



Schedule 4.1 – 2022 Actuals – REDACTED

April 15, 2024

Liberty Utilities (Gas New Brunswick)
Balance Sheet for Regulatory Purposes
For the year ended December 31, 2022

1	Notice to Reader: Subject to review by the New Brunswick Energy and Utilities Board			
2				
3	(In thousands of dollars)			
4				
5	Assets		<u>2022</u>	<u>2021</u>
6				
7	Regulated Assets			
8	Property, Plant and Equipment	(Note 2)		
9	Gas Distributor Plant in Service - Net		\$ 192,921	\$ 188,237
10	Construction Work in Progress - Gas Distributor Plant		577	822
11	Total Property, Plant and Equipment		<u>193,498</u>	<u>189,059</u>
12				
13	Intangible Software - Net	(Note 3)	2,866	2,626
14				
15	Development O&M Capitalized Costs - Net	(Note 4)	72,073	74,865
16				
17	Short term Investments		-	3,000
18				
19	Total Regulated Rate Base Assets		<u>268,437</u>	<u>269,550</u>
20				
21	Other Regulated Assets	(Note 5)	49,896	24,978
22				
23	Total Regulated Assets		<u>318,333</u>	<u>294,528</u>
24				
25	Regulatory Deferral	(Note 1)	124,513	128,360
26				
27	Total Assets		<u>\$ 442,846</u>	<u>\$ 422,888</u>
28				
29	Liabilities and Partner's Equity			
30				
31	Partner's Equity (Rate Base)	(Note 1)	\$ 145,413	\$ 127,261
32				
33	Long-term Advances from Associates and Affiliates	(Note 6)	155,000	155,000
34				
35	Other Regulated Liabilities	(Note 7)	17,920	12,267
36				
37			<u>318,333</u>	<u>294,528</u>
38				
39	Partner's Equity (Regulatory Deferral)		124,513	128,360
40				
41	Total Liabilities and Partner's Equity		<u>\$ 442,846</u>	<u>\$ 422,888</u>
42				
43	Financial Statement Effects of Rate Regulation and Legislative Changes - Note 1			
44	Rate Base for Regulatory Purposes - Note 12			
45	Capital Structure for Regulatory Purposes - Note 13			



Liberty Utilities (Gas New Brunswick)
Statement of Income for Regulatory Purposes
For the year ended December 31, 2022

		<u>2022</u>	<u>2021</u>
1	Notice to Reader: Subject to review by the New Brunswick Energy and Utilities Board		
2			
3	(In thousands of dollars)		
4			
5	Revenue		
6	Operating Revenue		
7	Gas Distribution	\$ 43,811	\$ 41,504
8	Miscellaneous	2,246	2,601
9	Allowance for Funds Used During Construction	3	106
10		<u>46,060</u>	<u>44,211</u>
11	Service and Inspection		
12	Revenue	1,436	1,504
13	Cost of Goods Sold	(1,350)	(1,355)
14		<u>86</u>	<u>149</u>
15			
16	Total Revenue	<u>46,146</u>	<u>44,360</u>
17			
18	Expenses		
19	Operating Expenses		
20	Operating and Maintenance	12,905	12,216
21	Transportation - Net	-	1,852
22	Other Expense	28	117
23	Bad Debt	93	73
24			
25	Amortization of Property, Plant and Equipment	6,909	6,719
26			
27	Municipal and Other Taxes	1,242	1,290
28			
29	Interest on Amounts Due to Associates and Affiliates and Other Interest	4,939	4,880
30			
31	Amortization of Development O&M Capitalized Costs	2,792	2,792
32			
33	Amortization of Intangible Software	155	130
34			
35	Amortization of Regulatory Deferral Account	3,846	3,846
36			
37	Total Expenses	<u>32,909</u>	<u>33,915</u>
38			
39	Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base	13,237	10,445
40			
41	Amortization of Ratepayer Variance Accounts	-	-
42			
43	Net Income Before Income Tax	<u>13,237</u>	<u>10,445</u>
44			
45	Income Tax Expense	2,060	-
46			
47	Net Income	<u>\$ 11,177</u>	<u>\$ 10,445</u>
48			
49	Regulated Return on Equity	<u>\$ 13,175</u>	<u>\$ 13,129</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1 Note 1 Financial Statement Effect of rate regulation and Legislative Changes

