



Revised Supplemental Attachment 2

Revenue Requirement

LINKED

Northern Utilities, Inc. - New Hampshire
Rate Plan Capital Expenditures - Eligible Facilities
2019 Step Adjustment

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Rate Effective Date		5/1/2019
Line No.	Description	Investment Year 2018
<u>Rate Base</u>		
1	Utility Plant Additions	\$ 9,136,655
2	Cost of Removal	628,116
3	2018 Capital Expenditures - Eligible Facilities	9,764,771
4	Accumulated Depreciation	124,201
5	Net Utility Plant	9,640,569
6	Accumulated Deferred Income Taxes (ADIT)	25,667
7	Rate Base	\$ 9,614,902
<u>Revenue Requirement</u>		
8	Rate Base	\$ 9,614,902
9	Pre-Tax Rate of Return	9.43%
10	Return and Related Income Taxes	\$ 906,522
11	Depreciation Expense	248,402
12	Property Taxes ⁽¹⁾	240,050
13	Revenue Requirement	\$ 1,394,975
<u>Rate Cap Limit:</u>		
14	Revenue Requirement	\$ 1,394,975
15	Revenue Requirement Cap	\$ 4,552,719
16	Less: May 1, 2018 Step Adjustment Revenue Requirement	2,337,446
17	Remaining May 1, 2019 Step Adjustment Revenue Requirement Cap	\$ 2,215,273
18	Allowable Revenue Requirement (Min of Line 14 or 17)	\$ 1,394,975
<u>Supporting Calculations</u>		
19	<u>Book Depreciation</u>	\$ 248,402
<u>Tax Depreciation</u>		
20	Utility Plant Additions	\$ 9,136,655
21	Tax Depreciation Rate	3.75%
22	Tax Depreciation	\$ 342,625
23	Tax-Book Timing Difference	\$ 94,222
24	Income Tax Rate	27.24%
25	Accumulated Deferred Income Taxes (ADIT)	\$ 25,667
26	Accumulated Depreciation = Book Depreciation * 0.5	\$ 124,201

Notes:

(1) 2.49% rate (2018 Property Taxes of \$4,423,909 / 2018 Net Utility Plant of \$177,697,797)

