

Attachment SPF-1

Stephen P. Frink

Educational & Professional Experience

Mr. Frink graduated from the University of New Hampshire with a Bachelor of Arts degree in Sociology in 1977 and a Masters in Business Administration in 1980. He attended and completed Depreciation Programs sponsored by Depreciation Programs, Inc. at Grand Rapids, Michigan in 1992, 1993, 1994 and is a member in good standing of the Society of Depreciation Professionals since 1994.

In 1981, Mr. Frink worked as a High School Math Teacher in Manchester, New Hampshire.

In 1982, Mr. Frink relocated to Texas and worked as an Auditor for Dallas County. He audited various county departments and performed monthly reconciliations of various fund accounts.

In 1985, Mr. Frink went to work for Schenley Industries, Inc., a wholesale liquor distributor located in Dallas, Texas, where he audited national and international manufacturing plants.

In 1986, Mr. Frink left Schenley to work for the City of Dallas as a Budget/Financial Analyst, where he prepared and monitored budgets, prepared pro forma statements, amortization schedules and performed cash flow analysis. He was promoted to Senior Analyst in 1987.

In 1988, Mr. Frink left the City of Dallas to work for the City of Austin as a Financial Analyst. There he prepared budgets and fiscal impact statements, developed a capital projects tracking and monitoring system, and provided training and technical assistance in the implementation of a new accounting system.

In 1990, Mr. Frink joined the Finance staff of the New Hampshire Public Utilities Commission. Working as a member of the PUC Audit Team, he conducted or participated in audits of the books and records of public utilities. He performed desk audits and determined rates of returns. He prepared schedules and exhibits supporting testimony in dockets involving rate increases and participated in settlement conferences. In 1995, Mr. Frink became a full time Analyst for the Finance Department and in 1996 was promoted to a Senior Analyst position, primarily responsible for analyzing and advising the Commission on issues of depreciation, cost of gas adjustment filings, special contracts, and finance and rate increase petitions. In 1998, Mr. Frink was promoted to Assistant Finance Director. As Assistant Finance Director, he assisted in the direction of all aspects of a department responsible for the audit, analysis and review of public utility financial operations, including financing, rate cases and various utility studies filings related to public utility regulation. In 2001, New Hampshire Public Utilities Commission operations were restructured and Mr. Frink became Assistant Director of the Gas & Water Division and now administers all aspects of regulation of gas utilities.

Northern Utilities, Inc.
Docket No. DG 13-086
November 21, 2013 Tech Session Oral Data Requests

Received: November 26, 2013
Request No. ODR 3-30

Date of Response: December 12, 2013
Witness: David L. Chong

Request ODR 3-30:

Ref. Supplemental Response to OCA 1-31: Please recalculate the revenue requirement to include all revenue and expense adjustments the Company has agreed to in discovery responses and the Staff Audit Report. Identify and explain each of the adjustments and provide supporting excel spreadsheets.

Response:

Please see ODR 3-30 Attachment 1 for an updated revenue requirement with all the revenue and expense adjustments that the Company has agreed to. Please see below for a description of each adjustment.

CIS ADIT

The adjustment calculates the accumulated deferred income tax impact of the accumulated depreciation adjustment related to the CIS Billing Amortization. This adjustment is reflected in Schedule RevReq-3-19.

Mutual Aid Benefits

Adjustment removes the fringe related overhead portion, as calculated in OCA 1-24. This adjustment is reflected in Schedule RevReq-3-9.

Uncollectibles

Adjustment calculates additional bad debt expense on pro forma revenue adjustments. This adjustment is reflected in Schedule RevReq-3-10.

PUC Assessment

Adjustment calculated based on base portion of 2014 assessment compared to test year expense amount. This adjustment is reflected in Schedule RevReq-3-17.

Audit Adjustments

These adjustments reflect the adjustments agreed to by the Company in the NH PUC Audit Report. The Company agrees with the ICE invoice allocation issue on page 45, the allocation of the AGA dues (Audit Issue #3), the removal of the consultant/lobbying expenses (Audit Issue #5), and the removal of the emergency communication expenses (Audit Issue #8). These adjustments are reflected in Schedule RevReq-3-NHPUC Audit.

Interest Synchronization & Bad Debt Expense

These adjustments capture the mechanical calculations associated with the bad debt expense and interest synchronization associated with the pro forma adjustments.

Attachment SPF-2, Continued

Northern Utilities, Inc.
Docket No. DG 13-086
November 21, 2013 Tech Session Oral Data Requests

Received: November 26, 2013
Request No. ODR 3-30

Date of Response: December 12, 2013
Witness: David L. Chong

In addition to the above adjustments, as discussed in Mr. Chong's initial testimony, the Company has updated the property & liability insurance and property tax amounts on ODR 3-30 Attachment 1. Property and liability insurance updates are reflected on Schedule RevReq-3-13 and represent the most recent renewals for all insurance policies. The most recent property tax bills are reflected on Schedule RevReq-3-23 Page 1. Since the updates reflect property taxes through 2013, the Company has removed the estimated Property Tax Increase on line 24.

These adjustments result in a revenue requirement of \$5,160,241, a decrease of \$11,061 from the revenue requirement in the initial filing.

Northern Utilities, Inc.
Docket No. DG 13-086
PUC Staff Information Data Request Set 1

Received: June 14, 2013
Request No. Staff 1-2

Date of Response: June 26, 2013
Witness: Mark Collin

Request:

Please compare and contrast the Northern – Maine Division (MPUC Docket 2013-00133) and Northern – New Hampshire Division (NHPUC Docket DG 13-086) rate filings.

Response:

The rate filings are very similar in terms of the format of the requests:

- In both the NH and ME Divisions, the Company filed a base rate increase request using a 2012 test year with pro forma adjustments for known and measurable changes through 2013.
- The Company is seeking an ROE of 10.0% in both divisions with identical capital structure.
- A TIRA is requested in both divisions with a Multi-Year Rate Plan including an earnings-sharing mechanism and rate stay-out provision.
- The rate design for both divisions reflects a higher portion of recovery through the fixed customer charge.

A key difference between the rate filings is a request for temporary rates in the NH Division. The ME PUC does not have a long-standing history or precedent in establishing temporary rates, so this was not requested in the Maine Division.

With regard to the non-revenue producing projects included as TIRA-eligible costs, in both divisions these investments are targeted to operational and safety-related projects to replace cast iron and bare or non-cathodically protected steel mains and services, and farm taps. In New Hampshire, the Company has proposed to include the cost of replacing facilities in conjunction with state and municipal highway projects. It is important to note that most of these state and municipal highway projects involve replacement of cast iron mains and related facilities, and hence are consistent with the objectives of the TIRA. In Maine, replacement of cast iron and bare steel facilities are included within the Commission-ordered Cast Iron Replacement Program, even when performed in conjunction with state and municipal highway projects.