

Detailed Description of Work

Services to be provided by PwC. Client is engaging PwC to provide the following professional services (the “Services”):

Client has requested PwC to provide an expert witness report, which will be prepared by Sean Riley, a PwC partner, in connection with Granite State Electric’s (“GSE”) rate case filing (i.e., Rate Proceeding) with the New Hampshire Public Utilities Commission (the “Commission”).

The Services will include performing the following activities:

- Reading and analyzing information and documentation provided by Client, including:
 - GSE’s Rate Proceeding to gain an understanding of the various adjustments included in the Rate Proceeding,
 - The New Hampshire Department of Energy’s Audit Report on the GSE Rate Proceeding,
 - Client’s policies, procedures and related controls for regulatory filings, including Client’s reconciliation process, and
 - Client’s controls and reconciliation procedures for assessing the accuracy / completeness of the data conversion to Client’s new Enterprise Resource Planning system in Q4 2022.
- Conducting interviews and/or process walk throughs with relevant Client stakeholders to obtain information about the procedures performed by the Client.
- Reviewing Client’s processes and controls to assess the data migration and conversion to the new Enterprise Resource Planning system (SAP) by:
 - Obtaining IT audit access to SAP to review the configuration of the system;
 - Conducting interviews with system integrators (i.e., IBM and KPMG) on the SAP implementation;
 - Obtaining evidence of the Company’s controls around the data conversion;
 - Sampling transactions and tracing selections to source data; and
 - Testing of converted general ledger account balances to regulatory accounts (legacy Great Plains system to SAP).
- Reviewing and analyzing GSE’s reconciliations of actual financial information and data (trial balance) for 2022 and 2023: (1) to its 2022 and 2023 FERC Form 1¹, (2) to the Rate Proceeding submission, and (3) to the updated rate case filing² to identify and document potential gaps/variances between the documents by:
 - Assessing the data used to prepare GSE’s rate case filing and associated adjustments, including regulatory adjustments for 2022 discovered in 2023 subsequent to the rate filing that have been recorded in the Client’s updated rate filing, as well as assessing whether the Company’s basis for asserting such 2022 and 2023 regulatory data is reliable.

¹ The Client will provide its 2023 FERC Form 1 for purposes of this review.

² The Client will provide an updated revenue requirement that will reflect adjustments identified since submission of the rate case filing for purposes of this review.

- This is being done through various points of data analysis, including comparison of the mapping of natural (GAAP) accounts to regulatory (FERC) accounts to review for potential adjustments.
 - Further, PwC will review any adjustments made by the Company, as applicable, in the 2022 and 2023 FERC Form 1 from the system trial balance and understand those adjustments to verify their appropriateness.
- Reviewing and determining that the New Hampshire Department of Energy's audit issues identified in the final audit report have been reflected, as applicable, in the Client's updated rate case filing, as well as identifying any additional adjustments.
- Performing a root cause analysis to gain an understanding of, where possible, the potential causes of the identified potential gaps/variances, and the magnitude and nature of the adjustments.
 - The purpose of this root cause analysis will help determine where, if applicable, further updates are required (for example, in the set up of a WBS).
- Based on the above activities, preparing the expert report, which will include the scope and approach, findings, observations, assumptions, and limitations related to the procedures performed. The expert report would also address whether the review of 2023 regulatory accounting data supports the finding that 2022 and 2023 accounting data has been recorded in the appropriate regulatory accounts.