STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DE 23-039

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Distribution Service Rate Case
Regulatory Issues

DIRECT TESTIMONY

OF

ERICA L. MENARD

May 5, 2023

Liberty™

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I. INTRODUCTION

Q. Please state your full name and business address.

A. My name is Erica L. Menard. My business address is 15 Buttrick Road, Londonderry, New Hampshire.

Q. On whose behalf are you submitting this testimony?

A. I am submitting testimony on behalf of Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty ("Liberty" or "the Company").

Q. Please describe your educational and professional background.

A. I joined Liberty Utilities Service Corp. ("LUSC") in March 2022. Prior to joining LUSC, I held various positions at Eversource Energy from 2003 to 2022 with my last position being the Manager of Revenue Requirements for New Hampshire responsible for the rate and regulatory filings presented to the New Hampshire Public Utilities Commission (the "Commission"). I also held various positions at Eversource responsible for financial planning and analysis of operational and capital expenditures, business planning functions, sales forecasting, and performance management. Prior to my employment at Eversource, I was employed by ICF Consulting in Fairfax, Virginia, from 1997 to 2003 with responsibilities for implementing load profiling and load settlement software for various utilities worldwide. I hold a Bachelor of Arts in Economics and Business Administration from the University of Maine and a Master of Business Administration from the University of New Hampshire.

Q. Please describe your duties at Liberty.

A. I am employed by LUSC as the Senior Director of Rates and Regulatory Affairs. LUSC provides local utility management, shared services, and support to Liberty and the other regulated water, wastewater, natural gas, and electric utilities commonly owned and operated by Liberty Utilities, Co. as affiliates of the Company. In my position, I am responsible for providing rate-related services to the Company.

Q. Have you previously testified in regulatory proceedings before this Commission?

A. Yes, I have testified on numerous occasions before this Commission.

II. PURPOSE OF TESTIMONY AND EXECUTIVE SUMMARY

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to discuss Liberty's proposal to streamline the review of rate changes through the introduction of a new reconciling rate mechanism and address changes to the tariff intended to simplify administration of the tariff.

III. ELECTRIC RECONCILIATION ADJUSTMENT MECHANISM

Q. What is the purpose of this section of your testimony?

A. This section of my testimony describes a new reconciling mechanism to recover specific distribution-related expenses incurred by the company and the reasons for proposing this new mechanism.

Q. Why is the Company proposing a new reconciling mechanism?

A. The Company currently has seven reconciling mechanisms in place to recover various categories of costs. The Company is required to submit, and the Commission must review, petitions for each of these adjustments on at least an annual basis. The Company is also proposing new mechanisms that will reconcile costs associated with several of the Company's proposals outlined in this proceeding (e.g., fee free, MYRP earnings sharing mechanism, etc.). By creating one comprehensive reconciling mechanism that includes all these components, a single, consolidated review of rate adjustments can be performed by the Commission and stakeholders resulting in administrative efficiencies.

Q. Please describe the reconciling cost recovery mechanisms that Liberty has in effect today.

A. Liberty has several rates that recover, on a fully reconciling basis, costs incurred by the Company for stranded costs, transmission services, default energy service costs, and distribution operating expenses. The stranded cost and transmission charges are reviewed together in a single retail rate annual reconciliation filing, although there are separate rates for each mechanism.

