

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Annual Rate Changes
Annual Incremental Rate Adjustments

	Actual <u>7/1/2008</u> (a)	Actual <u>7/1/2009</u> (b)	Actual <u>7/1/2010</u> (c)	Actual <u>7/1/2011</u> (d)	Actual <u>7/1/2012</u> (e)	Actual <u>7/1/2013</u> (f)	Actual <u>6/1/2014</u> (g)	Actual <u>5/1/2015</u> (h)	Actual <u>6/1/2016</u> (i)	Actual <u>5/1/2017</u> (j)	Actual <u>5/1/2018</u> (k)	Actual <u>5/1/2019</u> (l)	Actual <u>5/1/2020</u> (m)
<u>Annual Incremental Rate Adjustments</u>													
1 REP/VMP O&M Adjustment Factor	\$0	\$113,832	\$1,047,770	(\$758,113)	(\$295,207)	(\$52,081)	(\$275,840)	(\$210,585)	\$346,184	(\$76,104)	\$552,414	\$444,301	\$101,147
2 REP Capital Program	\$165,840	\$75,740	\$163,663	\$102,941	(\$18,005)	\$125,829	\$37,374	\$253,423	\$180,132	\$120,019	\$76,833	\$149,538	\$210,503
3 Total for Fiscal Year	\$165,840	\$189,572	\$1,211,433	(\$655,172)	(\$313,213)	\$73,748	(\$238,466)	\$42,838	\$526,316	\$43,915	\$629,247	\$593,839	\$311,650
4 Termination of Prior Period O&M Recovery	\$0	\$0	(\$113,832)	(\$1,047,770)	\$758,113	\$295,207	\$52,081	\$275,840	\$210,585	(\$346,184)	\$76,104	(\$552,414)	(\$444,301)
5 Net Change in Recovery	\$165,840	\$189,572	\$1,097,601	(\$1,702,942)	\$444,900	\$368,955	(\$186,385)	\$318,678	\$736,901	(\$302,269)	\$705,351	\$41,425	(\$132,651)

Notes:

Line 1 From DBS-AMH-1, Page 2 of 15, Line 7
Line 2 From DBS-AMH-1, Page 3 of 15, Line 66
Line 3 Line 1 + Line 2
Line 4 Line 1 of Prior Year
Line 5 Line 3 + Line 4

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP O&M Adjustment Factor
Computation of Annual Revenue Requirement
CY 2019 Actual**

	Actual FY <u>2008</u> (a)	Actual FY <u>2009</u> (b)	Actual FY <u>2010</u> (c)	Actual FY <u>2011</u> (d)	Actual FY <u>2012</u> (e)	Actual FY <u>2013</u> (f)	Actual CYS <u>2013</u> (f)	Actual CY <u>2014</u> (g)	Actual CY <u>2015</u> (h)	Actual CY <u>2016</u> (i)	Actual CY <u>2017</u> (j)	Actual CY <u>2018</u> (k)	Actual CY <u>2019</u> (l)	
Incremental VMP and REP O&M Spend														
1	Actual VMP and REP Program Spending	\$2,169,258	\$1,477,916	\$2,556,530	\$1,245,985	\$1,467,486	\$1,560,973	\$1,055,861	\$1,395,166	\$1,994,184	\$1,633,896	\$2,495,406	\$2,422,443	\$2,096,528
2	Proposed Annual Program Budget	\$1,950,000	\$1,473,832	\$2,556,530	\$1,552,000	\$1,556,000	\$1,721,585	\$1,238,200	\$1,521,200	\$1,860,397	\$1,948,000	\$2,281,803	\$2,157,086	\$2,307,000
3	Amount Subject to Recovery	\$1,950,000	\$1,473,832	\$2,556,530	\$1,245,985	\$1,467,486	\$1,560,973	\$1,055,861	\$1,395,166	\$1,994,184	\$1,633,896	\$2,495,406	\$2,422,443	\$2,096,528
4	VMP and REP Base Spending Level	<u>\$1,950,000</u>	<u>\$1,360,000</u>	<u>\$1,360,000</u>	<u>\$1,360,000</u>	<u>\$1,360,000</u>	<u>\$1,360,000</u>	<u>\$1,020,000</u>	<u>\$1,360,000</u>	<u>\$1,360,000</u>	<u>\$1,360,000</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>
5	Total Revenue Requirement	<u>\$0</u>	<u>\$113,832</u>	<u>\$1,196,530</u>	<u>(\$114,015)</u>	<u>\$107,486</u>	<u>\$200,973</u>	<u>\$35,861</u>	<u>\$35,166</u>	<u>\$634,184</u>	<u>\$273,896</u>	<u>\$995,406</u>	<u>\$922,443</u>	<u>\$596,528</u>
6	Less Reimbursements from Consolidated	<u>\$0</u>	<u>\$0</u>	<u>(\$148,760)</u>	<u>(\$644,098)</u>	<u>(\$402,693)</u>	<u>(\$253,054)</u>	<u>(\$311,701)</u>	<u>(\$245,751)</u>	<u>(\$288,000)</u>	<u>(\$350,000)</u>	<u>(\$442,992)</u>	<u>(\$478,142)</u>	<u>(\$495,381)</u>
7	Total Incremental Revenue Requirement	<u>\$0</u>	<u>\$113,832</u>	<u>\$1,047,770</u>	<u>(\$758,113)</u>	<u>(\$295,207)</u>	<u>(\$52,081)</u>	<u>(\$275,840)</u>	<u>(\$210,585)</u>	<u>\$346,184</u>	<u>(\$76,104)</u>	<u>\$552,414</u>	<u>\$444,301</u>	<u>\$101,147</u>
8	Total O&M Recovery	<u>\$1,950,000</u>	<u>\$1,473,832</u>	<u>\$2,407,770</u>	<u>\$601,887</u>	<u>\$1,064,793</u>	<u>\$1,307,919</u>	<u>\$744,160</u>	<u>\$1,149,415</u>	<u>\$1,706,184</u>	<u>\$1,283,896</u>	<u>\$2,052,414</u>	<u>\$1,944,301</u>	<u>\$1,601,147</u>

Notes:
Line 1 2019 Actual VMP and REP program spending
Line 4 VMP and REP base spending level per Docket No. DE 16-383
Line 5 Line 3 minus Line 4
Line 6 Reflects reimbursements related to vegetation management expenses from Consolidated Communications
Line 7 Line 5 plus Line 6
Line 8 Line 3 plus Line 6

