

Steven Mullen

From: Steven Mullen
Sent: Tuesday, August 08, 2017 3:03 PM
To: Michael Antonuk; 'Antonuk, John'; 'Randall Vickroy'
Subject: RE: Planning and Budget Follow Up

OK, thanks. This helps.

Steven Mullen | [Liberty Utilities \(New Hampshire\)](#) | Manager, Rates and Regulatory Affairs
P: 603-216-3516 | C: 603-327-9446 | E: Steven.Mullen@libertyutilities.com

From: Michael Antonuk [<mailto:michael@libertyconsultinggroup.com>]
Sent: Tuesday, August 08, 2017 2:47 PM
To: Steven Mullen; 'Antonuk, John'; 'Randall Vickroy'
Subject: RE: Planning and Budget Follow Up

Steve,

The project number for Keene is 8843-C18820. We would like to see 2016 the capital budget analysis, business cases, and budget approvals and actual spending information for 2016. Would also like to see the 2017 budget information and approvals. We would also like to see any authority for over expenditures in 2016 and 2017, if applicable.

Let us know if you need anything further.

Thanks

Michael Antonuk
The Liberty Consulting Group
(201) 683-8888 (Office)
(717) 421-7715 (Cell)

From: Michael Antonuk [<mailto:michael@libertyconsultinggroup.com>]
Sent: Monday, August 7, 2017 11:46 AM
To: 'Steven Mullen' <Steven.Mullen@libertyutilities.com>; 'Antonuk, John' <antonuk@libertyconsultinggroup.com>; 'Randall Vickroy' <vickroy@libertyconsultinggroup.com>
Subject: RE: Planning and Budget Follow Up

Steve,

The Liberty Utilities response to Staff DR 1.9 lists capital budgets, actual costs, and variances for 2015 and 2016. Do any of the projects listed in those attachments relate to costs for conversion to CNG? If not, where would we be able to see this information? 2017 Capital budgets? Somewhere else?

We can discuss as soon as you have had a chance to review. Let us know what works.

Thanks

Michael Antonuk
The Liberty Consulting Group
(201) 683-8888 (Office)
(717) 421-7715 (Cell)

From: Steven Mullen [<mailto:Steven.Mullen@libertyutilities.com>]
Sent: Friday, August 4, 2017 5:02 PM
To: Michael Antonuk <michael@libertyconsultinggroup.com>; 'Antonuk, John' <antonuk@libertyconsultinggroup.com>; 'Randall Vickroy' <vickroy@libertyconsultinggroup.com>
Subject: RE: Planning and Budget Follow Up

Michael,

Thanks for the follow-up. As for IT, I think we are all set with that clarification.

Regarding Keene, it is still not clear if you are looking at all Keene projects Or any one project in particular. Please advise.

Thanks.

Steven Mullen | [Liberty Utilities \(New Hampshire\)](#) | Manager, Rates and Regulatory Affairs
P: 603-216-3516 | C: 603-327-9446 | E: Steven.Mullen@libertyutilities.com

From: Michael Antonuk [<mailto:michael@libertyconsultinggroup.com>]
Sent: Friday, August 04, 2017 4:19 PM
To: Steven Mullen; 'Antonuk, John'; 'Randall Vickroy'
Subject: Planning and Budget Follow Up

Steve,

We are following up on our Planning and Budgeting call earlier this week with some information to guide your responses to those requests. Once you have had a chance to review the following, let us know if you need anything further from us to answer the requests. We can discuss by phone today or Monday if needed.

For IT-Software, Equipment and Infrastructure, we would like to review 2016 information for line item 8840-OTH-115, which has the following entries:

- Capital Budget: \$302,000
- Actual Spend: \$1,890,006

This is the same line item we discussed earlier this week, but we will look to review 2016 information instead of the 2014/2015 years.

For the requests related to Keene, we would like to see 2016 the capital budget analysis, business cases, and budget approvals and actual spending information for 2016. Would also like to see the 2017 budget information and approvals.

Thank you,

Michael

Michael Antonuk
The Liberty Consulting Group
(201) 683-8888 (Office)
(717) 421-7715 (Cell)

Liberty Utilities
Docket No. DG 17-048
Petition for Rate Increase LU Set 1 Information Requests

Received: December 8, 2017
Request Number: LU 1-32

Date of Response: December 21, 2017
Witness: Stephen Frink

Request:

Reference Bates 000031, line 21 through Bates 00032. Please identify how many capital projects Liberty Consulting reviewed that began following the completion of its initial audit. Does Staff believe that number is sufficient to develop an overall conclusion and understanding of Liberty's current budgeting and planning processes? Please explain.

Response:

The Commission asked Liberty Consulting Group (LCG) to review the progress made by Liberty in implementing the recommendations to improve Customer Service and Planning and Budgeting contained in the August 2016 LCG report. LCG was looking for specific elements that it considers central to determining the sufficiency of management's planning and budgeting improvements. Specifically, LCG wanted to verify the existence of sufficient project analysis, and particularly the performance of reasonably-detailed cost estimating for capital expenditure projects prior to the budget approval process.

LCG asked Liberty to provide examples of the "preliminary business cases" prepared by September for budget approval for 2017. Liberty provided three examples of preliminary business cases included in the 2017 capital budget. LCG also reviewed an IT Software project and the Keene Conversion project.

Because the initial LCG audit was completed in 2016 and the current audit was conducted in 2017 there were a limited number of major capital projects for review. In light of that, the number of projects reviewed by LCG does provide a reasonable basis on which to determine if Liberty has, to date, implemented the LCG recommendations on budgeting and planning processes.

THIS PAGE INTENTIONALLY LEFT BLANK