

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DE 24-051

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rate Adjustments

DIRECT TESTIMONY

OF

CHRISTOPHER M. D. GREEN

March 28, 2024



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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your full name, business address, position, and responsibilities.**

3 A. My name is Christopher M. D. Green, and my business address is 602 South Joplin
4 Avenue, Joplin, Missouri, 64801. I am the Manager of Energy Market Operations as part
5 of the centralized Energy Support Services Department for Liberty Utilities Service Corp.
6 (“LUSC”), which provides services to Liberty Utilities (Granite State Electric) Corp.
7 d/b/a Liberty (“Liberty,” or “the Company”). Part of my responsibilities are to oversee
8 the procurement of power for Energy Service for Liberty as well as the procurement of
9 Renewable Energy Certificates (“RECs”).

10 **Q. Please describe your educational background.**

11 A. I graduated from Northwest Missouri State University in 2011 with a Bachelor of Science
12 in Financial Management. I also received a Master of Business Administration from
13 Northwest Missouri State University in 2012.

14 **Q. What is your professional background?**

15 A. In March 2015, I was hired into the LUSC energy trading group that operates in the
16 Southwest Power Pool, Inc. (“SPP”). During my tenure I have held various positions
17 with primary responsibilities including budgeting company transmission costs,
18 overseeing the LUSC REC (Renewable Energy Credit) portfolio, managing SPP hedging
19 mechanism impacts, generation and load forecasting, fuel and purchased power reporting,
20 and work with the integrated resource planning (“IRP”) process. In my current role, my

1 primary responsibility has been for the Granite State Default Service program as well as
2 adhering to the New Hampshire Public Utilities Electric Renewable Portfolio Standard.

3 **Q. Have you previously testified before the New Hampshire Public Utilities**
4 **Commission (“Commission”)?**

5 A. Yes. I’ve testified before the Commission in multiple Default Service hearings.

6 **Q. Have you testified before any other state regulatory agencies?**

7 A. No.

8 **II. PURPOSE OF TESTIMONY**

9 **Q. What is the purpose of your testimony?**

10 A. My testimony addresses the estimated 2024 transmission expenses for Liberty. First, I
11 will summarize the various transmission services provided to Liberty and describe how
12 Liberty pays for those services. Second, I will provide testimony supporting the forecast
13 of transmission expenses that Liberty expects to incur in 2024. As described more fully
14 in Section IV of my testimony, the Company forecasts an increase of \$2,749,141 in
15 prospective transmission expenses for calendar year 2024 as compared to the forecast
16 provided for the calendar year 2023 in Docket No. DE 23-037.¹

1 The forecast for calendar year 2023 was \$28,038,128. The actual amount for 2023 was \$28,237,327.

1 **III. SUMMARY OF TRANSMISSION SERVICES PROVIDED TO LIBERTY**

2 **Q. Please summarize what transmission services Liberty receives from ISO New**
3 **England Inc. (the “ISO” or “ISO-NE”) under rate schedules approved by the**
4 **Federal Energy Regulatory Commission (“FERC”).**

5 A. Liberty receives transmission services under the ISO New England Inc. Transmission,
6 Markets, and Services Tariff (“ISO Tariff”) as follows:

- 7 1. Section II (Schedules 1, 2, 9, 16, and 17) of the ISO Tariff provides for Regional
8 Network Service (“RNS”);
- 9 2. Section IV.A – ISO Funding Mechanisms provides for the recovery of ISO’s
10 Administrative Services; and
- 11 3. Section II, Schedule 21 of the ISO Tariff provides for Local Network Service
12 (“LNS”) from the New England Power Company (“NEP”).

13 **Q. Please describe further the types of transmission services that are billed to Liberty**
14 **under the ISO Tariff.**

15 A. New England’s transmission rates utilize a highway/local pricing structure. That is,
16 Liberty receives regional transmission service over “highway” transmission facilities
17 under Section II of the ISO Tariff (also known as RNS) and receives local transmission
18 service over local transmission facilities under Schedule 21 of the ISO Tariff (also known
19 as LNS). Additionally, a number of administrative services are provided by ISO-NE
20 under Section IV.A of the ISO Tariff.

1 **A. Explanation of ISO Tariff Services, Rates, and Charges**

2 **Q. Please explain the services provided to Liberty under the ISO Tariff.**

3 A. Section II of the ISO Tariff provides access over New England’s looped transmission
4 facilities, more commonly known as Pool Transmission Facilities (“PTF”) or bulk
5 transmission facilities. In addition, the ISO Tariff provides for Ancillary Services (Black
6 Start, Reactive Power, Scheduling, System Control, and Dispatch Services and IROL
7 Critical Facility costs) as described more fully later in this testimony.

8 **Q. How are the costs for RNS recovered?**

9 A. The ISO Tariff’s RNS Rate (“RNS Rate”) (Section II - Schedule 9 of the ISO Tariff)
10 recovers the RNS costs and is determined annually based on an aggregation of the
11 transmission revenue requirements of each of the Participating Transmission Owners
12 (“PTO”) in New England, calculated in accordance with a FERC-approved formula in a
13 single, “postage stamp” rate in New England. FERC opened Docket No. EL16-19 to
14 investigate the reasonableness of the formula rates and protocols used to develop both
15 RNS and LNS. A Settlement Agreement was reached and filed with FERC on June 15,
16 2020 (FERC Docket No. ER20-2054) resolving all issues regarding the RNS and LNS
17 formula rates.

18 **Q. Please describe the ISO-NE System Restoration and Planning Service, Reactive
19 Supply and Voltage Control, Scheduling, System Control, and Dispatch Services**

1 **and Interconnection Reliability Operating Limits (IROL)-Critical Infrastructure**
2 **Protection (CIP)costs that are included in the ISO Tariff.**

3 A. ISO-NE System Restoration and Planning Service (Section II - Schedule 16 of the ISO
4 Tariff), also known as Black Start Service, is necessary to ensure the continued reliable
5 operation of the New England transmission system. This service allows for the ISO to
6 pay generators who have the capability of supplying load and the ability to re-start
7 without an outside electrical supply to re-energize the transmission system following a
8 system-wide blackout.

9 Reactive Supply and Voltage Control (Section II - Schedule 2 of the ISO Tariff), also
10 known as Reactive Power Service, is necessary to maintain transmission voltages within
11 acceptable limits on the ISO-NE transmission system and allows for the payment to
12 generators or other facilities that have the capability to produce or absorb reactive power.

13 Scheduling, System Control, and Dispatch Service (“Scheduling & Dispatch Service”)
14 consists of the services required to schedule the movement of power through, out of,
15 within, or into the ISO-NE Control Area over the PTF and to maintain System Control.
16 Scheduling & Dispatch Service also provides for the recovery of certain charges that
17 reflect expenses incurred in the operation of satellite dispatch centers.

18 Lastly, a new service was added in October 2022 (OATT Schedule 17 - IROL-CIP) to
19 recover the costs of facilities used to comply with NERC Critical Infrastructure
20 Protection requirements.

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1 **Q. How are the ISO-NE charges for Black Start and Reactive Power assessed to**
2 **Liberty?**

3 A. ISO-NE assesses charges for Black Start and Reactive Power Services to Liberty each
4 month based on Liberty's proportionate share of its network load to ISO-NE's total
5 network load.

6 **Q. How are the charges for Scheduling & Dispatch Service assessed to Liberty?**

7 A. Charges for Scheduling & Dispatch Service are assessed to Liberty through three
8 separately charged tariffed services.

9 The first charge is for the expenses incurred by ISO-NE in providing these services and is
10 recovered under Schedule 1 of Section IV.A of the ISO Tariff. These costs are allocated
11 to Liberty each month based on an annually filed FERC-approved fixed rate times
12 Liberty's monthly Network Load.

13 The second charge is for the costs incurred by the individual transmission owners in
14 providing Scheduling & Dispatch Service over PTF facilities, including the costs of
15 operating local control centers, and are recovered under Section II, Schedule 1 of the ISO
16 Tariff. These costs are allocated to Liberty each month based on a formula rate that is
17 determined each year based on the prior year's costs incurred times Liberty's monthly
18 Network Load.

19 The final charge is for the cost of Scheduling & Dispatch Service for transmission service
20 over transmission facilities other than PTF that are charged under Schedule 21 of the ISO

1 Tariff. Thus, the three types of Scheduling & Dispatch costs are similar but are charged
2 to Liberty through three different tariff mechanisms.

3 **Q. How are the charges for Interconnection Reliability Operating Limits (IROL)-**
4 **Critical Infrastructure Protection (CIP, collectively IROL-CIP) assessed to Liberty?**

5 A. Charges for IROL-CIP are allocated pro rata to each transmission customer that receives
6 either regional network service (RNS) or through or out service (TOUT).

7 **Q. What additional administrative services and/or charges flow through to Liberty**
8 **under Section IV.A of the ISO Tariff?**

9 A. Liberty also incurs charges pursuant to Section IV.A, Schedule 5 of the ISO Tariff.
10 Schedule 5 provides for the collection of the New England States Committee on
11 Electricity's ("NESCOE") annual budget. NESCOE is the "not-for-profit entity that
12 represents the collective perspective of the six New England Governors in regional
13 electricity matters and advances the New England states' common interest in the
14 provision of electricity to consumers at the lowest possible prices over the long-term,
15 consistent with maintaining reliable service and environmental quality." *See*
16 www.nescoe.com.

17 **Q. How are the ISO Tariff Administrative Services charges assessed?**

18 A. ISO-NE assesses the charges in Section IV.A based upon stated rates pursuant to the ISO
19 Tariff. These stated rates are adjusted annually when ISO-NE files a revised budget and
20 cost allocation proposal to become effective January 1 each year. Liberty is charged the

1 stated rate for these services as part of ISO-NE's monthly billing process, based on its
2 Network Load for Section IV.A Schedule 1 and Schedule 5 charges.

3 **B. Explanation of Schedule 21 NEP Tariff Services, Charges, and Credits**

4 **Q. What services are provided to Liberty under Schedule 21 of the ISO Tariff?**

5 A. Schedule 21 governs the service that NEP provides to Liberty over its local, non-highway
6 transmission facilities, considered non-PTF facilities ("Non-PTF"). The service provided
7 over the Non-PTF is referred to as Local Network Services ("LNS"). NEP posted fixed
8 LNS annual rates effective January 1, 2024, in compliance with FERC's approval of the
9 Settlement Offer in Docket ER20-2054, as mentioned above. These fixed 2024 rates will
10 be trued-up to NEP's actual costs in June 2025 and would be included in the LNS rates
11 effective January 1, 2026. NEP also provides metering, transformation, and certain
12 ancillary services to Liberty to the extent such services are required by Liberty and not
13 otherwise provided under the ISO Tariff.

14 **Q. Please explain the metering and transformation services provided by NEP.**

15 A. NEP separately surcharges the appropriate customers for these services. NEP provides
16 metering service when a customer uses NEP-owned meter equipment to measure the
17 delivery of transmission service. NEP provides transformation service when a customer
18 uses NEP-owned transformation facilities to step down voltages from 69 kV or greater to
19 a distribution voltage.

1 **Q. Are there any other transmission services for which NEP assesses charges to**
2 **Liberty?**

3 A. Yes. Liberty relies on the specific distribution facilities of NEP's affiliate, Massachusetts
4 Electric Company ("Mass Electric"), which provides for NEP's use of such facilities
5 pursuant to the Integrated Facilities provision of NEP's FERC Electric Tariff No. 1
6 service agreement with Mass Electric. NEP, in turn, uses these specific distribution
7 facilities to provide transmission service to Liberty. Therefore, Liberty is also subject to
8 a Specific Distribution Surcharge for its use of these facilities.

9 **Q. What is the credit in Schedule 21 charges that NEP provides to Liberty in its**
10 **monthly invoice?**

11 A. As a result of National Grid's sale of Liberty in 2012, NEP (a National Grid affiliate)
12 uses certain distribution facilities of Liberty to provide service to generation customers of
13 NEP. An Integrated Facilities Supplement to Schedule 21 of the ISO Tariff provides
14 Liberty with a credit in exchange for NEP's continued use of Liberty's facilities to serve
15 NEP's generation customers.

16 **IV. ESTIMATE OF LIBERTY'S TRANSMISSION EXPENSES**

17 **Q. Was the forecast for Liberty's transmission and ISO expenses for 2024 prepared by**
18 **you or under your supervision?**

19 A. Yes. I estimate the total transmission and ISO-NE expenses (including certain ancillary
20 services) for 2024 to be approximately \$30,787,268, as shown in Schedule CMDG-1,

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1 page 1 of 2. This equates to an increase of \$2,749,141 as compared to the forecast for
2 2023 provided in Docket No. DE 23-037, as shown on Schedule CMDG-1, page 2 of 2.

3 **Q. How have the ISO Tariff charges for RNS shown on line 3 of Schedule CMDG-1**
4 **been forecasted?**

5 A. I estimated the 2024 RNS charges by multiplying the posted RNS rate of \$154.35 per
6 kW-year, effective January 1, 2024, by Liberty's monthly network load in 2023, as
7 shown for each month in column 1 of Schedule CMDG-2 for a total of \$20,760,137 as
8 shown in column 2 of Schedule CMDG-2. The posted 2024 RNS rate is an increase of
9 approximately \$12.71 per kW-year from the rate that was effective on January 1, 2023,
10 and that was estimated in Docket No. DE 23-037. The forecasted 2024 RNS costs are
11 higher than last year's forecast by \$1,011,981 as shown in column 3, line 3 of Schedule
12 CMDG-1, page 2 of 2.

13 The primary drivers of the estimated increase to the forecast are related to an 8.2%
14 increase in the Schedule 9 RNS rate published by ISO-NE as well as a 23.1% increase to
15 NEP Schedule 21 rate. These two increases account for \$2,536,390 or 92.3% of the 2024
16 forecasted increase to transmission expense.

17 **Q. Schedule CMDG-1 also includes estimated ISO-NE charges for Black Start,**
18 **Reactive Power, Scheduling and Dispatch and IROL-CIP. How were these costs**
19 **forecasted?**

20 A. In estimating the expected costs of the ISO-NE charges, I used the same approach as in
21 previous filings. The Black Start costs shown on line 5 of Schedule CMDG-1 were

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1 derived in two steps. First, as shown in Section II of Schedule CMDG-3, I estimated the
2 cost for Black Start Service by, as a starting point, summing Liberty's actual monthly
3 ISO-NE Black Start expenses for 2023 (Line 5). I divided this estimate by Liberty's
4 2023 Peak Load to calculate an estimated annual rate, as shown on line 7. I then
5 calculated a monthly rate (annual rate divided by 12), as shown on line 8. To obtain the
6 estimate of Black Start costs that would be charged to Liberty, as shown in column 4 of
7 Schedule CMDG-2, I multiplied the monthly rate by Liberty's monthly network load, as
8 shown for each month in column 1 of Schedule CMDG-2. Using this methodology, I
9 estimate an allocation of \$235,477 for 2024 as shown on Schedule CMDG-1, Page 2,
10 Column 2, Line 6. The forecast for IROL-CIP was created in a similar fashion as Black
11 Start costs, primarily by relying on prior year actuals to create a rate. The only difference
12 in methodology was to weight the \$-kw/month using the fourth quarter actuals.

