

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

Docket No. DE 19-064

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. d/b/a LIBERTY

Notice of Intent to File Rate Schedules

Motion for Rehearing of Order No. 26,494 (July 1, 2021)

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty, through counsel, respectfully moves the Commission pursuant to RSA 541:3 for rehearing and reconsideration of Order No. 26,494 (July 1, 2021) (the “Order”). The Order authorized the Company to recover through a step adjustment to distribution rates, effective July 1, 2021, the revenue requirement associated with only a portion of the authorized plant investments placed in service in 2020. In this motion, the Company requests rehearing and reconsideration of two issues: (1) the Commission’s determination to deny recovery through the step adjustment of approximately \$1.2 million of the Company’s 2020 plant investment for its Battery Pilot Program; and (2) the Commission’s directive to modify tariff language on customer responsibility for the costs of relocating existing overhead facilities to underground, which was based on a misunderstanding of the record. As set forth in this motion, the Order was unreasonable and good reason exists for the Commission to grant rehearing.

In support of this motion, Liberty represents as follows:

Motion for Rehearing

1. The standards governing a motion for rehearing pursuant to RSA 541:3 are well known:

The Commission may grant rehearing or reconsideration for “good reason” if the moving party shows that an order is unlawful or unreasonable. A successful motion must establish “good reason” by showing that there are matters that the Commission “overlooked or mistakenly conceived in the original decision,” or by presenting new evidence that was “unavailable prior to the issuance of the underlying decision.” A successful motion for rehearing must do more than merely restate prior arguments and ask for a different outcome.

Liberty Utilities (EnergyNorth Natural Gas) Corp., Order No. 26,087 at 3-4 (Dec. 18, 2017)

(citations omitted).

2. Liberty seeks rehearing of the Order for the following “good reasons.”

The Battery Storage Pilot Investments

3. In Order No. 26,376 (June 30, 2020), the Commission approved a settlement agreement in this docket (the “Settlement Agreement”), which contains a provision for the step adjustment at issue in the Order. The Settlement Agreement states: “The Company shall be permitted to recover approximately \$1.8 million in additional annual revenue in the form of a second step increase in rates for capital additions in service as of December 31, 2020, as shown in Attachment 2, following the process described below.” Settlement Agreement, Exhibit 37, at Bates 004.
4. Attachment 2 to the Settlement Agreement listed the 2020 projects that would comprise the 2021 step adjustment budget, which list included \$1.5 million for “GSE Backup Battery Program.” Settlement Agreement at Bates 031.
5. The Commission had previously approved the Battery Storage Pilot Program and the Company’s planned installation of batteries into the homes of up to 250 customers at an estimated cost of more than \$4 million. Order No. 26,209 (Jan. 17, 2019). In this docket, as noted above, the Commission subsequently approved a budget of \$1.5 million of associated

2020 battery storage costs in this second step adjustment. Order No. 26,376 at 8 (*see* Settlement Agreement, Exhibit 37, at Bates 031).

6. The Company's specific request for the 2021 step adjustment was consistent with the Settlement Agreement as it included a request to recover approximately \$1.2 million invested to install batteries at the homes of 60 customers in 2020. Exhibit 65 at Bates 30. At hearing, there was no dispute that the batteries for these 60 customers were in service during 2020 and that they were available to be dispatched under the terms of the pilot program. Thus, there was no evidence presented that the money spent in 2020 to install batteries for the 60 customers was imprudent nor that the batteries were not used and useful, and the Order made no such findings.

Disallowance of the 2020 Battery Pilot Program Investments.

7. The Order noted two concerns related to the Battery Pilot Program investments, neither of which is a valid basis to deny recovery in the step adjustment. The Order's first concern related to the battery installations for nine of the 60 customers, and was limited to the fact that contributions in aid of construction ("CIACs") from those nine customers, in the total amount of \$46,062, were not received until 2021 and that, due to this timing, were not applied to reduce the rate base associated with those nine installations in 2020. The Order stated:

Liberty's Exhibit 78 does not reflect a reduction to the Battery Pilot investments to correct for the asymmetrical application of CIACs, as raised by Staff. Liberty testified that the step adjustment reflects batteries for 60 customers, but only 51 CIACs. Liberty also testified that whether a customer opted to pay the CIAC in a lump sum (\$4,866), or over time (\$6,000), the entire CIAC would be recorded at the time of the installation, subject to the multi-month accounting lag for the customers opting to pay over time. The inclusion of investments and CIACs for purposes of this step adjustment should be symmetrical.

Order at 6.

8. The second issue noted in the Order was that the Commission was awaiting certain information requested during the hearing related to the customer benefits of the Battery Pilot Program. The Commission stated:

[W]e requested additional information related to the Battery Pilot Program during the hearing (Exh. 80 has been reserved for the response). For purposes of this step adjustment, we exclude the Battery Pilot Program investment adjustment until the requested information has been received and reviewed, and will consider recovery in a future rate case. Liberty is directed to re-calculate its proposed rates with this exclusion reflected.