2

3 The Public Utility's primary business activities are subject to regulation by the New Brunswick Energy and Utilities Board (EUB). The
 4 Public Utility follows accounting practices prescribed by its regulator or stipulated in approved ratemaking decisions that are subject
 5 to examination and approval by the EUB and are similar to those being used by other enterprises in the gas distribution industry in
 6 Canada. Accordingly, the timing and recognition of certain revenues and expenses may differ from that otherwise expected under
 7 generally accepted accounting principles (GAAP) applicable to non-regulated operations. The ultimate recoverability of costs incurred
 8 is dependent upon the approval of the EUB.

9

10 In years prior to its acquisition by Liberty Utilities (Canada) LP, Enbridge Gas New Brunswick Limited Partnership had discontinued the
 11 application of regulatory accounting under the principles of U.S. Financial Accounting Standards Board (FASB) ASC Topic 980, Regulated
 12 Operations (ASC 980) due to uncertainty around the collectability in rates of certain costs. Based on an analysis performed on
 13 acquisition, Liberty Utilities (Gas New Brunswick) LP concluded that the regulatory environment had evolved to a point where the
 14 criteria for regulatory accounting would be met going forward as of October 1, 2019. As a result, regulatory assets and liabilities are
 15 reflected in the GAAP financial statements.

16

17 Rate regulation creates differences between the manner in which the Public Utility accounts for transactions or events and how they
 18 would be accounted for if the Public Utility was not subject to rate regulation. The differences in accounting treatment include:

19

20 The EUB permits an "allowance for funds used during construction" (AFUDC) to be included in the rate base. In addition, AFUDC is
 21 included in the cost of property, plant and equipment and is depreciated over future periods as part of the total cost of the related
 22 asset, based on the expectation that depreciation expense, including the AFUDC component, will be approved for inclusion in future
 23 rates. AFUDC for rate-regulated entities includes both an interest component and a cost of equity component. In the absence of rate
 24 regulation, GAAP would permit the capitalization of only the interest component. Therefore, the initial set up of the equity component
 25 as a capitalized asset and the corresponding revenue recognized during the construction phase would not be recognized nor would
 26 the subsequent depreciation of the asset.

27

28 As prescribed by the EUB, the Public Utility does not recognize gains and losses on the sale of Liberty Utility Gas (LUG) in the statement
 29 of income and uses a purchase gas variance account to defer the gain or loss on sale. Non-regulated enterprises would normally
 30 account for the gain or loss in the statement of income or comprehensive income.

31

32 On December 16, 2016, the Government of New Brunswick enacted amendments to the Gas Distribution Act, 1999. The General
 33 Franchise Agreement was extended for an additional 25 years with an additional 25 year option. The new legislation modifies the
 34 current approach to setting rates from a combination of cost of service and market based rates to a cost of service approach only. The
 35 regulatory deferral account was reduced to \$144.5 million with \$100 million to be included in revenue requirement over 26 years
 36 commencing on January 1, 2020 and ending on December 31, 2045. The remaining regulatory deferral account balance is to be
 37 recovered as authorized by the EUB.

38

39

40

41

	2022			2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
44 Regulatory Deferral Account, Allowed by Legislation	\$ 100,000	\$ (11,538)	\$ 88,462	\$ 92,308	3.85%
45 Regulatory Deferral Account	36,052	-	36,052	36,052	0.00%
47 Total Regulatory Deferral Account, Net	\$ 136,052	\$ (11,538)	\$ 124,513	\$ 128,360	



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1 (In thousands of dollars)

