

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

DE 19-064
Distribution Service Rate Case
2019 Step Adjustment

Staff Data Requests - Set 2

Date Request Received: 6/5/20
Request No. Staff 2-7

Date of Response: 6/15/20
Respondent: Heather M. Tebbetts
Anthony Strabone

REQUEST:

Please confirm that on Attachment 1 at 2 of the Settlement in DE 19-064, the 19L2 and 19L4 feeders are more recently referred to as the 19L6 and 19L8 feeders respectively.

RESPONSE:

Confirmed. Due to the configuration of the Golden Rock Substation, the 19L2 and 19L4 feeder positions could not be installed while maintaining proper clearance to existing 23 kV equipment. As a result, these feeders were installed as the 19L6 and 19L8, respectively. This is only a nomenclature change and had no other change in project scope.

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

DE 19-064
Distribution Service Rate Case
Step Adjustment

Staff Data Requests - Set 11

Date Request Received: 6/11/21
Request No. Staff 11-9

Date of Response: 6/21/21
Respondent: Heather Tebbetts

REQUEST:

Re: Testimony of Strabone/Tebbetts at Bates 12-13, Attachment 4 Project #8830-1958 Install Service to Tuscan Village South Line and Attachment 1; and Settlement Agreement filed in Docket DE 19-064, Section B at Bates 4 and 5. The terms of the Settlement Agreement related to the step adjustments specifically exclude projects that are considered “growth related” projects. Please explain why it is appropriate to include the Tuscan Village South Line project as part of this step increase request given that it is categorized by Liberty as a growth project.

RESPONSE:

Please see Bates 031 of the Settlement Agreement in this docket, which was approved in Order No. 26,376. This project was in the list of agreed upon projects to be included in the 2020 step adjustment filing.

[19-064_2020-05-26_GSEC_ATT_STIPULATION_SETTLEMENT_AGRMT.PDF \(nh.gov\)](#)

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Project List
In Service as of December 31, 2021

Line No	Att #	2021 Project #	Project Description	Priority	Budget	Total In Service \$	Agreed upon Reduction based on		FERC	Book Rate	Book Amt	MACRS	Tax Amt
							Audit and DOE recommendations	Revised Step Amount					
1	2	8830-1958	Install Service to Tuscan Village South	3. Growth	\$1,000,000	\$1,235,243	\$0	\$1,235,243	364	3.64%	\$44,963	3.75%	\$46,322
2	3	8830-2069	Golden Rock Feeder 19L2	3. Growth	\$2,100,000	\$1,523,493	\$0	\$1,523,493	364	3.64%	\$55,455	3.75%	\$57,131
3	4	8830-2086	Lebanon Pole Pile	5. Mandated	\$652,750	\$345,099	(\$345,099)	\$0	361	2.39%	\$0	3.75%	\$0
4	5	8830-2107	General Equipment Blanket	5. Discretionary	\$50,000	\$188,456		\$188,456	394	4.17%	\$7,859	3.75%	\$7,067
5	6	8830-2110	Street Light Blanket	2. Mandated	\$125,000	\$98,979		\$98,979	373	3.67%	\$3,633	3.75%	\$3,712
6	7	8830-2111	Public Requirements Blanket	2. Mandated	\$520,000	\$308,503		\$308,503	364	3.64%	\$11,230	3.75%	\$11,569
7	8	8830-2112	Damage/Failure Blanket	2. Mandated	\$1,500,000	\$2,022,586		\$2,022,586	364	3.64%	\$73,622	3.75%	\$75,847
8	9	8830-2113	Distribution Asset Replacement Blanket	2. Mandated	\$200,000	\$296,406		\$296,406	364	3.64%	\$10,789	3.75%	\$11,115
9	10	8830-2114	Third Party Attachment Blanket	2. Mandated	\$125,000	\$164,315		\$164,315	364	3.64%	\$5,981	3.75%	\$6,162
10	11	8830-2121	Distribution Reliability Blanket	2. Mandated	\$161,000	\$174,854		\$174,854	364	3.64%	\$6,365	3.75%	\$6,557
11	12	8830-2124	LED Street Light Conversion	2. Mandated	\$125,000	\$387,666	(\$342,937)	\$44,729	373	3.67%	\$1,642	3.75%	\$1,677
12	13	8830-2125	IT Systems & Equipment Blanket	5. Discretionary	\$3,329,840	\$379,187		\$379,187	303	33.00%	\$125,132	3.75%	\$14,219
13	14	8830-2146	Bare Conductor Replacement Program	4. Regulatory Programs	\$1,000,000	\$691,575		\$691,575	364	3.64%	\$25,173	3.75%	\$25,934
14	15	8830-2180	DTN Weather Upgrade	5. Discretionary	\$226,250	\$182,483		\$182,483	303	33.00%	\$60,219	3.75%	\$6,843
15	16	8830-2185	Meter Test Board	5. Discretionary	\$300,000	\$248,313		\$248,313	370	5.00%	\$12,416	3.75%	\$9,312
16	17	8830-2190	Transportation	5. Discretionary	\$1,000,000	\$253,649	(\$203,823)	\$49,827	392	7.50%	\$3,737	3.75%	\$1,869
17	18	8830-2191	Meter Purchases	5. Discretionary	\$250,000	\$379,368		\$379,368	370	5.00%	\$18,968	3.75%	\$14,226
18	19	8830-2192	Transformer Purchases	2. Mandated	\$420,000	\$639,262		\$639,262	368	3.51%	\$22,438	3.75%	\$23,972
19	20	8830-2197	Salem Garage	5. Discretionary	\$700,000	\$667,641		\$667,641	361	2.39%	\$15,957	3.75%	\$25,037
20			Total			\$10,187,080	(\$891,859)	\$9,295,221			\$505,577		\$348,571

