

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty
Step 2 Adjustment - Revenue Requirement
(Revised per Audit Adjustments and Depreciation Study)
With DOE Recommended Project Disallowances

Line	Description	IT	Transmission Mains	Distribution Mains	Services	Meters	Transportation	GEN-Tools-Shop- Garage Equip	Total
	<i>FERC Account</i>	303	367	376	380	381	392	394	
1	Capital Spending	\$ (0)	\$ 22,551,295	\$ 511,291	\$ 605,038	\$ 864,659	\$ (0)	\$ (0)	\$ 24,532,282
2									
3	Deferred Tax Calculation								
4	Tax Method	MACRS5	MACRS20	MACRS20	MACRS20	MACRS20	MACRS5	MACRS7	
5	Tax Depreciation Rate	20.00%	3.75%	3.75%	3.75%	3.75%	20.00%	14.29%	
6									
7	Bonus Depreciation @ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8									
9	Tax Basis	\$ (0)	\$ 22,551,295	\$ 511,291	\$ 605,038	\$ 864,659	\$ (0)	\$ (0)	\$ 24,532,282
10	MACRS Depreciation	\$ (0)	\$ 845,674	\$ 19,173	\$ 22,689	\$ 32,425	\$ (0)	\$ (0)	\$ 919,960
11									
12	Tax Depreciation - Federal	\$ (0)	\$ 845,674	\$ 19,173	\$ 22,689	\$ 32,425	\$ (0)	\$ (0)	\$ 919,960
13	Tax Depreciation - State	\$ (0)	\$ 845,674	\$ 19,173	\$ 22,689	\$ 32,425	\$ (0)	\$ (0)	\$ 919,960
14									
15	Book Depreciation Rate	20.00%	1.92%	1.92%	3.20%	3.33%	20.00%	5.26%	
16	Book Depreciation	\$ (0)	\$ 432,985	\$ 9,817	\$ 19,361	\$ 28,793	\$ (0)	\$ (0)	\$ 490,956
17									
18	Tax over (under) Book - Federal	\$ -	\$ 412,689	\$ 9,357	\$ 3,328	\$ 3,632	\$ -	\$ (0)	\$ 429,005
19	Tax over (under) Book - State	0	412,689	9,357	3,328	3,632	0	(0)	429,005
20	Deferred Taxes - Federal @ 21.00%	0	86,665	1,965	699	763	0	(0)	90,091
21	Deferred Taxes - State @ 7.60%	0	31,364	711	253	276	0	(0)	32,604
22	Deferred Tax Balance @ 0.00%	\$ -	\$ 118,029	\$ 2,676	\$ 952	\$ 1,039	\$ -	\$ (0)	\$ 122,695
23									
24	Rate Base Calculation								
25	Plant in Service	\$ (0)	\$ 22,551,295	\$ 511,291	\$ 605,038	\$ 864,659	\$ (0)	\$ (0)	\$ 24,532,282
26	Accumulated Depreciation	0	(432,985)	(9,817)	(19,361)	(28,793)	0	0	(490,956)
27	Deferred Tax Balance	0	(118,029)	(2,676)	(952)	(1,039)	0	0	(122,695)
28	Rate Base	\$ (0)	\$ 22,000,281	\$ 498,798	\$ 584,725	\$ 834,827	\$ (0)	\$ (0)	\$ 23,918,631
29									
30	Revenue Requirement Calculation								
31	Return on Rate Base @ 8.76%	\$ (0)	\$ 1,927,335	\$ 43,697	\$ 51,225	\$ 73,135	\$ (0)	\$ (0)	\$ 2,095,392
32	Depreciation Expense	(0)	432,985	9,817	19,361	28,793	(0)	(0)	490,956
33	Property Tax @ \$6.60 per \$1000	(0)	148,839	3,375	3,993	5,707	(0)	(0)	161,913
34	Annual Revenue Requirement	\$ (0)	\$ 2,509,158	\$ 56,888	\$ 74,579	\$ 107,635	\$ (0)	\$ (0)	\$ 2,748,261
35									
36	Keene CNG Phase I Expansion Revenue Requirement Adjustment (per risk sharing calculation)								(21,962)
37	Total Annual Revenue Requirement Related 2021 Plant Additions								2,726,299
38	Cap to Revenue Requirement per Settlement Agreement in DG 20-105								3,200,000
39	Lesser of Line 37 and Line 38								2,726,299
40	Adjustment to Depreciation Expense Schedule A page 2								(660,216)
40	Resulting Total Annual Revenue Requirement								\$ 2,066,083
41									
42									
43									
44	Rate of Return Calculation*	Capital Structure	Cost of Capital	Weighted Cost of Capital	Tax Rate	Pre-Tax WACC			
45	Equity	52.0%	9.30%	4.84%	27.004%	6.63%			
46	Debt	48.0%	4.42%	2.12%		2.12%			
47		100.0%	13.72%	6.96%		8.76%			

*As approved in the Settlement Agreement in Docket No. DG 20-105 with exception of the effective tax rate