

Before the New Hampshire Public Utilities Commission

DE 23-039

**Liberty Utilities (Granite State Electric) Corp. D/B/A
Liberty**

Request For Change in Distribution Rates

NH Department of Energy Data Requests- Set 8

September 18, 2023

8-1. To the extent not provided earlier, please provide:

- a. Copies of all prior testimony, articles, speeches, published materials, and peer review materials written by the testifying expert, from 2018 to the present.
- b. Copies of transcripts where the testifying expert was cross examined in the last five (5) years; if the transcript(s) are not within your possession, custody, or control, identify the proceeding(s) and date(s) the testifying expert was cross-examined; and
- c. Copies of deposition transcripts of the testifying expert in the last five (5) years; if the transcript(s) are not within your possession, custody, or control, identify the proceeding(s) and date(s) the testifying expert was deposed.

8-2. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates pages II-919 and II-920, for each witness, in a proceeding that has concluded with a final order within the past five years:

- (a) Please state the return on equity (“ROE”) the witness proposed, and the ROE determined by the relevant body in the proceeding, and identify the state, docket number, and utility involved;
- (b) Please identify each such case in which the witness revised her/his ROE recommendation during the proceeding, and what the revision and reason for it was; and
- (c) To the extent the witness differently weighted the models on which she/he relied upon, as compared to her/his weighting of the models in this proceeding, please so specify and explain why.

8-3. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, for each matter in which the witness has submitted testimony but that has not yet resulted in an order, please specify the ROE the witness proposed, and identify the jurisdiction, docket or reference number, and utility involved. Please also identify each such case in which the witness revised her/his ROE recommendation during the proceeding, and what the revision and reason for it was.

- 8-4. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall generally, . . . Please confirm or deny whether the credit ratings of a utility reflect the overall risks of a utility. If your answer is denial, please provide the basis for the denial.
- 8-5. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-925, lines 1-2. Please explain how inflation increases the operating risk of a utility.
- 8-6. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-925, lines 6-9. Please provide empirical support that utility stock prices are negatively related to changes in interest rates.
- 8-7. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-925, lines 6-9. Please confirm or deny that utility share price decline will lead to increases in utility dividend yield. If your answer is denial, please provide the basis for the denial.
- 8-8. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-925, lines 15-17. Please define the underperformance of the utility sector. Please clarify whether the expected underperformance of the utility sector is against the past performance of the utility sector or the general market. Please provide empirical support for your answers.
- 8-9. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-925, lines 18-20. Please explain the mechanism through which the DCF model results are likely to underestimate the cost of equity.
- 8-10. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-940, lines 15-17. Please produce evidence supporting the statement “*changes* in utility stock prices are therefore inversely related to *changes* in interest rates.” [emphasis added]
- 8-11. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-958, lines 5-8. Please state through which component (dividend yield and/or expected EPS growth rate) of the DCF model the “expected underperformance of utility stocks” is likely to understate the cost of equity. Please explain why such an understatement of ROE can occur.

- 8-12. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-964, lines 1-8. Please confirm or deny the coefficients 0.75 and 0.25 in the application of ECAPM are not based on academic study of recent regulated utility industry. If your answer is denial in part or a whole denial, please provide the basis for your denial.
- 8-13. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates pages II-967 and II-968, please explain the reason(s) (1) why the risk premium regression did not start at the beginning of the available RRA data (1977), and (2) why the sample included settled cases.
- 8-14. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-925, lines 22-32. Please confirm or deny you have conducted an analysis of settlement terms for the New Hampshire cases you mentioned in your comparison of ROEs in New Hampshire and the U.S. If your answer is confirmation, please provide the result of the analysis.
- 8-15. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall, Bates page II-978, lines 22-32. Please indicate whether you have conducted a risk comparison of the companies involved in the New Hampshire cases with the other utilities you mentioned in your comparison of ROEs in New Hampshire and the U.S. If your answer is yes, please provide the result of the analysis.
- 8-16. Regarding the Direct Testimony of Ann E. Bulkley and Christopher M. Wall. Please confirm or deny whether: a) your recommended ROE is based on proxy companies, and b) your capital structure analysis is based on operating subsidiaries.
- 8-17. Reference DOE 6-4.b, which requested as follows: “Please quantify the impact of this change [concerning corrected test year revenues] on the Company’s requested revenue deficiency and revenue requirements for each of proposed Rates Years 1, 2, and 3.”

Liberty’s response to DOE 6-4.b did not provide such quantifications. Please provide these quantifications in response to this follow-up request.