Order at 6-7. The Commission's request was for the Company to provide information on "the benefits to the battery storage customers for Q1 2021." Exhibit 80. Liberty provided that information on July 15, 2021, in the form of a narrative response and supporting spreadsheet, marked as Exhibit 80. In summary, Exhibit 80 stated:

As of March 31, 2021, 77 customers had batteries installed and saved a total of \$7,041.72 by using the batteries to power their homes during the quarter based on the output of the batteries. To the extent that customers with batteries were in an area that experienced a power outage, these customers' batteries also provided backup power during that outage, thus the customer was not interrupted.

Exhibit 80 at 2. Note that this customer benefit analysis was not central to the Commission's approval of the pilot program or recovery of costs in the step adjustment,¹ and does not

¹ "Although Liberty did not attempt to quantify the benefits to participating customers, those benefits include potential TOU rate arbitrage, the net metering-equivalent monetary credits for energy exports during forecasted peak hours, and the availability of backup power supply during outages. The extent to which participating customers realize those benefits will be a subject of data collection and analysis during Phase 1 and will inform the Phase 2 proposal." Order No. 26,209 at 38.

include the benefits arising from dispatching the batteries during peak events to lower the Company's transmission costs, which is the central goal of the pilot program.²

The Order Unreasonably Excluded the 2020 Battery Pilot Program Investments From the Step Adjustment.

9. Based on one or both of these two concerns, the Commission excluded the entirety of the 2020 battery storage investments from the step adjustment. The operative language in the Order is unclear whether this exclusion was to remedy the first concern described above (the asymmetry of investments in 2020 and CIACs booked in 2021), the second concern of not having the information in Exhibit 80 available, or both. The entirety of the operative paragraphs from the Order follow:

Liberty's Exhibit 78 does not reflect a reduction to the Battery Pilot investments to correct for the asymmetrical application of CIACs, as raised by Staff. Liberty testified that the step adjustment reflects batteries for 60 customers, but only 51 CIACs. Liberty also testified that whether a customer opted to pay the CIAC in a lump sum (\$4,866), or over time (\$6,000), the entire CIAC would be recorded at the time of the installation, subject to the multi-month accounting lag for the customers opting to pay over time. The inclusion of investments and CIACs for purposes of this step adjustment should be symmetrical.

Third, we requested additional information related to the Battery Pilot Program during the hearing (Exh. 80 has been reserved for the response). For purposes of this step adjustment, we exclude the Battery Pilot Program investment adjustment *until the requested information has been received and reviewed*, and will consider recovery in a future rate case. Liberty is directed to re-calculate its proposed rates with this exclusion reflected.

² "The Settlement Agreement was submitted together with two detailed benefit-cost analyses of the proposed pilot program, one covering both phases of the program and one covering only Phase 1 on a standalone basis. The financial benefits of the program include avoided regional and local transmission charges and reduced capacity market charges, while the program costs include expenditures for program administration, marketing, programming, and plant investment." Order No. 26,209 at 38.

Order at 6-7 (emphasis added).

10. Given this uncertainty, Liberty seeks rehearing and reconsideration of both potential bases for the Commission's decision.

The Financial Impact of the Order is Substantial.

11. The financial impact of the Order on the Company is substantial. Attachment A to this motion calculates the impact of delaying recovery of the 2020 battery pilot program investments to be approximately \$250,000 per year.³ Because the stay-out provision of the Settlement Agreement requires Liberty's next rate case to be filed no earlier than 2023 (based on a 2022 test year), the Company will have no recovery of and on this investment for at least two years, totaling approximately \$500,000. In fact, even if the Company's capital costs are allowed for recovery in a 2023 rate case, the recovery of and on the 2020 battery investments will only be prospective, likely with temporary rates that go into effect in the summer of 2023, as is the norm for prior capital investments addressed in rate case. In addition, the plant investment as of that time will have depreciated over the intervening period, further reducing the amount of investment on which the Company should be allowed to recover a return, further increasing the impact of the Order.
12. If upheld, the Order will cause an approximate \$500,000 loss to the Company for investments that were used, useful, and in service during 2020, which no party claimed were imprudent, for which there is no evidence in the record to base a finding of imprudence, and about which the Order did not make a finding of imprudence.

³ The requested revenue requirement for this step increase, after making the adjustments discussed at hearing, is \$1,795,336. See Exhibit 78. The revenue requirement after removal of all 2020 battery storage investments as directed in the Order is \$1,534,738. See Attachment A at Bates 014, line 40. The difference is \$260,598.

Reconsideration of the “Asymmetrical Application of CIACs” Issue.