Q. What types of costs are recovered through each of the current reconciling mechanisms?

A. The Stranded Cost charge recovers the costs associated with the Contract Termination Charge from New England Power Company due to restructuring. The Transmission Charge recovers costs for transmission-related services. In addition to transmission services, the Transmission Charge also includes the Regional Greenhouse Gas ("RGGI") refund as approved in Order No. 26,664 (May 9, 2014). The Transmission Charge includes the RGGI refund because, at the time this was approved, the retail rate was the only means by which Liberty could rebate the available RGGI amounts on a per kWh basis to all customers. The Transmission Charge also recovers municipal property taxes above the level established in distribution rates through the Property Tax Adjustment Mechanism ("PTAM"). The Company recovers Vegetation Management Program ("VMP") costs above the amount established in distribution rates through a separate reconciling mechanism and recovers any variance between actual and allowed distribution revenues through a Revenue Decoupling Adjustment Factor ("RDAF") reconciling mechanism, both of which are an adjustment to distribution rates. The Storm Recovery Adjustment Factor ("SRAF") reconciling mechanism collects or returns approved storm costs as a separate rate. Finally, the Energy Service ("ES") rate reconciles and recovers power supply costs for customers served through default service as well as program administration costs.

Q. How does the Company recover differences between approved permanent rates and approved temporary rates and approved expenses related to rate cases?

A. Historically, the Company has recovered any differences between approved permanent rates and temporary rates, also known as recoupment, through its base distribution rate without any reconciliation. The Company has also been permitted to recover approved rate case expenses through base distribution rates without any reconciliation.

Q. Does the Company recommend any changes to the manner in which approved recoupment and rate case expenses are recovered?

A. Yes. The current method of increasing and decreasing base distribution rates is problematic in that it requires a temporary increase in base distribution rates followed by a similar decrease in base distribution rates once the cost is fully recovered. This approach causes the base revenue per customer used in the revenue decoupling analysis to change as the base distribution rates are adjusted. The Company's natural gas affiliate EnergyNorth recovers temporary rates through a separate recovery mechanism instead of adjusting base distribution rates. The Company is recommending moving to this recovery mechanism approach, as detailed below.

Q. Please explain the Company's proposal for a new reconciling mechanism.

A. The Company is proposing a new non-bypassable reconciling rate called the Electric Reconciliation Adjustment Mechanism ("ERAM"). The ERAM is intended to reconcile distribution-related costs that are included in base costs set in the MYRP and fall into the following criteria:

1) cannot be known with certainty or are beyond the Company's control,
2) have no earnings opportunity,
3) can be demonstrated in advance the manner (and thus the reasonableness of the manner) in which the costs will be incurred, even though the magnitude of the costs is not yet known, and

4) benefit customers and support the provision of service in the normal course of business.

Q. What are the benefits of having a mechanism like the ERAM in place?

A. There are several reasons why implementing the ERAM is appropriate. One is that utilizing a single factor to accommodate multiple rate-making matters is an efficient approach, as it reduces the need to have multiple tariffs for different policy or business purposes and creates a streamlined, predictable approach for both Company preparation and Commission review. In addition, establishing a reconciling mechanism outside of base distribution rates will allow for greater transparency in the rate-setting process for certain, discrete items that are subject to variability. The use of a single ERAM rate will also allow the distribution rate and associated revenue decoupling calculations to be undisturbed by changes to agreed-upon reconciling items related to distribution rates.

Q. Is there a precedent for this kind of mechanism?

A. Yes. Unitil has a mechanism called the External Delivery Charge and Eversource has a mechanism called the Regulatory Reconciliation Adjustment mechanism that provides for the recovery and/or reconciliation of cost items similar to what the Company is proposing.[1]

[1] See Eversource Order No. 26,433 (December 15, 2020) in Docket No. DE 19-057 and Unitil Order No. 26,655 (July 28, 2022) in Docket No. DE 22-038.

