

Schedule 4.2 – 2022 Budget – REDACTED

April 15, 2024

Review of Liberty's 2022 Regulatory Financial Statements/2024 Rate Application

1

Liberty Utilities Gas New Brunswick

Budgeted Balance Sheet for Regulatory Purposes As at December 31, 2022

1	Notice to Reader: Subject to review by the New Brunswick Energy	and Utiliti	es Board
2	(in thousands of dollars)		
3	Assets		2022
4	Regulated Assets		
5 6 7	Property, Plant and Equipment (Note 2) Gas Distributor Plant in Service - Net Construction Work In Progress - Gas Distributor Plant	\$	196,396 874
8	Total Property, Plant & Equipment		197,270
9 10 11 12 13	Deferred Charges COVID Variance Account - Net (Note 3) Intangible Software - Net (Note 3) Development O&M Capitalized Costs - Net (Note 4) Total Deferred Charges		3,101 72,073 75,174
14	Short Term Investments		-
16	Total Regulated Rate Base Assets		272,444
16	Other Regulated Assets (Note 5)		43,464
17	Total Regulated Assets		315,908
18	Regulatory Deferral (Note 1)		124,514
19	Total Assets	\$	440,422
20	Liabilities and Partner's Equity		
21	Partner's Equity		145,178
22	Long-term Advances from Associates and Affiliates (Note 6)		155,000
23	Other Regulated Liabilities (Note 7)		15,730
24		\$	315,908
25	Partner's Equity (Regulatory Deferral)		124,514
26	Total Liabilities and Equity	\$	440,422