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2008 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	2008	2009	2010	2011	2012	2013	CYS2013	CY2014	CY2015	CY2016	CY2017	CY2018	CY2019
1 <u>Capital Repairs Deduction</u>													
2 Plant Additions	\$950,000												
3 Capital Repairs Deduction Rate	32.74%												
4 Capital Repairs Deduction	\$311,030												
5													
6 <u>Bonus Depreciation</u>													
7 Plant Additions	\$950,000												
8 Less Capital Repairs Deduction	\$311,030												
9 Plant Additions Net of Capital Repairs Deduction	\$638,970												
10													
11 Percent of Plant Additions Eligible for Bonus Depreciation April 2007 - December 2007	69.14%												
12 Plant Additions Eligible for Bonus Depreciation April 2007 - December 2007	\$441,784												
13 Bonus Depreciation rate April 2007- December 2007	0%												
14 Bonus Depreciation for April 2007 - December 2007	\$0												
15													
16 Plant Additions Eligible for Bonus Depreciation for January 2008 - March 2008	30.86%												
17 Plant Additions Eligible for Bonus Depreciation for January 2008 - March 2008	\$197,186												
18 Bonus Depreciation rate January 2008 - March 2008	50%												
19 Bonus Depreciation for January 2008 - March 2008	\$98,593												
20													
21 Bonus Depreciation	\$98,593												
22													
23 <u>Remaining Tax Depreciation (Federal)</u>													
24 Plant Additions	\$950,000												
25 Less Capital Repairs Deduction	\$311,030												
26 Less Bonus Depreciation	\$98,593												
27 Additions Subject to 20 YR MACRS Tax Depreciation	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377	\$540,377
28 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%	3.666%	4.888%	4.462%	4.461%	4.462%	4.461%	4.461%
29 Remaining Tax Depreciation	\$20,264	\$39,010	\$36,081	\$33,379	\$30,872	\$28,559	\$14,858	\$19,810	\$24,112	\$24,106	\$24,112	\$24,106	\$24,106
30													
31 <u>Remaining Tax Depreciation (State)</u>													
32 Plant Additions	\$950,000												
33 Less Capital Repairs Deduction	\$311,030												
34 Additions Subject to 20 YR MACRS Tax Depreciation	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970	\$638,970
35 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%	3.666%	4.888%	4.462%	4.461%	4.462%	4.461%	4.461%
36 Remaining Tax Depreciation	\$23,961	\$46,127	\$42,664	\$39,469	\$36,504	\$33,770	\$17,568	\$23,425	\$28,511	\$28,504	\$28,511	\$28,504	\$28,504
37													
38 Federal Tax Depreciation	\$429,887	\$39,010	\$36,081	\$33,379	\$30,872	\$28,559	\$14,858	\$19,810	\$24,112	\$24,106	\$24,112	\$24,106	\$24,106
39 State Tax Depreciation	\$334,991	\$46,127	\$42,664	\$39,469	\$36,504	\$33,770	\$17,568	\$23,425	\$28,511	\$28,504	\$28,511	\$28,504	\$28,504

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2009 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) CYS2013	(g) CY2014	(h) CY2015	(i) CY2016	(j) CY2017	(k) CY2018	(l) CY2019
1 <u>Capital Repairs Deduction</u>												
2 Plant Additions	\$500,000											
3 Capital Repairs Deduction Rate	32.74%											
4 Capital Repairs Deduction	\$163,700											
5												
6 <u>Bonus Depreciation</u>												
7 Plant Additions	\$500,000											
8 Less Capital Repairs Deduction	\$163,700											
9 Plant Additions Net of Capital Repairs Deduction	\$336,300											
10												
11 Percent of Plant Additions Eligible for Bonus Depreciation	100.00%											
12 Plant Additions Eligible for Bonus Depreciation	\$336,300											
13 Bonus Depreciation Rate	50%											
14 Bonus Depreciation	\$168,150											
15												
16 Bonus Depreciation	\$168,150											
17												
18 <u>Remaining Tax Depreciation (Federal)</u>												
19 Plant Additions	\$500,000											
20 Less Capital Repairs Deduction	\$163,700											
21 Less Bonus Depreciation	\$168,150											
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150	\$168,150
23 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%	3.964%	5.285%	4.888%	4.462%	4.461%	4.462%	4.461%
24 Remaining Tax Depreciation	\$6,306	\$12,139	\$11,227	\$10,387	\$9,606	\$4,999	\$6,665	\$8,219	\$7,503	\$7,501	\$7,503	\$7,501
25												
26 <u>Remaining Tax Depreciation (State)</u>												
27 Plant Additions	\$500,000											
28 Less Capital Repairs Deduction	\$163,700											
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300	\$336,300
30 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%	3.964%	5.285%	4.888%	4.462%	4.461%	4.462%	4.461%
31 Remaining Tax Depreciation	\$12,611	\$24,277	\$22,455	\$20,773	\$19,213	\$9,998	\$13,330	\$16,438	\$15,006	\$15,002	\$15,006	\$15,002
32												
33 Federal Tax Depreciation	\$338,156	\$12,139	\$11,227	\$10,387	\$9,606	\$4,999	\$6,665	\$8,219	\$7,503	\$7,501	\$7,503	\$7,501
34 State Tax Depreciation	\$176,311	\$24,277	\$22,455	\$20,773	\$19,213	\$9,998	\$13,330	\$16,438	\$15,006	\$15,002	\$15,006	\$15,002

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2010 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) CYS2013	(f) CY2014	(g) CY2015	(h) CY2016	(i) CY2017	(j) CY2018	(k) CY2019
1 <u>Capital Repairs Deduction</u>											
2 Plant Additions	\$876,243										
3 Capital Repairs Deduction Rate	22.64%										
4 Capital Repairs Deduction	\$198,381										
5											
6 <u>Bonus Depreciation</u>											
7 Plant Additions	\$876,243										
8 Less Capital Repairs Deduction	\$198,381										
9 Plant Additions Net of Capital Repairs Deduction	\$677,862										
10											
11 Percent of Plant Additions Eligible for Bonus Depreciation	100.00%										
12 Plant Additions Eligible for Bonus Depreciation	\$677,862										
13 Bonus Depreciation Rate	50%										
14 Bonus Depreciation	\$338,931										
15											
16 Bonus Depreciation	\$338,931										
17											
18 <u>Remaining Tax Depreciation (Federal)</u>											
19 Plant Additions	\$876,243										
20 Less Capital Repairs Deduction	\$198,381										
21 Less Bonus Depreciation	\$338,931										
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931	\$338,931
23 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	4.285%	5.713%	5.285%	4.888%	4.462%	4.461%	4.462%
24 Remaining Tax Depreciation	\$12,710	\$24,467	\$22,630	\$20,936	\$10,892	\$14,522	\$17,913	\$16,567	\$15,123	\$15,120	\$15,123
25											
26 <u>Remaining Tax Depreciation (State)</u>											
27 Plant Additions	\$876,243										
28 Less Capital Repairs Deduction	\$198,381										
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862	\$677,862
30 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	4.285%	5.713%	5.285%	4.888%	4.462%	4.461%	4.462%
31 Remaining Tax Depreciation	\$25,420	\$48,935	\$45,261	\$41,872	\$21,784	\$29,045	\$35,825	\$33,134	\$30,246	\$30,239	\$30,246
32											
33 Federal Tax Depreciation	\$550,022	\$24,467	\$22,630	\$20,936	\$10,892	\$14,522	\$17,913	\$16,567	\$15,123	\$15,120	\$15,123
34 State Tax Depreciation	\$223,801	\$48,935	\$45,261	\$41,872	\$21,784	\$29,045	\$35,825	\$33,134	\$30,246	\$30,239	\$30,246