Q. What costs does the Company anticipate will be included in the ERAM?

A. The ERAM is designed as a single volumetric-based rate allocated on an equal cents per kilowatt-hour basis that will recover or refund the costs associated with multiple programs. The Company is proposing to include the following nine components in the ERAM:

- First, the Property Tax Adjustment Mechanism ("PTAM") is currently a component in the Transmission rate. The PTAM is designed to recover or refund any variances in property tax expenses as compared to the assumed level in base distribution rates. The Company is not requesting a change to the PTAM mechanism, rather is proposing that the recovery or refund of the PTAM be moved from the Transmission rate to the ERAM and for interest to be calculated using the current monthly prime rate.
- Second, the RGGI Refund ("RGGI") is designed to refund RGGI auction proceeds to customers. The RGGI Refund is currently a component in the Transmission rate. The Company is not requesting a change to the RGGI Refund mechanism, rather is proposing that the RGGI Refund be moved from the Transmission rate to the ERAM.
- Third, Net Metering ("NM") costs are the payments made customers related to generation output from their distributed generated system. These costs are currently a component of the energy service rate and are included in the annual reconciliation factor within energy service rates. The Company is proposing that recovery of the NM expense be moved from the Energy Service rate to the

ERAM. This would result in NM costs being recovered from all customers on an equal cents per kilowatt hour basis by rate class.

- Fourth, the Regulatory Reconciliation Adjustment ("RRA") is a new component intended to recover (1) changes in the Commission assessment from the level in base rates, (2) the DOE and the OCA consultant expenses related to docketed proceedings, and (3) other Commission-approved consultant costs the Company incurs as directed by the Commission and/or related to consultant expenses incurred to respond to Commission dockets (i.e., data platform, battery storage consultants).
- Fifth, Rate Case Expense ("RCE") recovers amortized rate case expense as approved by the Commission in a general rate case proceeding. Amortized rate case expense is currently recovered through base distribution rates and is allocated according to the rate design approved in the most recent rate case.
- Sixth, Recoupment Factor ("RF") is recovers or refunds amortized recoupment revenue related to the difference between temporary and permanent distribution rates as approved in a general rate case. Amortized recoupment revenue is currently recovered through base distribution rates and is allocated according to the rate design approved in the most recent rate case.
- Seventh, the Residential Assistance Factor ("RAF") recovers the costs associated with the portions of past due balances forgiven as proposed in the Arrearage Management Program ("AMP") and program implementation costs.

- Eighth, the Fee Free Adjustment ("FFA") recovers the difference between the estimated Fee Free Payment Program Costs included in base rates with the actual cost of credit card and debit card fees waived and program implementation costs.
- Ninth, the Revenue Adjustment Charge ("RAC") recovers or refunds the variances between proposed and actual revenues, expenses, return, and plant in service and incentives or penalties as presented in the annual reconciliation as outlined in the Direct Testimony of Messrs. DeCourcey and Therrien[2] and the Direct Testimony of Ms. Menard[3].

A. <u>Rate Case Expense</u>

Q. Please describe the nature of rate case expenses.

A. The costs to be incurred for the rate case are incremental, external costs that are primarily for services such as outside consulting services and legal expenses to assist with the preparation and presentation of this rate case, including the development of studies on various matters required to establish appropriate rates for the Company's customers. The Company obtained competitive bids for these services consistent with the Puc 1900 rules. Also included will be copying expenses, the cost of legal notices, and the cost of the court reporter. A list of these outside services and their estimated costs are shown in Attachment ELM-RI-1.

[2] DeCourcey-Therrien Direct Testimony, p. 14–15

[3] Menard Direct Testimony (Performance Based Ratemaking and Performance Incentive Mechanisms), p. 32

Q. How does the Company propose to recover rate case expenses incurred in this proceeding?

A. The Company proposes to recover the total cost associated with this rate case, which is currently estimated to be $1,639,260, over a twenty-four-month period without carrying charges. As described above, the Company is proposing to recover rate case expenses through the ERAM charge assessed to all rate classes on an equal cent per kilowatt-hour basis.

Q. How does the Company account for rate case expenses?

A. The Company defers for future recovery all costs associated with the case as they are incurred during the proceeding without interest charges per Puc 1907.01(f).