Statement of Budgeted Income for Regulatory Purposes As at December 31, 2022

2 (in thousands of dollars) 3 Revenue 5 Operating Revenue (Note 8) 6 Gas distribution \$ 47,561 7 Single end-user franchise fees 1,880 8 Miscellaneous 642 9 Allowance for Funds Used During Construction 9 10 Service and Inspections 1,750 12 Revenue 1,750 13 Cost of goods sold (1,471) 14 279 15 Total Revenue 50,371 16 Expenses 50,371 16 Expenses 11,546 17 Operating and maintenance (Note 9) 11,546 16 Total Operating and maintenance (Note 9) 11,546 17 Other Expenses 100 18 Operating and maintenance expenses 111,546 21 Other Expenses 100 22 Bad debt expenses 110 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 3,315 27	1	Notice to Reader: Subject to review by the New Brunswick Energy and Utilities Boa	rd	
4 Revenue 5 Operating Revenue (Note 8) 6 Gas distribution \$ 47,561 7 Single end-user franchise fees 1,880 8 Miscellaneous 642 9 Allowance for Funds Used During Construction 9 10 50,092 11 Service and Inspections 1,750 12 Revenue 1,750 13 Cost of goods sold (1,471) 14 279 1 15 Total Revenue 50,371 16 Expenses 11,546 17 Operating Expenses 11,546 18 Operating and maintenance (Note 9) 11,546 19 Transportation (net) - 20 Total Operating and maintenance expenses 11,546 21 Other Expenses 100 22 Bad debt expense 11,546 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)	2	(in thousands of dollars)		
5 Operating Revenue (Note 8) \$ 47,561 6 Gas distribution \$ 47,561 7 Single end-user franchise fees 1,880 8 Miscellaneous 642 9 Allowance for Funds Used During Construction 9 10 50,092 11 Service and Inspections 1,750 12 Revenue 1,750 13 Cost of goods sold (1,471) 14 279 15 Total Revenue 50,371 16 Expenses 11,546 17 Operating and maintenance (Note 9) 11,546 19 Transportation (net) - -20 Total Operating and maintenance expenses 111,546 21 Other Expenses 100 22 Bad debt expense 100 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10) 4,959 26 Amortization of Regulatory Deferral Account 3,846	3			2022
6 Gas distribution \$ 47,561 7 Single end-user franchise fees 1,880 8 Miscellaneous 642 9 Allowance for Funds Used During Construction 9 10 Service and Inspections 1,750 12 Revenue 1,750 13 Cost of goods sold (1,471) 14 279 15 Total Revenue 50,371 16 Expenses 100 20 Total Qperating and maintenance (Note 9) 11,546 19 Transportation (net) - 20 Total Operating and maintenance expenses 1100 21 Other Expenses 100 22 Bad debt expense 1177 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10) 4,959 26 Amortization of Regulatory Deferral Account 3,846 28 Total Expenses 32,605 29 Income before Tax	4	Revenue		
7 Single end-user franchise fees 1,880 8 Miscellaneous 642 9 Allowance for Funds Used During Construction 9 10 50,092 11 Service and Inspections 1,750 12 Revenue 1,750 13 Cost of goods sold (1,471) 14 279 15 Total Revenue 50,371 16 Expenses 11,546 17 Operating Expenses 11,546 18 Operating and maintenance (Note 9) 11,546 19 Transportation (net) - 20 Total Operating and maintenance expenses 100 21 Other Expenses 100 22 Bad debt expense 177 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10) 4,959 26 Amortization of Regulatory Deferral Account 3,846 28 Total Expenses 32,605 29	5	Operating Revenue (Note 8)		
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16 Expenses 17 Operating Expenses 18 Operating and maintenance (Note 9) 11,546 19 Transportation (net) - 20 Total Operating and maintenance expenses 11,546 21 Other Expenses 100 22 Bad debt expense 177 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10) 4,959 26 Amortization of Deferred Development Costs 3,315 27 Amortization of Regulatory Deferral Account 3,846 28 Total Expenses 32,605 29 Income before Tax 17,766 30 Income Tax 4,537 31 Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base \$ 13,229 32 Excess returned to customers \$ 13,229		T-t-l D-man		
17 Operating Expenses 18 Operating and maintenance (Note 9) 11,546 19 Transportation (net) - 20 Total Operating and maintenance expenses 11,546 21 Other Expenses 100 22 Bad debt expense 100 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10) 4,959 26 Amortization of Deferred Development Costs 3,315 27 Amortization of Regulatory Deferral Account 3,846 28 Total Expenses 32,605 29 Income before Tax 17,766 30 Income Tax 4,537 31 Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base \$ 13,229 32 Excess returned to customers \$ 13,229	15	Total Revenue		50,371
18 Operating and maintenance (Note 9) 11,546 19 Transportation (net) - 20 Total Operating and maintenance expenses 11,546 21 Other Expenses 100 22 Bad debt expense 100 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10) 4,959 26 Amortization of Deferred Development Costs 3,315 27 Amortization of Regulatory Deferral Account 3,846 28 Total Expenses 17,766 30 Income before Tax 17,766 30 Income Extraordinary Items, Regulatory Deferral and Return on Rate Base \$ 13,229 32 Excess returned to customers \$ 13,229	16	Expenses		
19 Transportation (net) - 20 Total Operating and maintenance expenses 11,546 21 Other Expenses 100 22 Bad debt expense 177 23 Amortization of Property, Plant and Equipment 7,348 24 Municipal and Other Taxes 1,314 25 Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10) 4,959 26 Amortization of Deferred Development Costs 3,315 27 Amortization of Regulatory Deferral Account 3,846 28 Total Expenses 32,605 29 Income before Tax 17,766 30 Income Tax 4,537 31 Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base \$ 13,229 32 Excess returned to customers \$ 13,229	17	Operating Expenses		
20Total Operating and maintenance expenses11,54621Other Expenses10022Bad debt expense17723Amortization of Property, Plant and Equipment7,34824Municipal and Other Taxes1,31425Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)4,95926Amortization of Deferred Development Costs3,31527Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers\$ 13,229	18	Operating and maintenance (Note 9)		11,546
21Other Expenses10022Bad debt expense17723Amortization of Property, Plant and Equipment7,34824Municipal and Other Taxes1,31425Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)4,95926Amortization of Deferred Development Costs3,31527Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers\$ 13,229	19	Transportation (net)		-
22Bad debt expense17723Amortization of Property, Plant and Equipment7,34824Municipal and Other Taxes1,31425Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)4,95926Amortization of Deferred Development Costs3,31527Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers	20	Total Operating and maintenance expenses		11,546
22Bad debt expense17723Amortization of Property, Plant and Equipment7,34824Municipal and Other Taxes1,31425Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)4,95926Amortization of Deferred Development Costs3,31527Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers	21	Other Expenses		100
23Amortization of Property, Plant and Equipment7,34824Municipal and Other Taxes1,31425Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)4,95926Amortization of Deferred Development Costs3,31527Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers32,605		•		
25Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)4,95926Amortization of Deferred Development Costs3,31527Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers\$ 13,229	23	Amortization of Property, Plant and Equipment		7,348
26Amortization of Deferred Development Costs3,31527Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers	24	Municipal and Other Taxes		1,314
27Amortization of Regulatory Deferral Account3,84628Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers\$ 13,229	25	Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 10)		4,959
28Total Expenses32,60529Income before Tax17,76630Income Tax4,53731Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base\$ 13,22932Excess returned to customers\$ 13,229	26	Amortization of Deferred Development Costs		3,315
29 Income before Tax 17,766 30 Income Tax 4,537 31 Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base \$ 13,229 32 Excess returned to customers \$ 13,229	27	Amortization of Regulatory Deferral Account		3,846
30 Income Tax 4,537 31 Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base \$ 13,229 32 Excess returned to customers \$ 13,229	28	Total Expenses		32,605
31 Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base \$ 13,229 32 Excess returned to customers	29	Income before Tax		17,766
32 Excess returned to customers	30	Income Tax		4,537
	31	Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base	\$	13,229
33 Regulated Return on Equity (Note 11) \$ 13,229	32	Excess returned to customers		
	33	Regulated Return on Equity (Note 11)	\$	13,229