2

3 **Note 2 Property, Plant & Equipment**

4

	2022			2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
5					
6					
7 General plant					
8 Computer hardware	\$ 1,437	\$ (570)	\$ 867	\$ 910	8.87%
9 Tools and work equipment	520	(244)	276	222	14.53%
10 Office furniture and equipment	408	(260)	148	161	6.41%
11 Transportation	2,553	(1,020)	1,533	1,207	6.32%
12 Incentives	1,626	(802)	824	622	20.00%
13 Leasehold improvements	328	(220)	109	278	20.00%
14 Subtotal	6,872	(3,116)	3,756	3,400	
15					
16 Distribution plant					
17 Land	406	-	406	406	0.00%
18 Rights of way and easements	189	-	189	189	0.00%
19 Distribution mains	142,965	(42,769)	100,196	99,312	1.64%
20 Street services	82,005	(23,006)	58,999	55,845	1.74%
21 Meters and regulators	25,609	(6,858)	18,751	18,806	7.63%
22 Stations	19,948	(9,325)	10,623	10,279	2.82%
23 Subtotal	271,122	(81,958)	189,164	184,837	
24					
25 Total plant in service	277,994	(85,074)	192,921	188,237	
26					
27 Construction work in progress	577		577	822	
28					
29 Total property, plant & equipment	<u>\$ 278,571</u>	<u>\$ (85,074)</u>	<u>\$ 193,498</u>	<u>\$ 189,059</u>	



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1 (In thousands of dollars)

2

3 **Note 3 Intangible Software**

4

	<u>2022</u>			<u>2021</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
5					
6					
7					
8 Intangible Software	\$ 3,623	\$ (758)	\$ 2,866	\$ 2,626	4.96%
9					
10 Total Intangible Software, Net	<u>\$ 3,623</u>	<u>\$ (758)</u>	<u>\$ 2,866</u>	<u>\$ 2,626</u>	

11

12 **Note 4 Development O&M Capitalized Costs**

13

	<u>2022</u>			<u>2021</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
14					
15					
16					
17 Development O&M Capitalized Costs	\$ 114,952	\$ (42,879)	\$ 72,073	\$ 74,865	2.43%
18					
19 Development O&M Capitalized Costs, Net	<u>\$ 114,952</u>	<u>\$ (42,879)</u>	<u>\$ 72,073</u>	<u>\$ 74,865</u>	



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1 (In thousands of dollars)

2

3 **Note 5 Other Regulated Assets**

4

5

	<u>2022</u>	<u>2021</u>
6 Cash	\$ -	\$ 5,594
7 Accounts Receivable	18,760	13,091
8 Purchase Gas Variance	2,771	1,447
9 Due From Affiliated Companies	20,180	-
10 HST Receivable	1,832	-
11 Prepaid	854	935
12 Inventory	1,759	1,515
13 Right-of-use Asset	1,891	2,289
14 Ratepayer Variance Assets	1,719	-
15 Other Long-term Asset	129	107
16		
17 Total Other Regulated Assets	<u>\$ 49,896</u>	<u>\$ 24,978</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1 (In thousands of dollars)

2

3 **Note 6 Long-term Advances from Associates and Affiliates**

4

5

	Issue Date	Maturity Date	Amount	2022 Cost of Debt		
				LUC	LUGNB	Regulated
6 Promissory Note	Apr 01, 2020	Feb 14, 2050	\$ 155,000	3.315%	3.315%	3.315%
8						
9 Total long-term advances						
10 from associates and affiliates			<u>\$ 155,000</u>	<u>3.315%</u>	<u>3.315%</u>	<u>3.315%</u>

11

12

13

	Issue Date	Maturity Date	Amount	2021 Cost of Debt		
				LUC	LUGNB	Regulated
14 Promissory Note	Apr 01, 2020	Feb 14, 2050	\$ 155,000	3.315%	3.315%	3.315%
16						
17 Total long-term advances						
18 from associates and affiliates			<u>\$ 155,000</u>	<u>3.315%</u>	<u>3.315%</u>	<u>3.315%</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1 (In thousands of dollars)

2

3 **Note 7 Other Regulated Liabilities**

4

5

6

7 Bank Indebtedness

8 Accounts Payable

9 Lease liability

10 Ratepayer Variance Liabilities

12 Total Other Regulated Liabilities

	<u>2022</u>	<u>2021</u>
	\$ 794	\$ -
	14,932	9,978
	1,891	2,289
	303	-
	<u>\$ 17,920</u>	<u>\$ 12,267</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1 (In thousands of dollars)