B. Assessments and Consultant Costs

Q. Provide an explanation of NHPUC assessments incurred since the last rate case.

A. Pursuant to RSA chapter 363-A, Liberty is responsible for a share of the Commission's annual expenses. In 2014, RSA chapter 363-A was amended to provide that the amounts assessed to utilities such as Liberty are recoverable through distribution rates. See RSA 363-A:6, I. In accordance with RSA 363-A:6[4], Liberty may request a rate recovery mechanism to refund or recover variances between actual annual assessment costs and amounts included in base distribution rates. Liberty does not currently have a mechanism in place to reconcile assessment costs. The level of annual assessment costs in base rates

[4] The commission shall by order establish rate recovery mechanisms for any public utility that is not either an excepted local exchange carrier, as defined in RSA 362:7, I(c), or a rural electric cooperative for which a certificate of deregulation is on file with the commission. Such rate recovery mechanisms shall adjust annually to recover any change in a utility's annual assessment.

as established in the DE 19-064 rate case is $453,765. The 2022 calendar test year amount is $651,654, which is based on the Fiscal Year 2022 quarter 3 and quarter 4 and Fiscal Year 2023 quarter 1 and quarter 2 invoice amounts. Liberty has not deferred any costs above the amount in base rates and has not requested a cost recovery mechanism between the last rate case and this rate case because the annual assessments had not been materially higher than the amount in base rates. However, the 2022 test year assessment level has increased by approximately 26 percent over the amount in base distribution rates as shown in the table below. As a result of this significant increase, Liberty is now proposing an annual rate recovery mechanism going forward.

Table 1. *Commission Assessment Fees*

Fiscal Year	Assessment
TY 2018 (FY 2019 July 2018 – June 2019)	$453,765
FY 2020 (July 2019 – June 2020)	$498,146
FY 2021 (July 2020 – June 2021)	$531,245
FY 2022 (July 2021 – June 2022)	$625,836
FY 2023 (July 2022 – June 2023)	$628,226

Q. Provide the total amount of the assessments and a proposed recovery of these assessments.

A. The annual assessment included in permanent distribution base rates for all rate years is $628,226 based on Fiscal Year 2023 assessment less $10,000 allocated to Energy Service. On a calendar year basis, the Company will compare actual annual assessment costs to the amount approved in base distribution rates. Any variances will be refunded or recovered from customers through the ERAM on an equal cents per kilowatt-hour basis from all rate classes with interest applied at the prime rate.

Q. Provide an explanation of Commission, DOE, and OCA expert outside services charges incurred since the last rate case.

A. As previously explained in this testimony in Section III, Regulatory Asset and Liabilities, Liberty is assessed fees related to experts employed by the Commission, DOE, and OCA. For deferred costs through December 31, 2022, the Company is proposing recovery through amortization of a regulatory asset over the three-year rate period. Effective January 1, 2023, the Company proposes an annual reconciling mechanism to recover any expert outside service costs assessed to Liberty. Examples of expert outside consultant costs include consultants hired for proceedings such as LCIRP, Net Metering, and EV Time of Use rates.

Q. Please explain what other Commission-approved costs would be recovered through the ERAM that have not been discussed.

A. The Company may incur incremental costs associated with investigations or changes to rules or laws that require the Company to incur incremental costs outside of a general distribution rate case. Examples include the online data platform, battery storage pilot program, and net metering. The Company is proposing to recover incremental costs incurred with interest at the prime rate on an annual basis through the ERAM with interest calculated on any over or under recoveries at the prime rate.

C. <u>AMP (Arrearage Management Plan)</u>

Q. Please explain why the AMP is being included for recovery in the ERAM as the RAF.

A. The Company is proposing to implement an AMP for eligible low-income customers. The AMP provides payment assistance for qualifying residential customers struggling with past-due utility bills. Eligible customers participating in the AMP will receive $100 in monthly arrearage forgiveness for each timely payment of their current monthly bill, unless the remaining arrearage balance is less than $100, for a total forgiveness of up to $1,200. More discussion of this proposed program can be found in the Direct Testimony of Lauren Preston.