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2010	100%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2011 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) <u>2011</u>	(b) <u>2012</u>	(c) <u>2013</u>	(d) <u>CYS2013</u>	(e) <u>CY2014</u>	(f) <u>CY2015</u>	(g) <u>CY2016</u>	(h) <u>CY2017</u>	(i) <u>CY2018</u>	(j) <u>CY2019</u>
1 <u>Capital Repairs Deduction</u>										
2 Plant Additions	\$610,835									
3 Capital Repairs Deduction Rate	<u>30.03%</u>									
4 Capital Repairs Deduction	\$183,434									
5										
6 <u>Bonus Depreciation</u>										
7 Plant Additions	\$610,835									
8 Less Capital Repairs Deduction	<u>\$183,434</u>									
9 Plant Additions Net of Capital Repairs Deduction	\$427,401									
10										
11 Percent of Plant Additions Eligible for Bonus Depreciation April 2010 - September 2010	<u>62.78%</u>									
12 Plant Additions Eligible for Bonus Depreciation April 2010 - September 2010	<u>\$268,322</u>									
13 Bonus Depreciation rate April 2010- September 2010	<u>50%</u>									
14 Bonus Depreciation for April 2010 - September 2010	\$134,161									
15										
16 Plant Additions Eligible for Bonus Depreciation for October 2010 - March 2011	<u>37.22%</u>									
17 Plant Additions Eligible for Bonus Depreciation for October 2010 - March 2011	<u>\$159,079</u>									
18 Bonus Depreciation rate October 2010 - March 2011	<u>100%</u>									
19 Bonus Depreciation for October 2010 - March 2011	\$159,079									
20										
21 Bonus Depreciation	\$293,240									
22										
23 <u>Remaining Tax Depreciation (Federal)</u>										
24 Plant Additions	\$610,835									
25 Less Capital Repairs Deduction	\$183,434									
26 Less Bonus Depreciation	<u>\$293,240</u>									
27 Additions Subject to 20 YR MACRS Tax Depreciation	<u>\$134,161</u>	\$134,161	\$134,161	\$134,161	\$134,161	\$134,161	\$134,161	\$134,161	\$134,161	\$134,161
28 20 YR MACRS Tax Depreciation Rates	<u>3.750%</u>	7.219%	6.677%	4.633%	6.177%	5.713%	5.285%	4.888%	4.462%	4.461%
29 Remaining Tax Depreciation	<u>\$5,031</u>	\$9,685	\$8,958	\$4,662	\$6,215	\$7,665	\$7,090	\$6,558	\$5,986	\$5,985
30										
31 <u>Remaining Tax Depreciation (State)</u>										
32 Plant Additions	\$610,835									
33 Less Capital Repairs Deduction	<u>\$183,434</u>									
34 Additions Subject to 20 YR MACRS Tax Depreciation	<u>\$427,401</u>	\$427,401	\$427,401	\$427,401	\$427,401	\$427,401	\$427,401	\$427,401	\$427,401	\$427,401
35 20 YR MACRS Tax Depreciation Rates	<u>3.750%</u>	7.219%	6.677%	4.633%	6.177%	5.713%	5.285%	4.888%	4.462%	4.461%
36 Remaining Tax Depreciation	<u>\$16,028</u>	\$30,854	\$28,538	\$14,850	\$19,800	\$24,417	\$22,588	\$20,891	\$19,071	\$19,066
37										
38 Federal Tax Depreciation	<u>\$481,705</u>	\$9,685	\$8,958	\$4,662	\$6,215	\$7,665	\$7,090	\$6,558	\$5,986	\$5,985
39 State Tax Depreciation	<u>\$199,462</u>	\$30,854	\$28,538	\$14,850	\$19,800	\$24,417	\$22,588	\$20,891	\$19,071	\$19,066

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have been as follows:

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2012 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) 2012	(b) 2013	(c) CYS2013	(d) CY2014	(e) CY2015	(f) CY2016	(g) CY2017	(h) CY2018	(i) CY2019
1 <u>Capital Repairs Deduction</u>									
2 Plant Additions	\$398,239								
3 Capital Repairs Deduction Rate	31.00%								
4 Capital Repairs Deduction	\$123,454								
5									
6 <u>Bonus Depreciation</u>									
7 Plant Additions	\$398,239								
8 Less Capital Repairs Deduction	\$123,454								
9 Plant Additions Net of Capital Repairs Deduction	\$274,785								
10									
11 Percent of Plant Additions Eligible for Bonus Depreciation April 2011 - December, 2011	72.52%								
12 Plant Additions Eligible for Bonus Depreciation April 2011 - December, 2011	\$199,274								
13 Bonus Depreciation rate April 2011- December 2011	100%								
14 Bonus Depreciation for April 2011 - December 2011	\$199,274								
15									
16 Plant Additions Eligible for Bonus Depreciation for January 2012 - March 2012	25.04%								
17 Plant Additions Eligible for Bonus Depreciation for January 2012 - March 2012	\$68,806								
18 Bonus Depreciation rate January 2012 - March 2012	50%								
19 Bonus Depreciation for January 2012 - March 2012	\$34,403								
20									
21 Bonus Depreciation	\$233,677								
22									
23 <u>Remaining Tax Depreciation (Federal)</u>									
24 Plant Additions	\$398,239								
25 Less Capital Repairs Deduction	\$123,454								
26 Less Bonus Depreciation	\$233,677								
27 Additions Subject to 20 YR MACRS Tax Depreciation	\$41,108	\$41,108	\$41,108	\$41,108	\$41,108	\$41,108	\$41,108	\$41,108	\$41,108
28 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	5.008%	6.677%	6.177%	5.713%	5.285%	4.888%	4.462%
29 Remaining Tax Depreciation	\$1,542	\$2,968	\$1,544	\$2,059	\$2,539	\$2,349	\$2,173	\$2,009	\$1,834
30									
31 <u>Remaining Tax Depreciation (State)</u>									
32 Plant Additions	\$398,239								
33 Less Capital Repairs Deduction	\$123,454								
34 Additions Subject to 20 YR MACRS Tax Depreciation	\$274,785	\$274,785	\$274,785	\$274,785	\$274,785	\$274,785	\$274,785	\$274,785	\$274,785
35 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	5.008%	6.677%	6.177%	5.713%	5.285%	4.888%	4.462%
36 Remaining Tax Depreciation	\$10,304	\$19,837	\$10,320	\$13,761	\$16,973	\$15,698	\$14,522	\$13,431	\$12,261
37									
38 Federal Tax Depreciation	\$358,673	\$2,968	\$1,544	\$2,059	\$2,539	\$2,349	\$2,173	\$2,009	\$1,834
39 State Tax Depreciation	\$133,758	\$19,837	\$10,320	\$13,761	\$16,973	\$15,698	\$14,522	\$13,431	\$12,261
40									
41									
42 FY 2012 Safe Harbor True Up (Federal)	\$18,656								
43 FY 2012 Tax Depreciation (Federal)	\$377,329								
44 FY 2012 Safe Harbor True Up (State)	\$47,329								
45 FY 2012 Tax Depreciation (State)	\$181,087								

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the Company's REP/VMP program have