13 **Q. How have you estimated Reactive Power costs for Liberty?**

14 A. I calculated the estimated Reactive Power costs for Liberty by using actual Liberty costs
15 for 2022 as shown in Section I of Schedule CMDG-3. The annual rate was determined
16 by dividing the total Reactive Power costs charged to Liberty (Line 1) by Liberty's peak
17 2023 Network Load. The monthly rate (annual rate divided by 12) was then multiplied
18 by Liberty's monthly network load, as shown in column 1 of Schedule CMDG-2, to
19 determine the estimated charges for Reactive Power Service shown in column 5 of that
20 same schedule. Using this methodology, I estimate an allocation of \$107,167 for 2024.

1 **Q. How did you forecast the Scheduling and Dispatch costs shown on line 4 of Schedule**
2 **CMDG-1, page 1?**

3 A. My estimate is shown in column 3 of Schedule CMDG-2. This amount was derived by
4 using the currently effective OATT Schedule 1 rate of \$1.95 per kW-year, divided by 12,
5 and further multiplied by Liberty's estimated monthly network loads for 2024 as shown
6 in column 1 of Schedule CMDG-2.

7 **Q. Have you included any Reliability Must Run ("RMR") contract charges to Liberty**
8 **for 2024?**

9 A. No. Reliability Must Run Agreements guarantee payments to generators that are needed
10 to ensure reliability. To obtain an agreement, a generator must receive verification from
11 ISO-NE that it is needed for reliability and must demonstrate that it is unable to cover its
12 operating costs with revenue from other sources. Liberty has not incurred any RMR
13 contract charges as there have been no RMR contracts for the New Hampshire reliability
14 region over the past year. Therefore, I have not forecasted any RMR contract costs for
15 2024. ISO-NE did execute an RMR agreement with the Mystic generation resource
16 retained for fuel security (Mystic COS). These costs are allocated to Real-Time load
17 obligations and thus are not included in the cost of transmission service.

18 **Q. Can you please explain the forecast of the ISO-NE Administrative Charges shown**
19 **on lines 8 and 9 of Schedule CMDG-1, page 1?**

20 A. Yes. Lines 8 and 9 include ISO-NE Administrative charges for Scheduling & Dispatch
21 and NESCOE, respectively, and are derived in columns 8 and 9 on Schedule CMDG-2.

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1 Line 8 on Schedule CMDG-1, page 1, shows the 2024 forecast of charges to Liberty
2 under Schedule 1, Scheduling and Load Dispatch Administrative schedules through
3 Section IV.A of the ISO Tariff. The estimate is based on the ISO Schedule 1 rate of
4 \$0.26954 per kW-month effective January 1, 2024, multiplied by Liberty's forecasted
5 monthly network load as shown in column 1 of Schedule CMDG-2.

6 Line 9 on page 1 of Schedule CMDG-1 shows the estimated 2024 NESCOE charges
7 under Schedule 5 of Section IV.A of the ISO Tariff. I derived this amount by using the
8 ISO Schedule 5 rate of \$0.00807 per kW-month effective January 1, 2024, multiplied by
9 Liberty's forecasted monthly network load as shown in column 1 of Schedule CMDG-2.

10 **Q. What is the sub-total of transmission expenses attributable to charges from the ISO-**
11 **NE?**

12 A. The sub-total of ISO-NE charges is \$21,831,264, which is the sum of lines 3 through 9 on
13 Schedule CMDG-1, page 1.

14 **Q. Have you estimated the charges to Liberty under Schedule 21 of the ISO Tariff?**

15 A. Yes. Lines 1 and 2 of Schedule CMDG-1 show the forecasted charges from NEP
16 pursuant to the LNS tariff. The total amount of estimated expenses is \$8,956,004, which
17 represents an increase of \$1,550,331 in the total NEP estimated expenses to be incurred
18 by Liberty in 2024 (see Schedule CMDG-1, page 2, lines 1 and 2) as compared to 2023.

19 As shown on Schedule CMDG-4, column 2, I estimated the LNS expenses based on
20 NEP's posted LNS charge of \$55.89 per kW-year, divided by 12, and multiplied by
21 Liberty's forecasted monthly network load as shown in column 1 of Schedule CMDG-4.

1 Load Dispatch Surcharge, Metering, transformation, specific distribution, and ancillary
2 service charges are based on current rates and are assessed to Liberty based on a per
3 meter and peak load basis, respectively. A maintenance service credit, as discussed
4 previously, was also included in the estimate.

5 **V. EXPLANATION OF PRIMARY CHANGE FROM LAST YEAR'S FORECASTED**
6 **EXPENSES**

7 **Q. What is the primary cause of the estimated increase in Liberty's 2023 transmission**
8 **expenses?**

9 A. The estimated 2024 Liberty transmission and ISO-NE expenses of \$30,787,268 represent
10 an increase of \$2,749,141 from the 2023 forecast of transmission expenses for Liberty.
11 The increase as described earlier is primarily attributed to an increase to both the
12 Schedule 9 LNS and NEP Schedule 21 rates effective January 1st, 2024.

13 **Q. What programs has Liberty implemented to help reduce transmission costs?**

14 A. In 2019 in Docket No. DE 17-189, Liberty received approval to implement a customer-
15 sited behind-the-meter battery storage pilot program, which is intended to reduce peak
16 loads. In Order No.26,784 (Mar. 15, 2023), addressing the practical conclusion of Phase
17 1 of the pilot, the Commission found the program to have lowered transmission costs.
18 Additionally, Liberty's energy efficiency programs continue to provide energy efficiency
19 measures to its customers helping to reduce customers electric energy.

20 **Q. Does this conclude your testimony?**

21 A. Yes.

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Witness: Green

Schedules

Schedule CMDG-1	Summary of Transmission Expenses Estimated for 2024
Schedule CMDG-2	Summary of ISO Tariff Section II Charges Estimated for 2024
Schedule CMDG-3	Summary of System Restoration and Reactive Supply Charges Estimated for 2024
Schedule CMDG-4	Summary of New England Power Schedule No. 21 Charges Estimated for 2024

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**Summary of Transmission Expenses
Estimated For the Year 2024**

ISO-NE Tariff Schedule 21 NEP LNS Tariff Charges		
1	Local Network Service (Monthly Demand Charges)	\$7,517,522
2	Other NEP Charges	<u>1,438,483</u>
	Subtotal NEP Charges	<u>\$8,956,004</u>
 ISO-NE OATT Tariff Section II Charges		
3	OATT Schedule 9 - Regional Network Service Charges	\$20,760,137
4	OATT Schedule 1 - Scheduling, System Control & Dispatch	262,495
5	OATT Schedule 2 - Reactive Supply and Voltage Control Service	107,167
6	OATT Schedule 16 - System Restoration and Planning Service	235,477
7	OATT Schedule 17 - IROL-CIP	17,935
	Subtotal ISO-NE Tariff Section II Charges	<u>\$21,383,211</u>
 ISO-NE Tariff Section IV.A - Administrative Charges		
8	ISO-NE Schedule 1 - Scheduling & Dispatch Service	\$435,028
9	ISO-NE Schedule 5 - NESCOE Budget	<u>13,025</u>
	Subtotal ISO-NE Tariff Section IV.A Charges	<u>\$448,053</u>
10	Subtotal of ISO-NE Tariff Charges	<u>\$21,831,264</u>
11	Total Estimated Expenses Flowing Through Current Rates	<u>\$30,787,268</u>

Line 1 = CMDG-4: Column (2), Line 13
Line 2 = CMDG-4: Sum of Column (3) thru (7), Line 13
Line 3 = CMDG-2, page 1: Column (2), Line 13
Line 4 = CMDG-2, page 1: Column (3), Line 13
Line 5 = CMDG-2, page 1: Column (5), Line 13
Line 6 = CMDG-2, page 1: Column (4), Line 13
Line 7 = CMDG-2, page 1: Column (6), Line 13
Line 8 = CMDG-2, page 2: Column (8), Line 13
Line 9 = CMDG-2, page 2: Column (9), Line 13
Line 10 = Sum of Line 3 thru Line 8
Line 11 = Sum of Line 1 thru Line 8

**Summary of Estimated Transmission Expenses
2023 vs. 2024 Filing Years**

	1 2023 Retail Filing	2 2024 Estimate	3 Yr/Yr Incr/(Decr)	
ISO-NE Tariff Schedule 21 NEP LNS Tariff Charges				
1	Local Network Service (Monthly Demand Charges)	\$ 5,993,112	\$ 7,517,522	\$ 1,524,410
2	Other NEP Charges	1,412,562	1,438,483	25,921
	Subtotal	\$ 7,405,673	\$ 8,956,004	\$ 1,550,331
ISO-NE OATT Tariff Section II Charges				
3	OATT Schedule 9 - Regional Network Service Charges	\$ 19,748,156	\$ 20,760,137	\$ 1,011,981
4	OATT Schedule 1 - Scheduling, System Control & Dispatch	244,150	262,495	18,345
6	OATT Schedule 2 - Reactive Supply and Voltage Control Serv	97,371	107,167	9,796
5	OATT Schedule 16 - System Restoration and Planning Service	186,209	235,477	49,268
	OATT Schedule 17 - IROL-CIP	2,285	17,935	15,650
	Subtotal	\$ 20,278,171	\$ 21,383,211	\$ 1,105,040
ISO-NE Tariff Section IV.A - Administrative Charges				
7	ISO-NE Schedule 1 - Scheduling & Dispatch Service	\$ 342,555	\$ 435,028	\$ 92,473
8	ISO-NE Schedule 5 - NESCOE Budget	11,728	13,025	1,297
	Subtotal	\$ 354,283	\$ 448,053	\$ 93,769
9	Subtotal of ISO-NE Tariff Charges	\$ 20,632,454	\$ 21,831,264	\$ 1,198,810
10	Total Estimated Expenses	\$ 28,038,128	\$ 30,787,268	\$ 2,749,141

**Summary of ISO-NE Tariff Section II Charges
Estimated For the Year 2024**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Monthly PTF kW Load	OATT Schedule 9 - Regional Network Service Charges	OATT Schedule 1 - Scheduling, System Control & Dispatch	OATT Schedule 16 - System Restoration and Planning Service	OATT Schedule 2 - Reactive Supply and Voltage Control Service	OATT Schedule 17 - IROL-CIP	ISO-NE OATT Tariff Section II Charges	ISO-NE Schedule 1 - Scheduling & Dispatch Service	ISO-NE Schedule 5 - NESCOE Budget	Total ISO-NE Transmission Charges
1 January	127,090	1,634,736	20,670	18,542	8,439	1,412	1,683,800	34,256	1,026	1,719,081
2 February	140,685	1,809,607	22,881	20,526	9,341	1,563	1,863,918	37,920	1,135	1,902,974
3 March	108,803	1,399,514	17,696	15,874	7,225	1,209	1,441,518	29,327	878	1,471,722
4 April	117,462	1,510,893	19,104	17,138	7,799	1,305	1,556,240	31,661	948	1,588,848
5 May	132,984	1,710,550	21,629	19,402	8,830	1,478	1,761,889	35,845	1,073	1,798,806
6 June	101,329	1,303,377	16,480	14,784	6,728	1,126	1,342,496	27,312	818	1,370,625
7 July	172,856	2,223,417	28,113	25,220	11,478	1,921	2,290,148	46,592	1,395	2,338,135
8 August	152,771	1,965,067	24,847	22,289	10,144	1,698	2,024,044	41,178	1,233	2,066,455
9 September	170,236	2,189,716	27,687	24,837	11,304	1,892	2,255,436	45,885	1,374	2,302,695
10 October	140,405	1,806,005	22,835	20,485	9,323	1,560	1,860,209	37,845	1,133	1,899,186
11 November	123,423	1,587,568	20,074	18,007	8,195	1,372	1,635,216	33,267	996	1,669,480
12 December	125,920	1,619,687	20,480	18,372	8,361	1,399	1,668,299	33,940	1,016	1,703,255
13 12-Mo Total		\$20,760,137	\$262,495	\$235,477	\$107,167	\$17,935	\$21,383,211	\$435,028	\$13,025	\$21,831,264

Line 1-12: Column (1) = 2023 Monthly Coincident Network Load of LU
Line 1-12: Column (2) = January 1, 2024 OATT Schedule 9 RNS Rate * Column (1) / 12
Line 1-12: Column (3) = Current OATT Schedule 1 Rate * Column (1) / 12
Line 1-12: Column (4) = CMDG-3, Line 8 * Column (1)
Line 1-12: Column (5) = CMDG-3, Line 4 * Column (1)
Line 1-12: Column (6) = CMDG-3, Line 11 * Column (1)
Line 1-12: Column (7) = Sum of Columns (2) thru (6)
Line 1-12: Column (8) = Current ISO-NE Schedule 1 Rate * Column (1)
Line 1-12: Column (9) = Current ISO-NE Schedule 5 Rate * Column (1)
Line 1-12: Column (10) = Sum of Columns (7) thru (9)
Line 13 = Sum of Line 1 thru Line 12
Note: Column (1) January 2024 actual Network Load value

2024 RNS Rate= \$ **154.35390** /kW-YR
Rate = \$ **1.95168** /kW-YR
Rate = \$ **0.14590** /kW-Month
Rate = \$ **0.06640** /kW-Month
Rate = \$ **0.01111** /kW-Month
Rate = \$ 0.26954 kW-month
Rate = \$ 0.00807 kW-month

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Docket No. DE 24-_____
Schedule CMDG-3

Summary of Reactive Power & Black Start Costs Estimated For the Year 2024

Section I: Development of ISO-NE Schedule 2 Costs

1	Granite State Total ISO-NE Schedule 2 Costs	\$137,702
2	2023 Granite State Peak Load (KW)	172,856
3	Estimated Rate / KW-Yr	\$0.7966
4	Estimated Rate / KW-Mo	\$0.0664

Section II: Development of ISO-NE Schedule 16 Costs

5	Granite State Total ISO-NE Schedule 16 Settlement Costs	\$302,638
6	2023 Granite State Peak Load (KW)	172,856
7	Estimated Rate / KW-Yr	\$1.7508
8	Estimated Rate / KW-Mo	\$0.1459

Section III: Development of ISO-NE Schedule 17 Costs

9	Granite State Total ISO-NE Schedule 17 Settlement Costs	\$5,993
10	Granite State 2023 Average Peak Load (kW)	134,818
11	Estimated Rate / KW-Month	\$0.0111

Line 1 = Granite State ISO-NE Schedule 2 costs for the 12 months ending December 2023

Line 2 = Granite State Peak Load in 2023

Line 3 = Line 1 / Line 2

Line 4 = Line 3 / 12

Line 5 = ISO Schedule 16 Settlement Reports for the 12 months ending December 2023

Line 6 = Line 5 / Line 2

Line 7 = Line 5 / Line 6

Line 8 = Line 7 / 12

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Docket No. DE 24-____
Schedule CMDG-4