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

Line	Description	Software	Structures/ Improvements	Poles, Towers, and Fixtures	Line Transformers	Meters	Street Lighting	Transportation	Tools, Shop and Garage Equip	Total
	<i>FERC Account</i>	303	361	364	368	370	373	392	394	
1	Capital Spending	\$ 561,669	\$ 667,641	\$ 6,416,976	\$ 639,262	\$ 627,681	\$ 143,709	\$ 49,827	\$ 188,456	\$ 9,295,221
2										
3	Deferred Tax Calculation									
4	Tax Method	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	MACRS20	
5	Tax Depreciation Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
6										
7	Bonus Depreciation @ 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8										
9	Tax Basis	\$ 561,669	\$ 667,641	\$ 6,416,976	\$ 639,262	\$ 627,681	\$ 143,709	\$ 49,827	\$ 188,456	\$ 9,295,221
10	MACRS Depreciation	\$ 21,063	\$ 25,037	\$ 240,637	\$ 23,972	\$ 23,538	\$ 5,389	\$ 1,869	\$ 7,067	\$ 348,571
11										
12	Tax Depreciation - Federal	\$ 21,063	\$ 25,037	\$ 240,637	\$ 23,972	\$ 23,538	\$ 5,389	\$ 1,869	\$ 7,067	\$ 348,571
13	Tax Depreciation - State	\$ 21,063	\$ 25,037	\$ 240,637	\$ 23,972	\$ 23,538	\$ 5,389	\$ 1,869	\$ 7,067	
14										
15	Book Depreciation Rate	33.33%	2.39%	3.64%	3.51%	5.00%	3.67%	7.50%	4.17%	
16	Book Depreciation	\$ 187,204	\$ 15,957	\$ 233,578	\$ 22,438	\$ 31,384	\$ 5,274	\$ 3,737	\$ 7,859	\$ 507,431
17										
18	Tax over (under) Book - Federal	\$ (166,142)	\$ 9,080	\$ 7,059	\$ 1,534	\$ (7,846)	\$ 115	\$ (1,869)	\$ (792)	\$ (158,860)
19	Tax over (under) Book - State	(166,142)	9,080	7,059	1,534	(7,846)	115	(1,869)	(792)	(158,860)
20	Deferred Taxes - Federal @ 21.00%	(34,890)	1,907	1,482	322	(1,648)	24	(392)	(166)	(33,361)
21	Deferred Taxes - State @ 7.70%	(12,793)	699	544	118	(604)	9	(144)	(61)	(12,232)
22	Deferred Tax Balance @ 0.00%	\$ (47,683)	\$ 2,606	\$ 2,026	\$ 440	\$ (2,252)	\$ 33	\$ (536)	\$ (227)	\$ (45,593)
23										
24	Rate Base Calculation									
25	Plant in Service	\$ 561,669	\$ 667,641	\$ 6,416,976	\$ 639,262	\$ 627,681	\$ 143,709	\$ 49,827	\$ 188,456	\$ 9,295,221
26	Accumulated Depreciation	(187,204)	(15,957)	(233,578)	(22,438)	(31,384)	(5,274)	(3,737)	(7,859)	(507,431)
27	Deferred Tax Balance	47,683	(2,606)	(2,026)	(440)	2,252	(33)	536	227	45,593
28	Rate Base	\$ 422,148	\$ 649,079	\$ 6,181,372	\$ 616,384	\$ 598,548	\$ 138,401	\$ 46,626	\$ 180,825	\$ 8,833,383
29										
30	Revenue Requirement Calculation									
31	Return on Rate Base @ 9.36%	\$ 39,513	\$ 60,754	\$ 578,576	\$ 57,694	\$ 56,024	\$ 12,954	\$ 4,364	\$ 16,925	\$ 826,805
	Property Taxes @3.12%	\$ 11,683	\$ 20,333	\$ 192,922	\$ 19,245	\$ 18,604	\$ 4,319	\$ 1,438	\$ 5,635	\$ 274,179
32	Book Depreciation Expense	187,204	15,957	233,578	22,438	31,384	5,274	3,737	7,859	507,431
33	Annual Revenue Requirement	\$ 238,401	\$ 97,043	\$ 1,005,076	\$ 99,377	\$ 106,013	\$ 22,548	\$ 9,539	\$ 30,419	\$ 1,608,415