13. To the extent the remedy in the Order was imposed to address the asymmetry between the 2020 investments and the failure to reduce the 2020 rate base by the 2021 CIACs, the outcome is unreasonable -- in effect a \$500,000 penalty for a timing issue that has only a \$9,000 annual impact. Liberty thus proposes the following as a reasonable solution.
14. Liberty accepts for purposes of this motion the Commission’s statement that “inclusion of investments and CIACs for purposes of this step adjustment should be symmetrical,” Order at 6, meaning that both the investment and the CIAC should be accounted for in the same year.
15. The most appropriate, timely, and equitable way to resolve the asymmetry is to simply apply the nine 2021 CIACs (which total \$46,062) to decrease the 2020 investments, and thus decrease the overall revenue requirement requested in this step increase accordingly.
16. As stated by the Company at hearing and referenced in the portion of the Order cited above, CIACs for the batteries in the pilot program should be recorded at the time of installation regardless of whether the CIAC is paid upfront or over time. That being the case, although the accounting entries for the nine CIACs at issue were not recorded until 2021, the liability for the amounts due from the customers to the Company arose no later than as of the time of installation. Since the batteries were all placed in service during 2020, applying the CIAC amounts received in 2021 to reduce the 2020 plant costs would lead to a fair and equitable result, consistent with the design of the program. Attachment A calculates the

revenue requirement including all the 2020 battery pilot investments and all the 2020 and 2021 CIACs related to those 2020 battery installations.

17. Liberty recommends that the Commission approve the adjustment described above. The impact of this adjustment would be a \$9,471 reduction in the overall revenue requirement requested in the step adjustment.⁴
18. This remedy would allow the Company to begin timely recovery of the costs incurred to install batteries in the pilot program for the 60 customers, all of which were installed and in service by the end of 2020, and would fully address the Commission's desire to have symmetry in the timing of the investments and the recording of the CIACs as to the nine installations at issue.
19. Otherwise, the Order unreasonably denies recovery of investments made pursuant to a Commission order approving the battery storage pilot, and for which the Commission previously ordered that Liberty could begin recovery in this step adjustment.

Reconsideration Based on New Evidence in Exhibit 80.

20. To the extent the remedy in the Order was imposed due to inadequate time to receive and review the information provided in Exhibit 80, Liberty submits that the Commission has new evidence to do so now, and should do so, rather than denying recovery in the step adjustment and effectively imposing a \$500,000 penalty on the Company. The Commission should allow rehearing on this basis, in particular because the information in

⁴ As referenced in Note 1, the revenue requirement calculated in Exhibit 78, which includes the adjustments discussed at hearing and referenced in the Order but does not include the reduction in rate base for the 2021 CIACs, is \$1,795,336. The revenue requirement requested in this motion, which accounts for the reduction in 2020 rate base by the \$46,062 of 2021 CIACs, is \$1,178,585, as calculated in Attachment A to this motion. The difference is \$9,471.

Exhibit 80 does not bear on the prudence of the 2020 investments for purposes of the step adjustment.

21. Exhibit 80 demonstrates simply that participating customers benefitted from the battery program during the first quarter of 2021. The Commission did not request, and thus the Company did not provide, the benefits from the peak reduction realized through the dispatch of the batteries during the first quarter. That information will be provided over the course of time as the parties evaluate the success of the battery storage pilot, as directed in Order No. 26,209.⁵ Nor, of course, can the Company provide information of customer and system benefits that may be realized over the years that the pilot will operate, a review that will be more helpful than the 3-month snapshot contained in Exhibit 80.
22. The Company thus respectfully suggests that Exhibit 80 in no way changes the fact that the Company received Commission approval to proceed with the battery storage pilot in Docket No. DE 17-189, and that no evidence was presented in this docket to support a finding that the 2020 battery pilot program costs were in any way imprudent.

⁵ As required by the battery pilot settlement agreement,

Liberty would solicit and engage an evaluation, monitoring, and verification (EM&V) consultant following approval of the Settlement Agreement, so that the consultant may help inform pilot program evaluation and related program design features. Id. at 18. The EM&V consultant would be managed by Liberty, in consultation with Staff and the OCA, and would analyze a broad range of information produced by Liberty or collected from customers obtaining batteries from Liberty and customers acquiring batteries through the BYOD program component. Id. at 18-19. Liberty would make available to the other parties all such data and information collected, subject to appropriate aggregation or redaction to ensure the protection of confidential customer information. Id. at 19. The EM&V consultant would issue quarterly reports, an initial report and analysis on Phase 1, and a full impact and process evaluation of the pilot program, including the BYOD component, to be completed within three years of the initial 100 batteries becoming operational and available for Liberty to control and dispatch.

Order No. 26,209 at 23.

23. The information in Exhibit 80 provided no reason to wait and “consider recovery in a future rate case.” Order at 7. Liberty presented undisputed evidence that the 2020 battery pilot investments were prudent and providing service to customers. No party presented evidence to the contrary or argued otherwise. The \$500,000 harm Liberty will suffer before that future rate case is unreasonable and thus provides “good reasons” for rehearing.

Reconsideration of Tariff Modification for Underground Line Extensions

24. One of the projects allowed for recovery in the step adjustment included extra costs arising from the Town of Salem’s requirement that Liberty install underground facilities where the Company had initially planned to construct overhead lines. The Order approved recovery of those costs, but during the hearing the Commission questioned whether the Company must grant such requests by municipalities and asked why the “customer” did not bear those extra costs for moving lines underground.
25. At hearing, the Company explained that the electric lines and poles at issue were not services for a particular “customer,” but were part of the distribution lines Liberty installed in the Town-owned rights of way to serve all of the customers in the area.⁶ The Company further explained that Liberty’s right to install lines in public rights of way is governed by “licenses” granted by the local municipality pursuant to RSA 231:171, and that such licenses are by sufferance. The Company also explained that Salem (and all municipalities) have the legal authority to compel the Company to relocate its facilities at the

⁶ Citations to the record are not provided because the transcript of the June 24, 2021, hearing was not available at the time of filing this motion. The Company will file a brief supplement to this motion to provide appropriate record references shortly after the transcript is filed.