**Summary of New England Power - Schedule No. 21 Charges
Estimated For the Year 2024**

Period	(1) Monthly Regional Network Load	(2) Local Network Service Charge	(3) Load Dispatch Surcharge	(4) Specific Distribution Surcharge	(5) Transformer Surcharge	(6) Meter Surcharge	(7) Maintenance Service Credit	NEP Costs
1 January	127,090	591,960	5,494	14,963	100,000	1,177	(2,081)	711,513
2 February	140,685	655,283	6,082	14,963	100,000	1,177	(2,081)	775,424
3 March	108,803	506,783	4,704	14,963	100,000	1,177	(2,081)	625,545
4 April	117,462	547,115	5,078	14,963	100,000	1,177	(2,081)	666,252
5 May	132,984	619,413	5,749	14,963	100,000	1,177	(2,081)	739,221
6 June	101,329	471,970	4,380	14,963	100,000	1,177	(2,081)	590,410
7 July	172,856	805,129	7,473	14,963	100,000	1,177	(2,081)	926,661
8 August	152,771	711,577	6,604	14,963	100,000	1,177	(2,081)	832,240
9 September	170,236	792,925	7,359	14,963	100,000	1,177	(2,081)	914,344
10 October	140,405	653,978	6,070	14,963	100,000	1,177	(2,081)	774,107
11 November	123,423	574,880	5,336	14,963	100,000	1,177	(2,081)	694,274
12 December	125,920	586,510	5,444	14,963	100,000	1,177	(2,081)	706,013
13 12- Mo Total		\$7,517,522	\$69,772	\$179,558	\$1,200,005	\$14,120	-\$24,972	\$8,956,004

Line 1-12: Column (1) = 2023 Monthly Coincident Network Load of LU

Line 1-12: Column (2) = January 1, 2024 Schedule 21-NEP LNS Rate * Column (1) / 12

2024 LNS Rate= \$ **55.89** /kW-YR

Line 1-12: Column (3) = January 1, 2024 Schedule 21-NEP Load Dispatch Surcharge Rate * Column (1) / 12

2024 LDS Rate= \$ **0.04323** /kW-Month

Line 1-12: Column (4) = 21,376 kW & \$0.70 per NEP Tariff as of June 1, 2023

Line 1-12: Column (5) = 177,608 kW & \$0.56304 per NEP Tariff as of June 1, 2023

Line 1-12: Column (6) = 18 meters * \$65.3697 per meter per NEP Tariff as of June 1, 2023

Line 1-12: Column (7) Per the Integrated Facilities Supplement dated July 3, 2012 between NEP and Granite State

Line 1-12: Column (8) = Sum of Columns (2) through (7)

Note: Column (1) January 2024 actual Network Load value

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STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DE 24-051

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rate Adjustments

SECOND REVISED DIRECT TESTIMONY

OF

ROBERT GARCIA

AND

ADAM R.M. YUSUF

April 12, 2024



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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
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Annual Retail Rate Adjustments
Second Revised Direct Testimony of Robert Garcia and Adam R.M. Yusuf
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1 **I. INTRODUCTION**

2 **Q. What are your full names, business addresses, and positions?**

3 A. (RG) My name is Robert Garcia. My business address is 15 Buttrick Road, Londonderry,
4 New Hampshire. My title is Manager, Rates and Regulatory Affairs.

5 My name is Adam R.M. Yusuf. I am an Analyst I for Rates and Regulatory Affairs for
6 LUSC, which provides service Liberty. My business address is 15 Buttrick Road,
7 Londonderry, New Hampshire.

8 **Q. By whom are you employed?**

9 A. We are employed by Liberty Utilities Service Corp. (“LUSC”), which provides services
10 to Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty and Liberty Utilities
11 (Granite State Electric) Corp. d/b/a Liberty (“Liberty” or the “Company”).

12 **Q. On whose behalf are you testifying?**

13 A. We are testifying on behalf of the Company.

14 **Q. Mr. Garcia, would you describe your business and educational background?**

15 A. I have an Artium Baccalaureus (Bachelor of Arts) degree in Political Science and French
16 from Wabash College (Crawfordsville, Indiana) and a Master of Public Administration
17 degree from the School of Public and Environmental Affairs at Indiana University
18 (Bloomington, Indiana) with concentrations in Policy (Quantitative) Analysis and
19 International Affairs. I also obtained a Certificat De Langue Et Civilisation Française
20 from the Université de Paris – Sorbonne (Paris, France) and, as part of my graduate

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1 studies, studied French and European government at the École Nationale
2 D'Administration (Paris, France).

3 I was employed by ComEd from April 2001 to March 2023. I began my employment
4 with ComEd in the Regulatory Department as a Regulatory Specialist and moved on to
5 the positions of Senior Regulatory Specialist in 2004, Manager of Regulatory Strategies
6 and Solutions in 2008, and Director of Regulatory Strategy and Services in 2013 before
7 assuming my last position as Director of Regulatory Innovation & Initiatives in 2021.

8 Prior to joining ComEd, I worked for nearly nine years at the Illinois Commerce
9 Commission, beginning in 1992 as an intern in what was then the Office of Policy and
10 Planning and ending in 2001 as the senior policy advisor to a Commissioner. I initially
11 joined the Commission Staff through the James H. Dunn Memorial Fellowship program,
12 a one-year program sponsored by the Office of the Governor. Through this Fellowship, I
13 also held short-term positions in the Bureau of the Budget and the Governor's Legislative
14 Office.

15 **Q. Mr. Yusuf, would you describe your business and educational background?**

16 A. I graduated from the University of New Hampshire, Durham, in 2009 with a Bachelor of
17 Science in Psychology with a minor in Kinesiology: Sports Studies. I received an
18 Associate Degree in Human Services from New Hampshire Technical Institute in
19 Concord, in 2014. I received a Master of Business Administration from Southern New
20 Hampshire University in 2022. I joined Liberty in April 2019, where I held positions as a

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1 Customer Service Representative and Billing Representative before joining the Rates and
2 Regulatory Affairs Department.

3 **Q. Mr. Garcia, have you testified before the New Hampshire Public Utilities**
4 **Commission (“Commission”)?**

5 A. Yes. I have testified before the Commission.

6 **Q. Mr. Yusuf, have you testified before the Commission?**

7 A. Yes. I have testified before the Commission.

8 **Q. What is the purpose of your testimony?**

9 The purpose of our testimony is to present for approval the Company’s proposed
10 2024/2025 Annual Retail Rates, effective May 1, 2024, including the Stranded Cost
11 Charge and the Transmission Charge, in accordance with the Company’s reconciliation
12 and adjustment provisions in its tariff and the Company’s Amended Restructuring
13 Settlement, as approved in Docket No. DR 98-012. Included in the proposed
14 Transmission Charge are the 12-month reconciliations for the period May 1, 2023,
15 through April 30, 2024, of: (1) transmission costs; (2) the Regional Greenhouse Gas
16 Initiative (“RGGI”) auction proceeds refund; and (3) Liberty’s municipal property tax
17 expenses (as compared to base distribution rates) through the Property Tax Adjustment
18 Mechanism (“PTAM”)¹. Included in the proposed Stranded Cost Charge are (1) the

¹ In Order No. 26,619 (Apr. 28, 2022), the Commission approved Liberty’s PTAM and inclusion of the annual PTAM reconciliation in the Company’s annual Retail Rate Adjustment filing.

1 Contract Termination Charge (“CTC”) credits and (2) the 12-month reconciliations for
2 the period May 1, 2023, through April 30, 2024, of stranded costs.

3 **Q. What adjustments to the Stranded Cost Charge and Transmission Charge does the**
4 **Company propose?**

5 A. Attachment 1 presents the proposed Stranded Cost Charge and the Transmission Charge.
6 The table below summarizes the current and proposed rates effective May 1, 2024:

7 ***Table 1: Rates***

<u>Average charge (\$ / kWh)</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>
CTC Credits	\$ (0.00040)	\$ (0.00040)	\$ -
Stranded Cost Adjustment Factor	\$ 0.00009	\$ 0.00003	\$ (0.00006)
Total Stranded Cost Charge	\$ (0.00031)	\$ (0.00037)	\$ (0.00006)
Transmission Charge	\$ 0.03032	\$ 0.03273	\$ 0.00241
Transmission Service Cost Adjustment	\$ (0.00139)	\$ 0.00100	\$ 0.00239
RGGI Auction Proceeds Refund	\$ (0.00488)	\$ (0.00396)	\$ 0.00095
PTAM	\$ 0.00033	\$ 0.00002	\$ (0.00031)
Total Transmission Charge	\$ 0.02438	\$ 0.02979	\$ 0.00541

8

9 **II. STRANDED COST CHARGE**

10 **Q. What is the Stranded Cost Charge?**

11 A. Liberty’s Stranded Cost Charge is the sum of two components. The first is a uniform
12 charge per kilowatt-hour (“kWh”) that the Company charges all customers, which reflects
13 the CTC assessed by New England Power Company (“NEP”) for 2023. The second
14 component is the Stranded Cost Adjustment Factor (“SCAF”), which is specific to each
15 rate class.

1 **A. CTC**

2 **Q. What is the CTC?**

3 A. In 1996, New Hampshire implemented electric retail choice for all customers with the
4 passage of the restructuring statute, RSA 374-F, which included Liberty divesting itself
5 of its generation assets. At that time, the CTC was established to allow for the recovery of
6 costs associated with stranded generation assets that had been owned by the Company's
7 former affiliate, NEP, and operated on behalf of Liberty's customers.² Specific costs
8 include decommissioning expenses and purchase power costs, which were expected to
9 have been recovered by 2020. However, a handful of costs remain outstanding.

10 **Q. What costs are reflected in the CTC?**

11 A. As the costs related to the divestiture of the generation ended in 2011, the remaining costs
12 relate to the bankruptcy of USGen New England, Inc., the entity that purchased all of
13 NEP's non-nuclear generating assets. The settlement in the bankruptcy states that Liberty
14 receives an allocation of the claim proceeds received by NEP annually to pay down all
15 the remaining NEP power contract buyout payments.

16 **Q. What rate is the Company proposing for the CTC, and how was it determined?**

17 A. The proposed CTC of (\$0.00040)/kWh applicable to all customer classes was calculated
18 by NEP in Docket No. DE 24-024 by reconciling actual revenues and expenses for the

² DR 98-012 Settlement Agreement <https://www.puc.nh.gov/Regulatory/Orders/1998ords/23041e.html>

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1 prior period of October 2022 through September 2023. The rate is a credit, due to the
2 allocation of the claim proceeds as noted above.

3 **B. SCAF**

4 **Q. What rates is the Company proposing for the SCAF and how were they**
5 **determined?**

6 A. Attachment 2, page 1, sets forth the proposed SCAFs applicable to each class. Overall,
7 the Company is proposing a load-weighted average SCAF of \$0.00003/kWh. The SCAF
8 reflects the reconciliation of the Stranded Cost Charge revenues, with interest, for the
9 period May 1, 2023, through April 30, 2024, on a class-by-class basis, resulting in a
10 different SCAF (and in turn, a different Stranded Cost Charge) for each class. In 2023,
11 Liberty under-collected an estimated total of \$29,070, and as such the proposed SCAFs
12 require a collection from customers as shown in Attachment 2, page 1.

13 **Q. What data is used in these 12-month reconciliation periods?**

14 A. The 12-month reconciliations for the period May 1, 2023, through April 30, 2024,
15 include actual revenues for May 2023 through February 2024 and forecasted revenue for
16 March and April 2024 because actual results were not available at the time the filing was
17 prepared. In the Company's next annual reconciliation, the beginning over/under
18 recovery balance includes actuals for those forecasted amounts.

1 **III. TRANSMISSION CHARGE**

2 **Q. What is the Transmission Charge (“TC”)?**

3 A. The Company recovers its transmission-related expenses, which are billed by ISO-New
4 England and NEP, through the TC. The TC is comprised of two transmission-related
5 components: (1) a component for base transmission costs for the prospective period; and
6 (2) a component for the reconciliation of transmission revenue and expense for the
7 previous period. The TC also includes (3) RGGI auction proceeds refund and (4)
8 Liberty’s PTAM to reconcile municipal property tax expenses with amounts recovered
9 through base distribution rates.

10 **A. Transmission Costs**

11 **Q. What is the forecast for 2023 transmission costs?**

12 A. As discussed in the testimony of Mr. Christopher Green, the Company’s 2024
13 transmission costs are estimated to be \$30,787,268 as shown in Attachment 3, page 1,
14 line 1.

15 **Q. How does the Company allocate transmission costs?**

16 A. The Company allocates transmission costs based on the sum of each class’s monthly
17 coincident peaks. By allocating transmission costs in this manner, the Company is
18 applying the principle of cost causation as these costs are largely incurred based on
19 coincident peak demands.

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1 **Q. What rates are proposed for the recovery of transmission costs?**

2 A. As shown in Attachment 3, page 1, the forecast of transmission expense yields an average
3 rate of \$0.03273 per kWh, as compared to the currently effective average transmission
4 rate of \$0.03032 per kWh, exclusive of the reconciliation component. The table below
5 provides a snapshot of the class-specific base transmission rates proposed beginning May
6 1, 2024.

7 *Table 2: Transmission Rates (\$/kWh)*

<u>D</u>	<u>D-10</u>	<u>G-1</u>	<u>G-2</u>	<u>G-3</u>	<u>T</u>	<u>V</u>	<u>Streetlights</u>
\$0.04103	\$0.02108	\$0.02966	\$0.02611	\$0.03020	\$0.03401	\$0.03190	\$0.02252

8
9 **Q. How are the rates for transmission-related services calculated?**

10 A. The rate class-specific transmission rates are calculated by dividing the allocated
11 transmission expense estimate for each rate class for the May 1, 2024, through April 30,
12 2025, period by the forecasted kWh sales for each rate class for the same period as shown
13 in Attachment 3, page 1.

14 **B. Transmission Service Cost Adjustment**

15 **Q. How was the Transmission Service Cost Adjustment calculated?**

16 A. The Transmission Service Cost Adjustment reflects the reconciliation of transmission
17 costs and revenues, along with associated interest at the prime rate, over the 12-month
18 period. This component of the TC was calculated by totaling the projected under-
19 collection of transmission expense of \$1,028,795 as of April 30, 2024, as shown on
20 Attachment 3, page 3, plus the working capital of (\$87,571) as shown on Attachment 3,

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1 page 5, for a total of \$941,224. That amount is then divided by the forecasted kWh sales
2 for the period of May 1, 2024, through April 30, 2025, of 940,503,873 for a
3 reconciliation rate of \$0.00100 per kWh to be added to the demand-weighted
4 transmission rates on Attachment 1, page 1, line 4.

5 **Q. How is working capital calculated?**

6 A. The Settlement Agreement in Docket No. DE 19-064 provided, in part, that the Company
7 may recover cash working capital on transmission costs through the transmission cost
8 adjustment mechanism included in the Company's Annual Retail Rate Adjustment filing.
9 In accordance with that settlement, the Company has included a transmission cash
10 working capital amount in the calculation of its proposed transmission rates in
11 Attachment 3, pages 5 through 7.