Northern Utilities, Inc. - New Hampshire
2018 Eligible Facilities Project Detail

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Line No.	Budget Category	Work Order Number	Work Order Description	Install	Removal	Total	In Service Date
Gas Main Extensions							
1	JAB	N-008048-00183421	201 Atlantic Ave North Hampton NH	\$ 523,228	\$ -	\$ 523,228	10/2018
2	JAB	N-008049-00183422	113, 114, 115 & 117 Batchelder Rd Seabrook NH	49,383	-	49,383	11/2018
3	JAB	N-008050-00183424	104 Washington St Dover NH	138,919	-	138,919	12/2018
4	JAB	N-008051-00183425	10 Hampshire Rd Salem NH	100,687	-	100,687	12/2018
5	JAB	N-008065-00183440	121 Corporate Drive Portsmouth NH	122,287	-	122,287	12/2018
6	JAB	N-008066-00183442	140 Wakefield St Rochester NH	41,087	-	41,087	12/2018
7	JAB	N-008069-00183445	109 Towle Farm Rd Hampton NH	87,536	-	87,536	12/2018
8	JAB	N-008080-00183456	0 Borthwick Ave Portsmouth NH	124,347	-	124,347	12/2018
9	JPN	N-008081-00183458	101 International Drive Portsmouth NH	169,896	-	169,896	12/2018
10	Total Gas Main Extensions Excluding Services			\$ 1,357,370	\$ -	\$ 1,357,370	
Gas Main Extensions Carryover							
11	JAC	N-006031-00163445	Bramber Valley 128 Post Rd Greenland	\$ 54,549	\$ 1,961	\$ 56,510	06/2018
12	JAC	N-006039-00163458	Emerald Ln/Indian Ridge Dover	124,607	45,560	170,167	05/2018
13	JAC	N-007013-00173410	407 Old Dover Rd. Rochester	49,031	-	49,031	10/2018
14	JAC	N-007022-00173437	Congress St/Fleet St/Vaughn Mall Rd Portsmouth NH	-	123,322	123,322	05/2018
15	JAC	N-007052-00173469	Tuscan Village Project/Pleasant St	503,727	-	503,727	12/2018
16	JAC	N-007068-00173489	206 Green St Somersworth NH	66,809	-	66,809	05/2018
17	Total Gas Main Extensions Carryover Excluding Services			\$ 798,723	\$ 170,843	\$ 969,565	
NH Bare Steel Replacement Carryover							
18	JCO	N-007017-00173418	Fern Ct Dover NH	\$ 91	\$ -	\$ 91	01/2018
19	JCO	N-007017-00173421	Central Ave/ Washington St	(1,554)	-	(1,554)	02/2018
20	JCO	N-007017-00173422	Robie St Hampton NH	30	-	30	01/2018
21	JCO	N-007017-00173423	Scott Rd Hampton NH	34	-	34	01/2018
22	JCO	N-007017-00173431	High St / Walnut St Rochester NH	217	-	217	02/2018
23	JCO	N-007017-00173432	Lois St Rochester NH	39	-	39	01/2018
24	JCO	N-007017-00173456	Paving and lawn restoration for 2016	48,059	5,284	53,343	01/2018
25	JCO	N-007017-00173467	Franklin D/Woodbury Ave	130	-	130	01/2018
26	JCO	N-007017-00173499	Fourth St Dover NH	1,559	-	1,559	05/2018
27	Total NH Bare Steel Replacement Carryover			\$ 48,605	\$ 5,284	\$ 53,889	
Gas Highway Projects City State							
28	JHB	N-008030-00183411	Whitehouse Rd Rochester NH	\$ 5,418,362	\$ -	\$ 5,418,362	12/2018
29	JHB	N-008040-00183412	Barberry Ln/Green St Portsmouth NH	393,817	-	393,817	12/2018
30	JHB	N-008042-00183414	Stark St Bridge Portsmouth NH	230,928	-	230,928	12/2018
31	JHB	N-008045-00183416	828 Central Ave Dover NH	143,710	-	143,710	11/2018
32	JHB	N-008047-00183420	Woodbury Ave/Piscataqua Dr Newington NH	297,948	-	297,948	10/2018
33	JHB	N-008057-00183434	Daniel St and Tremont St Exeter NH	74,109	-	74,109	11/2018
34	JHB	N-008059-00183435	Railroad Ave @ Brickyard Rd Rochester NH	164,039	32,370	196,410	11/2018
35	JHB	N-008068-00183444	Lafayette Rd @ Andrew Jarvis Way Portsmouth NH	54,510	-	54,510	10/2018
36	JHB	N-008076-00183451	Jackson St/Sylvain St Rochester NH	233,793	-	233,793	11/2018
37	JHB	N-008085-00183464	Green St Portsmouth NH	50,472	-	50,472	12/2018
38	JHB	N-008087-00183466	Main St Salem NH	22,895	-	22,895	12/2018
39	Total Gas Highway Projects City State			\$ 7,084,582	\$ 32,370	\$ 7,116,952	
Gas Highway Projects Carryover City State							
40	JHC	N-007040-00173446	Islington St/Bartlett St Portsmouth NH	\$ 61,016	\$ 263,978	\$ 324,994	06/2018
41	JHC	N-007045-00173500	Dover Point Rd Crossing Dover NH	16,321	-	16,321	11/2018
42	JHC	N-007046-00173452	Wakefield St Rochester NH	(78,533)	42,482	(36,051)	05/2018
43	JHC	N-007050-00173464	Court St HDD Exeter NH	5,440	19,729	25,169	05/2018
44	JHC	N-007058-00173476	Tanner, Parker, Sudbury, Brewster, McDonough Portsmouth NH	(93,397)	-	(93,397)	04/2018
45	JHC	N-007069-00173492	Chestnut St Portsmouth NH	1,502	-	1,502	03/2018
46	JHC	N-007070-00173493	Third St Dover NH	47,249	7,603	54,851	06/2018
47	Total Gas Highway Projects Carryover City State			\$ (40,403)	\$ 333,791	\$ 293,388	
Rochester Reinforcement							
48	JPB	N-007059-00173477	Rochester Reinforcement	\$ (112,221)	\$ 85,827	\$ (26,394)	06/2018
49	Total Rochester Reinforcement			\$ (112,221)	\$ 85,827	\$ (26,394)	
50	2018 Total Closed to Plant			\$ 9,136,655	\$ 628,116	\$ 9,764,771	

Northern Utilities, Inc. - New Hampshire
Calculation of Rate Plan Depreciation Expense

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Line No.	FERC ACCOUNT	Additions	Rate	Depreciation Expense
1	376-20 Mains, Coated/Wrapped-G	\$ 5,791,929	2.66%	\$ 154,065
2	376-30 Mains, Bare Steel-G	-	N/A	-
3	376-40 Mains, Plastic-G	3,556,073	2.87%	102,059
4	376-60 Mains, Cathodic Protectio-G	6,797	4.17%	283
5	378-20 Measuring & Regulating St-G	-	3.50%	-
6	380-00 Services-G	(218,145)	3.67%	(8,006)
7	Total	\$ 9,136,655		\$ 248,402

Northern Utilities, Inc. - New Hampshire
Pre Tax Rate of Return
December 31, 2016 Pro Forma

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Description	Amount	Weight	Cost of Capital	Weighted Cost of Capital	Tax Factor	Pre-Tax Cost
1	Common Stock Equity	\$155,183,729	51.70%	9.50%	4.91%	1.3744	6.75%
2	Long Term Debt	145,000,000	48.30%	5.55%	2.68%		2.68%
3	Short Term Debt	-	0.00%	2.19%	0.00%		0.00%
4	Total	\$ 300,183,729	100.00%		7.59%		9.43%