



**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities  
Procedure for Adjusting Distribution Rates  
Docket No. DE 16-383 2019 Compliance  
Rates Effective May 1, 2019**

(1)	Increase in Revenue Requirement - Section II.B of the Settlement Agreement	\$183,432
(2)	Annual Base Distribution Revenues	\$41,866,327
(3)	Percentage of Adjustment to Distribution Rates	0.44%

**Notes**

- (1) Annual Revenue Requirement related to the 2017 Pelham Substation Capital Investment
- (2) Test year billing determinates multiplied by current distribution rates
- (3) Line (1) ÷ Line (2)

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
Step Adjustment - 2017 Pelham Substation Capital Investment  
Docket No. DE 16-383 Compliance**

Line	Description	Substation	OH Conductors	UG Conductors	Transformers	Meters	Structures	Fleet	Other	IT	Total
	<u>FERC Account</u>	362	364	366	368	370	390	392	394 et al	303	
1	Deferred Tax Calculation										
2	Capital Spending	\$1,250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,250,000
3											
4	Tax method	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS5	MACRS20	MACRS5	
5	Tax Depr. Rate, 20-year MACRS	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	20.00%	3.75%	20.00%	
6											
7	Annual Tax Depreciation- Year 1	\$46,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,875
8	Bonus Year 1	\$360,938	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$360,938
9	Book Depreciation Rate- Year 1	2.80%	3.25%	2.00%	3.51%	5.23%	1.68%	4.33%	4.17%	20.00%	
10	Annual Book Depreciation	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
11	Tax over (under) Book- Fed	\$372,813	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,813
12	Tax over (under) Book- State	\$11,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,875
13	Deferred Tax Balance	\$79,205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$79,205
14											
15	Rate Base Calculation										
16	Plant in Service	\$1,250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,250,000
17	Accumulated Depreciation	(\$35,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$35,000)
18	Deferred Tax Balance	(\$79,205)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$79,205)
19	Rate Base	\$1,135,795	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,135,795
20											
21	Revenue Requirement Calculation										
22	Return on Rate Base @ 9.44%	\$107,162	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$107,162
23	Depreciation Expense	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
24	Property Tax, Insurance @ 2.22%	\$27,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,750
25	Prior Year Debt Correction <sup>1</sup>	\$13,520	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,520
26	Annual Revenue Requirement	\$183,432	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$183,432
27		<b>\$183,432</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$183,432</b>
28											
29	Rate of Return Calculation	Portion				After-Tax Cost	WACC	Pre-Tax WACC		Deferred Tax Calculation	
30	Equity	50.0%				9.40%	4.70%	6.45%	Bonus Depr Year 1	30.00%	
31	Debt	50.0%				5.97%	2.99%	2.99%	Fed Tax Rate 2019	21.00%	
32		100.0%					7.69%	9.44%	State Tax Rate 2019	7.70%	
33									Deferred Tax Rate	79,205	
34	Property Taxes and Insurance as % of Plant Cost							2.22%			

[1] In the May 10, 2018, filing we used a debt rate of 4.57%, which calculated an approved revenue requirement of \$289,348. Line 25 is the difference between the filed \$289,348 and calculated revenue requirement of \$302,868 using the correct debt rate of 5.97%.

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities  
Residential Bill Impact  
Rates Effective May 1, 2019**

Usage: 650 kWh

	June 1, 2018 Rates	May 1, 2019 Rates	June 1, 2018 Bill	May 1, 2019 Bill
Customer Charge	\$14.02	\$14.08	\$14.02	\$14.08
Distribution Charge				
All kWh	\$0.04678	\$0.04699	\$30.41	\$30.54
Storm Recovery Adjustment	\$0.00000	\$0.00000	\$0.00	\$0.00
Transmission Charge	\$0.03460	\$0.03460	\$22.49	\$22.49
Stranded Cost Charge	(\$0.00095)	(\$0.00095)	(\$0.62)	(\$0.62)
System Benefits Charge	\$0.00535	\$0.00535	\$3.48	\$3.48
Electricity Consumption Tax	\$0.00000	\$0.00000	\$0.00	\$0.00
Subtotal Retail Delivery Services			\$69.78	\$69.97
Default Service Charge	\$0.08299	\$0.08299	\$53.94	\$53.94
Total Bill			\$123.72	\$123.92

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<b>\$ increase in 650 kWh Total Residential Bill</b>	<b>\$0.20</b>
<b>% increase in 650 kWh Total Residential Bill</b>	<b>0.16%</b>

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