2

3 **Note 8 Operating Revenue**

4

5 **a. Gas Distribution**

6

	2022			2021		
	Revenue	Customers	Throughput TJs	Revenue	Customers	Throughput TJs
9 Small General Service (SGS)	\$ 7,684	8,468	551	\$ 7,539	8,400	533
10 Mid-General Service (MGS)	14,129	3,488	1,224	12,825	3,364	1,094
11 Large General Service (LGS)	12,244	416	1,570	11,899	413	1,455
12 Contract General Service (CGS)	4,172	73	654	4,206	65	722
13 Industrial Contract General Service (IC)	5,514	10	1,706	4,956	10	1,352
14 Off-peak Service (OPS)	66	13	11	79	10	13
15						
16 Total	<u>\$ 43,811</u>	<u>12,468</u>	<u>5,716</u>	<u>\$ 41,504</u>	<u>12,262</u>	<u>5,169</u>

17

18 1 Terajoule (TJ) = 1,000 Gigajoules (GJ)

19

20 **b. Miscellaneous Revenues**

21

	2022	2021
23 Single End-User Franchise Fee		\$ 2,086
24 Large Industrial Contract Service (LICS) Revenue		-
25 Agent Billing and Collection		228
26 Interest Income		10
27 Late Payment Penalties		216
28 Red Lock & NSF Fee Revenue		31
29 Transactional Services		30
30		
31 Total Miscellaneous Revenues	<u>\$ 2,246</u>	<u>\$ 2,601</u>

32

33 Details of Agent Billing and Collection Revenue

34 (in dollars)

35

	2022	2021
37 Small General Service (SGS)		\$ 144,185
38 Mid-General Service (MGS)		64,794
39 Large General Service (LGS)		15,658
40 Contract General Service (CGS)		1,958
41 Industrial Contract General Service (ICGS)		416
42 Off-peak Service (OPS)		593
43		
44 Total Agent Billing and Collection Revenue		<u>\$ 227,605</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 **Note 9 Operating and Maintenance Expenses**

3

4

5 Corporate Management

2022 2021

6 Financial Reporting

\$ 1,713 \$ 1,465

7 Information technology

2,029 2,143

8 Regulatory & Upstream

192 147

9 Sales & Marketing

1,191 1,190

10 Distribution & Maintenance

1,675 1,397

11 Customer Care

7,833 6,851

12 Human Resources

736 759

13 Corporate Allocations

(590) (669)

14 Gas Transportation and Related Activities

4,008 3,481

15 Total Prior to Capitalization

- 1,852

16

17 Total Capitalized

\$ 18,787 \$ 18,616

18

19 Total Expense

5,882 4,548

\$ 12,905 \$ 14,068



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 **Note 10** Interest on Amounts Due to Associates and Affiliates and Other Interest

3

4

5 Interest on Long-term Debt

2022 2021

6 AIDC - Allowance for Funds Used During Construction (Debt Component)

\$ 4,938 \$ 4,851

7

8 Total Interest on Amounts Due to Associates and Affiliates and Other Interest

1 29

9

10 **Note 11** Regulated Return on Equity

11

12

13 Regulated Return on Equity

2022 2021

14 Excess Returned to Customers

\$ 13,172 \$ 13,052

15 Mechanism to Adjust Regulatory Deferral as per Legislation

- -

16 AEDC - Allowance for Funds Used During Construction (Equity Component)

- -

17

18 Total Regulated Return on Equity

2 77

\$ 13,175 \$ 13,129



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 **Note 12** Rate Base for Regulatory Purposes

3

4 **Property, Plant & Equipment**

	<u>2022</u>	<u>2021</u>
5 Cost	\$ 277,995	\$ 269,099
6 Accumulated Amortization	(85,074)	(80,862)
7 Property, Plant & Equipment, Net	<u>192,921</u>	<u>188,237</u>

8

9 **Intangible Software**

10 Cost	3,623	3,229
11 Accumulated Amortization	(758)	(603)
12 Intangible Software, Net	<u>2,866</u>	<u>2,626</u>

13

14 **Development O&M Capitalized Costs**

15 Cost	114,952	114,952
16 Accumulated Amortization	(42,879)	(40,087)
17 Development O&M Capitalized Costs, Net	<u>72,073</u>	<u>74,865</u>

18

19 **Term Deposit**

20	-	3,000
----	---	-------

21 **Working Capital Allowance**

22	2,613	2,450
----	-------	-------

23 **Total Rate Base**

24	<u>\$ 270,473</u>	<u>\$ 271,178</u>
----	-------------------	-------------------

25 **Average Rate Base**

	<u>\$ 270,819</u>	<u>\$ 266,096</u>
--	-------------------	-------------------



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 **Note 13 Capital Structure for Regulatory Purposes**