12 **Q. What is the total amount of transmission working capital included in this filing?**

13 A. The total working capital included in the TC charge is \$87,571 as shown on Attachment
14 3, page 5. The expense lag is calculated by summing all invoices for 2023 and
15 multiplying the number of days between when the invoice was received and when it was
16 paid, to determine the number of days of cost as shown on Attachment 3, page 6. The
17 days of cost are then divided by 365 days in the year to determine the invoice payment
18 lag. The revenue lag is calculated by summing three components: (1) the Service Lag of
19 15.21 days; (2) the Collection Lag of 29.50 days; and (3) the Billing Lag of 2.59 days.
20 The Service Lag and Billing Lag were agreed upon in the Settlement Agreement in
21 Docket No. DE 19-064. The Collection Lag is calculated by taking the total average

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1 customer receivables for 2023 of \$14,678,764 and dividing that amount by the total daily
2 average revenues of \$497,663. The daily revenues are calculated by dividing the monthly
3 sales by the number of days in that month and averaged for the twelve months. The
4 detailed calculation of the revenue lag is shown on Attachment 3, page 7.

5 **C. RGGI Auction Proceeds**

6 **Q. How does the Company propose to refund RGGI auction proceeds to delivery**
7 **service customers?**

8 A. Consistent with Order No. 25,664 (May 9, 2014) in Docket No. DE 14-048, the Company
9 will credit the RGGI rebate amount it receives from the allocation on a per kWh basis
10 through its retail rate reconciliation mechanism that is adjusted on an annual basis. The
11 Company has included a credit of (\$0.00396) per kWh for RGGI auction proceeds in its
12 transmission service charge for 2024, as shown on Attachment 4. This credit of
13 (\$0.00396) per kWh is comprised of the RGGI auction proceeds for May 2023 through
14 April 2024 of (\$3,386,107) and the reconciliation component through April 2023 of
15 (\$341,971). The total of (\$3,386,107) is then divided by the estimated sales of
16 940,503,873 kWh to calculate the RGGI credit of (\$0.00396) per kWh, as compared to
17 the current rate of (\$0.00488) per kWh.

1 **D. PTAM**

2 **Q. What is the purpose of the PTAM?**

3 A. The PTAM is a mechanism provided by RSA 72:8-e³ and approved for Liberty in Order
4 No. 26,619 (Apr. 28, 2022), which authorizes the Company to reconcile its actual
5 property tax expense each New Hampshire property tax year (April 1 through March 31)
6 with the revenue currently collected through base distribution rates and to make annual
7 adjustments to TC rates accordingly.

8 **Q. How is the current level of municipal property tax recovered through base
9 distribution rates determined?**

10 A. In light of the step and the temporary rate adjustment during the period, the base
11 distribution rate recovery was derived by starting with the Base Rate amount used in
12 Docket No. DE 23-037 of \$4,335,347 divided that by 12 months to determine average
13 base rate recovery per month, and then multiplying by 2 months to calculate the prorated
14 recovery amount for the period May 2023 through June 2023 or \$697,427. To determine
15 the base distribution rate recovery for the period July 2023 through April 2024, the
16 Property Tax costs embedded in the approved Temporary Rates in Docket No. DE 23-
17 039⁴ (\$5,906,188) were adjusted to remove state property taxes (\$1,239,590⁵) to produce

³ RSA 72:8-e directed the Commission to “establish a rate recovery mechanism for any public utility owning property that meets the definition of utility company assets under RSA 72:8-d, I.” The mechanism is to “adjust annually to recover all property taxes paid by each such utility on such utility company assets”

⁴ In Order No. 26,655 (June 30, 2023), the Commission approved Liberty’s Temporary Rates filed on June 26, 2023. See Attachment TR-2.11, Line 12, Bates II-075.

⁵ 2022 State Property Taxes Paid, per Company’s financial records paid in four equal payments of \$309,897.39 each.

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1 \$4,666,598. The \$4,666,598 total is divided by 12 months, and then multiplied by 10
2 months to determine the prorated amount of \$3,888,832. The \$3,888,832 plus the
3 \$697,427 yields the base distribution rate recovery amount for the 12-month period of
4 \$4,586,259.

5 **Q. What was the variance between actual taxes billed to Liberty and base distribution**
6 **rate recovery?**

7 A. The audit-adjusted property taxes billed for property tax year 2023 is \$4,600,237, which
8 is compared to the base level of \$4,586,259 as described above, resulting in a current
9 period variance of \$13,978 as shown on Attachment 5, page 2, line 7.

10 **Q. What were the results of the PTAM reconciliation for 2023?**

11 A. In Docket No. DE 23-037, the Company received approval to recover \$305,405, less an
12 adjustment of \$28,183.50 based on the Audit Report (see Attachment 7) for a total
13 recoverable amount of \$277,221.50, to be collected over an estimated 924,515,841 kWh
14 sales. The actual recovery that was forecasted initially at \$305,405 was \$282,130, when
15 replacing the forecasted recoveries with actual recoveries. The adjustment of the
16 \$28,183.50 from the Audit Report, resulted in a recoverable amount of \$253,946.50. That
17 amount in addition to the under-collection on April 30, 2023, of \$36,298.42, which
18 includes interest, results in the starting balance of the total recoverable amount of
19 \$290,244.92. The actual sales for the period were 896,659,359 kWh, or 27,856,482 kWh
20 less forecasted, resulting in an under-collection of \$5,288, as shown in Attachment 5,

1 page 3. This amount is added to the amount of property taxes uncollected for 2023, as
2 described below.

3 **Q. What is the proposed PTAM rate and how was it calculated?**

4 A. The proposed PTAM rate is a charge of \$0.00002 per kWh and was calculated by adding
5 the \$13,978 variance, discussed above, to the reconciliation under-recovery of \$5,288.
6 Then the total under-recovery of \$19,266 is divided by the forecasted kWh for the period
7 of May 1, 2024, through April 30, 2025, of 940,503,873.

8 **IV. CUSTOMER BILL IMPACTS**

9 **Q. When is the Company proposing that these rate changes be implemented?**

10 A. The Company is requesting rates effective May 1, 2024.

11 **Q. Has the Company determined the impact of the proposed Retail Rate changes on a
12 typical residential customer's monthly bill?**

13 A. Yes. As shown in Attachment 6, the monthly bill impact for a typical residential customer
14 using a total of 650 kilowatt hours is an increase of \$3.05/kWh or 2.25 percent.

15 **V. CONCLUSION**

16 **Q. Does this conclude your testimony?**

17 A. Yes, it does.

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Summary of Proposed Rates for Stranded Cost and Transmission \$/kWh - Recovery Period May 2024 - April 2025

Line No.	Description	D	D-10	G-1	G-2	G-3	T	V	Streetlights
1	Contract Termination Charge Credits	(\$0.00040)	(\$0.00040)	(\$0.00040)	(\$0.00040)	(\$0.00040)	(\$0.00040)	(\$0.00040)	(\$0.00040)
2	Stranded Cost Adjustment Factor	\$0.00003	\$0.00002	\$0.00004	\$0.00003	\$0.00003	\$0.00003	\$0.00003	\$0.00004
3	Net Stranded Cost Charge	(\$0.00037)	(\$0.00038)	(\$0.00036)	(\$0.00037)	(\$0.00037)	(\$0.00037)	(\$0.00037)	(\$0.00036)
4	Transmission Charge	\$0.04103	\$0.02108	\$0.02966	\$0.02611	\$0.03020	\$0.03401	\$0.03190	\$0.02252
5	Transmission Service Cost Adjustment	\$0.00100	\$0.00100	\$0.00100	\$0.00100	\$0.00100	\$0.00100	\$0.00100	\$0.00100
6	RGGI Auction Proceeds Refund	(\$0.00396)	(\$0.00396)	(\$0.00396)	(\$0.00396)	(\$0.00396)	(\$0.00396)	(\$0.00396)	(\$0.00396)
7	Property Tax Adjustment Mechanism	\$0.00002	\$0.00002	\$0.00002	\$0.00002	\$0.00002	\$0.00002	\$0.00002	\$0.00002
8	Net Transmission Charge	\$0.03809	\$0.01813	\$0.02672	\$0.02316	\$0.02726	\$0.03106	\$0.02896	\$0.01958

Reference:

Line No. 1: Per the 2023 CTC Reconciliation Report from DE 24-024

Line No. 2: Attachment 2, Page 1, Line 3

Line No. 3: Line 1 + Line 2

Line No. 4: Attachment 3, Page 1, Line 6

Line No. 5: Attachment 3, Page 4, Line 5

Line No. 6: Attachment 4, Line 19

Line No. 7: Attachment 5, Page 1, Line 5

Line No. 8: Line 4 + Line 5 + Line 6 + Line 7

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Calculation of Stranded Cost Adjustment Factor - Effective May 1, 2024 - April 30, 2025

Line No.	Description	D	D-10	G-1	G-2	G-3	T	V	Streetlights	Total
1	Total (Over)/Under Collection	\$9,894	\$180	\$13,698	\$4,876	\$2,629	\$337	\$8	\$98	\$29,070
2	Total Period Forecasted kWh	300,981,836	7,640,929	381,742,877	152,151,468	83,579,812	11,352,998	274,318	2,779,636	940,503,873
3	Stranded Costs Adjustmment Factor	\$0.00003	\$0.00002	\$0.00004	\$0.00003	\$0.00003	\$0.00003	\$0.00003	\$0.00004	\$0.00003

Reference:

Line No. 1: Attachment 2, Pages 2 and 3

Line No. 2: Company Forecast

Line No. 3: Line 1 / Line 2 rounded after 5 decimal places

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Stranded Cost Reconciliation - All Rate Classes - May 2023 - April 2024**

All Rate Classes										
Line No.	Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1										
2	May-23	\$95,598	(\$27,440)	(\$27,973)	(\$533)	\$95,065	\$95,332	8.00%	\$636	\$636
3	Jun-23	\$95,701	(\$20,317)	(\$24,873)	(\$4,556)	\$91,145	\$93,423	8.25%	\$642	\$1,278
4	Jul-23	\$91,787	(\$27,333)	(\$26,036)	\$1,297	\$93,084	\$92,435	8.25%	\$635	\$1,913
5	Aug-23	\$93,719	(\$27,443)	(\$34,939)	(\$7,496)	\$86,223	\$89,971	8.50%	\$637	\$2,551
6	Sep-23	\$86,860	(\$26,935)	(\$35,418)	(\$8,483)	\$78,377	\$82,619	8.50%	\$585	\$3,136
7	Oct-23	\$78,962	(\$20,439)	(\$34,696)	(\$14,257)	\$64,705	\$71,834	8.50%	\$509	\$3,645
8	Nov-23	\$65,214	(\$21,737)	(\$26,544)	(\$4,807)	\$60,407	\$62,811	8.50%	\$445	\$4,090
9	Dec-23	\$60,852	(\$21,794)	(\$27,822)	(\$6,028)	\$54,824	\$57,838	8.50%	\$410	\$4,499
10	Jan-24	\$55,234	(\$24,764)	(\$28,054)	(\$3,291)	\$51,943	\$53,589	8.50%	\$380	\$4,879
11	Feb-24	\$52,323	(\$23,545)	(\$31,914)	(\$8,369)	\$43,954	\$48,138	8.50%	\$341	\$5,220
* 12	Mar-24	\$44,295	(\$22,972)	(\$30,753)	(\$7,781)	\$36,514	\$40,404	8.50%	\$286	\$5,506
* 13	Apr-24	\$36,800	(\$21,679)	(\$29,641)	(\$7,963)	\$28,837	\$32,818	8.50%	\$232	\$5,738
14	Total		(\$286,397)	(\$358,664)	(\$72,267)				\$5,738	
15	Projected Cumulative Collection				(\$72,267)					
16	Total Approved Collection				\$95,598					
17	(Over)/Under Collection, excluding interest				\$23,331					
18	Cumulative Interest				\$5,738					
19	Total (Over)/Under Collection, including interest				\$29,070					

Reference:

Column (a): May 2023- Per General Ledger, June 2023-April 2024 equal Prior Month's Column (e) + Prior Month's Column (i)

Column (b): Per Company Records, Projected based on SC Rate of Rate D, as SC Rate used for D, G-1, G-2, V, and Streetlights, as they account for 88.88% of the Total Rate

Column (c): Per Company Records, Projected Credits based on CTC Rate x Prior Month's Total Actual kWh or Forecasted Revenues

Column (d): Column (c) - Column (b)

Column (e): Column (a) + Column (d)

Column (f): [Column (a) + Column (e)] / 2

Column (g): Prime Rate effective first day of each month. Source: http://www.fedprimerate.com/wall_street_journal_prime_rate_history.htm

Column (h): Column (f) x [Column (g) / 12]

Column (i): Column (h) + Prior Month's Column (i)

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Stranded Cost Reconciliation - By Rate Class - May 2023 - April 2024

Residential Rate D										
Line No.	Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1										
2	May-23	\$29,679	(\$8,519)	(\$8,684)	(\$165)	\$29,513	\$29,596	8.00%	\$197	\$197
3	Jun-23	\$29,710	(\$6,307)	(\$7,722)	(\$1,414)	\$28,296	\$29,003	8.25%	\$199	\$397
4	Jul-23	\$28,495	(\$8,485)	(\$8,083)	\$402	\$28,898	\$28,697	8.25%	\$197	\$594
5	Aug-23	\$29,095	(\$8,520)	(\$10,847)	(\$2,327)	\$26,768	\$27,932	8.50%	\$198	\$792
6	Sep-23	\$26,966	(\$8,362)	(\$10,996)	(\$2,634)	\$24,332	\$25,649	8.50%	\$182	\$974
7	Oct-23	\$24,514	(\$6,345)	(\$10,771)	(\$4,426)	\$20,088	\$22,301	8.50%	\$158	\$1,131
8	Nov-23	\$20,246	(\$6,748)	(\$8,241)	(\$1,492)	\$18,754	\$19,500	8.50%	\$138	\$1,270
9	Dec-23	\$18,892	(\$6,766)	(\$8,637)	(\$1,871)	\$17,020	\$17,956	8.50%	\$127	\$1,397
10	Jan-24	\$17,147	(\$7,688)	(\$8,709)	(\$1,022)	\$16,126	\$16,637	8.50%	\$118	\$1,515
11	Feb-24	\$16,244	(\$7,310)	(\$9,908)	(\$2,598)	\$13,646	\$14,945	8.50%	\$106	\$1,621
12	Mar-24	\$13,751	(\$7,418)	(\$9,572)	(\$2,154)	\$11,598	\$12,675	8.50%	\$90	\$1,710
13	Apr-24	\$11,425	(\$6,432)	(\$8,300)	(\$1,867)	\$9,557	\$10,491	8.50%	\$74	\$1,785
14	Total		(\$88,901)	(\$110,469)					\$1,785	
15	Projected Cumulative Collection									(\$21,569)
16	Total Approved Collection									\$29,679
17	(Over)/Under Collection, excluding interest									\$8,110
18	Cumulative Interest									\$1,785
19	Total (Over)/Under Collection, including interest									\$9,894