Capped at \$1,800,000

Rate of Return Calculation	Portion	After-Tax Cost	Pre-Tax WACC	Tax	Original	Reduction
Equity	52.0%	9.10%	6.49%	27.08%	1,751,403	(142,988)
Debt	48.0%	5.97%	2.87%			
	100.0%		9.36%			

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Distribution Rate Adjustment for 2021 Step Adjustment
Effective December 1, 2022**

	Effective 12/1/22
1 Distribution Revenues effective 8/1/22 per Docket No. DE 22-035 Order No 26,661 (July 29, 2022)	<u>\$47,432,820</u>
2 Original revenue requirement	\$1,751,403
3 Revised revenue requirement	<u>\$1,608,415</u>
4 Change in Revenue Requirement due to Agreed upon Reductions	<u>(\$142,988)</u>
5 Distribution Revenues effective December 1, 2022	<u>\$47,289,832</u>
6 Percentage of Adjustment to Distribution Rates	-0.30%
7 References:	
8 Line 1: Docket No. DE 22-035, Attachment HMT-1, Bates 005 (7/8/22 filing) approved in Order No 26,661 (July 29, 2022)	
9 Line 2: Docket No. DE 22-035, Attachment HMT-1, Bates 005, Line 1 (7/8/22 filing)	
10 Line 3: Attachment HMT-1, Page 2	
11 Line 4: Line (3) - Line (2)	
12 Line 5: Line (1) + Line (4)	
13 Line 6: (Line 5 - Line 1) / Line 5	

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Permanent Rate Design 2021 Step Adjustment
Rates Effective December 1, 2022