Company's cost. The Company advised the Commission of the statute that gives municipalities the right to demand removal of lines in their right of way with only 10 days' notice.⁷

26. The Order is based on an apparent misunderstanding of the distinction between customer-driven requests and municipal directives where the Company is a license holder because the Order directed Liberty to "propose to modify its tariff, as soon as practical, so that to all *customers* who request relocation of existing overhead facilities be required to pay the excess cost, if the customer requests those facilities to be placed underground." Order at 7 (emphasis added).
27. In this project, the Town of Salem was acting pursuant to its municipal powers as the grantor of a license to the Company, rather than as a customer, and had the right to demand removal of the existing overhead lines which, in effect, required the Company to install them underground in order to continue providing service to area customers.
28. Given this clarification, the Commission's directive that the Company propose a change to its tariff would not address the issue of cost incurrence to relocate facilities as required by municipalities, as discussed during the hearing. Any solution would likely require legislative action.
29. To the extent the Commission is concerned about cost responsibility for *customer* requests to provide underground services, the Company's tariff already requires customers to pay the incremental cost of underground services, much of which language was recently approved in Order No. 26,161 (July 25, 2018). See Liberty's tariff at Pages 57 – 76.

⁷ "Removal of Wires and Poles by the State or Town After Notice. – Poles used by telephone, telegraph or other public utilities including railroads and street railways may be removed after 10 days' notice in writing of the intention to remove the same has been given by the commissioner of transportation or the highway agent of any city or town." RSA 231:177.

30. Therefore, by this motion, the Company has established “good reasons” for the Commission to rescind its directive to propose a modification of its tariff.

WHEREFORE, Liberty respectfully requests that the Commission:

- A. Grant this motion for rehearing;
- B. Approve an adjustment to distribution rates as of September 1, 2021, so that Liberty may begin recovery of the 2020 investments to install batteries at the homes of the 60 customers, after adjustment for the CIACs received from nine customers as described above, as calculated in Attachment A, at Bates 017-020;
- C. Allow the Company to (a) calculate the amount that would have been collected had the Commission allowed recovery of the full amount as of July 1, 2021, (b) defer that amount including a return on investment, and (c) seek recovery of that deferred amount in its next rate case;
- D. Vacate the Commission’s directive that Liberty “propose to modify its tariff, as soon as practical, so that to all customers who request relocation of existing overhead facilities be required to pay the excess cost, if the customer requests those facilities to be placed underground;” and
- E. Grant such other relief as is just and equitable.

Respectfully submitted,
Liberty Utilities (Granite State Electric) Corp., d/b/a
Liberty

By its Attorney,



Date: July 30, 2021

By: _____

Michael J. Sheehan, Esq. #6590
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Concord, NH 03301
Telephone (603) 724-2135
Michael.Sheehan@libertyutilities.com

Certificate of Service

I hereby certify that on July 30, 2021, a copy of this Motion has been forwarded to the service list.

A handwritten signature in cursive script, appearing to read "M. Sheehan", is positioned above a horizontal line.

Michael J. Sheehan

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Computation of Revenue Requirement
CY 2020 - Placed in Service