Residential Rate D-10 Optional Peak Load Rate										
Line No.	Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
21										
22										
23	May-23	\$526	(\$151)	(\$154)	(\$3)	\$524	\$525	8.00%	\$4	\$4
24	Jun-23	\$527	(\$112)	(\$137)	(\$25)	\$502	\$515	8.25%	\$4	\$7
25	Jul-23	\$506	(\$151)	(\$143)	\$7	\$513	\$509	8.25%	\$4	\$11
26	Aug-23	\$516	(\$151)	(\$192)	(\$41)	\$475	\$496	8.50%	\$4	\$14
27	Sep-23	\$478	(\$148)	(\$195)	(\$47)	\$432	\$455	8.50%	\$3	\$17
28	Oct-23	\$435	(\$113)	(\$191)	(\$79)	\$356	\$396	8.50%	\$3	\$20
29	Nov-23	\$359	(\$120)	(\$146)	(\$26)	\$333	\$346	8.50%	\$2	\$23
30	Dec-23	\$335	(\$120)	(\$153)	(\$33)	\$302	\$319	8.50%	\$2	\$25
31	Jan-24	\$304	(\$136)	(\$155)	(\$18)	\$286	\$295	8.50%	\$2	\$27
32	Feb-24	\$288	(\$130)	(\$176)	(\$46)	\$242	\$265	8.50%	\$2	\$29
33	Mar-24	\$244	(\$173)	(\$209)	(\$37)	\$207	\$226	8.50%	\$2	\$30
34	Apr-24	\$203	(\$141)	(\$171)	(\$30)	\$173	\$188	8.50%	\$1	\$32
35	Total		(\$1,645)	(\$2,023)					\$32	
36	Projected Cumulative Collection									(\$378)
37	Total Approved Collection									\$526
38	(Over)/Under Collection, excluding interest									\$149
39	Cumulative Interest									\$32
40	Total (Over)/Under Collection, including interest									\$180

General Service Time-of-Use Rate G-1										
Line No.	Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
42										
43										
44	May-23	\$40,565	(\$11,644)	(\$11,870)	(\$226)	\$40,339	\$40,452	8.00%	\$270	\$270
45	Jun-23	\$40,609	(\$8,621)	(\$10,554)	(\$1,933)	\$38,675	\$39,642	8.25%	\$273	\$542
46	Jul-23	\$38,948	(\$11,598)	(\$11,048)	\$550	\$39,498	\$39,223	8.25%	\$270	\$812
47	Aug-23	\$39,768	(\$11,645)	(\$14,826)	(\$3,181)	\$36,587	\$38,177	8.50%	\$270	\$1,082
48	Sep-23	\$36,857	(\$11,429)	(\$15,029)	(\$3,600)	\$33,258	\$35,058	8.50%	\$248	\$1,331
49	Oct-23	\$33,506	(\$8,673)	(\$14,722)	(\$6,050)	\$27,456	\$30,481	8.50%	\$216	\$1,547
50	Nov-23	\$27,672	(\$9,224)	(\$11,263)	(\$2,040)	\$25,633	\$26,652	8.50%	\$189	\$1,735
51	Dec-23	\$25,821	(\$9,248)	(\$11,806)	(\$2,558)	\$23,263	\$24,542	8.50%	\$174	\$1,909
52	Jan-24	\$23,437	(\$10,508)	(\$11,904)	(\$1,396)	\$22,041	\$22,739	8.50%	\$161	\$2,070
53	Feb-24	\$22,202	(\$9,991)	(\$13,542)	(\$3,551)	\$18,651	\$20,427	8.50%	\$145	\$2,215
54	Mar-24	\$18,796	(\$8,979)	(\$11,586)	(\$2,607)	\$16,189	\$17,492	8.50%	\$124	\$2,339
55	Apr-24	\$15,615	(\$9,355)	(\$12,071)	(\$2,716)	\$12,899	\$14,257	8.50%	\$101	\$2,440
56	Total		(\$120,914)	(\$150,221)					\$2,440	
57	Projected Cumulative Collection									(\$29,307)
58	Total Approved Collection									\$40,565
59	(Over)/Under Collection, excluding interest									\$11,258
60	Cumulative Interest									\$2,440
61	Total (Over)/Under Collection, including interest									\$13,698

Liberty Utilities (Granite State) Corp. d/b/a Liberty
Annual Retail Rates
Stranded Cost Reconciliation - By Rate Class - May 2023 - April 2024

General Long Hour Service Rate G-2										
Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
62										
63										
64	May-23	\$14,788	(\$4,245)	(\$4,327)	(\$82)	\$14,706	\$14,747	8.00%	\$98	\$98
65	Jun-23	\$14,804	(\$3,143)	(\$3,848)	(\$705)	\$14,099	\$14,452	8.25%	\$99	\$198
66	Jul-23	\$14,199	(\$4,228)	(\$4,028)	\$201	\$14,399	\$14,299	8.25%	\$98	\$296
67	Aug-23	\$14,498	(\$4,245)	(\$5,405)	(\$1,160)	\$13,338	\$13,918	8.50%	\$99	\$395
68	Sep-23	\$13,437	(\$4,167)	(\$5,479)	(\$1,312)	\$12,124	\$12,781	8.50%	\$91	\$485
69	Oct-23	\$12,215	(\$3,162)	(\$5,367)	(\$2,205)	\$10,009	\$11,112	8.50%	\$79	\$564
70	Nov-23	\$10,088	(\$3,363)	(\$4,106)	(\$744)	\$9,345	\$9,716	8.50%	\$69	\$633
71	Dec-23	\$9,413	(\$3,371)	(\$4,304)	(\$933)	\$8,481	\$8,947	8.50%	\$63	\$696
72	Jan-24	\$8,544	(\$3,831)	(\$4,340)	(\$509)	\$8,035	\$8,290	8.50%	\$59	\$755
73	Feb-24	\$8,094	(\$3,642)	(\$4,937)	(\$1,295)	\$6,799	\$7,447	8.50%	\$53	\$807
74	Mar-24	\$6,852	(\$3,680)	(\$4,749)	(\$1,069)	\$5,784	\$6,318	8.50%	\$45	\$852
75	Apr-24	\$5,693	(\$3,408)	(\$4,397)	(\$989)	\$4,703	\$5,198	8.50%	\$37	\$889
76										
77	Total		(\$44,485)	(\$55,286)					\$889	
78	Projected Cumulative Collection				(\$10,802)					
79	Total Approved Collection				\$14,788					
80	(Over)/Under Collection, excluding interest				\$3,987					
81	Cumulative Interest				\$889					
82	Total (Over)/Under Collection, including interest				\$4,876					

General Service Rate G-3										
Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
83										
84										
85	May-23	\$8,537	(\$2,450)	(\$2,498)	(\$48)	\$8,489	\$8,513	8.00%	\$57	\$57
86	Jun-23	\$8,546	(\$1,814)	(\$2,221)	(\$407)	\$8,139	\$8,342	8.25%	\$57	\$114
87	Jul-23	\$8,196	(\$2,441)	(\$2,325)	\$116	\$8,312	\$8,254	8.25%	\$57	\$171
88	Aug-23	\$8,369	(\$2,451)	(\$3,120)	(\$669)	\$7,700	\$8,034	8.50%	\$57	\$228
89	Sep-23	\$7,756	(\$2,405)	(\$3,163)	(\$758)	\$6,999	\$7,378	8.50%	\$52	\$280
90	Oct-23	\$7,051	(\$1,825)	(\$3,098)	(\$1,273)	\$5,778	\$6,415	8.50%	\$45	\$325
91	Nov-23	\$5,823	(\$1,941)	(\$2,370)	(\$429)	\$5,394	\$5,609	8.50%	\$40	\$365
92	Dec-23	\$5,434	(\$1,946)	(\$2,484)	(\$538)	\$4,896	\$5,165	8.50%	\$37	\$402
93	Jan-24	\$4,932	(\$2,211)	(\$2,505)	(\$294)	\$4,638	\$4,785	8.50%	\$34	\$436
94	Feb-24	\$4,672	(\$2,103)	(\$2,850)	(\$747)	\$3,925	\$4,299	8.50%	\$30	\$466
95	Mar-24	\$3,955	(\$2,166)	(\$2,887)	(\$722)	\$3,234	\$3,594	8.50%	\$25	\$492
96	Apr-24	\$3,286	(\$1,954)	(\$2,605)	(\$651)	\$2,635	\$2,960	8.50%	\$21	\$513
97										
98	Total		(\$25,707)	(\$32,128)					\$513	
99	Projected Cumulative Collection				(\$6,421)					
100	Total Approved Collection				\$8,537					
101	(Over)/Under Collection, excluding interest				\$2,116					
102	Cumulative Interest				\$513					
103	Total (Over)/Under Collection, including interest				\$2,629					

Limited Total Electrical Living Rate T										
Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
104										
105										
106	May-23	\$1,186	(\$341)	(\$347)	(\$7)	\$1,180	\$1,183	8.00%	\$8	\$8
107	Jun-23	\$1,188	(\$252)	(\$309)	(\$57)	\$1,131	\$1,159	8.25%	\$8	\$16
108	Jul-23	\$1,139	(\$339)	(\$323)	\$16	\$1,155	\$1,147	8.25%	\$8	\$24
109	Aug-23	\$1,163	(\$341)	(\$434)	(\$93)	\$1,070	\$1,117	8.50%	\$8	\$32
110	Sep-23	\$1,078	(\$334)	(\$440)	(\$105)	\$973	\$1,025	8.50%	\$7	\$39
111	Oct-23	\$980	(\$254)	(\$431)	(\$177)	\$803	\$891	8.50%	\$6	\$45
112	Nov-23	\$809	(\$270)	(\$329)	(\$60)	\$750	\$779	8.50%	\$6	\$51
113	Dec-23	\$755	(\$270)	(\$345)	(\$75)	\$680	\$718	8.50%	\$5	\$56
114	Jan-24	\$685	(\$307)	(\$348)	(\$41)	\$645	\$665	8.50%	\$5	\$61
115	Feb-24	\$649	(\$292)	(\$396)	(\$104)	\$545	\$597	8.50%	\$4	\$65
116	Mar-24	\$550	(\$401)	(\$535)	(\$134)	\$416	\$483	8.50%	\$3	\$68
117	Apr-24	\$457	(\$256)	(\$342)	(\$85)	\$371	\$414	8.50%	\$3	\$71
118										
119	Total		(\$3,657)	(\$4,578)					\$71	
120	Projected Cumulative Collection				(\$921)					
121	Total Approved Collection				\$1,186					
122	(Over)/Under Collection, excluding interest				\$266					
123	Cumulative Interest				\$71					
124	Total (Over)/Under Collection, including interest				\$337					

Liberty Utilities (Granite State) Corp. d/b/a Liberty
Annual Retail Rates
Stranded Cost Reconciliation - By Rate Class - May 2023 - April 2024

Limited Commercial Space Heating Rate V										
Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
126										
127										
128	May-23	\$25	(\$7)	(\$7)	(\$0)	\$25	\$25	8.00%	\$0	\$0
129	Jun-23	\$25	(\$5)	(\$6)	(\$1)	\$24	\$24	8.25%	\$0	\$0
130	Jul-23	\$24	(\$7)	(\$7)	\$0	\$24	\$24	8.25%	\$0	\$1
131	Aug-23	\$24	(\$7)	(\$9)	(\$2)	\$22	\$23	8.50%	\$0	\$1
132	Sep-23	\$23	(\$7)	(\$9)	(\$2)	\$20	\$21	8.50%	\$0	\$1
133	Oct-23	\$21	(\$5)	(\$9)	(\$4)	\$17	\$19	8.50%	\$0	\$1
134	Nov-23	\$17	(\$6)	(\$7)	(\$1)	\$16	\$16	8.50%	\$0	\$1
135	Dec-23	\$16	(\$6)	(\$7)	(\$2)	\$14	\$15	8.50%	\$0	\$1
136	Jan-24	\$14	(\$6)	(\$7)	(\$1)	\$13	\$14	8.50%	\$0	\$1
137	Feb-24	\$14	(\$6)	(\$8)	(\$2)	\$11	\$13	8.50%	\$0	\$1
138	Mar-24	\$12	(\$8)	(\$10)	(\$2)	\$9	\$10	8.50%	\$0	\$1
139	Apr-24	\$10	(\$6)	(\$8)	(\$2)	\$8	\$9	8.50%	\$0	\$2
140	Total		(\$77)	(\$95)					\$2	
141	Projected Cumulative Collection				(\$19)					
142	Total Approved Collection				\$25					
143	(Over)/Under Collection, excluding interest				\$6					
144	Cumulative Interest				\$2					
145	Total (Over)/Under Collection, including interest				\$8					

M- Streetlights - L2										
Month	Beginning Balance With Interest	Stranded Cost Revenue (Refund)	CTC Expense (Credit)	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
147										
148										
149	May-23	\$292	(\$84)	(\$85)	(\$2)	\$290	\$291	8.00%	\$2	\$2
150	Jun-23	\$292	(\$62)	(\$76)	(\$14)	\$278	\$285	8.25%	\$2	\$4
151	Jul-23	\$280	(\$83)	(\$79)	\$4	\$284	\$282	8.25%	\$2	\$6
152	Aug-23	\$286	(\$84)	(\$107)	(\$23)	\$263	\$275	8.50%	\$2	\$8
153	Sep-23	\$265	(\$82)	(\$108)	(\$26)	\$239	\$252	8.50%	\$2	\$10
154	Oct-23	\$241	(\$62)	(\$106)	(\$44)	\$198	\$219	8.50%	\$2	\$11
155	Nov-23	\$199	(\$66)	(\$81)	(\$15)	\$184	\$192	8.50%	\$1	\$12
156	Dec-23	\$186	(\$67)	(\$85)	(\$18)	\$167	\$177	8.50%	\$1	\$14
157	Jan-24	\$169	(\$76)	(\$86)	(\$10)	\$159	\$164	8.50%	\$1	\$15
158	Feb-24	\$160	(\$72)	(\$97)	(\$26)	\$134	\$147	8.50%	\$1	\$16
159	Mar-24	\$135	(\$72)	(\$93)	(\$21)	\$114	\$125	8.50%	\$1	\$17
160	Apr-24	\$112	(\$61)	(\$79)	(\$18)	\$95	\$103	8.50%	\$1	\$18
161	Total		(\$871)	(\$1,083)					\$18	
162	Projected Cumulative Collection				(\$211)					
163	Total Approved Collection				\$292					
164	(Over)/Under Collection, excluding interest				\$81					
165	Cumulative Interest				\$18					
166	Total (Over)/Under Collection, including interest				\$98					

Reference:
 Column (a): May 2023- Per General Ledger, June 2023-April 2024 equal Prior Month's Column (e) + Prior Month's Column (i)
 Column (b): Per Company Records, Projected based on SC Rate x Forecasted Revenues
 Column (c): Per Company Records, Projected Credits based on CTC Rate x Prior Month's Actual kWh or Forecasted Revenues
 Column (d): Column (c) - Column (b)
 Column (e): Column (a) + Column (d)
 Column (f): [Column (a) + Column (e)] / 2
 Column (g): Prime Rate effective first day of each month. Source: http://www.fedprimerate.com/wall_street_journal_prime_rate_history.htm
 Column (h): Column (f) x [Column (g) / 12]
 Column (i): Column (h) + Prior Month's Column (i)
 * Projected Revenues