Q. What costs related to the AMP is the Company seeking to recover?

A. The Company is seeking to recover the costs associated with the portions of the past due balance that will be forgiven (as described above) and the program implementation costs. As discussed in Ms. Preston's testimony, the Company estimates that it will cost approximately $1.1 million to implement the AMP, which includes the forgiven past due balance amounts, legal fees, IT costs, and communication costs.

Q. Please explain the Company's proposal for recovering the AMP costs.

A. The Company is seeking to recover 100 percent of the forgiven past due balance amounts for customers enrolled in the AMP through the ERAM. As part of the ERAM filing, the Company will submit the tracked costs for inclusion in the next ERAM rate adjustment. The RAF would also include an estimate of AMP costs for the next 12-month period which would be reconciled with actual costs in the following year's ERAM filing. Any variances will be refunded to or recovered from customers through the ERAM on an equal cents per kilowatt-hour bases from all rate classes with interest applied at the prime rate.

D. FFA (Fee Free Adjustment)

Q. Please explain why the FFA is being included for recovery in the ERAM.

A. The Company is proposing to implement a Fee Free program to eliminate convenience fees for credit and debit cards.

Q. What costs related to the FFA is the Company seeking to recover?

A. The FFA is intended to reconcile the estimated Fee Free Payment Program costs included in base rates with the actual costs of credit card, debit card, and electronic check payment fees waived. As discussed in the testimony of Ms. Preston, the Company included estimated annual waived fees of $78,538 in base rates. This amount assumes up to 7 percent of residential customers and 5 percent of commercial customers use the Fee Free Payment Program.

Q. Please explain the Company's proposal for reconciling the FFA costs.

A. The Company is seeking to recover 100 percent of the waived fees. Since the proposed base rates include an estimate of $78,538, the Company seeks to reconcile the estimate to actual costs through the ERAM. Any variances will be refunded or recovered from customers through the ERAM on an equal cents per kilowatt-hour basis from all rate classes with interest applied at the prime rate.

E. RAC (Revenue Adjustment Charge)

Q. Please explain why the RAC is being included for recovery in the ERAM.

A. As described in the Direct Testimony of Messrs. DeCourcey and Therrien, as part of PBR and MYRP the Company proposes to make an annual reconciliation filing on September 1[5]. The RAC is a new component intended to reconcile and recover or refund the following items[6]:

- Full reconciliation of OpEx related to Vegetation Management Program, Cybersecurity, and Pension and OPEB costs
- Capital plant in service variances
- Earning Sharing Mechanism
- PIM incentive or penalties

Q. How does the Company propose the ERAM components be reviewed and approved?

A. On an annual basis, after the rate year is complete, on September 1 Liberty would file a report for each of the components identified above with supporting documentation and calculations to support the increase or decrease in base distribution rates associated with each component. The DOE, OCA, and interested parties would review the report over 60 days with an opportunity for discovery to be issued to the Company. At the end of the discovery period, if all costs were found to be prudent, then the variance between the

[5] DeCourcey-Therrien Direct Testimony, p. 49

[6] *Id.*, p. 49

amount included in the RY and the actual costs in the report would be used to establish a rate for the next 12-month period, without the need for a hearing. The rate would be a fully reconciling rate with monthly carrying charges calculated at the prime rate.

The table below provides a comparison of each component described above, the current rate recovery mechanism, and the future proposed rate recovery mechanism.