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2013 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) 2013	(b) CYS2013	(c) CY2014	(d) CY2015	(e) CY2016	(f) CY2017	(g) CY2018	(h) CY2019
1 <u>Capital Repairs Deduction</u>								
2 Plant Additions	\$545,916							
3 Capital Repairs Deduction Rate	31.00%							
4 Capital Repairs Deduction	\$169,234							
5								
6 <u>Bonus Depreciation</u>								
7 Plant Additions	\$545,916							
8 Less Capital Repairs Deduction	\$169,234							
9 Plant Additions Net of Capital Repairs Deduction	\$376,682							
10								
11 Percent of Plant Additions Eligible for Bonus Depreciation April 2012 - December, 2012	62.48%							
12 Plant Additions Eligible for Bonus Depreciation April 2012 - December, 2012	\$235,332							
13 Bonus Depreciation rate April 2012- December 2012	50%							
14 Bonus Depreciation for April 2012 - December 2012	\$117,666							
15								
16 Plant Additions Eligible for Bonus Depreciation for January 2013 - March 2013	20.83%							
17 Plant Additions Eligible for Bonus Depreciation for January 2013 - March 2013	\$78,444							
18 Bonus Depreciation rate January 2013 - March 2013	50%							
19 Bonus Depreciation for January 2013 - March 2013	\$39,222							
20								
21 Bonus Depreciation	\$156,888							
22								
23 <u>Remaining Tax Depreciation (Federal)</u>								
24 Plant Additions	\$545,916							
25 Less Capital Repairs Deduction	\$169,234							
26 Less Bonus Depreciation	\$156,888							
27 Additions Subject to 20 YR MACRS Tax Depreciation	\$219,794	\$219,794	\$219,794	\$219,794	\$219,794	\$219,794	\$219,794	\$219,794
28 20 YR MACRS Tax Depreciation Rates	3.750%	5.414%	7.219%	6.677%	6.177%	5.713%	5.285%	4.888%
29 Remaining Tax Depreciation	\$8,242	\$11,900	\$15,867	\$14,676	\$13,577	\$12,557	\$11,616	\$10,744
30								
31 <u>Remaining Tax Depreciation (State)</u>								
32 Plant Additions	\$545,916							
33 Less Capital Repairs Deduction	\$169,234							
34 Additions Subject to 20 YR MACRS Tax Depreciation	\$376,682	\$376,682	\$376,682	\$376,682	\$376,682	\$376,682	\$376,682	\$376,682
35 20 YR MACRS Tax Depreciation Rates	3.750%	5.414%	7.219%	6.677%	6.177%	5.713%	5.285%	4.888%
36 Remaining Tax Depreciation	\$14,126	\$20,395	\$27,193	\$25,151	\$23,268	\$21,520	\$19,908	\$18,412
37								
38 Federal Tax Depreciation	\$334,364	\$11,900	\$15,867	\$14,676	\$13,577	\$12,557	\$11,616	\$10,744
39 State Tax Depreciation	\$183,360	\$20,395	\$27,193	\$25,151	\$23,268	\$21,520	\$19,908	\$18,412
40								
41								
42 Effect of FY 2012 Safe Harbor True Up on FY 2013 Tax Depreciation (Federal)	(\$1,400)							
43 FY 2013 Tax Depreciation (Federal)	\$332,964							
44 Effect of FY 2012 Safe Harbor True Up on FY 2013 Tax Depreciation (State)	(\$3,550)							
45 FY 2013 Tax Depreciation (State)	\$179,810							

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the

Period	Rate
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2013 - Per Tax Return
Using Capital Repairs Tax Return Rate

	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u>	<u>(f)</u>	<u>(g)</u>
	<u>CYS2013</u>	<u>CY2014</u>	<u>CY2015</u>	<u>CY2016</u>	<u>CY2017</u>	<u>CY2018</u>	<u>CY2019</u>
1 <u>Capital Repairs Deduction</u>							
2 Plant Additions	\$416,755						
3 Capital Repairs Deduction Rate	0.00%						
4 Capital Repairs Deduction	\$0						
5							
6 <u>Bonus Depreciation</u>							
7 Plant Additions	\$416,755						
8 Less Capital Repairs Deduction	\$0						
9 Plant Additions Net of Capital Repairs Deduction	\$416,755						
10							
11 Plant Additions Eligible for Bonus Depreciation for April 2013 - December 2013	100.00%						
12 Plant Additions Eligible for Bonus Depreciation for April 2013 - December 2013	\$416,755						
13 Bonus Depreciation rate April 2013 - December 2013	50%						
14 Bonus Depreciation for April 2013 - December 2013	\$208,378						
15							
16 Bonus Depreciation	\$208,378						
17							
18 <u>Remaining Tax Depreciation (Federal)</u>							
19 Plant Additions	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755
20 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Less Bonus Depreciation	\$208,378	\$208,378	\$208,378	\$208,378	\$208,378	\$208,378	\$208,378
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$208,378	\$208,378	\$208,378	\$208,378	\$208,378	\$208,378	\$208,378
23 20 YR MACRS Tax Depreciation Rates	2.813%	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%
24 Remaining Tax Depreciation	\$4,395	\$5,861	\$15,043	\$13,913	\$12,871	\$11,905	\$11,013
25							
26 <u>Remaining Tax Depreciation (State)</u>							
27 Plant Additions	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755
28 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755	\$416,755
30 20 YR MACRS Tax Depreciation Rates	2.813%	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%
31 Remaining Tax Depreciation	\$8,791	\$11,721	\$30,086	\$27,827	\$25,743	\$23,809	\$22,026
32							
33 Federal Tax Depreciation	\$212,773	\$5,861	\$15,043	\$13,913	\$12,871	\$11,905	\$11,013
34 State Tax Depreciation	\$8,791	\$11,721	\$30,086	\$27,827	\$25,743	\$23,809	\$22,026

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods

<u>Period</u>	<u>Rate</u>
April 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2014 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) CY 2014	(b) CY 2015	(c) CY 2016	(d) CY 2017	(e) CY 2018	(f) CY 2019
1 <u>Capital Repairs Deduction</u>						
2 Plant Additions	\$2,201,899					
3 Capital Repairs Deduction Rate	0.00%					
4 Capital Repairs Deduction	\$0					
5						
6 <u>Bonus Depreciation</u>						
7 Plant Additions	\$2,201,899					
8 Less Capital Repairs Deduction	\$0					
9 Plant Additions Net of Capital Repairs Deduction	\$2,201,899					
10						
11 Plant Additions Eligible for Bonus Depreciation	100.00%					
12 Plant Additions Eligible for Bonus Depreciation	\$2,201,899					
13 Bonus Depreciation rate	50%					
14 Bonus Depreciation rate	\$1,100,950					
15						
16 Bonus Depreciation	\$1,100,950					
17						
18 <u>Remaining Tax Depreciation (Federal)</u>						
19 Plant Additions	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899
20 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0	\$0	\$0
21 Less Bonus Depreciation	\$1,100,950	\$1,100,950	\$1,100,950	\$1,100,950	\$1,100,950	\$1,100,950
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$1,100,950	\$1,100,950	\$1,100,950	\$1,100,950	\$1,100,950	\$1,100,950
23 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%
24 Remaining Tax Depreciation	\$41,286	\$79,478	\$73,510	\$68,006	\$62,897	\$58,185
25						
26 <u>Remaining Tax Depreciation (State)</u>						
27 Plant Additions	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899
28 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0	\$0	\$0
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899	\$2,201,899
30 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%
31 Remaining Tax Depreciation	\$82,571	\$158,955	\$147,021	\$136,011	\$125,794	\$116,370
32						
33 Federal Tax Depreciation	\$1,142,236	\$79,478	\$73,510	\$68,006	\$62,897	\$58,185
34 State Tax Depreciation	\$82,571	\$158,955	\$147,021	\$136,011	\$125,794	\$116,370