1 Note 1 Financial Statement Effect of Rate Regulation and Legislative Changes

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

In years prior to its acquisition by Liberty Utilities (Canada) LP, Enbridge Gas New Brunswick Limited Partnership
had discontinued the application of regulatory accounting under the principles of U.S. Financial Accounting
Standards Board (FASB) ASC Topic 980, Regulated Operations (ASC 980) due to uncertainty around the
collectability in rates of certain costs. Based on an analysis performed on acquisition, Liberty Utilities (Gas New
Brunswick) LP concluded that the regulatory environment had evolved to a point where the criteria for regulatory
accounting would be met going forward as of October 1, 2019. As a result, the regulatory deferral asset,
development O&M asset, regulatory liability related to overearnings refunded to customers and disallowances to

16 PPE, were reflected in the GAAP financial statements.

17 Rate regulation creates differences between the manner in which the Public Utility accounts for transactions or 18 events and how they would be accounted for if the Public Utility was not subject to rate regulation. The differences in 19 accounting treatment include:

20 The EUB permits an "allowance for funds used during construction" (AFUDC) to be included in the rate base. In 21 addition, AFUDC is included in the cost of property, plant and equipment and is depreciated over future periods as 22 part of the total cost of the related asset, based on the expectation that depreciation expense, including the AFUDC 23 component, will be approved for inclusion in future rates. AFUDC for rate-regulated entities includes both an interest 24 component and a cost of equity component. In the absence of rate regulation, GAAP would permit the capitalization 25 of only the interest component. Therefore, the initial set up of the equity component as a capitalized asset and the 26 corresponding revenue recognized during the construction phase would not be recognized nor would the 27 subsequent depreciation of the asset.

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 of income and uses a purchase gas variance account to defer the gain or loss on sale. Nonregulated enterprises would normally account for the gain or loss in the statement of income or comprehensive

31 income.

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



11	Note 1 Financial Statement Effect of Rate Regulatio	n and	l Legislative	Chan	ges (Contin	ued)		
2							2022	
3				Ac	cumulated		Net Book	Rates of
4			Cost	An	nortization		Value	Amortization
5 6	Regulatory Deferral Account, Defined in Legislation Regulatory Deferral Account	\$	100,000 36,052	\$	(11,538)	\$	88,462 36,052	3.85% 0.00%
7	Regulatory Deferral Account, net	\$	136,052	\$	(11,538)	\$	124,514	



(in thousands of dollars)

