |
| 395-00 Laboratory Equipment-E | 948,530 | 19,156 | - | 967,686 |
| 397-00 Communication Equipment-E | 5,005,568 | 1,322,131 | - | 6,327,699 |
| 398-00 Miscellaneous Equipment-E | 102,943 | - | - | 102,943 |
| 399-00 Other Intangible Plant-E | - | - | - | - |
| Grand Total | 408,325,192 | 23,467,010 | (5,157,729) | 426,634,474 |

2021 Accumulated Depreciation Detail

| Description | Beginning Balance | Provision | Retirements | Cost of Removal | Salvage | Transfers | Ending Balance |
|-------------------------------------|----------------------|-------------------|--------------------|--------------------|---------------|-----------|--------------------|
| 301-00 Organization | - | - | - | - | - | - | - |
| 303-00 Intangible Software-5 Year | 4,743,991 | 522,869 | - | - | - | - | 5,266,860 |
| 303-01 Intangible Software-3 Year | 87,196 | - | - | - | - | - | 87,196 |
| 303-02 Intangible Software-10 Year | 2,700,885 | 548,255 | - | - | - | - | 3,249,140 |
| 303-03 Intangible Software-CIS | 1,014,448 | 512,318 | - | - | - | - | 1,526,766 |
| 343-00 Prime Movers | 36,796 | 2,176 | (41,048) | - | - | - | (2,076) |
| 350-01 ROW - Transmission | - | - | - | - | - | - | - |
| 350-02 ROW - Transmission | - | - | - | - | - | - | - |
| 352-00 Transmission Structures | - | - | - | - | - | - | - |
| 353-00 Transmission Station Equipme | - | - | - | - | - | - | - |
| 354-00 Transmission Towers & Fixtur | - | - | - | - | - | - | - |
| 355-00 Transmission Poles & Fixture | - | - | - | - | - | - | - |
| 356-00 Transmission Overhead Conduc | - | - | - | - | - | - | - |
| 360-01 ROW - Distribution | - | - | - | - | - | - | - |
| 360-02 ROW - Distribution | - | - | - | - | - | - | - |
| 361-00 Distribution Structures | 306,159 | 53,307 | - | - | - | - | 359,466 |
| 362-00 Distribution Station Equipme | 10,134,156 | 1,317,231 | (35,132) | (61,889) | - | - | 11,354,366 |
| 364-00 Distribution Poles, Towers & | 27,977,083 | 2,839,158 | (562,099) | (841,992) | 4,115 | - | 29,416,264 |
| 365-00 Distribution Overhead Conduc | 28,941,359 | 3,427,884 | (1,289,546) | (1,007,117) | 4,518 | - | 30,077,099 |
| 366-00 Distribution Underground Con | 718,989 | 53,656 | (21,241) | (3,603) | 1 | - | 747,802 |
| 367-00 Distribution Underground Con | 7,132,135 | 617,756 | (156,720) | (75,813) | 218 | - | 7,517,575 |
| 368-00 Distribution Line Transforme | 11,295,662 | 869,481 | (809,951) | (157,989) | - | - | 11,197,204 |
| 368-01 Transformer Installations | 6,633,459 | 746,078 | (566,298) | (33,469) | 43 | - | 6,779,812 |
| 368-02 Transformers Installations | - | - | - | - | - | - | - |
| 369-00 Distribution Services | 18,333,473 | 1,469,883 | (286,759) | (175,792) | 708 | - | 19,341,513 |
| 370-00 Distribution Meters | 5,127,986 | 565,956 | (640,874) | (180,214) | - | - | 4,872,855 |
| 370-01 Meter Installation | 1,512,910 | 340,805 | (339,097) | (11,653) | - | - | 1,502,965 |
| 370-02 Meter Installations | - | - | - | - | - | - | - |
| 371-00 Installations on Customers P | 539,998 | 177,371 | (327,597) | (30,044) | 25,397 | - | 385,126 |
| 373-00 Street Lights & Signal Syste | 3,017,725 | 278,347 | (72,705) | (35,748) | 12,465 | - | 3,200,085 |
| 373-01 Street Lights & Signal Syste | - | - | - | - | - | - | - |
| 389-00 General & Misc. Land | - | - | - | - | - | - | - |
| 390-00 Structures | 1,878,592 | 416,810 | - | - | - | 863 | 2,296,265 |
| 390-01 General & Misc. Structures | 863 | - | - | - | - | (863) | - |
| 391-01 Office Furniture & Fixtures | (56,091) | 80,752 | - | - | - | - | 24,661 |
| 391-03 Computer Equipment | 4,346 | - | - | - | - | - | 4,346 |
| 392-00 Transportation Equipment | 1,044,967 | - | (8,661) | - | 650 | - | 1,036,956 |
| 393-00 Stores Equipment | 66,182 | 3,270 | - | - | - | - | 69,451 |
| 394-00 Tools, Shop and garage Equip | 986,082 | 90,633 | - | - | - | - | 1,076,714 |
| 395-00 Laboratory Equipment | 499,182 | 37,175 | - | - | - | - | 536,358 |
| 397-00 Communication Equipment | 3,277,612 | 337,829 | - | - | - | - | 3,615,441 |
| 398-00 Miscellaneous Equipment | 102,943 | - | - | - | - | - | 102,943 |
| 399-00 Other Tangible Property | - | - | - | - | - | - | - |
| Grand Total | 138,059,087 | 15,309,001 | (5,157,729) | (2,615,322) | 48,115 | - | 145,643,152 |

**Unitil Energy Systems, Inc.
 Pre-Tax Rate Of Return**

| (1) | (2) | (3) | (4) | (5) | (6) | |
|-------------|------------------------|-----------------------|--------------------|-----------------------------|------------------------------|---------------------|
| LINE NO. | Description | Weight | Cost of Capital | Weighted Cost of Capital | Tax Factor ⁽¹⁾ | Pre-Tax Cost |
| 1 | Common Stock Equity | 52.00% | 9.20% | 4.78% | 1.3699 | 6.55% |
| 2 | Preferred Stock Equity | 0.00% | 6.00% | 0.00% | | 0.00% |
| 3 | Long Term Debt | 48.00% | 5.49% | 2.64% | | 2.64% |
| 4 | Short Term Debt | <u>0.00%</u> | 1.68% | <u>0.00%</u> | | <u>0.00%</u> |
| 5 | Total | <u><u>100.00%</u></u> | | <u><u>7.42%</u></u> | | <u><u>9.19%</u></u> |

Notes:

(1) 21% Federal Tax Rate and 7.6% NH State Tax Rate

Unitil Energy Systems, Inc.
Unitil Service Corp ("USC") Post-Test-Year Projects Amortization Expense

| Line No. | Description | Total Project Cost | Annual Amortization Expense |
|----------|--|--------------------|-----------------------------|
| 1 | SOX Modernization | 75,517 | \$ 15,103 |
| 2 | USC Time & Billing Upgrade/Replacement | 625,663 | 125,133 |
| 3 | 2020 Flexi Upgrade | 25,531 | 5,106 |
| 4 | Total | 726,711 | 145,342 |
| 5 | UES Apportionment | | 27.50% |
| 6 | Total Billed to Unitil Energy Systems | | 39,969 |