	Order No. 26,494	Motion for Rehearing		
	CY 2020 - Placed in Service	CY 2020 - Placed in Service		
1 Total Investment	\$ 9,965,618	\$ 11,151,743		
2				
3 <u>Deferred Tax Calculation</u>				
4 Book Depreciation Rate	3.41%	4.11%		
5 Federal Tax Depreciation Rate	3.75%	4.87%		
6 FEDERAL Vintage Year Tax Depreciation:				
7 CY Spend	<u>\$373,711</u>	<u>\$543,208</u>		
8 Annual Tax Depreciation	\$373,711	\$543,208		
9				
10 STATE Vintage Year Tax Depreciation:				
11 CY Spend	<u>\$373,711</u>	<u>\$543,208</u>		
12 Annual Tax Depreciation	\$373,711	\$543,208		
13				
14 Book Depreciation	\$339,879	\$458,491		
15				
16 Book/Tax Timer (Federal)				
17 less: Deferred Tax Reserve (State)	<u>\$2,605</u>	<u>\$6,523</u>		
18 Net Book/Tax Timer (Federal)	(\$2,605)	(\$6,523)		
19 Effective Tax Rate (Federal)	<u>21.00%</u>	<u>21.00%</u>		
20 Deferred Tax Reserve (Federal)	<u>(\$547)</u>	<u>(\$1,370)</u>		
21 Book/Tax Timer (State)	\$33,832	\$84,717		
22 Effective Tax Rate (State)	<u>7.70%</u>	<u>7.70%</u>		
23 Deferred Tax Reserve (State)	<u>\$2,605</u>	<u>\$6,523</u>		
24 TOTAL Deferred Tax Reserve	<u><u>\$2,058</u></u>	<u><u>\$5,153</u></u>		
25				
26 <u>Rate Base Calculation</u>				
27 Plant In Service	\$9,965,618	\$11,151,743		
28 Accumulated Book Depreciation	(\$339,879)	(\$458,491)		
29 Deferred Tax Reserve	<u>(\$2,058)</u>	<u>(\$5,153)</u>		
30 Year End Rate Base	<u><u>\$9,623,682</u></u>	<u><u>\$10,688,099</u></u>		
31				
32 <u>Revenue Requirement Calculation</u>				
33 Year End Rate Base	\$9,623,682	\$10,688,099		
34 Pre-Tax ROR	<u>9.36%</u>	<u>9.36%</u>		
35 Return and Taxes	\$900,312	\$999,890		
36 Book Depreciation	\$339,879	\$458,491		
37 Property Taxes	3.06% <u>\$294,548</u>	<u>\$327,214</u>		
38 Annual Revenue Requirement	<u>\$1,534,738</u>	<u>\$1,785,595</u>		
39				
40 Adjusted Annual Revenue Requirement	<u>\$1,534,738</u>	<u>\$1,785,595</u>		
41				
42				
43 <u>Imputed Capital Structure</u>				
44				
	Ratio	Rate	Weighted Rate	Pre Tax
45 Long Term Debt	48.00%	5.97%	2.87%	2.87%
46 Common Equity	52.00%	9.10%	4.73%	6.49%
47				
48	100.00%		7.60%	9.36%

**Liberty Utilities (Granite State Electric) d/b/a Liberty
Project List
In Service as of December 31, 2020 as Approved in Order No. 26,494**

<u>Att. #</u>	<u>2020 Project #</u>	<u>Project Description</u>	<u>Priority</u>	<u>Total Spend¹</u>	<u>In Service</u>	<u>FERC</u>	<u>Book Rate</u>	<u>Book Amt</u>	<u>MACRS</u>	<u>Tax Amt</u>
Att. 2	8830-1933	Battery Pilot	4. Regulatory Programs	\$0	Various - 2020	371	10.00%	\$ -	14.29%	\$ -
Att. 3	8830-1946	2019 REP carryover ²	4. Regulatory Programs	\$743,565	Various 2019	364	3.64%	\$ 27,066	3.75%	\$ 27,884
Att. 4	8830-1958	Install Service to Tuscan Village South	3. Growth	\$2,708,566	Various - 2020	364	3.64%	\$ 98,592	3.75%	\$ 101,571
Att. 5	8830-1969	Mall Road Underground	2. Mandated	\$829,889	9/30/2020	364	3.64%	\$ 30,208	3.75%	\$ 31,121
Att. 6	8830-2011	Public Requirements Blanket	2. Mandated	\$1,035,602	Various - 2020	364	3.64%	\$ 37,696	3.75%	\$ 38,835
Att. 7	8830-2012	Damage/Failure Blanket	2. Mandated	\$1,426,525	Various - 2020	364	3.64%	\$ 51,925	3.75%	\$ 53,495
Att. 8	8830-2039	IE-NN URD Cable Replacement	5. Discretionary	\$467,957	Various - 2020	366	1.96%	\$ 9,172	3.75%	\$ 17,548
Att. 9	8830-2068	Main St Salem - Overhead Line Relocation	2. Mandated	\$1,309,994	12/8/2020	364	3.64%	\$ 47,684	3.75%	\$ 49,125
Att. 10	8830-2091	Meter Purchases	2. Mandated	\$847,194	Various 2020	370	1.96%	\$ 16,605	3.75%	\$ 31,770
Att. 11	8830-2092	Transformer Purchases	2. Mandated	\$596,327	Various 2020	368	3.51%	\$ 20,931	3.75%	\$ 22,362
Total				\$9,965,618				\$339,879		\$373,711
								3.41%		3.75%

In Service as of December 31, 2020 as Provided in Motion for Rehearing

<u>Att. #</u>	<u>2020 Project #</u>	<u>Project Description</u>	<u>Priority</u>	<u>Total Spend¹</u>	<u>In Service</u>	<u>FERC</u>	<u>Book Rate</u>	<u>Book Amt</u>	<u>MACRS</u>	<u>Tax Amt</u>
Att. 2	8830-1933	Battery Pilot ³	4. Regulatory Programs	\$1,186,125	Various - 2020	371	10.00%	\$ 118,612	14.29%	\$ 169,497
Att. 3	8830-1946	2019 REP carryover ²	4. Regulatory Programs	\$743,565	Various 2019	364	3.64%	\$ 27,066	3.75%	\$ 27,884
Att. 4	8830-1958	Install Service to Tuscan Village South	3. Growth	\$2,708,566	Various - 2020	364	3.64%	\$ 98,592	3.75%	\$ 101,571
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Att. 11	8830-2092	Transformer Purchases	2. Mandated	\$596,327	Various 2020	368	3.51%	\$ 20,931	3.75%	\$ 22,362
Total				\$11,151,743				\$458,491		\$543,208
								4.11%		4.87%

¹ Projects that span multiple years may have a 2019 actual spend lower than the total project spend reported in the related Project Close-out Reports. Liberty will provide a breakdown of annual charges by project in each of the three step adjustment filings. The amounts shown here were provided by Liberty and are subject to review and Commission approval in the three individual step adjustment dockets. Italicized items have been updated for Exhibit 78.