<u>Rate Class</u>	<u>Distribution Rate Component</u>	<u>Current Rates</u>	<u>2021 Capital Expenditures Step Adjustment % Increase/ % (Decrease)</u>	<u>Proposed December 1, 2022 Base Distribution Charges</u>	<u>Current REP/VMP Adjustment Factor</u>	<u>December 1, 2022 Rates</u>
		(a)	(b)	(c)	(d)	(e)
D	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	All kWh	\$0.05856	-0.66%	\$0.05817	0.00001	\$0.05818
	16 Hour Off Peak kWh	\$0.05056	-0.66%	\$0.05022	0.00001	\$0.05023
	Farm kWh	\$0.05527	-0.66%	\$0.05490	0.00001	\$0.05491
	D-6 kWh	\$0.05150	-0.66%	\$0.05115	0.00001	\$0.05116
D-10	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	On Peak kWh	\$0.12447	-0.39%	\$0.12398	0.00001	\$0.12399
	Off Peak kWh	\$0.00167	-0.39%	\$0.00166	0.00001	\$0.00167
D-11	Customer Charge	\$14.74		\$14.74		\$14.74
	Off Peak	\$0.03948		\$0.03929	0.00001	\$0.03930
	Mid Peak	\$0.05918		\$0.05889	0.00001	\$0.05890
	Critical Peak	\$0.08426		\$0.08385	0.00001	\$0.08386
EV	Customer Charge	\$11.35		\$11.35		\$11.35
	Off Peak	\$0.03411		\$0.03929	0.00001	\$0.03930
	Mid Peak	\$0.05019		\$0.05889	0.00001	\$0.05890
	Critical Peak	\$0.09096		\$0.08385	0.00001	\$0.08386
EV-L	Customer Charge	\$435.18		\$435.18		\$435.18
	Demand	\$4.61		\$4.61		\$4.61
	Off Peak	\$0.02732		\$0.02487	0.00001	\$0.02488
	Mid Peak	\$0.02936		\$0.02673	0.00001	\$0.02674
	Critical Peak	\$0.03419		\$0.03112	0.00001	\$0.03113
EV-M	Customer Charge	\$72.52		\$72.52		\$72.52
	Demand	\$4.64		\$4.64		\$4.64
	Off Peak	\$0.04319		\$0.03867	0.00001	\$0.03868
	Mid Peak	\$0.04522		\$0.03998	0.00001	\$0.03999
	Critical Peak	\$0.05283		\$0.04576	0.00001	\$0.04577
G-1	Customer Charge	\$435.18	-0.30%	\$433.86		\$433.86
	Demand Charge	\$9.22	-0.30%	\$9.19		\$9.19
	On Peak kWh	\$0.00590	-0.30%	\$0.00588	0.00001	\$0.00589
	Off Peak kWh	\$0.00174	-0.30%	\$0.00173	0.00001	\$0.00174
	Credit for High Voltage Delivery >	(\$0.49)	-0.30%	(\$0.49)		(\$0.49)
G-2	Customer Charge	\$72.52	-0.30%	\$72.30		\$72.30
	Demand Charge	\$9.27	-0.30%	\$9.24		\$9.24
	All kWh	\$0.00233	-0.30%	\$0.00232	0.00001	\$0.00233
	Credit for High Voltage Delivery >	(\$0.49)	-0.30%	(\$0.49)		(\$0.49)
G-3	Customer Charge	\$16.66	-0.30%	\$16.60		\$16.60
	All kWh	\$0.05282	-0.30%	\$0.05266	0.00001	\$0.05267
M	Luminaire Charge					