3

4 **Capital Structure**

	<u>2022</u>	<u>2021</u>
5 Long-term Debt	\$ 155,000	\$ 155,000
6 Equity	145,413	127,261
7 Total	<u>\$ 300,413</u>	<u>\$ 282,261</u>

8

9 **Capital Structure Percentage**

10 Long-term Debt	51.60%	54.91%
11 Equity	<u>48.40%</u>	<u>45.09%</u>
12 Total	<u>100.00%</u>	<u>100.00%</u>

13

14 **Capital Structure Average Percentage for Regulatory Purposes**

15 Long-term Debt	55.00%	55.00%
16 Equity	<u>45.00%</u>	<u>45.00%</u>
17 Total	<u>100.00%</u>	<u>100.00%</u>

18

19 **Weighted Cost of Capital for Regulatory Purposes**

20 Long-term Debt	1.82%	1.82%
21 Equity	<u>4.86%</u>	<u>4.91%</u>
22 Total	<u>6.69%</u>	<u>6.73%</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 **Note 14 Details of Affiliate Transaction**

3

4 **For the period ending December 31, 2022**

5

6 Consulting and Services	APUC	LABS Canada	LUCC/LUSC Corp. US	LABS US	East Region	SLG and Other Liberty
9						
10 Executive	\$ 222	\$ -	\$ -	\$ -	\$ 239	\$ -
11 Corporate Finance	-	310	-	32	187	-
12 Information technology	-	699	-	119	-	-
13 Customer Care	-	-	84	-	66	-
14 Business Development	-	-	20	-	136	-
15 Energy Procurement	-	-	180	-	-	-
16 Human Resources	-	75	-	7	31	-
17 Regulatory	-	8	87	20	1	-
18 Gas Operations	-	-	261	-	-	-
19 Other	119	260	211	119	150	-
20 Recoveries	-	(624)	-	-	(116)	(116)
21						
22 Total	<u>\$ 341</u>	<u>\$ 728</u>	<u>\$ 843</u>	<u>\$ 296</u>	<u>\$ 694</u>	<u>\$ (116)</u>

23

24 Consulting and Services	Total Affiliate Consulting and Services	Total Consulting and Services	Affiliate Expenditure as Percent of Total Consulting and Services
27			
28 Executive	\$ 462	\$ 842	55%
29 Corporate Finance	529	690	77%
30 Information technology	818	869	94%
31 Customer Care	150	204	73%
32 Business Development	156	157	100%
33 Energy Procurement	180	186	97%
34 Human Resources	114	159	71%
35 Regulatory	115	353	33%
36 Gas Operations	261	570	46%
37 Other	859	1,618	53%
38 Recoveries	(857)	(857)	100%
39			
40 Total	<u>\$ 2,786</u>	<u>\$ 4,792</u>	<u>58%</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 Note 14 Details of Affiliate Transaction (Continued)

3

4 For the period ending December 31, 2021

5

6 Consulting and Services	APUC	LABS Canada	LUCC/LUSC Corp. US	LABS US	East Region	SLG and Other Liberty
9						
10 Executive	\$ 294	\$ -	\$ -	\$ -	\$ 251	\$ -
11 Corporate Finance	-	165	-	4	148	-
12 Information technology	-	817	-	71	-	-
13 Customer Care	-	-	80	-	43	-
14 Business Development	-	-	6	-	147	-
15 Energy Procurement	-	-	167	-	-	-
16 Human Resources	-	67	-	1	52	-
17 Regulatory	-	2	84	15	27	-
18 Gas Operations	-	-	260	-	-	-
19 Other	157	202	205	70	144	-
20 Recoveries	-	(227)	-	-	(75)	(80)
21						
22 Total	<u>\$ 452</u>	<u>\$ 1,027</u>	<u>\$ 803</u>	<u>\$ 161</u>	<u>\$ 738</u>	<u>\$ (80)</u>

23

24 Consulting and Services	Total Affiliate Consulting and Services	Total Consulting and Services	Affiliate Expenditure as Percent of Total Consulting and Services
27			
28 Executive	\$ 545	\$ 568	96%
29 Corporate Finance	317	321	99%
30 Information technology	888	888	100%
31 Customer Care	124	217	57%
32 Business Development	153	180	85%
33 Energy Procurement	167	177	94%
34 Human Resources	120	120	100%
35 Regulatory	128	769	17%
36 Gas Operations	260	913	28%
37 Other	778	1,044	75%
38 Recoveries	(383)	(383)	100%
39			
40 Total	<u>\$ 3,099</u>	<u>\$ 4,815</u>	<u>64%</u>