² 8830-2051 Enhanced Bare Conductor Replacement was canceled. This project replaces 8830-2051 in this filing.

³ \$46,062 of CIAC included in total spend for nine batteries whereby CIAC was applied to the project in 2021. \$34,062 for 7 customers paying upfront, and two customers who chose the monthly option for \$12,000.

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Distribution Increase for 2021 Step Adjustment
Effective July 1, 2021

	<u>As approved</u>	<u>Motion for Rehearing</u>
[1] Increase in Annual Revenue Requirement	\$1,534,738	\$1,785,595
[2] Rate Case Expense	\$11,435	\$11,435
[3] Recoupment Reconciliation	\$103,688	\$103,688
[4] Distribution Revenues - Docket No. DE 19-064 & DE 21-049	\$46,650,978	\$46,650,978
[5] Total Revenue Increase	\$1,649,861	\$1,900,718
[6] Total Revenues	\$48,300,839	\$48,551,696
[7] Percentage of Adjustment to Distribution Rates	3.54%	4.07%

[1] Page 1 line 40

[2] Page 3 line 3

[3] Page 3 line 11

[4] DE 19-064 - Final revenue calculation based on rates in effect 7/1/2020 of \$46,590,130 plus approved revenue requirement in DE 21-049 effective 5/1/2021 of \$213,246

[5] Sum of lines [1] through [3]

[6] Lines [1]+[2]+[3]+[4]

[7] Lines [5] / [4]

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
Permanent Rate Design 2021 Step Adjustment
Rates Effective July 1, 2021 as Approved in Order No. 26,494

<u>Rate Class</u>	<u>Distribution Rate Component</u>	Rates Effective	2020 Capital	Proposed	REP/VMP	July 1, 2021
		May 1, 2021	Expenditures	Base		
		<u>Rates</u>	Step Adjustment	Distribution	Adjustment	<u>Rates</u>
		(a)	% Increase/ % (Decrease)	Charges	Factor	(e)
D	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	All kWh	\$0.05741	4.91%	\$0.06022	0.00064	\$0.06086
	16 Hour Off Peak kWh	\$0.04957	4.91%	\$0.05200	0.00064	\$0.05264
	Farm kWh	\$0.05419	4.91%	\$0.05684	0.00064	\$0.05748
	D-6 kWh	\$0.05049	4.91%	\$0.05296	0.00064	\$0.05360
D-10	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	On Peak kWh	\$0.12215	4.60%	\$0.12777	0.00064	\$0.12841
	Off Peak kWh	\$0.00165	4.60%	\$0.00172	0.00064	\$0.00236
D-11	Customer Charge	\$14.74		\$14.74		\$14.74
	Off Peak	\$0.03648		\$0.03561	0.00064	\$0.03625
	Mid Peak	\$0.05368		\$0.05671	0.00064	\$0.05735
	Critical Peak	\$0.09728		\$0.10204	0.00064	\$0.10268
EV	Customer Charge	\$11.35		\$11.35		\$11.35
	Off Peak	\$0.03648		\$0.03561	0.00064	\$0.03625
	Mid Peak	\$0.05368		\$0.05671	0.00064	\$0.05735
	Critical Peak	\$0.09728		\$0.10204	0.00064	\$0.10268
G-1	Customer Charge	\$428.73	3.53%	\$443.84		\$443.84
	Demand Charge	\$9.10	3.53%	\$9.42		\$9.42
	On Peak kWh	\$0.00582	3.53%	\$0.00602	0.00064	\$0.00666
	Off Peak kWh	\$0.00172	3.53%	\$0.00178	0.00064	\$0.00242
	Credit for High Voltage Delivery > 2.4 kv	(\$0.48)	3.53%	(\$0.50)		(\$0.50)
G-2	Customer Charge	\$71.46	3.53%	\$73.97		\$73.97
	Demand Charge	\$9.15	3.53%	\$9.47		\$9.47
	All kWh	\$0.00231	3.53%	\$0.00239	0.00064	\$0.00303
	Credit for High Voltage Delivery > 2.4 kv	(\$0.48)	3.53%	(\$0.50)		(\$0.50)
G-3	Customer Charge	\$16.43	3.53%	\$17.00		\$17.00
	All kWh	\$0.05205	3.53%	\$0.05388	0.00064	\$0.05452
M	Luminaire Charge					
	<u>Description</u>					
	HPS 4,000	\$8.42	3.53%	\$8.71		\$8.71
	HPS 9,600	\$9.73	3.53%	\$10.07		\$10.07
	HPS 27,500	\$16.14	3.53%	\$16.70		\$16.70
	HPS 50,000	\$20.07	3.53%	\$20.77		\$20.77
	HPS 9,600 (Post Top)	\$11.41	3.53%	\$11.81		\$11.81
	HPS 27,500 Flood	\$16.31	3.53%	\$16.88		\$16.88
	HPS 50,000 Flood	\$21.78	3.53%	\$22.54		\$22.54
	Incandescent 1,000	\$10.79	3.53%	\$11.17		\$11.17
	Mercury Vapor 4,000	\$7.47	3.53%	\$7.73		\$7.73