Table 2. *ERAM Components*

Charge	Current Recovery Rate	Current Date Filed / Effective Date	Proposed Recovery Rate	Cost Review Period	Proposed Date Filed / Effective Date
PTAM	Transmission	Mar 15 / May 1	Distribution – ERAM	Apr 1 – Mar 30	Sep 1 / Nov 1
RGGI	Transmission	Mar 15 / May 1	Distribution – ERAM	Jan 1 – Dec 31	Sep 1 / Nov 1
NM	Energy Service	Jun 15 / Aug 1	Distribution – ERAM	Jan 1 – Dec 31	Sep 1 / Nov 1
RRA	N/A	N/A	Distribution – ERAM	Jan 1 – Dec 31	Sep 1 / Nov 1
RCE	Base Distribution Rates	Apr 6 / Jul 1	Distribution – ERAM	Jan 1 – Dec 31	Sep 1 / Nov 1
RF	Base Distribution Rates	Apr 6 / Jul 1	Distribution – ERAM	Jan 1 – Dec 31	Sep 1 / Nov 1
RAF	N/A	N/A	Distribution – ERAM	Jan 1 – Dec 31	Sep 1 / Nov 1
FFA	N/A	N/A	Distribution – ERAM	Jan 1 – Dec 31	Sep 1 / Nov 1
RAC	N/A	N/A	Distribution – ERAM	Jul 1 – Jun 30	Sep 1 / Nov 1

Q. Is the Company proposing any changes to the Revenue Decoupling Adjustment Factor?

A. No. The Revenue Decoupling Adjustment Factor (“RDAF”) is a component of the distribution rate where actual revenues per customer are compared to allowed revenues per customer on an annual basis. The Company is not requesting a change to the RDAF mechanism and would continue to calculate a separate rate for the RDAF which will be included in distribution rates. The RDAF would continue to be calculated based upon a July 1 through June 30 decoupling year, a filing on September 1, and rates effective on November 1.

Q. Please explain why the Company recommends this approach to reconciling distribution costs and why it is in the best interest of customers.

A. One of the guiding principles in the performance-based ratemaking methodology Liberty has proposed in this rate case is to create administrative efficiencies. This approach achieves that by allowing for quick and efficient review through the submission of agreed-upon documentation necessary to review previously established costs and agreed-upon reconciliation methodologies allowing for expeditious review of costs that are pass-through in nature. These costs are mainly outside of the Company's control and if they were prudently incurred and supported, the review process should be efficient, allowing for the Company to implement the resulting change in rates with less administrative burden for all parties.

IV. <u>TARIFF CHANGES</u>

Q. Please explain the purpose of this section of your testimony.

A. This section of my testimony is intended to explain changes to certain elements within the Company's tariff and present the proposed Tariff No. 23. Specifically, the Company is proposing changes to certain non-recurring charges, changes to the line extension policy, and an overall reformatting of the tariff to allow for the more efficient administration of the tariff.

Q. What are the proposed changes to the line extension policy?

A. The Company is revising its line extension policy in the Company's tariff to be more in line with the other investor-owned utilities in New Hampshire. The following is a summary of the changes:

- *First*, four policies (Individual Residential Customers, Residential Developments, Individual Commercial and Industrial Customers, and Commercial and Industrial Developments) are combined into one policy based on the type of service (single-phase and three-phase). This change provides ease of administration because rate class no longer dictates policy; policy is dictated by the type of service.
- *Second*, the 100-foot credit per home built for residential developments is removed.
- *Third*, the 300 feet without an additional charge policy is applied consistently across all customer classes and the Contribution in Aid of Construction ("CIAC") calculation for Commercial customers is being removed.
- *Fourth*, terms and conditions related to demolitions, service size upgrades, and multi-unit dwellings are added to clarify when the 300-foot credit applies.
- *Fifth*, the $4,500 credit per lot for commercial developments is removed.

Q. Do these changes to policy benefit customers?

A. Yes. The policy is structured such that a customer is charged based on the type of service required, rather than rate class. All customers are treated equally by receiving up to 300 feet without an additional charge as part of basic service, regardless of the service being single phase or three phase. The DOE has noted concern in previous dockets such as DE 21-004 and DE 19-064 that the CIAC calculation relies on the customer providing expected loads in the determination of the expected contribution offset which has the potential to inflate expected revenues resulting in a lower contribution offset. If the expected loads do not materialize, it results in all other customers paying the difference in cost through distribution rates. Removing the CIAC from the line extension policy avoids this issue and brings the line extension policy in line with the other investor-owned utilities in New Hampshire. In summary, the changes to the line extension policy will make administration easier for the Company, be consistent with other investor-owned utilities in New Hampshire, and allow for consistent application and cost recovery removing the potential for cost-shifting to other customers.