Note 2 Property, Plant & Equipment

1					2022	
2			Ac	cumulated	Net Book	Rates of
3		Cost	An	nortization	Value	Amortization
4						
5	Property, plant & equipment					
6						
7	General plant					
8	Computer hardware	\$ 1,094	\$	(349)	\$ 745	8.87%
9	Tools and work equipment	607		(254)	353	14.53%
10	Office furniture and equipment	562		(419)	143	6.41%
11	Transportation	2,510		(854)	1,656	6.32%
12	Incentives	1,697		(691)	1,006	20.00%
13	Leasehold improvements ¹	745		(248)	497	100.00%
14	Subtotal	 7,215		(2,815)	 4,400	
15						
16	Distribution plant					
17	Land	276		-	276	-
18	Rights of way and easements	375		-	375	-
19	Distribution mains	147,560		(42,807)	104,753	1.64%
20	Street services	82,068		(23,364)	58,704	1.74%
21	Meters and regulators	24,543		(7,007)	17,536	7.63%
22	Stations	19,690		(9,338)	10,352	2.82%
23	Subtotal	274,512		(82,516)	191,996	
24						
25	Total plant in service	281,727		(85,331)	196,396	
26						
27	Construction work in progress	 874		-	 874	
28						
29	Total property, plant & equipment	\$ 282,601	\$	(85,331)	\$ 197,270	
30					 	

31 1 - Amortized over the term of the related leases.



(in thousands of dollars)

Note 3 Intangible Software - Net

1					2022	
2				Accumulated	Net Book	Rates of
3		С	ost	Amortization	Value	Amortization
4	COVID Variance Account	3	78	(378)	-	33.33%
5	Intangible Software	3,8	41	(740)	3,101	4.96%
6	-					
7	Total Intangible Software - Net	\$ 3,8	41	\$ (740)	\$ 3,101	
8						

8 9

Note 4 Development O&M Capitalized Costs - Net

10					2022	
11			Acc	cumulated	Net Book	Rates of
12		Cost	Am	ortization	Value	Amortization
13						
14	Development O&M capitalized costs	\$ 114,952	\$	(42,879)	\$ 72,073	2.43%
15						
16	Total development O&M capitalized costs,	\$ 114,952	\$	(42,879)	\$ 72,073	



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 5 Other Regulated Assets

1		2022
2	Cash & Short Term Investments	\$ 18,779
3	Accounts Receivable	21,734
4	Prepaid	1,160
5	Inventory	728
6	Lease Asset	1,063
7		
8		\$ 43,464



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 6 Long-term Advances from Associates and Affiliates

1 2						c	2022 ost of Deb	t
3		Issue Date	Maturity Date	4	Amount	LUC	LUGNB	Regulated
4								
5	Promissory Note	April 01, 2020	February 14, 2050	\$	155,000	3.315%	3.315%	3.315%
6								
7	Total long-term advar	nces						
8	from associates and a	affiliates		\$	155,000	3.315%	3.315%	3.315%



Notes to 2022 Budgeted Regulatory Financial Results

For the year ended December 31, 2022

(in thousands of dollars)

Note 7 Other Regulated Liabilities

1		2022
2	Ratepayer Variance	\$ -
3	Accounts Payable	14,570
4	Long-term Deferred Post Employment Liabilities	(89)
5	Lease Liability	1,063
6	HST payable	 186
7		\$ 15,730



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 8 Operating Revenue

1	a. Gas Distribution			
2			2022	
3				
4		Revenue	Customers	Throughput
5				TJS
6				
7	Small General Service (SGS)	\$ 8,258	8,459	584
8	Mid-General Service (MGS)	15,120	3,551	1,253
9	Large General Service (LGS)	14,733	436	1,863
10	Contract General Service (CGS)	3,591	56	541
11	Industrial Contract General Service (ICGS)	5,777	10	1,594
12	Off-Peak Service (OPS)	82	10	13
13				
14				
15	Total	\$ 47,561	12,522	5,848
16				
17				

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



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 8 Operating Revenue (continued)

1 2 3	b. Other Revenue	 2022
4	Single end-user franchise fees	
5	Agent billing and collection	
6	Other miscellaneous revenue	
7		
8	Total miscellaneous	\$ 2,522
9		
10	Details of Agent Billing and Collection Revenue	
11		0000
12		 2022
13	0	
14	Small General Service (SGS)	
15	Mid-General Service (MGS)	
16 17	Large General Service (LGS)	
18	Contract General Service (CGS) Industrial Contract General Service (ICGS)	
19	Off-Peak Service (OPS)	
20	one car before (or b)	
21	Total Agent Billing and Collection Revenue	



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 9 Operating and Maintenance Expenses