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at

Period	Rate
January 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%
January 1, 2014 to December 31, 2014	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2015 - Per Tax Return
Using Capital Repairs Tax Return Rate**

	(a) CY 2015	(b) CY 2016	(c) CY 2017	(d) CY 2018	(e) CY 2019
1 <u>Capital Repairs Deduction</u>					
2 Plant Additions	\$1,321,456				
3 Capital Repairs Deduction Rate	0.00%				
4 Capital Repairs Deduction	\$0				
5					
6 <u>Bonus Depreciation</u>					
7 Plant Additions	\$1,321,456				
8 Less Capital Repairs Deduction	\$0				
9 Plant Additions Net of Capital Repairs Deduction	\$1,321,456				
10					
11 Plant Additions Eligible for Bonus Depreciation	100.00%				
12 Plant Additions Eligible for Bonus Depreciation	\$1,321,456				
13 Bonus Depreciation rate	50%				
14 Bonus Depreciation rate	\$660,728				
15					
16 Bonus Depreciation	\$660,728				
17					
18 <u>Remaining Tax Depreciation (Federal)</u>					
19 Plant Additions	\$1,321,456	\$1,321,456	\$1,321,456	\$1,321,456	\$1,321,456
20 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0	\$0
21 Less Bonus Depreciation	\$660,728	\$660,728	\$660,728	\$660,728	\$660,728
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$660,728	\$660,728	\$660,728	\$660,728	\$660,728
23 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%
24 Remaining Tax Depreciation	\$24,777	\$47,698	\$44,117	\$40,813	\$37,747
25					
26 <u>Remaining Tax Depreciation (State)</u>					
27 Plant Additions	\$1,321,456	\$1,321,456	\$1,321,456	\$1,321,456	\$1,321,456
28 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0	\$0
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$1,321,456	\$1,321,456	\$1,321,456	\$1,321,456	\$1,321,456
30 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%	5.713%
31 Remaining Tax Depreciation	\$49,555	\$95,396	\$88,234	\$81,626	\$75,495
32					
33 Federal Tax Depreciation	\$685,505	\$47,698	\$44,117	\$40,813	\$37,747
34 State Tax Depreciation	\$49,555	\$95,396	\$88,234	\$81,626	\$75,495

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and

Period	Rate
January 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%
January 1, 2014 to December 31, 2014	50%
January 1, 2015 to December 31, 2015	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2016 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) CY 2016	(b) CY 2017	(c) CY 2018	(d) CY 2019
1 <u>Capital Repairs Deduction</u>				
2 Plant Additions	\$849,390			
3 Capital Repairs Deduction Rate	0.00%			
4 Capital Repairs Deduction	\$0			
5				
6 <u>Bonus Depreciation</u>				
7 Plant Additions	\$849,390			
8 Less Capital Repairs Deduction	\$0			
9 Plant Additions Net of Capital Repairs Deduction	\$849,390			
10				
11 Plant Additions Eligible for Bonus Depreciation	100.00%			
12 Plant Additions Eligible for Bonus Depreciation	\$849,390			
13 Bonus Depreciation rate	50%			
14 Bonus Depreciation rate	\$424,695			
15				
16 Bonus Depreciation	\$424,695			
17				
18 <u>Remaining Tax Depreciation (Federal)</u>				
19 Plant Additions	\$849,390	\$849,390	\$849,390	\$849,390
20 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0
21 Less Bonus Depreciation	\$424,695	\$424,695	\$424,695	\$424,695
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$424,695	\$424,695	\$424,695	\$424,695
23 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%
24 Remaining Tax Depreciation	\$15,926	\$30,659	\$28,357	\$26,233
25				
26 <u>Remaining Tax Depreciation (State)</u>				
27 Plant Additions	\$849,390	\$849,390	\$849,390	\$849,390
28 Less Capital Repairs Deduction	\$0	\$0	\$0	\$0
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$849,390	\$849,390	\$849,390	\$849,390
30 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%	6.677%	6.177%
31 Remaining Tax Depreciation	\$31,852	\$61,317	\$56,714	\$52,467
32				
33 Federal Tax Depreciation	\$440,621	\$30,659	\$28,357	\$26,233
34 State Tax Depreciation	\$31,852	\$61,317	\$56,714	\$52,467

Note: Plant additions not subject to the capital repairs deduction may be subject to bonus depreciation. During 2008, Congress passed the Economic Stimulus Act of 2008 which established a 50% bonus depreciation deduction for certain eligible plant additions. Congress has passed further laws which have extended and changed the bonus depreciation rate at different periods of time. The bonus depreciation rates in effect since the start of the

Period	Rate
January 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%
January 1, 2014 to December 31, 2014	50%
January 1, 2015 to December 31, 2015	50%
January 1, 2016 to December 31, 2016	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2017 - Per Tax Return
Using Capital Repairs Tax Return Rate**

		<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
		<u>CY 2017</u>	<u>CY 2018</u>	<u>CY 2019</u>
1	<u>Capital Repairs Deduction</u>			
2	Plant Additions	\$1,699,030		
3	Capital Repairs Deduction Rate	0.00%		
4	Capital Repairs Deduction	<u>\$0</u>		
5				
6	<u>Bonus Depreciation</u>			
7	Plant Additions	\$1,699,030		
8	Less Capital Repairs Deduction	<u>\$0</u>		
9	Plant Additions Net of Capital Repairs Deduction	\$1,699,030		
10				
11	Plant Additions Eligible for Bonus Depreciation	<u>100.00%</u>		
12	Plant Additions Eligible for Bonus Depreciation	\$1,699,030		
13	Bonus Depreciation rate	<u>50%</u>		
14	Bonus Depreciation rate	\$849,515		
15				
16	Bonus Depreciation	\$849,515		
17				
18	<u>Remaining Tax Depreciation (Federal)</u>			
19	Plant Additions	\$1,699,030	\$1,699,030	\$1,699,030
20	Less Capital Repairs Deduction	\$0	\$0	\$0
21	Less Bonus Depreciation	<u>\$849,515</u>	<u>\$849,515</u>	<u>\$849,515</u>
22	Additions Subject to 20 YR MACRS Tax Depreciation	\$849,515	\$849,515	\$849,515
23	20 YR MACRS Tax Depreciation Rates	<u>3.750%</u>	<u>7.219%</u>	<u>6.677%</u>
24	Remaining Tax Depreciation	<u>\$31,857</u>	<u>\$61,326</u>	<u>\$56,722</u>
25				
26	<u>Remaining Tax Depreciation (State)</u>			
27	Plant Additions	\$1,699,030	\$1,699,030	\$1,699,030
28	Less Capital Repairs Deduction	\$0	\$0	\$0
29	Additions Subject to 20 YR MACRS Tax Depreciation	<u>\$1,699,030</u>	<u>\$1,699,030</u>	<u>\$1,699,030</u>
30	20 YR MACRS Tax Depreciation Rates	<u>3.750%</u>	<u>7.219%</u>	<u>6.677%</u>
31	Remaining Tax Depreciation	<u>\$63,714</u>	<u>\$122,653</u>	<u>\$113,444</u>
32				
33	Federal Tax Depreciation	<u>\$881,372</u>	<u>\$61,326</u>	<u>\$56,722</u>
34	State Tax Depreciation	<u>\$63,714</u>	<u>\$122,653</u>	<u>\$113,444</u>