Q. Are there any other changes to the Company's existing tariff that the Company would like to address?

A. Yes. The Company reviewed several non-recurring charges in the Company's tariff and proposes changes to bring costs more in line with the Company's actual costs.

Q. Please describe the proposing changes to miscellaneous charges?

A. Liberty is proposing revisions to the following nonrecurring charges as shown in the table below:

Table 3. *Nonrecurring Charges*

	Current Charge	Revised Charge
Service Connection Fees – Field Visit	$35	$ 0
Service Connection Fees – No Field Visit	$20	$ 0
Reconnection Fee	$35	$50
Reconnection Fee – After Hours	$70	$80
Collection Fee	$35	$50
Meter Test Fee	$20	$50

Q. Explain why the Company is proposing to eliminate the Service Connection Fees.

A. The Service Connection is included in base distribution rates since a service connection is a daily business function and therefore should no longer be collected as a separate fee.

Q. What information is used to support the proposed nonrecurring charge revisions?

A. The Company calculated the nonrecurring charges based upon actual expenses incurred. The labor calculations use a fully loaded labor rate for craft labor and estimated labor hours to complete the request. The estimated completion times are based on management expertise. The estimated mileage is based on the average round trip and the most current published Internal Revenue Service business standard mileage rate.

Q. Why is the Company requesting to revise these charges?

A. It has been some time since the Company last evaluated these charges. Increases in labor wage and benefit costs, transportation costs, and material charges are not reflected in the current charges. Costs should be borne by the cost causer and thus should reflect as such and not be overly subsidized by base rates.

Q. Do the changes to the nonrecurring charges result in a change in the miscellaneous revenue?

A. Yes. The proposed nonrecurring charges will result in a decrease in miscellaneous revenues and a corresponding increase in rate revenue of $14,700, as illustrated in the table below.

Table 4. *Miscellaneous Revenue*

	Current Charge	**2016-2019 Average Occurrences**	**Test Year Revenue**	**Revised Charge**	**Adjustment**	**Pro Forma**
Service Connection – No Field Visit	$20	7,843	$47,580	$0	($47,580)	$0
Service Connection – Field Visit	$35	0	$0	$0	$0	$0
Reconnection	$35	589	$0	$50	$29,440	$29,440
Reconnection – After Hours	$70	43	$0	$80	$3,440	$3,440
Collection Fee	$35	0	$0	$50	$0	$0
Meter Tests	$20	0	$0	$50	$0	$0
Total			$47,580		($14,700)	$32,880

Q. Why do the number of occurrences represent the average between 2016 and 2019 and not the test year?

A. Due to the conversion to a new billing system, the Company suspended most nonrecurring charges in October 2022. Therefore, the Company believes the test year revenue and occurrences are understated.

Q. Why did the Company choose to use the average between 2016 and 2019?

A. The years 2016 through 2019 provided a four-year average to base the analysis on. The Company did not include the Years 2020 and 2021 as they are not representative of a typical year due to the COVID-19 moratorium.

Q. Please describe the Company's reformatting of the tariff.

A. The Company modified the formatting of the tariff to allow for more efficient administration. Rates for Delivery Service were moved from each individual rate schedule to a summary of rates page. A clean and redlined version of Tariff No. 23 is being provided with the Company's application.

V. <u>CONCLUSION</u>

Q. Do you believe that Liberty's proposal as outlined in your testimony will allow Liberty to continue to provide safe and reliable service?

A. Yes.

Q. Does this conclude your pre-filed Direct Testimony?

A. Yes.