1		2022
2 3	Corporate management	\$ 939
3 4	Corporate management Corporate administration	2,772
5	Financial reporting	3,120
6	Information technology	280
7	Regulatory & upstream	588
8	Sales & marketing	1,629
9	Distribution & maintenance	5,640
10	Customer care	1,033
11	Human resources	612
12	Gas transportation and related activities	
13		
14	Total Prior to capitalization	16,613
15		
16	Property, Plant & Equipment	5,067
17		
18	Total Capitalized	5,067
19	-	
20	Total Expense	\$ 11,546



Notes to 2022 Budgeted Regulatory Financial Results

For the year ended December 31, 2022

(in thousands of dollars)

Note 10 Interest on Amounts Due to Associates & Affiliates and Other Interest

1		 2022
2 3 4 5	Interest on long-term debt AIDC - allowance for funds used during construction (debt component)	\$ 4,956 3
6	Total interest on amounts due to associates & affiliates and other interest	\$ 4,959
Note 1	11 Regulated Return on Equity	
7		 2022
8 9 10 11 12 13	Regulated return on equity - Calculated Excess returned to customers Budgeted amount that exceeds 8.50% AEDC - allowance for funds used during construction (equity component)	\$ 13,222 - - 7
10		



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 12 Rate Base for Regulatory Purposes

1		2022
2		
3	Property, plant & equipment	
4		
5	Cost	\$ 281,727
6	Accumulated amortization	 (85,331)
7	Net	196,396
8		
9	Deferred charges	
10	Development O&M capitalized costs	114,952
11	Accumulated amortization	 (42,879)
12	Net	72,073
13		
14	Intangible Software	3,841
15	Accumulated amortization	 (740)
16	Net	3,101
17		
18	Deferred Charges - Net	 75,174
19		
20	Term deposit	-
21		
22	Working capital allowance	 1,946
23		
24	Total Rate Base	\$ 273,516
25		
26	Average Rate Base	\$ 271,866
	-	



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 13 Capital Structure for Regulatory Purposes

1			2022
2 3	Capital structure		
4	•	\$	155 000
4 5	Long-term debt	Э	155,000
о 6	Equity Total	¢	145,178
	Iotal	\$	300,178
7			
8			
9	Capital structure percentage		
10	Long-term debt		51.64%
11	Equity		48.36%
12	Total		100.00%
13			
14			
15	Capital structure average percentage for regulat	ory pu	irposes
16	Long-term debt		55.00%
17	Equity		45.00%
18	Total		100.00%
19			
20			
21	Weighted cost of capital for regulatory purposes	5	
22	Long-term debt		1.82%
23	Equity		4.86%
23	Total		6.68%
24	1 otai		0.0070



Notes to 2022 Budgeted Regulatory Financial Results For the year ended December 31, 2022

(in thousands of dollars)

Note 14 Details of Affiliate Transactions

1	Consulting and Services		APUC	U	UC (LABS)	LUC (LUC)	LUSC (US)	01	ther Affliates	La	Saint wrence Gas	otal Affiliate Consulting nd Services	Total Consulting nd Services	Affiliate Expenditure as Percent of Total Consulting and Services
3	For the period ending Dece	mber	31, 2022											
4														
5	Corporate Management	\$	402	\$	116	\$ -	\$ 381	\$	-	\$	-	\$ 899	\$ 935	96%
6	Corporate Finance		-		313	-	181		-		-	494	672	74%
7	Information technology		-		456	659	231		-		-	1,346	1,411	95%
8	Sales		-		-	-	-		-		-	-	12	0%
9	Customer Care		-		-	153	97		-		-	250	433	58%
10	Business Development		53		57	-	81		-		-	191	243	79%
11	Human Resources		-		109	1	15		-		-	125	132	95%
12	Regulatory and Forecast		-		50	37	38		-		-	125	359	35%
13	Energy Procurement		-		-	14	140		-		-	154	154	100%
14	Gas Operations		-		-	49	50		-		-	99	349	28%
15	Other		-		92	47	191		-		-	330	1,096	30%
16	Recoveries		-		(151)	-	(109)		-		(27)	(287)	(287)	0%
17	Total	\$	455	\$	1,042	\$ 960	\$ 1,296	\$	-	\$	(27)	\$ 3,726	\$ 5,509	68%
18														

19 Note: In 2022, Liberty is no longer accounting for Corporate Allocations from APUC, LUC(LABS), LUC(LUC), and LUSC(US) in individual cost centers