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Transmission Charge Calculation by Rate Class

Line No.	Description	D	D-10	G-1	G-2	G-3	T	V	Streetlights	Total
1	Estimate of Transmission Expense									\$30,787,268
2	Coincident Peak (KW)	668,887	8,722	613,172	215,136	136,726	20,909	474	3,390	1,667,416
3	Coincident Peak Allocator	40.12%	0.52%	36.77%	12.90%	8.20%	1.25%	0.03%	0.20%	100%
4	Allocated Transmission Expense	\$12,350,369	\$161,044	\$11,321,644	\$3,972,284	\$2,524,517	\$386,065	\$8,752	\$62,593	\$30,787,268
5	Forecasted kWh Sales	300,981,836	7,640,929	381,742,877	152,151,468	83,579,812	11,352,998	274,318	2,779,636	940,503,873
6	Proposed Transmission Charge per kWh	\$0.04103	\$0.02108	\$0.02966	\$0.02611	\$0.03020	\$0.03401	\$0.03190	\$0.02252	\$0.03273
7	Current Transmission Charge per kWh	\$0.03928	\$0.01935	\$0.02494	\$0.02764	\$0.02875	\$0.02792	\$0.03114	\$0.02295	\$0.03032
8	Increase (Decrease) in Transmission Charge per kWh	\$0.00175	\$0.00173	\$0.00472	(\$0.00153)	\$0.00145	\$0.00609	\$0.00076	(\$0.00043)	\$0.00241

Reference:

Line No. 1: Schedule CMDG-1, Line 10

Line No. 2: Attachment 3, Page 2, Line 13

Line No. 3: Percentage of Line 2 to Total Coincident Peak

Line No. 4: Line 1 x Line 3

Line No. 5: Company Forecast

Line No. 6: Line 4 / Line 5

Line No. 7: Per Company Tariff

Line No. 8: Line 6 - Line 7

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Coincident Peak Data for 2023

Line No.	Month	D	D-10	G-1	G-2	G-3	T	V	Streetlights	Total
1	January-23	57,478	1,252	39,133	17,530	11,534	3,268	41	703	130,939
2	February-23	60,885	1,010	43,580	19,571	12,466	2,581	71	554	140,718
3	March-23	52,666	920	39,668	18,190	11,086	2,397	79	479	125,485
4	April-23	34,961	465	52,280	18,122	9,658	1,268	32	684	117,470
5	May-23	45,703	405	57,458	18,830	9,649	909	30	4	132,988
6	June-23	57,344	728	49,355	15,666	11,043	1,542	30	3	135,711
7	July-23	78,312	769	61,197	18,090	13,869	1,623	39	3	173,902
8	August-23	54,730	790	63,108	19,423	12,932	1,672	36	4	152,695
9	September-23	73,275	672	60,097	18,602	13,661	1,411	38	4	167,760
10	October-23	48,558	440	61,915	17,401	11,023	1,038	25	4	140,404
11	November-23	52,938	596	42,470	15,891	9,538	1,506	23	462	123,424
12	December-23	52,037	675	42,911	17,820	10,267	1,694	30	486	125,920
13	Total	668,887	8,722	613,172	215,136	136,726	20,909	474	3,390	1,667,416

Reference:
Company Load Data

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Transmission Charge Reconciliation - May 2023 - April 2024**

Line No.	Month	Beginning Balance With Interest	Transmission Revenue	Transmission Expense	Monthly (Over)/Under	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1		(\$2,407,993)	\$1,908,592	\$2,788,103	\$879,511	(\$1,528,482)	(\$1,968,237)	8.00%	(\$13,122)	(\$13,122)
2	May-23	(\$1,541,603)	\$1,831,350	\$2,142,579	\$311,229	(\$1,230,374)	(\$1,385,989)	8.25%	(\$9,529)	(\$22,650)
3	Jun-23	(\$1,239,903)	\$2,508,477	\$2,371,873	(\$136,603)	(\$1,376,506)	(\$1,308,204)	8.25%	(\$8,994)	(\$31,644)
4	Jul-23	(\$1,385,500)	\$2,526,200	\$3,059,282	\$533,082	(\$852,418)	(\$1,118,959)	8.50%	(\$7,926)	(\$39,570)
5	Aug-23	(\$860,344)	\$2,459,153	\$1,687,451	(\$771,702)	(\$1,632,046)	(\$1,246,195)	8.50%	(\$8,827)	(\$48,397)
6	Sep-23	(\$1,640,873)	\$1,869,367	\$2,605,873	\$736,506	(\$904,367)	(\$1,272,620)	8.50%	(\$9,014)	(\$57,412)
7	Oct-23	(\$913,382)	\$1,980,081	\$3,224,465	\$1,244,385	\$331,003	(\$291,189)	8.50%	(\$2,063)	(\$59,474)
8	Nov-23	\$328,941	\$2,037,386	\$2,111,980	\$74,594	\$403,535	\$366,238	8.50%	\$2,594	(\$56,880)
9	Dec-23	\$406,129	\$2,324,971	\$2,217,109	(\$107,863)	\$298,266	\$352,197	8.50%	\$2,495	(\$54,385)
10	Jan-24	\$300,761	\$2,212,650	\$2,921,622	\$708,972	\$1,009,733	\$655,247	8.50%	\$4,641	(\$49,744)
* 11	Feb-24	\$1,014,374	\$2,246,825	\$2,246,825	\$0	\$1,014,374	\$1,014,374	8.50%	\$7,185	(\$42,559)
* 12	Mar-24	\$1,021,559	\$2,120,326	\$2,120,326	\$0	\$1,021,559	\$1,021,559	8.50%	\$7,236	(\$35,323)
13	Apr-24									
14			\$26,025,378	\$29,497,489					(\$35,323)	
15							\$3,472,111			
16							(\$2,407,993)			
17							\$1,064,118			
18							(\$35,323)			
19							\$1,028,795			

Reference:

Column (a): May 2023- Per General Ledger, June 2023-April 2024 equal Prior Month's Column (e) + Prior Month's Column (i)

Column (b): Per Company Records

Column (c): Per Company Records

Column (d): Column (c) - Column (b)

Column (e): Column (a) + Column (d)

Column (f): [Column (a) + Column (e)] / 2

Column (g): Prime Rate effective first day of each month. Source: http://www.fedprimerate.com/wall_street_journal_prime_rate_history.htm

Column (h): Column (f) x [Column (g) / 12]

Column (i): Column (h) + Prior Month's Column (i)

** Projected Revenues*

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Calculation of Transmission Service Cost Adjustment - Effective May 2024 - April 2025

Line No.	Description	Amount
1	Tranmssion Service (Over)/Under Collection	\$1,028,795
2	Working Capital	<u>(\$87,571)</u>
3	Total	\$941,224
4	Forecasted kWh Deliveries	<u>940,503,873</u>
5	Transmission Service Cost Adjustment per kWh	\$0.00100

Reference:

Line No. 1: Attachment 3, Page 3, Line 19

Line No. 2: Attachment 3, Page 5, Line 6

Line No. 3: Line 1 + Line 2

Line No. 4: Company Forecast

Line No. 5: Line 3 / Line 4

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Transmission Service Cost Adjustment - Working Capital Calculation**

Line No.	Description	Days of Cost	Invoice Payment Lag %	Customer Payment Lag %	CWC %	Expense	Working Capital Requirement
		(a)	(b)	(c)	(d)	(e)	(f)
1	2023 Transmission Costs	(58.41)	-16.00%	12.96%	-3.05%	\$30,787,268	(\$937,481)
2	Working Capital Requirement						(\$937,481)
3	Capital Structure Post-tax						7.60%
4	Working Capital Impact						(\$71,226)
5	Capital Structure Pre-tax						9.34%
6	Working Capital Impact						(\$87,571)

Reference:

Column (a) Line 1: Attachment 3, Page 6, Line 26

Column (b): Column (a) / 365

Column (c): Attachment 3, Page 7, Line 19

Column (d): Column (b) + Column (c)

Column (e) Line 1: Attachment 3, Page 1, Line 1

Column (f), Line No. 1: Column (d) x Column (e)

Column (f), Line No. 3: Per Settlement Agreement Docket No. DE 19-064

Column (f), Line No. 4: Line 2 x Line 3

Column (f), Line No. 5: Per Settlement Agreement Docket No. DE 19-064

Column (f), Line No. 6: Line 2 x Line 5

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Transmission Service Cost Adjustment - Working Capital Calculation - Expense Lead-Lag

Line No.	Bill Receipt Date	Expense Description	Invoice Amount	Service Period Mid-Point	Payment Date	Days Elapsed	% of Total	Weighted Days
1	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
2	Dec-22	NEP LNS Bill	\$ 494,771.15	11/15/2022	1/11/2023	57	1.76%	1.00
3	Jan-23	ISO RNS-Bill	\$ 1,570,470.14	11/15/2022	1/18/2023	64	5.58%	3.57
4	Jan-23	NEP LNS Bill	\$ 496,121.33	12/16/2022	2/2/2023	48	1.76%	0.85
5	Feb-23	ISO RNS-Bill	\$ 1,579,965.99	12/16/2022	2/13/2023	59	5.61%	3.31
6	Feb-23	NEP LNS Bill	\$ 586,516.51	1/16/2023	3/3/2023	46	2.08%	0.96
7	Mar-23	ISO RNS-Bill	\$ 1,628,345.54	1/16/2023	3/13/2023	56	5.78%	3.24
8	Mar-23	NEP LNS Bill	\$ 621,707.40	2/14/2023	4/5/2023	50	2.21%	1.10
9	Apr-23	ISO RNS-Bill	\$ 1,752,859.71	2/14/2023	4/11/2023	56	6.23%	3.49
10	Apr-23	NEP LNS Bill	\$ 506,587.74	3/16/2023	5/4/2023	49	1.80%	0.88
11	May-23	ISO RNS-Bill	\$ 1,362,471.71	3/16/2023	5/16/2023	61	4.84%	2.95
12	May-23	NEP LNS Bill	\$ 537,853.70	4/15/2023	6/15/2023	61	1.91%	1.17
13	Jun-23	ISO RNS-Bill	\$ 1,473,157.32	4/15/2023	6/13/2023	59	5.23%	3.09
14	Jun-23	NEP LNS Bill	\$ 593,900.61	5/16/2023	7/13/2023	58	2.11%	1.22
15	Jul-23	ISO RNS-Bill	\$ 1,665,871.53	5/16/2023	7/11/2023	56	5.92%	3.31
16	Jul-23	NEP LNS Bill	\$ 481,418.88	6/15/2023	8/17/2023	63	1.71%	1.08
17	Aug-23	ISO RNS-Bill	\$ 1,266,994.04	6/15/2023	8/15/2023	61	4.50%	2.75
18	Aug-23	NEP LNS Bill	\$ 740,731.45	7/16/2023	9/15/2023	61	2.63%	1.61
19	Sep-23	ISO RNS-Bill	\$ 2,140,258.41	7/16/2023	9/12/2023	58	7.60%	4.41
20	Sep-23	NEP LNS Bill	\$ 667,915.23	8/16/2023	10/26/2023	71	2.37%	1.68
21	Oct-23	ISO RNS-Bill	\$ 1,897,689.67	8/16/2023	10/17/2023	62	6.74%	4.18
22	Oct-23	NEP LNS Bill	\$ 928,188.53	9/15/2023	11/8/2023	54	3.30%	1.78
23	Nov-23	ISO RNS-Bill	\$ 2,783,055.89	9/15/2023	11/14/2023	60	9.89%	5.93
24	Nov-23	NEP LNS Bill	\$ 623,083.49	10/16/2023	12/14/2023	59	2.21%	1.31
25	Dec-23	ISO RNS-Bill	\$ 1,749,185.93	10/16/2023	12/12/2023	57	6.21%	3.54
26		Total	\$ 28,149,122				Days	58.41

Reference:

Column (a): Month in which obligation for payment occurred

Column (b): Per Invoices

Column (c): Per Invoices

Column (d): Applicable Service Period

Column (e): Per Invoices

Column (f): Column (e) - Column (d)

Column (g): Column (c) / Column (c), Line 26

Column (h): Column (f) x Column (g)

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Revenue Lead-Lag Applied to Transmission and Stranded Cost Mechanisms

Line No.	Service Period		Monthly Customer Accts. Receivable	Monthly Sales	Days in Month	Average Daily Revenues
			(a)	(b)	(c)	(d)
2	1/1/2023	1/31/2023	\$18,794,585	\$15,628,637	31	\$504,150
3	2/1/2023	2/28/2023	\$20,267,707	\$17,525,320	28	\$625,904
4	3/1/2023	3/31/2023	\$18,158,988	\$20,778,768	31	\$670,283
5	4/1/2023	4/30/2023	\$14,787,045	\$15,555,494	30	\$518,516
6	5/1/2023	5/31/2023	\$13,756,242	\$14,751,556	31	\$475,857
7	6/1/2023	6/30/2023	\$12,235,479	\$13,538,562	30	\$451,285
8	7/1/2023	7/31/2023	\$14,658,671	\$14,501,788	31	\$467,800
9	8/1/2023	8/31/2023	\$15,031,687	\$16,642,973	31	\$536,870
10	9/1/2023	9/30/2023	\$12,689,063	\$14,334,654	30	\$477,822
11	10/1/2023	10/31/2023	\$11,381,709	\$14,427,761	31	\$465,412
12	11/1/2023	11/30/2023	\$11,232,079	\$10,907,278	30	\$363,576
13	12/1/2023	12/31/2023	\$13,151,911	\$12,848,939	31	\$414,482
14	Average		\$14,678,764			\$497,663
15	Service Lag					15.21
16	Collection Lag					29.50
17	Billing Lag					2.59
18	Total Average Days Lag					47.29
19	Customer Payment Lag-annual Percent					12.96%

Reference:

Column (a): Accounts Receivable per General Ledger at End of Applicable Month

Column (b): Per Company Billing Data

Column (c): Number of Days in Applicable Service Period

Column (d): Column (b) / Column (c)

Line No. 15: Per Settlement Agreement Docket No. DE 19-064

Line No. 16: Column (a) Line 14 / Column (d) Line 14

Line No. 17: Per Settlement Agreement Docket No. DE 19-064

Line No. 18: Line 15 + Line 16 + Line 17

Line No. 19: Line 18 / 365 (days)

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Calculation of RGGI Auction Proceeds Refund**

