

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

DE 19-064  
Distribution Service Rate Case  
Step Adjustment

Staff Data Requests - Set 10

Date Request Received: 5/21/21  
Request No. Staff 10-6

Date of Response: 6/7/21  
Respondent: Anthony Strabone  
Heather Tebbetts

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**REQUEST:**

Re: Testimony of Strabone/Tebbetts at Bates 17-18 and 122-139; Attachment 7 Project #8830-2012 Damage/Failure Blanket:

- a. Please provide the work order(s) for 2018 and explain, in detail how in-service capital charges for 2018 listed at Bates 122 contain no materials.
- b. There is no State President approval which is required for the \$600,000 requested increase on the Change Order Form listed at Bates 135. Please explain.
- c. Please include a copy of the Project Close Out Form for 2020.

**RESPONSE:**

- a. Please see Attachment Staff 10-6.a.xlsx for the details of the work orders. Work order number 301812-01162 was inadvertently included in this filing and should have been removed from the data file prior to filing. The Company withdraws the \$1,291.81 from its request.
- b. Please see Attachment Staff 10-6.b for the change order with the signature. In reviewing the filing, the signature did not come through when the PDF files were combined for filing.
- c. The Project Close Out Form for 2020 was included in Attachment 7, but had the wrong year in the header of 2019 as an old form was used.

# Change Order Form

Project Overview				
<b>Reason for Change:</b> Budget Increase to fund project to accommodate work associated with Damage Failure Blanket				
<b>Project ID:</b>	8830-2012	<b>Project Name:</b>	Dist-Damage&Failure Blanket	
<b>Change Order Name:</b>	Budget Increase	<b>Date Prepared:</b>	07/27/2020	
<b>Change Order #:</b>	8830-2012-01	<b>Financial Work Order (FWO):<sup>i</sup></b>	Various	
<b>Project Sponsor:</b>	Charles Rodrigues	<b>Revised Start Date:</b>		
<b>Project Lead:</b>	Anthony Strabone	<b>Revised End Date:<sup>ii</sup></b>	12/31/2020	
<b>Prepared By:</b>	Anthony Strabone	<b>Change Type<sup>iii</sup></b>	<input checked="" type="checkbox"/> In Scope <input type="checkbox"/> Out of Scope	
<b>Project Contingency Available?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>If No is Selected, Please specify source of funds<sup>iv</sup></b>	2020 Capital Budget	
Financial Assessment/Cost Estimates				
(Double click embedded excel file to update; include contingency allowance in excel file)				
<b>Category</b>	<b>Original Project Value</b>	<b>Previous Approved Charges</b>	<b>Current Change Order Amount</b>	<b>Total</b>
Internal Labor				
Materials				
Equipment				
Contractor/Subcontractor				
Burdens/Overheads				
AFUDC				
<b>Total Project Cost</b>	<b>\$1,000,000</b>		<b>\$600,000</b>	<b>\$1,600,000</b>
<b>Updated Unlevered Internal Rate of Return:</b>  <b>Basis of Current Change Order Amount:</b>				
<i>Provide brief explanation on basis of the requested amount (i.e. revised contract amount, estimate based on revised engineering design, etc)</i> Over expenditure is being driven by costs associate with work identified needing to be addressed under the Damage- Failure Blanket. Taking into account the current spend rate and historic spend rates of July through December, the Company anticipates requiring additional Capital for this blanket in order to address items that have been identified as either damaged or failed and need immediate replacement.				
Schedule Impacts				
(As a result of the Change Order, where applicable, List the Impacts to schedule)				
<b>Baseline Schedule (BL)</b>	<b>New Forecast (NF)</b>		<b>Variance (BL – NF)</b>	
N/A	N/A		N/A	

## Approvals and Signatures<sup>v</sup>

Approved By:				
Role	Approval Authority Limit	Name	Signature	Date
Manager / Staff (requisitioner/buyer):	Up to \$25,000	Anthony Strabone Manager, Electric Engineering	<i>Anthony Strabone</i>	07/27/2020
Senior Manager: :	Up to \$50,000			
Senior Director/Director:	Up to \$250,000	Charles Rodrigues Director, Engineering	<b>Charles Rodrigues</b> <small>Digitally signed by Charles Rodrigues Date: 2020.07.28 07:28:54 -04'00'</small>	
State President / Senior VP / VP:	Up to \$500,000	Richard MacDonald, VP Operations	<b>Richard MacDonald</b> <small>Digitally signed by Richard MacDonald Date: 2020.07.31 09:33:18 -04'00'</small>	
Regional President:	Up to \$3,000,000	Susan Fleck President, NH	<i>[Signature]</i> James Sweeney, East Region President	
Corporate - Sr VP Operations:	Up to \$5,000,000			
Corporate - Exec Team Member (CEO, CFO, COO, Vice Chair):	Over \$5,000,000			

<sup>i</sup> The Financial Work Order Section captures the work order this change falls under when the job was initially set-up

<sup>ii</sup> The Revised project end date is dependent on changes in scope that may deviate the schedule from the original plan

<sup>iii</sup> The Change type for In scope or Out of scope changes fall within the following scenario:

- In Scope changes are deviations of scope from the original plan and approved budget that align to the original scope of the project but have revised pricing as a result of changes in pricing of labour, materials, and equipment
- Out of Scope changes are scope changes that were not originally planned for in the project baselines and approved budget. Examples of this type of change are related to changes in technology, missed deliverables, a change in the project design altering the scope of the project, etc.

<sup>iv</sup> In cases where the project no longer has contingency to cover project change orders, please specify any other sources of funds that would address the project variance (i.e. not executing another project, delaying scope of another project, etc)

<sup>v</sup> Approvals for work orders and purchase orders are subject to the limits set forth in the Approval Limits of Authority Policy owned and amended from time to time by the corporate procurement group.