<u>Rate Class</u>	<u>Distribution Rate Component</u>	Rates Effective May 1, 2021 <u>Rates</u> (a)	2020 Capital Expenditures Step Adjustment % Increase/ % (Decrease) (b)	Proposed July 1, 2021 Base Distribution Charges (c)	REP/VMP Adjustment Factor (d)	July 1, 2021 <u>Rates</u> (e)
	Mercury Vapor 8,000	\$8.39	3.53%	\$8.68		\$8.68
	Mercury Vapor 22,000	\$14.99	3.53%	\$15.51		\$15.51
	Mercury Vapor 63,000	\$25.32	3.53%	\$26.21		\$26.21
	Mercury Vapor 22,000 Flood	\$17.15	3.53%	\$17.75		\$17.75
	Mercury Vapor 63,000 Flood	\$33.21	3.53%	\$34.38		\$34.38
LED-1	<u>LED-1 Fixtures</u>					
	30 Watt Pole Top	\$5.46	3.53%	\$5.65		\$5.65
	50 Watt Pole Top	\$5.69	3.53%	\$5.89		\$5.89
	130 Watt Pole Top	\$8.79	3.53%	\$9.09		\$9.09
	190 Watt Pole Top	\$16.82	3.53%	\$17.41		\$17.41
	30 Watt URD	\$12.72	3.53%	\$13.16		\$13.16
	90 Watt Flood	\$8.65	3.53%	\$8.95		\$8.95
	130 Watt Flood	\$9.94	3.53%	\$10.29		\$10.29
	30 Watt Caretaker	\$4.90	3.53%	\$5.07		\$5.07
	<u>Rates M, LED-1 & LED-2 Pole Accessory Charge</u>					
	Pole -Wood	\$9.51	3.53%	\$9.85		\$9.85
	Fiberglass - Direct Embedded	\$9.92	3.53%	\$10.26		\$10.26
	Fiberglass w/Foundation <25 ft	\$16.73	3.53%	\$17.32		\$17.32
	Fiberglass w/Foundation >=25 ft	\$27.97	3.53%	\$28.95		\$28.95
	Metal Poles - Direct Embedded	\$19.94	3.53%	\$20.64		\$20.64
	Metal Poles with Foundation	\$24.05	3.53%	\$24.90		\$24.90
	<u>Rate M, LED-1</u>					
	All kWh	\$0.04003	3.53%	\$0.04144	0.00064	\$0.04208
	<u>Rate LED-2</u>					
	All kWh	\$0.04003	3.53%	\$0.04144	0.00064	\$0.04208
T	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	All kWh	\$0.04657	4.37%	\$0.04860	0.00064	\$0.04924
V	Minimum Charge	\$16.43	3.53%	\$17.00		\$17.00
	All kWh	\$0.05354	3.53%	\$0.05542	0.00064	\$0.05606

Rates D-11 and EV are calculated through the TOU model approved in Docket DE 17-189.

Liberty Utilities (Granite State Electric) d/b/a Liberty Utilities
Permanent Rate Design 2021 Step Adjustment
Rates Effective July 1, 2021 Motion for Rehearing