Line No.	Month	Beginning Balance with Interest	RGGI Rebate	Actual Refund	(Over)/Under Balance	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1		(\$1,184,101)		\$263,831	(\$920,270)	(\$1,052,186)	8.00%	(\$7,015)	(\$7,015)
2	May-23	(\$927,285)	(\$1,515,281)	\$316,416	(\$2,126,150)	(\$1,526,717)	8.25%	(\$10,496)	(\$17,511)
3	Jun-23	(\$2,136,646)		\$425,121	(\$1,711,525)	(\$1,924,085)	8.25%	(\$13,228)	(\$30,739)
4	Jul-23	(\$1,724,753)		\$432,028	(\$1,292,724)	(\$1,508,738)	8.50%	(\$10,687)	(\$41,426)
5	Aug-23	(\$1,303,411)		\$423,646	(\$879,765)	(\$1,091,588)	8.50%	(\$7,732)	(\$49,158)
6	Sep-23	(\$887,497)	(\$798,139)	\$324,637	(\$1,360,999)	(\$1,124,248)	8.50%	(\$7,963)	(\$57,121)
7	Oct-23	(\$1,368,963)		\$338,585	(\$1,030,378)	(\$1,199,670)	8.50%	(\$8,498)	(\$65,619)
8	Nov-23	(\$1,038,876)	(\$1,072,687)	\$342,273	(\$1,769,291)	(\$1,404,083)	8.50%	(\$9,946)	(\$75,565)
9	Dec-23	(\$1,779,236)		\$389,350	(\$1,389,886)	(\$1,584,561)	8.50%	(\$11,224)	(\$86,788)
10	Jan-24	(\$1,401,110)		\$374,502	(\$1,026,608)	(\$1,213,859)	8.50%	(\$8,598)	(\$95,387)
* 11	Feb-24	(\$1,035,206)		\$361,626	(\$673,580)	(\$854,393)	8.50%	(\$6,052)	(\$101,439)
* 12	Mar-24	(\$679,632)		\$341,266	(\$338,365)	(\$508,999)	8.50%	(\$3,605)	(\$105,044)
13	Apr-24								
14	Total		(\$3,386,107)	\$4,333,281					
15	2024 (Over)/Under Refund			(\$341,971)					
16	Forecasted 2024 RGGI Refund			(\$3,386,107)					
17	Total Refund Due			(\$3,728,078)					
18	Forecasted kWh Deliveries			<u>940,503,873</u>					
19	RGGI Refund Rate Effective 5/1/2024			(\$0.00396)					

Reference:

Column (a): May 2023 Ties to the Deferral Account Balance, All Other Months are Prior Month Column (e) + Prior Month Column (i)

Column (b): Company Financials

Column (c): Company Financials

Column (d): Column (a) + (Column (b) + Column (c))

Column (e): [Column (a) + Column (d)] / 2

Column (f): Interest Rate on Customer Deposits

Column (g): Column (e) x [Column (f) / 12]

Column (h): Column (g) + Prior Month's Column (h)

Line No. 15: Column (d), Line 13 + Column (g), Line 13

Line No. 16: Forecast based on 2023 auction proceeds

Line No. 17: Line 15 + Line 16

Line No. 28: Company Forecast

Line No. 19: Line 17 / Line 18

*Projected

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Property Tax Adjustment Mechanism Rate Calculation - Effective May 2024 - April 2025

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Prior Period (Over)/Under Recovery	\$5,288
2	2023 Property Tax Year Variance	<u>\$13,978</u>
3	Total PTAM to be Recovered	\$19,266
4	Forecasted Distribution kWh Sales	<u>940,503,873</u>
5	Transmission Rate - PTAM Portion (\$/kWh)	\$0.00002

Reference:

Line No. 1: Attachment 5, Page 3, Line 19

Line No. 2: Attachment 5, Page 2, Line 7

Line No. 3: Line 1 + Line 2

Line No. 4: Company Forecast

Line No. 5: Line 3 / Line 4

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Municipal Property Tax Summary

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Property Taxes Included in Base Rates - Effective May 1, 2023 - July 31, 2023	\$697,427
2	Property Taxes Included in Base Rates - Effective August 1, 2023 - April 30, 2024	<u>\$3,888,832</u>
3	Total Property Taxes Included in Base Rate for Municipal Property Tax Year 2023	\$4,586,259
4	Total Municipal Property Taxes Billed for 2023	\$4,628,420
5	DE 23-037 Audit Results- Recoveries to be Reduced	<u>(\$28,184)</u>
6	2023 Municipal Property Tax Year Bills to be Collected Minus Audit Results	\$4,600,237
7	Variance of 2023 Property Taxes Billed and 2023 Prorated Base Rates	\$13,978

Reference:

Line No. 1: See Docket DE 23-037, Attachment HMT-5 Revised ii, Page 3 ((Line 1 + Line 7) / 12) x 2 months

Line No. 2: See Docket No. DE 23-039 Temporary Rates Attachment TR-2.11 ((2022 Test Year Total Property Taxes - 2022 Total State Taxes) / 12) x 10 months

Line No. 3: Line 1 + Line 2

Line No. 4: Attachment 5, Page 4, Column (e), Line 59

Line No. 5: Per Docket No. DE 23-037 Final Audit Report

Line No. 6: Line 4 - Line 5

Line No. 7: Line 6 - Line 3

**Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Property Tax Adjustment Mechanism (PTAM) Reconciliation - May 2023 - April 2024**

Line No.	Month	Beginning Balance With Interest	Collections	(Over)/Under Ending Balance	Balance Subject to Interest	Interest Rate	Days per Month	Interest	Cumulative Interest	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1										
2	May-23	\$290,245	(\$21,745)	\$268,500	\$279,372	7.75%	31	\$1,839	\$1,839	
3	Jun-23	\$270,338	(\$21,518)	\$248,821	\$259,580	7.75%	30	\$1,653	\$3,492	
4	Jul-23	\$250,474	(\$28,860)	\$221,614	\$236,044	8.25%	31	\$1,654	\$5,146	
5	Aug-23	\$223,268	(\$29,222)	\$194,046	\$208,657	8.25%	31	\$1,462	\$6,608	
6	Sep-23	\$195,508	(\$28,613)	\$166,895	\$181,201	8.25%	30	\$1,229	\$7,837	
7	Oct-23	\$168,123	(\$21,874)	\$146,250	\$157,186	8.50%	31	\$1,135	\$8,972	
8	Nov-23	\$147,384	(\$22,979)	\$124,405	\$135,895	8.50%	30	\$949	\$9,921	
9	Dec-23	\$125,355	(\$23,144)	\$102,211	\$113,783	8.50%	31	\$821	\$10,743	
10	Jan-24	\$103,032	(\$26,329)	\$76,703	\$89,867	8.50%	31	\$647	\$11,390	
*	11	Feb-24	\$77,350	(\$25,372)	\$51,978	\$64,664	8.50%	29	\$436	\$11,825
*	12	Mar-24	\$52,414	(\$24,454)	\$27,959	\$40,186	8.50%	31	\$289	\$12,114
*	13	Apr-24	\$28,249	(\$23,077)	\$5,171	\$16,710	8.50%	30	\$116	\$12,231
14			(\$297,188)					\$12,231		
15			Projected Cumulative Collection				(\$297,188)			
16			Total Approved Collection				\$290,245			
17			(Over)/Under Collection, excluding interest				(\$6,943)			
18			Cumulative Interest				\$12,231			
19			Total (Over)/Under Collection, including interest				\$5,288			

Reference:

Column (a): From General Ledger

Column (b): Company Financials

Column (c): Column (a) + Column (b)

Column (d): [Column (a) + Column (c)] ÷ 2

Column (e): Interest rate - Quarterly Federal Prime Rate- http://www.fedprimerate.com/wall_street_journal_prime_rate_history.htm

Column (f): Days per month

*Column (g): [Column (d) x ((Column (e) / 365) * Column (f))]; 366 days used for 2024 calculations*

Column (h): Prior Month Column (h) + Current Month (g)

**Projected*

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Municipal Property 2023 Tax Invoices

Line	Municipality	Parcel	Installment #1	Installment #2	Total Recoverable	Notes	State Ed. Tax Removed
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Acworth	999-00000-00999-00D	\$12,191	\$10,957	\$23,148		
2	Alstead	999-UTIL-001	\$51,333	\$38,748	\$90,081		
3	Atkinson	00UTIL-000001-000000	\$1,043	\$1,069	\$2,112		
4	Bath	00-GSE	\$788	\$2,001	\$2,789		
5	Canaan	00UTIL-00ELEC-000001	\$53,021	\$51,836	\$104,857		
6	Charlestown	119-033	\$1,703	\$1,917	\$3,382	A	\$237
7	Charlestown	000-003	\$136,930	\$76,647	\$213,577		
8	Charlestown	103-050	\$1,262	\$1,421	\$2,507	A	\$176
9	Charlestown	103-051	\$7	\$8	\$13	A	\$1
10	Charlestown	107-001	\$25	\$28	\$49	A	\$3
11	Cornish	000UTL - 000UTL - 00ELEC	\$3,419	\$2,659	\$6,078		
12	Derry	11-100	\$2,709	\$4,629	\$7,338		
13	Enfield	0033-0034-00000-00000	\$1,050	\$1,124	\$2,174		
14	Enfield	UTL-0001-00000-00000	\$100,209	\$85,338	\$185,547		
15	Goffstown	99-4-3	\$104	\$99	\$204		
16	Grafton	000UTL-00001-00000	\$522	\$240	\$762		
17	Hanover	0-0-11	\$136,463	\$126,792	\$263,255		
18	Hanover	23-1-1	-	-	\$0	B	
19	Langdon	1-00000-0	\$16,060	\$37,697	\$53,757		
20	Lebanon	103-14	\$501,293	\$515,217	\$1,016,510		
21	Lebanon	105-105	\$1,666	\$1,797	\$3,463		
22	Lebanon	116-4	\$57	\$61	\$118		
23	Lebanon	117-17	\$927	\$999	\$1,926		
24	Lebanon	157/1	-	-	\$0	C	
25	Lebanon	157/2	-	-	\$0	C	
26	Lebanon	6-1	\$1,739	\$1,877	\$3,616		
27	Lebanon	999-2	\$47,304	\$29,053	\$76,357		
28	Londonderry	81-14-1	\$4,715	\$2,332	\$7,046	D	
29	Londonderry	81-14-0	\$6,147	\$5,138	\$11,285	D	
30	Marlow	U7C	\$497	\$350	\$847		
31	Monroe	000000-000002-000000	\$3,688	\$4,432	\$8,120	E	
32	Nashua	0041-00011	\$8	\$8	\$17		
33	Orange	00UTLS-000GSE-000000	-	\$1,854	\$1,854	F	
34	Pelham	0-14-3	\$219,483	\$225,826	\$445,309		
35	Pelham	29-7-114-1-UBO	\$49,519	\$57,164	\$106,683		
36	Plainfield	000233-000020-000000	\$24,917	\$20,675	\$45,592		
37	Salem	67-9809	\$1,471	\$1,579	\$3,050		
38	Salem	68-10101	\$246	\$264	\$510		
39	Salem	68-10102	\$288	\$309	\$597		
40	Salem	68-10103	\$156	\$167	\$323		
41	Salem	89-1099	\$617	\$660	\$1,277		
42	Salem	89-10115	\$960	\$1,030	\$1,990		
43	Salem	99-12572	\$7,856	\$8,425	\$16,281		
44	Salem	114-10116	-	-	\$0	G	
45	Salem	116-9915	\$8,787	\$9,426	\$18,213		
46	Salem	116-9915-1	-	\$11,901	\$11,901	H	
47	Salem	116-9915-2	\$698	\$748	\$1,446		
48	Salem	136-9903	\$1,412	\$1,515	\$2,927		
49	Salem	157-9715	\$50,139	\$4,464	\$54,603		
50	Salem	157-9715-1	\$817,780	\$732,019	\$1,549,799		
51	Salem	157-9715-2	-	-	\$0	I	
52	Springfield	000000-000000-000003-0091-07	\$98	\$174	\$272		
53	Surry	000UTL-000003-000GSE	\$907	\$1,009	\$1,916		
54	Tilton	00UTL-000LIB-000GSE	\$138	\$132	\$270		
55	Walpole	00UTIL-00UTIL-00001B	\$70,583	\$96,946	\$167,529	J	
56	Walpole	00UTIL-00UTIL-00001A	\$21,716	\$28,905	\$50,621	J	
57	Windham	00B-00000-02795	\$28,693	\$25,042	\$53,735		
58	Windham	00A-00000-25000	\$466	\$321	\$787		
59	Total		\$2,393,808	\$2,235,030	\$4,628,420		\$ 418

Reference:

Note (A) - Liberty is currently in discussions with the Town of Charlestown regarding the handling of the State Education tax rate as they should not be assessed for utility properties, but are still included on the property tax invoices per parcel. The Company paid \$417.72, see Column I, in State Education taxes that should not have been paid.

Note (B) - For Parcel No. 23-1-1, this parcel has a property value of \$0, and therefore, the town does not send an invoice for this parcel. The town has combined this parcel with the Hanover's invoice for Parcel No. 0-0-11.

Note (C) - Since this parcel is a non-utility property, the Company appropriately paid the State Education Tax. Per RSA 83-F:1.V, the land subject to taxation on those parcels do not meet the definition of utility property.

Note (D) - Both Parcels No. 81-14-0 and No. 81-14-1 are related to our Londonderry office on Bultrick Road, which houses both gas and electric employees for NH operations. This is a shared service building; therefore, costs have historically been split 70/30 between EnergyNorth Natural Gas (8840) and Granite State Electric (8830). EnergyNorth Natural Gas pays 70% of the invoice and Granite State Electric pays the remaining 30%. Parcel No. 81-14-0's total installment costs were \$20,489.00 and \$17,127.00. Parcel No. 81-14-1's total installment costs were \$15,716.00 and \$7,772.00.

Note (E) - For Parcel No. 000000-000002-000000, the invoice paid includes a late fee payment of \$4.20. The Company has removed that late fee recovery from this filing.

Note (F) - For Parcel No. 00UTLS-000GSE-000000, The town of Orange includes both installments on a single invoice issued in November 2023, due in December 2023. The annual amount of the property tax was included in Installment #2.

Note (G) - Parcel No. 114-10116 was sold by Liberty in 2021 and is properly excluded.

Note (H) - Since this parcel is a non-utility property, the Company appropriately paid the State Education Tax. Per RSA 83-F:1.V, the land subject to taxation on those parcels do not meet the definition of utility property and as such is not exempt from the State Education tax. For Parcel No. 116-9915-1, this is a new tax bill for the Company for the 2nd Installment of 2023 after inheriting responsibility of paying for the parcel, which is a cell phone tower. The invoice references unpaid taxes for 2022 which is due to the previous tenant's that Liberty leased the property to. Liberty paid a total of \$15,198.85 for this invoice: \$11,901.00 for the 2023 tax year, \$407.71 was paid towards late fees and interest for the Installment #1 of 2023, a total of \$2,435 for the tax year of 2022 (\$1,213.00 for Installment #1 and \$1,222.00 for Installment #2), \$455.14 was paid towards late fees and interest regarding the 2022 tax year only. The unpaid Tax Due for 2022 amount of \$9,160.14 mentioned on the invoice is regarding a lien addressed to the previous tenant. Liberty has since received an a correcting invoice from the Town of Salem dated 2/16/2024 stating the invoice issued on 10/27/2023 for the 2nd installment totaling \$14,791.14 was incorrectly assessed, as \$9,160.14 of that amount was associated to the lien placed on the tenant prior to Liberty taking responsibility back. The total amount of applicable property taxes that Liberty will seek to recover is \$11,901.00 for the 2023 Municipal Property Tax Year. The 1st Installment of \$5,631.00 was issued on 10/27/2023 and paid on 11/30/2023. The 2nd Installment of \$6,270.00 issued on 2/16/2024, will be paid before this filing is submitted. A corresponding journal entry will be made to move the additional \$9,610.14 paid on 11/30/2023 out of the prepaid property tax GL.