Note: Plant additions not subject to the capital repairs deduction may be

<u>Period</u>	<u>Rate</u>
January 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%
January 1, 2014 to December 31, 2014	50%
January 1, 2015 to December 31, 2015	50%
January 1, 2016 to December 31, 2016	50%
January 1, 2017 to December 31, 2017	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2018 - Per Tax Return
Using Capital Repairs Tax Return Rate**

	<u>(a)</u>	<u>(b)</u>
	<u>CY 2018</u>	<u>CY 2019</u>
1 <u>Capital Repairs Deduction</u>		
2 Plant Additions	\$756,363	
3 Capital Repairs Deduction Rate	0.00%	
4 Capital Repairs Deduction	\$0	
5		
6 <u>Bonus Depreciation</u>		
7 Plant Additions	\$756,363	
8 Less Capital Repairs Deduction	\$0	
9 Plant Additions Net of Capital Repairs Deduction	\$756,363	
10		
11 Plant Additions Eligible for Bonus Depreciation	100.00%	
12 Plant Additions Eligible for Bonus Depreciation	\$756,363	
13 Bonus Depreciation rate	0%	
14 Bonus Depreciation rate	\$0	
15		
16 Bonus Depreciation	\$0	
17		
18 <u>Remaining Tax Depreciation (Federal)</u>		
19 Plant Additions	\$756,363	\$756,363
20 Less Capital Repairs Deduction	\$0	\$0
21 Less Bonus Depreciation	\$0	\$0
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$756,363	\$756,363
23 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%
24 Remaining Tax Depreciation	\$28,364	\$54,602
25		
26 <u>Remaining Tax Depreciation (State)</u>		
27 Plant Additions	\$756,363	\$756,363
28 Less Capital Repairs Deduction	\$0	\$0
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$756,363	\$756,363
30 20 YR MACRS Tax Depreciation Rates	3.750%	7.219%
31 Remaining Tax Depreciation	\$28,364	\$54,602
32		
33 Federal Tax Depreciation	\$28,364	\$54,602
34 State Tax Depreciation	\$28,364	\$54,602

Note: Plant additions not subject to the capital repairs deduction may be

<u>Period</u>	<u>Rate</u>
January 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%
January 1, 2014 to December 31, 2014	50%
January 1, 2015 to December 31, 2015	50%
January 1, 2016 to December 31, 2016	50%
January 1, 2017 to December 31, 2017	50%

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
REP/VMP Revenue Requirement
Calculation of REP Tax Depreciation 2019 - Per Tax Return
Using Capital Repairs Tax Return Rate

	(a) <u>CY 2019</u>
1 <u>Capital Repairs Deduction</u>	
2 Plant Additions	\$1,837,934
3 Capital Repairs Deduction Rate	0.00%
4 Capital Repairs Deduction	\$0
5	
6 <u>Bonus Depreciation</u>	
7 Plant Additions	\$1,837,934
8 Less Capital Repairs Deduction	\$0
9 Plant Additions Net of Capital Repairs Deduction	\$1,837,934
10	
11 Plant Additions Eligible for Bonus Depreciation	100.00%
12 Plant Additions Eligible for Bonus Depreciation	\$1,837,934
13 Bonus Depreciation rate	0%
14 Bonus Depreciation rate	\$0
15	
16 Bonus Depreciation	\$0
17	
18 <u>Remaining Tax Depreciation (Federal)</u>	
19 Plant Additions	\$1,837,934
20 Less Capital Repairs Deduction	\$0
21 Less Bonus Depreciation	\$0
22 Additions Subject to 20 YR MACRS Tax Depreciation	\$1,837,934
23 20 YR MACRS Tax Depreciation Rates	3.750%
24 Remaining Tax Depreciation	\$68,923
25	
26 <u>Remaining Tax Depreciation (State)</u>	
27 Plant Additions	\$1,837,934
28 Less Capital Repairs Deduction	\$0
29 Additions Subject to 20 YR MACRS Tax Depreciation	\$1,837,934
30 20 YR MACRS Tax Depreciation Rates	3.750%
31 Remaining Tax Depreciation	\$68,923
32	
33 Federal Tax Depreciation	\$68,923
34 State Tax Depreciation	\$68,923

Note: Plant additions not subject to the capital repairs deduction may be

<u>Period</u>	<u>Rate</u>
January 1, 2007 to December 31, 2007	0%
January 1, 2008 to September 7, 2010	50%
September 8, 2010 to December 31, 2011	100%
January 1, 2012 to December 31, 2013	50%
January 1, 2014 to December 31, 2014	50%
January 1, 2015 to December 31, 2015	50%
January 1, 2016 to December 31, 2016	50%
January 1, 2017 to December 31, 2017	50%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Procedure for Adjusting Distribution Rates for Capital Investment Allowance
Calculation of Percentage Adjustment to Distribution Rates
Based on Rates Effective July 1, 2019**

Rate Class	Distribution Rate Component	Current		
		Base Distribution Rates (a)	Forecasted Units (b)	Forecasted Revenues (c)
D	Customer Charge	\$ 14.67	424,580	\$ 6,228,589
	1st 250 kWh	\$ 0.04898	93,096,123	\$ 4,559,848
	Excess 250 kWh	\$ 0.04898	172,328,192	\$ 8,440,635
	Off Peak kWh	\$ 0.04229	1,473,801	\$ 62,327
	Farm kWh	\$ 0.04623	1,003,095	\$ 46,373
	D-6 kWh	\$ 0.04308	800,855	\$ 34,501
D-10	Customer Charge	\$ 14.67	5,277	\$ 928,963
	On Peak kWh	\$ 0.10528	1,831,948	\$ 192,868
	Off Peak kWh	\$ 0.00145	3,434,988	\$ 4,981
G-1	Customer Charge	\$ 382.48	1,658	\$ 634,152
	Demand Charge	\$ 8.14	981,764	\$ 7,991,559
	On Peak kWh	\$ 0.00523	173,776,797	\$ 908,853
	Off Peak kWh	\$ 0.00156	215,597,942	\$ 336,333
	Credit for High Voltage Delivery > 2.4 kv	(0.44)	354,650	\$ (119,955)
G-2	Customer Charge	\$ 63.77	10,882	\$ 693,945
	Demand Charge	\$ 8.19	522,041	\$ 4,275,516
	All kWh	\$ 0.00205	144,526,523	\$ 296,279
	Credit for High Voltage Delivery > 2.4 kv	\$ (0.44)	1,121	
G-3	Customer Charge	\$ 14.67	68,040	\$ 998,147
	All kWh	\$ 0.04651	87,177,837	\$ 4,054,641
	Minimum Charge > 25 kVA	\$ 2.60		
M	Luminaire Charge			\$ 998,836
	All kWh	\$ -	4,093,528	\$ -
T	Customer Charge	\$ 14.67	11,565	\$ 169,659
	All kWh	\$ 0.04047	13,306,074	\$ 538,497
V	Minimum Charge	\$ 14.67	211	\$ 3,095
	All kWh	\$ 0.04782	326,060	\$ 15,592
Total Forecasted Revenues				\$ 42,294,232