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 **Note 15 - Service & Inspection Profitability Margin**

3

4

	<u>2022</u>	<u>2021</u>
6 Revenues as per Regulatory Financial Statements	\$ 1,436	\$ 1,504
7 Less: Cost of Goods Sold as per Regulatory Financial Statements	<u>(1,350)</u>	<u>(1,355)</u>
8 Adjusted Gross Margin	\$ 86	\$ 149
9		
10 Less: Allocated Expenses		
11 O&M Expenses	\$ 173	\$ 183
12 Cost of Capital	8	8
13 Depreciation	19	32
14 Billing Services (Customer Care)	1	1
15 Bad Debt Expense	<u>1</u>	<u>1</u>
16	\$ 202	\$ 225
17		
18 Net Revenue/(Loss)	\$ (116)	\$ (76)



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

0 (In thousands of dollars)

1

2 **Note 16 - System Expansion Portfolio Test**

3

4	Item	Capital	2022	2021	2020	Average 2020-2022
5						
6	1	Main	\$ 391	\$ 5,806	\$ 222	\$ 2,140
7	2	Service Line	2,019	1,843	2,743	2,202
8	3	Sales Incentive	150	150	181	161
9	4	Meter & Regulators	262	252	514	343
10	5	O&M Capitalized to Main	1,318	1,765	286	1,123
11	6	O&M Capitalized to Service Line	2,357	1,206	1,457	1,673
12	7	O&M Capitalized to Meter & Regulators	397	282	744	474
13	8	Total Capital	\$ 6,894	\$ 11,305	\$ 6,147	\$ 8,115
14						
15	9	Cost of Capital	6.69%	6.73%	6.92%	6.78%
16						
17		Depreciation Rates				
18	10	Main	1.64%	1.64%	1.64%	1.64%
19	11	Service Line	1.74%	1.74%	1.74%	1.74%
20	12	Meter	7.63%	7.63%	7.63%	7.63%
21	13	Sales Incentives	20.00%	20.00%	20.00%	20.00%
22						
23		Net Annual Impact on Revenue Requirement				
24		Energy (GJs)	678,985	309,876	102,798	363,886
25		Revenue	\$ 1,304	\$ 1,380	\$ 1,078	\$ 1,254
26		Less:				
27		Depreciation: Mains ((item 1 + item 5) * item 10)	\$ 28	\$ 124	\$ 8	\$ 54
28		Depreciation: Service Line (item 2 + item 6) * item 11)	76	53	73	67
29		Depreciation: Sales Incentive (item 3 * item 13)	30	30	36	32
30		Depreciation: Meter & Regulator (item 4 + item 7) * item 12)	50	41	96	62
31		Cost of Capital (item 8 * item 9)	461	761	425	550
32		Annual Impact	\$ 659	\$ 371	\$ 439	\$ 488
33						
34		Revenue/Cost Ratio	202%	137%	169%	164%



Liberty Utilities (Gas New Brunswick)
Notes to 2022 Regulatory Financial Results
For the year ended December 31, 2022

1	(In thousands of dollars)	
2		
3	Note 17 Taxable Income	
4		<u>2024</u>
5		
6	Book Income	\$ 13,623
7		
8	Meals & entertainment (50%)	33
9	Book depreciation of PPE	6,949
10	Amortization of deferred charges	2,792
11	Amortization of intangible software	116
12	Amortization of regulatory deferral account	3,846
13	Amortization of Regulatory variance account	378
14	Tax depreciation	(7,858)
15	Capitalized admin overhead	(4,795)
16	Incentive payment capitalized	<u>(384)</u>
17		
18	Capitalized interest during construction	(3)
19	Movement of Purchased Gas variance accounts	<u>(2,810)</u>
20		
21	Taxable income before losses	10,155
22	LCF used	(3,052)
23		
24	Taxable income	7,103
25	Tax Rate	29%
26	Regulated cash tax expense	<u>\$ 2,060</u>