Rate Class	Distribution Rate Component	2021 Capital Expenditures Step Adjustment		Proposed	REP/VMP Adjustment Factor	December 1, 2022 Rates
		Current Rates	% (Decrease)	December 1, 2022 Base Distribution Charges		
	Description	(c)	(b)	(c)	(d)	(e)
	HPS 4,000	\$8.53	-0.30%	\$8.50		\$8.50
	HPS 9,600	\$9.86	-0.30%	\$9.83		\$9.83
	HPS 27,500	\$16.37	-0.30%	\$16.32		\$16.32
	HPS 50,000	\$20.36	-0.30%	\$20.29		\$20.29
	HPS 9,600 (Post Top)	\$11.57	-0.30%	\$11.53		\$11.53
	HPS 27,500 Flood	\$16.54	-0.30%	\$16.49		\$16.49
	HPS 50,000 Flood	\$22.09	-0.30%	\$22.02		\$22.02
	Incandescent 1,000	\$10.95	-0.30%	\$10.91		\$10.91
	Mercury Vapor 4,000	\$7.57	-0.30%	\$7.54		\$7.54
	Mercury Vapor 8,000	\$8.50	-0.30%	\$8.47		\$8.47
	Mercury Vapor 22,000	\$15.20	-0.30%	\$15.15		\$15.15
	Mercury Vapor 63,000	\$25.69	-0.30%	\$25.61		\$25.61
	Mercury Vapor 22,000 Flood	\$17.39	-0.30%	\$17.33		\$17.33
	Mercury Vapor 63,000 Flood	\$33.70	-0.30%	\$33.59		\$33.59
LED-1	<u>LED-1 Fixtures</u>					
	30 Watt Pole Top	\$5.53	-0.30%	\$5.51		\$5.51
	50 Watt Pole Top	\$5.77	-0.30%	\$5.75		\$5.75
	130 Watt Pole Top	\$8.90	-0.30%	\$8.87		\$8.87
	190 Watt Pole Top	\$17.06	-0.30%	\$17.00		\$17.00
	30 Watt URD	\$12.89	-0.30%	\$12.85		\$12.85
	90 Watt Flood	\$8.76	-0.30%	\$8.73		\$8.73
	130 Watt Flood	\$10.08	-0.30%	\$10.04		\$10.04
	30 Watt Caretaker	\$4.96	-0.30%	\$4.94		\$4.94
	<u>Rates M, LED-1 & LED-2 Pole Accessory Charge</u>					
	Pole -Wood	\$9.66	-0.30%	\$9.63		\$9.63
	Fiberglass - Direct Embedded	\$10.06	-0.30%	\$10.03		\$10.03
	Fiberglass w/Foundation <25 ft	\$16.98	-0.30%	\$16.93		\$16.93
	Fiberglass w/Foundation >=25 ft	\$28.39	-0.30%	\$28.30		\$28.30
	Metal Poles - Direct Embedded	\$20.24	-0.30%	\$20.18		\$20.18
	Metal Poles with Foundation	\$24.42	-0.30%	\$24.34		\$24.34
	<u>Rate M, LED-1</u>					
	All kWh	\$0.04063	-0.30%	\$0.04050	0.00001	\$0.04051
	<u>Rate LED-2</u>	\$0.04063	-0.30%	\$0.04050	0.00001	\$0.04051
T	Customer Charge	\$14.74	0.00%	\$14.74		\$14.74
	All kWh	\$0.04743	-0.37%	\$0.04725	0.00001	\$0.04726
V	Minimum Charge	\$16.66	-0.30%	\$16.60		\$16.60
	All kWh	\$0.05433	-0.30%	\$0.05416	0.00001	\$0.05417

Rates D-11 and EV are calculated through the TOU model approved in Docket DE 17-189 and current rates in effect were effective 11/1/2022.

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Bill Calculation December 1, 2022, Rates Compared to Current Rates in Effect

Usage 650 kWh	Current	December 1, 2022	Current	December 1, 2022
	Rates	Proposed	Bill	Proposed
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Customer Charge	\$14.74	\$14.74	\$14.74	\$14.74
Distribution Charge				
All kWh	\$0.05857	\$0.05818	\$38.07	\$37.82
Storm Recovery Adjustment	\$0.00000	\$0.00000	\$0.00	\$0.00
Transmission Charge	\$0.03635	\$0.03635	\$23.63	\$23.63
Stranded Cost Charge	(\$0.00051)	(\$0.00051)	(\$0.33)	(\$0.33)
System Benefits Charge	\$0.00678	\$0.00678	\$4.41	\$4.41
Electricity Consumption Tax	\$0.00000	\$0.00000	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Retail Delivery Services			\$80.51	\$80.26
Energy Service Charge	\$0.22228	\$0.22228	<u>\$144.48</u>	<u>\$144.48</u>
		Total Bill	\$225.00	\$224.74
				(\$0.25)
				-0.11%