<u>Rate Class</u>	<u>Distribution Rate Component</u>	Rates Effective	2020 Capital	Proposed	REP/VMP	July 1, 2021
		May 1, 2021	Expenditures	Base		
		<u>Rates</u>	Step Adjustment	Distribution	Adjustment	<u>Rates</u>
		(a)	% Increase/ % (Decrease)	Charges	Factor	(e)
D	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	All kWh	\$0.05741	5.67%	\$0.06066	0.00064	\$0.06130
	16 Hour Off Peak kWh	\$0.04957	5.67%	\$0.05238	0.00064	\$0.05302
	Farm kWh	\$0.05419	5.67%	\$0.05726	0.00064	\$0.05790
	D-6 kWh	\$0.05049	5.67%	\$0.05335	0.00064	\$0.05399
D-10	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	On Peak kWh	\$0.12215	5.32%	\$0.12865	0.00064	\$0.12929
	Off Peak kWh	\$0.00165	5.32%	\$0.00173	0.00064	\$0.00237
D-11	Customer Charge	\$14.74		\$14.74		\$14.74
	Off Peak	\$0.03648		\$0.03854	0.00064	\$0.03918
	Mid Peak	\$0.05368		\$0.05672	0.00064	\$0.05736
	Critical Peak	\$0.09728		\$0.10278	0.00064	\$0.10342
EV	Customer Charge	\$11.35		\$11.35		\$11.35
	Off Peak	\$0.03648		\$0.03854	0.00064	\$0.03918
	Mid Peak	\$0.05368		\$0.05672	0.00064	\$0.05736
	Critical Peak	\$0.09728		\$0.10278	0.00064	\$0.10342
G-1	Customer Charge	\$428.73	4.08%	\$446.20		\$446.20
	Demand Charge	\$9.10	4.08%	\$9.47		\$9.47
	On Peak kWh	\$0.00582	4.08%	\$0.00605	0.00064	\$0.00669
	Off Peak kWh	\$0.00172	4.08%	\$0.00179	0.00064	\$0.00243
	Credit for High Voltage Delivery > 2.4 kv	(\$0.48)	4.08%	(\$0.50)		(\$0.50)
G-2	Customer Charge	\$71.46	4.08%	\$74.37		\$74.37
	Demand Charge	\$9.15	4.08%	\$9.52		\$9.52
	All kWh	\$0.00231	4.08%	\$0.00240	0.00064	\$0.00304
	Credit for High Voltage Delivery > 2.4 kv	(\$0.48)	4.08%	(\$0.50)		(\$0.50)
G-3	Customer Charge	\$16.43	4.08%	\$17.09		\$17.09
	All kWh	\$0.05205	4.08%	\$0.05417	0.00064	\$0.05481
M	Luminaire Charge					
	<u>Description</u>					
	HPS 4,000	\$8.42	4.08%	\$8.76		\$8.76
	HPS 9,600	\$9.73	4.08%	\$10.12		\$10.12
	HPS 27,500	\$16.14	4.08%	\$16.79		\$16.79
	HPS 50,000	\$20.07	4.08%	\$20.88		\$20.88
	HPS 9,600 (Post Top)	\$11.41	4.08%	\$11.87		\$11.87
	HPS 27,500 Flood	\$16.31	4.08%	\$16.97		\$16.97
	HPS 50,000 Flood	\$21.78	4.08%	\$22.66		\$22.66
	Incandescent 1,000	\$10.79	4.08%	\$11.22		\$11.22
	Mercury Vapor 4,000	\$7.47	4.08%	\$7.77		\$7.77

<u>Rate Class</u>	<u>Distribution Rate Component</u>	<u>Rates Effective May 1, 2021 Rates</u> (a)	<u>2020 Capital Expenditures Step Adjustment % Increase/ % (Decrease)</u> (b)	<u>Proposed July 1, 2021 Base Distribution Charges</u> (c)	<u>REP/VMP Adjustment Factor</u> (d)	<u>July 1, 2021 Rates</u> (e)
	Mercury Vapor 8,000	\$8.39	4.08%	\$8.73		\$8.73
	Mercury Vapor 22,000	\$14.99	4.08%	\$15.60		\$15.60
	Mercury Vapor 63,000	\$25.32	4.08%	\$26.35		\$26.35
	Mercury Vapor 22,000 Flood	\$17.15	4.08%	\$17.84		\$17.84
	Mercury Vapor 63,000 Flood	\$33.21	4.08%	\$34.56		\$34.56
LED-1	<u>LED-1 Fixtures</u>					
	30 Watt Pole Top	\$5.46	4.08%	\$5.68		\$5.68
	50 Watt Pole Top	\$5.69	4.08%	\$5.92		\$5.92
	130 Watt Pole Top	\$8.79	4.08%	\$9.14		\$9.14
	190 Watt Pole Top	\$16.82	4.08%	\$17.50		\$17.50
	30 Watt URD	\$12.72	4.08%	\$13.23		\$13.23
	90 Watt Flood	\$8.65	4.08%	\$9.00		\$9.00
	130 Watt Flood	\$9.94	4.08%	\$10.34		\$10.34
	30 Watt Caretaker	\$4.90	4.08%	\$5.09		\$5.09
	<u>Rates M, LED-1 & LED-2 Pole Accessory Charge</u>					
	Pole -Wood	\$9.51	4.08%	\$9.90		\$9.90
	Fiberglass - Direct Embedded	\$9.92	4.08%	\$10.32		\$10.32
	Fiberglass w/Foundation <25 ft	\$16.73	4.08%	\$17.41		\$17.41
	Fiberglass w/Foundation >=25 ft	\$27.97	4.08%	\$29.11		\$29.11
	Metal Poles - Direct Embedded	\$19.94	4.08%	\$20.75		\$20.75
	Metal Poles with Foundation	\$24.05	4.08%	\$25.03		\$25.03
	<u>Rate M, LED-1</u>					
	All kWh	\$0.04003	4.08%	\$0.04166	0.00064	\$0.04230
	<u>Rate LED-2</u>					
	All kWh	\$0.04003	4.08%	\$0.04166	0.00064	\$0.04230
T	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	All kWh	\$0.04657	5.05%	\$0.04892	0.00064	\$0.04956
V	Minimum Charge	\$16.43	4.08%	\$17.09		\$17.09
	All kWh	\$0.05354	4.08%	\$0.05572	0.00064	\$0.05636

Rates D-11 and EV are calculated through the TOU model approved in Docket DE 17-189.