(a) Distribution Rates Effective July 1, 2019

(b) Company forecast provided by consulting company Business Economic Analysis Research (BEAR)

(c) Column (a) x column (b)

Luminaire forecasted revenues determined by attachmentment 5 of Settlement Agreement in Docket DE 16-383 line 32 on Bates 33

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
REP/VMP Rate Design
Procedure for Adjusting Distribution Rates for Capital Investment Allowance
Calculation of Percentage Adjustment to Distribution Rates
Rates Effective May 1, 2020

(1) Increase in Annual Revenue Requirement	\$210,503
(2) Forecasted Base Distribution Revenues	\$42,294,232
(3) Percentage of Adjustment to Distribution Rates	0.50%

(1) DBS-AMH-1 Page 3 Line 70
(2) Forecasted Base Distribution Revenues for the period of May 1, 2020 - April 30, 2021
(3) Line (1) ÷ Line (2)

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
Calculation of Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor
Rates Effective May 1, 2020

(1)	CY 2019 O&M Expense Above Base O&M Expense	\$101,147
(2)	Final Balance of Reconciliation of CY 2018 Incremental O&M Expense Above Base O&M Expense	<u>(\$26,163)</u>
(3)	Reliability Enhancement Program and Vegetation Management Plan Expense	\$74,984
(4)	Estimated kWh deliveries May 1, 2020 - April 30, 2021	912,773,764
(5)	Reliability Enhancement Program and Vegetation Management Plan Adjustment Factor	\$0.00008

- (1) Schedule DBS-AMH-1, Page 2, Line 7
- (2) Schedule DBS-AMH-3, Page 1, Line 15
- (3) Line (1) + Line (2)
- (4) Per Company forecast
- (5) Line (3) ÷ Line (4), truncated after 5 decimal places

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
REP/VMP Rate Design
Procedure for Adjusting Distribution Rates for Capital Investment Allowance & Incremental O&M Expense
Rates Effective May 1, 2020

Rate Class	Distribution Rate Component	Current Rates (a)	Proposed May 1, 2020 Distribution % Increase/ % (Decrease) (b)	Proposed May 1, 2020 Base Distribution Charges (c)	Proposed May 1, 2020 REP/VMP O&M Adjustment Factor (d)	Proposed May 1, 2020 Total Distribution Charges (e)
D	Customer Charge	\$14.67	0.50%	\$14.74		\$14.74
	All kWh	\$0.04898	0.50%	\$0.04922	\$0.00008	\$0.04930
	16 Hour Off Peak kWh	\$0.04229	0.50%	\$0.04250	\$0.00008	\$0.04258
	Farm kWh	\$0.04623	0.50%	\$0.04646	\$0.00008	\$0.04654
	D-6 kWh	\$0.04308	0.50%	\$0.04329	\$0.00008	\$0.04337
D-10	Customer Charge	\$14.67	0.50%	\$14.74		\$14.74000
	On Peak kWh	\$0.10528	0.50%	\$0.10580	\$0.00008	\$0.10588
	Off Peak kWh	\$0.00145	0.50%	\$0.00145	\$0.00008	\$0.00153
G-1	Customer Charge	\$382.48	0.50%	\$384.39		\$384.39
	Demand Charge	\$8.14	0.50%	\$8.18		\$8.18
	On Peak kWh	\$0.00523	0.50%	\$0.00525	\$0.00008	\$0.00533
	Off Peak kWh	\$0.00156	0.50%	\$0.00156	\$0.00008	\$0.00164
	Credit for High Voltage Delivery > 2.4 k	(\$0.44)	0.50%	(\$0.44)		(\$0.44)
G-2	Customer Charge	\$63.77	0.50%	\$64.08		\$64.08
	Demand Charge	\$8.19	0.50%	\$8.23		\$8.23
	All kWh	\$0.00205	0.50%	\$0.00206	\$0.00008	\$0.00214
	Credit for High Voltage Delivery > 2.4 k	(\$0.44)	0.50%	(\$0.44)		(\$0.44)
G-3	Customer Charge	\$14.67	0.50%	\$14.74		\$14.74
	All kWh	\$0.04651	0.50%	\$0.04674	\$0.00008	\$0.04682
	Minimum Charge > 25 kVA	\$2.60	0.50%	\$2.61		\$2.61
M	Luminaire Charge					
	<u>Description</u>					
	HPS 4,000	\$7.69	0.50%	\$7.72		\$7.72
	HPS 9,600	\$9.35	0.50%	\$9.39		\$9.39
	HPS 27,500	\$16.43	0.50%	\$16.51		\$16.51
	HPS 50,000	\$21.41	0.50%	\$21.51		\$21.51
	HPS 9,600 (Post Top)	\$10.77	0.50%	\$10.82		\$10.82
	HPS 27,500 Flood	\$16.57	0.50%	\$16.65		\$16.65
	HPS 50,000 Flood	\$22.88	0.50%	\$22.99		\$22.99
	Incandescent 1,000	\$10.29	0.50%	\$10.34		\$10.34
	Mercury Vapor 4,000	\$7.43	0.50%	\$7.46		\$7.46
	Mercury Vapor 8,000	\$9.06	0.50%	\$9.10		\$9.10
	Mercury Vapor 22,000	\$17.14	0.50%	\$17.22		\$17.22
	Mercury Vapor 63,000	\$32.54	0.50%	\$32.70		\$32.70
	Mercury Vapor 22,000 Flood	\$18.96	0.50%	\$19.05		\$19.05
	Mercury Vapor 63,000 Flood	\$32.75	0.50%	\$32.91		\$32.91
	<u>LED Fixtures</u>					
	30 Watt Pole Top	\$11.38	0.50%	\$11.43		\$11.43
	50 Watt Pole Top	\$11.85	0.50%	\$11.90		\$11.90
	130 Watt Pole Top	\$13.69	0.50%	\$13.75		\$13.75
	190 Watt Pole Top	\$18.02	0.50%	\$18.11		\$18.11
	50 Watt URD	\$13.02	0.50%	\$13.08		\$13.08
	90 Watt Flood	\$13.12	0.50%	\$13.18		\$13.18
	130 Watt Flood	\$14.37	0.50%	\$14.44		\$14.44
	50 Watt Barn	\$5.00	0.50%	\$5.02		\$5.02
	<u>Pole and Accessory Charge</u>					
	<u>Description</u>					
	Pole -Wood	\$9.09	0.50%	\$9.14		\$9.14
	Fiberglass - Direct Embedded	\$9.41	0.50%	\$9.46		\$9.46
	Fiberglass w/Foundation <25 ft	\$15.98	0.50%	\$16.06		\$16.06
	Fiberglass w/Foundation >=25 ft	\$26.69	0.50%	\$26.82		\$26.82
	Metal Poles - Direct Embedded	\$19.04	0.50%	\$19.14		\$19.14
	Metal Poles with Foundation	\$22.97	0.50%	\$23.08		\$23.08
	All kWh	\$0.00000	0.50%	\$0.00000	\$0.00008	\$0.00008
T	Customer Charge	\$14.67	0.50%	\$14.74		\$14.74
	All kWh	\$0.04047	0.50%	\$0.04067	\$0.00008	\$0.04075
V	Minimum Charge	\$14.67	0.50%	\$14.74		\$14.74
	All kWh	\$0.04782	0.50%	\$0.04805	\$0.00008	\$0.04813

(a) Distribution Rates Effective July 1, 2019
(b) Schedule DBS-2, Page 2, Line 3
(c) Column (a) x (1+Column (b))
(d) Schedule DBS-2, Page 3, Line 5
(e) Column (c) + Column (d)

**Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
Reconciliation of CY 2018 O&M Expense**

		Beginning Balance With Interest (a)	Revenue (b)	Ending Balance (c)	Balance Subject to Interest (d)	Effective Interest Rate (e)	Interest (f)	Cumulative Interest (g)
1	May-19	\$432,479	\$38,146	\$394,333	\$413,406	5.50%	\$1,849	\$1,849
2	June-19	\$396,181	\$36,593	\$359,588	\$377,885	5.50%	\$1,690	\$3,538
3	July-19	\$361,278	\$44,910	\$316,368	\$338,823	5.50%	\$1,515	\$5,054
4	August-19	\$317,883	\$47,472	\$270,411	\$294,147	5.25%	\$1,257	\$6,310
5	September-19	\$271,668	\$39,430	\$232,238	\$251,953	5.25%	\$1,077	\$7,387
6	October-19	\$233,314	\$34,582	\$198,732	\$216,023	5.00%	\$880	\$8,267
7	November-19	\$199,612	\$34,015	\$165,597	\$182,605	4.75%	\$708	\$8,975
8	December-19	\$166,305	\$39,473	\$126,832	\$146,569	4.75%	\$568	\$9,543
9	January-20	\$127,400	\$41,988	\$85,412	\$106,406	4.75%	\$412	\$9,955
10	February-20	\$85,824	\$37,799	\$48,025	\$66,925	4.75%	\$259	\$10,214
* 11	March-20	\$48,284	\$38,398	\$9,886	\$29,085	4.75%	\$113	\$10,327
* 12	April-20	\$9,999	\$36,131	(\$26,132)	(\$8,067)	4.75%	(\$31)	\$10,296
13				(Over)/Under Recovery:	(\$26,163)			

- (a) Line 1: Schedule DBS-2, Page 3, Line 3 in Docket DE 19-051
- (a) Lines 2 - 12: Prior month Column (c) + Prior month Column (f)
- (b) Revenues per the Company's Records
- (c) Column (a) - Column (b)
- (d) Average of Column (a) and Column (c)
- (e) Interest rate on customer deposits
- (f) $\text{Column (d)} \times [(1 + \text{Column (e)}) ^ { (1 \div 12) } - 1]$
- (g) Prior month Column (g) + Current month Column (f)
- * Estimate

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
Bill Calculation

Usage	650	kWh				
			Current	May 1, 2020	Current	May 1, 2020
			<u>Rates (a)</u>	<u>Rates (b)</u>	<u>Bill</u>	<u>Proposed</u>
						<u>Bill</u>
Customer Charge			\$14.67	\$14.74	\$14.67	\$14.74
Distribution Charge						
All kWh			\$0.04950	\$0.04930	\$32.18	\$32.05
Storm Recovery Adjustment			\$0.00000	\$0.00000	\$0.00	\$0.00
Transmission Charge			\$0.02732	\$0.02732	\$17.76	\$17.76
Stranded Cost Charge			(\$0.00106)	-\$0.00106	-\$0.69	-\$0.69
System Benefits Charge			\$0.00678	\$0.00678	\$4.41	\$4.41
Electricity Consumption Tax			\$0.00000	\$0.00000	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Retail Delivery Services					\$68.32	\$68.26
Energy Service Charge			\$0.07193	\$0.07193	<u>\$46.75</u>	<u>\$46.75</u>
				Total Bill	\$115.08	\$115.02
						-\$0.06
						-0.05%

(a) Rates effective March 1, 2020

(b) Rates proposed in this filing only and effective May 1, 2020

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Docket No DE 20-xxx
Schedule DBS-AMH-5
Page 1 of 1

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
Municipal Taxes as a Percentage of Net Plant

	12/31/2017	12/31/2018
1 Plant in Service, per Form 1, Page 200, Line 3 (+) Line 6	229,296	247,731
2 Depreciation Reserve, per Form 1, Page 200, Line 12 (+) Line 18	(79,789)	(93,624)
3 Net Plant	149,507	154,107
4 Average Net Plant		
5 Plant in Service	213,227	238,514
6 Depreciation Reserve	(74,658)	(86,707)
7 Net Plant	138,569	151,807
8 Municipal Taxes, Form 1, Page 262, Line 1	4,478	4,730
9 % Municipal Taxes to Net Plant	3.23%	3.12%

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Book Depreciation Calculation Using 2018 FERC Form 1 Data Filed April 18, 2019**

	Depreciation Expense		Depreciable Plant Balances		Average	Depreciation
	12/31/2017	12/31/2018	12/31/2017	12/31/2018	Depreciable Plant	Rate
1 Distribution	5,304,849	5,463,619	199,161,361	215,580,549	207,370,955	2.63%
2 General	483,791	703,675	16,714,527	17,651,307	17,182,917	4.10%
3 Total - Granite	<u>5,788,640</u>	<u>6,167,294</u>	<u>215,875,888</u>	<u>233,231,856</u>	<u>224,553,872</u>	<u>2.75%</u>
4 Depreciation Expense per Form 1:						
5 FERC Form 1, Page 114						
6 Depreciation Expense (403) Line 6	5,788,640	6,167,294				
7 Depreciation Expense for ARO (403.1) Line 7	-	-				
8 Total per Form 1, Page 114	<u>5,788,640</u>	<u>6,167,294</u>				
9 FERC Form 1, Page 336						
10 Distribution (incl ARO) Line 8	5,304,849	5,463,619				
11 General Line 10	483,791	703,675				
12 Total per Form 1, Page 336	<u>5,788,640</u>	<u>6,167,294</u>				
13 Depreciable Plant Balances per Form 1:						
14 FERC Form 1, Page 204-207						
15 Distribution Plant Page 207 Line 75	200,859,082	217,253,495				
16 Land & Land Rights Page 207 Line 60	1,697,721	1,672,946				
17 Total	<u>199,161,361</u>	<u>215,580,549</u>				
18 General Plant Page 207 Line 99	18,334,899	19,271,679				
19 Land & Land Rights Page 207 Line 86	1,620,372	1,620,372				
20 Total	<u>16,714,527</u>	<u>17,651,307</u>				
21 Total, excluding Land & Land Rights	<u>215,875,888</u>	<u>233,231,856</u>				

Proposed Tariff Changes

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