Note (I) - For Parcel No. 157-9715-2, this parcel has a property value of \$0, and therefore, the town does not send an invoice for this parcel. The town has combined this parcel with the invoice with Salem, Parcel No. 157-9715-1.

Note (J) - Formerly listed as Parcel No. 583038000001000.

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
Annual Retail Rates
Retail Rate Filing Bill Impact - Residential Rate D

Line No.	Usage Component	650 kWh	April 1, 2024	May 1, 2024	April 1, 2024	May 1, 2024
			Current Rates (a)	Proposed Rates (b)	Bill (c)	Proposed Bill (b)
1						
2	Customer Charge		\$14.74	\$14.74	\$14.74	\$14.74
3	Net Distribution Charge		\$0.07031	\$0.07031	\$45.70	\$45.70
4	Transmission Charge		\$0.03334	\$0.03809	\$21.67	\$24.76
5	Stranded Cost Charge		(\$0.00031)	(\$0.00037)	-\$0.20	-\$0.24
6	Storm Recovery Adjustment		\$0.00000	\$0.00000	\$0.00	\$0.00
7	System Benefits Charge		\$0.00727	\$0.00727	\$4.73	\$4.73
8	Subtotal Retail Delivery Services		\$0.11061	\$0.11530	\$71.90	\$74.95
9	Default Service Charge		\$0.09758	\$0.09758	\$63.43	\$63.43
10	Total Bill				\$135.32	\$138.37
11						\$3.0598
12						2.25%

Reference:

(a) Order No. 26,777 in Docket DE 23-006, dated February 23, 2023

(b) Does not include the proposed step adjustment rates, effective December 1, 2023, in Docket No. 22-035.

STATE OF NEW HAMPSHIRE

Intra-Department Communication

DATE: June 8, 2023

FROM: Audit Staff, Division of Enforcement
NH Department of Energy

SUBJECT: Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty
FINAL Audit Report DE 23-037

TO: Tom Frantz, Director, Regulatory
Elizabeth Nixon, Director Electric, Regulatory
Jay Dudley, Analyst, Regulatory
Paul Dexter, Attorney, NH Department of Energy

Introduction

The Enforcement division Audit staff of the Department of Energy was requested, by the Legal staff of the Department, to review the Property Tax Adjustment Mechanism (PTAM) of the Annual Retail Rate filing submitted to the PUC on March 27, 2023. The filing has been docketed as DE 23-037.

Statutory Establishment

HB 700 established a methodology for valuing utility distribution assets for property tax purposes, codified as RSA 72:8-d and –e, for implementation August 2019. The statute reads:

**TITLE V
TAXATION
CHAPTER 72
PERSONS AND PROPERTY LIABLE TO TAXATION
Property Taxes
Section 72:8-d**

72:8-d Valuation of Electric, Gas, and Water Utility Company Distribution Assets. –

I. In this section:

(a) "FERC" means the Federal Energy Regulatory Commission.

(b) "Utility company assets" means the following property not exempt under RSA 72:23:

(1) For an electric company providing electricity service to retail customers: the distribution poles, wires, conductors, attachments, meters, transformers, and substations accounted for by the utility in accordance with FERC Form 1, buildings, contributions in aid of construction (CIAC), construction works in progress (CWIP), and land rights, including use of the public rights of way, easements on private land owned by third parties, and land owned in fee by the electric company, so long as such easements and fee land are associated solely with distribution power lines classified as distribution according to FERC standards.

(2) For a gas company providing gas service to retail customers: distribution pipes, fittings, meters, pressure reducing stations, buildings, contributions in aid of construction (CIAC), construction works in progress (CWIP), and land rights including use of the public rights of way, easements on private land owned by third parties, and land owned in fee by the gas company.

(3) For a water company providing water service to retail customers: pipes, fittings, meters, wells, pressure/pump stations, buildings, contributions in aid of construction (CIAC), construction works in progress (CWIP), and land rights including use of the public rights of way, easements on private land owned by third parties, and land owned in fee by the water company. No electric power fixtures employed solely as an emergency source of electric power in a public water distribution system shall be taxable.

(c) "Utility company assets" shall not include:

(1) Electric company transmission poles, wires, conductors, attachments, meters, transformers, and substations, classified as transmission according to FERC standards, buildings associated with transmission, and land rights, including easements on private land owned by third parties, and land owned in fee by the electric company, so long as such easements and fee land are associated with transmission power lines classified as transmission according to FERC standards.

(2) Electric generation facilities and associated land rights, whether in fee or by easement.

(3) Gas transmission pipeline facilities regulated by FERC and associated land rights, whether in fee or easement.

(4) Wholly owned telephone, cable, or Internet service providers, and large scale natural gas and propane gas liquid storage and processing facility assets.

(5) Fee-owned land, office buildings, garages, and warehouses.

(d) "Retention dam" means a dam constructed for the purpose of impounding drinking water supply.

II. (a) The selectmen or assessors shall appraise utility company assets lying within the limits of the town or city using a unified method of valuing the utility company assets, excluding land rights, according to the following formula:

(1) For electric and gas utility company assets: a weighted average of 70 percent of each asset's original cost and 30 percent of each asset's net book cost as reported in compliance with paragraphs IV and V.

(2) For water utility company assets: a weighted average of 25 percent of each asset's original cost and 75 percent of each asset's net book cost as reported in compliance with paragraphs IV and V.

(b) To the appraisal under subparagraph (a), for the use of public rights of way and private distribution system easements, the selectmen or assessors shall add 3 percent of the valuation determined under subparagraph (a).

(c) The total of subparagraphs (a) and (b), as implemented under paragraph VI, shall be the valuation of the utility company's assets for purposes of local property taxation, and added to the municipality's assessed value of the utility company's fee-owned land, office buildings, garages, and warehouses.

III. Any water utility company land parcel owned in fee for sanitary radii, retention dams, and/or watershed protection purposes which is subject to regulation by the department of environmental services to protect water quality shall be entitled to be assessed under RSA 79-C at the value such land would have been assigned under the current use values established pursuant to RSA 79-A if the land had met the criteria for open space land under that chapter, even if said parcel is less than 10 acres in size and/or has a well structure and related piping on the parcel.

IV. Each utility company shall report by May 1 of each year to the selectmen or assessors of each town or city in which its utility company assets are located and to the department of revenue administration, the original cost and net book value as of December 31 of the preceding year of each account code category of distribution, transmission, and generation assets, if any, located within such town or city in accordance with FERC Form 1 and/or Form 2 Federal Account Code items.

V. The commissioner of the department of revenue administration shall adopt rules under RSA 541-A for the forms and requirements for the reporting under paragraph IV. Such reporting requirements shall also include an obligation on the utility company with utility company assets to utilize an accounting system to report and track with the best information available, in an efficient, equitable and transparent manner using the best information then available from the utility company's accounting records, contributions in aid of construction (CIAC), construction works in progress (CWIP), and undistributed plant assets in each town or city and the original cost of each such asset as reported by the contributing entity.

VI. (a) The assessed value of all utility company assets existing and assessed as of April 1, 2018 determined in subparagraph II(c) shall be implemented over a 5-year period as follows:

(1) The value for assessment of property taxes for the tax year effective April 1, 2020 shall be a weighted average of 80 percent of the final locally assessed value effective April 1, 2018 and 20 percent of the apportioned value determined under subparagraph II(c) effective April 1, 2020.

(2) The value for assessment of property taxes for the tax year effective April 1, 2021 shall be a weighted average of 60 percent of the final locally assessed value effective April 1, 2018 and 40 percent of the apportioned value determined under subparagraph II(c) effective April 1, 2021.

(3) The value for assessment of property taxes for the tax year effective April 1, 2022 shall be a weighted average of 40 percent of the final locally assessed value effective April 1, 2018 and 60 percent of the apportioned value determined under subparagraph II(c) effective April 1, 2022.

(4) The value for assessment of property taxes for the tax year effective April 1, 2023 shall be a weighted average of 20 percent of the final locally assessed value effective April 1, 2018 and 80 percent of the apportioned value determined under subparagraph II(c) effective April 1, 2023.

(5) For each of the years in subparagraphs (a)(1) through (4), all utility company assets installed after April 1, 2018, and not included in assessment as of April 1, 2018, shall be assessed at the apportioned value determined under subparagraph II(c) effective as of April 1 of the property tax year. For each of the years in subparagraphs (a)(1) through (4), all utility company assets retired after April 1, 2018, and included in assessment as of April 1, 2018, shall not be assessed.

(6) Beginning with the tax year effective April 1, 2024 and every tax year thereafter the locally assessed value shall be the apportioned value determined under subparagraph II(c) effective as of April 1 of the property tax year.

(b) For purposes of subparagraph (a), "final locally assessed value effective April 1, 2018" means the municipality's value of the utility company's assets as taken from the department of revenue administration's form MS-1 for 2018.

VII. All determinations or decisions under this section shall be appealable by the electric, gas, or water utility company or the town or city by petition to the board of tax and land appeals under RSA 71-B. **Source.** 2019, 117:2, eff. Aug. 20, 2019.

Section 72:8-e

72:8-e Recovery of Taxes by Electric, Gas and Water Utility Companies. –

For the implementation period of the valuation of utility company assets under RSA 72:8-d, VI

and terminating with the property tax year effective April 1, 2024, the public utility commission shall by order establish a rate recovery mechanism for any public utility owning property that meets the definition of utility company assets under RSA 72:8-d, I. Such rate recovery mechanism shall either:

- I. Adjust annually to recover all property taxes paid by each such utility on such utility company assets based upon the methodology set forth in of RSA 72:8-d; or
- II. Be established in an alternative manner acceptable to both the utility and the public utility commission. **Source.** 2019, 117:2, eff. Aug. 20, 2019.

Filing

On March 27, 2023, the Company filed a petition for approval of its Property Tax Adjustment Mechanism (PTAM), as included within their petition for the approval of rate adjustments collected in the annual retail rate filing. On April 12, 2023, the Company filed the Technical Statement of Heather M. Tebbetts, Director of Business Development for Liberty—as well as supporting revised attachments—for the purpose of correcting the property tax schedule and subsequent PTAM rate that was filed on March 27, 2023. The Technical Statement explained that the previously filed schedules, “[...]included two parcels in Lebanon, 157/1 and 157/2, that were excluded in the Final Audit Report DE 22-018 because they were not ‘used and useful.’ The Company investigated the parcels and they have not been placed into service and as such the Company is removing the property taxes paid of \$66,073.60 from the property tax calculation.” On April 25, 2023, Order No. 26,806 approved the PTAM rates, subject to reconciliation, that resulted from further revisions made to the Company’s proposed rates “[...]on the basis of New Hampshire Department of Energy (DOE) input, on April 18, 2023.” The following represents the total PTAM to be recovered per the revised rate calculation schedules, Attachment HMT-5 Revised ii, obtained as discovery:

Schedule HMT-5 pages 1-3	
Total Property Taxes in Base Rates 2021	\$ 4,335,347
2022 Property Tax Year Bills	<u>\$ 4,816,970</u>
Total	\$ 481,623
DE 22-018 Audit Results	\$ (48,709)
DE 22-035 Total Property Taxes	\$ 191,240
DE 22-035 State Property Taxes @\$6.60/\$1000	<u>\$ 40,455</u>
Less Municipal Property Taxes in DE 22-035	\$ (150,785)
2022 Property Tax Year Variance (rounded)	<u>\$ 282,130</u>
Prior Period (Over)/Under Recovery	<u>\$ 23,275</u>
Total PTAM to be Recovered (rounded)	<u>\$ 305,405</u>

Audit verified the reported tax year 2022 property tax expense details to pdf copies of actual invoices. The municipal invoices are summarized below—per Attachment HMT-5 Revised ii of the

discovery. The recommended adjustments are based on review of all first and second property tax invoices for the 2022 tax year:

Municipality	Parcel	Tax Year 2022 4/22-3/23	Tax Year 2022 Adjustments	Audit Recommended
Acworth	999-00000-00999-00D	\$24,381.00	\$0.00	\$24,381.00
Alstead	999-UTIL-001	\$102,665.00	\$0.00	\$102,665.00
Atkinson	00UTIL-000001-000000	\$2,083.00	\$0.00	\$2,083.00
Bath	00-GSE	\$1,576.07	\$0.00	\$1,576.07
Canaan	00UTIL-00ELEC-000001	\$106,043.00	\$0.00	\$106,043.00
Charlestown	119-033	\$3,311.65	(\$128.71)	\$3,182.94
Charlestown	000-003	\$273,770.95	\$0.00	\$273,770.95
Charlestown	103-050	\$2,454.64	(\$95.40)	\$2,359.24
Charlestown	103-051	\$13.12	(\$0.51)	\$12.61
Charlestown	107-001	\$48.28	(\$1.88)	\$46.40
Cornish	000UTL - 000UTL - 00ELEC	\$6,836.00	\$0.00	\$6,836.00
Derry	11-100	\$5,417.44	\$0.00	\$5,417.44
Enfield	0033-0034-00000-00000	\$2,099.78	\$0.00	\$2,099.78
Enfield	00UTL-0001-00000-00000	\$200,335.65	\$0.00	\$200,335.65
Grafton	000UTL-00001-00000	\$1,044.00	\$0.00	\$1,044.00
Goffstown	99-4-3	\$208.82	\$0.00	\$208.82
Hanover	0-0-11	\$272,927.00	\$0.00	\$272,927.00
Hanover	23-1-1	\$0.00	\$0.00	\$0.00
Langdon	1-00000.-0	\$32,104.09	\$0.00	\$32,104.09
Lebanon	103-14	\$1,002,586.00	\$0.00	\$1,002,586.00
Lebanon	105-105	\$3,331.00	\$0.00	\$3,331.00
Lebanon	116-4	\$114.00	\$0.00	\$114.00
Lebanon	117-17	\$1,853.00	\$0.00	\$1,853.00
Lebanon	157/1	\$0.00	\$0.00	\$0.00
Lebanon	157/2	\$0.00	\$0.00	\$0.00
Lebanon	6-1	\$3,478.00	\$0.00	\$3,478.00
Lebanon	999-2	\$94,608.00	\$0.00	\$94,608.00
Londonderry	81-14-1	\$9,429.60	\$0.00	\$9,429.60
Londonderry	81-14-0	\$12,293.70	\$0.00	\$12,293.70
Marlow	U7C	\$981.70	\$0.00	\$981.70
Monroe	000000-000002-000000	\$7,368.73	\$0.00	\$7,368.73
Nashua	0041-00011	\$16.95	\$0.00	\$16.95
Orange	00UTLS-000GSE-000000	\$1,653.46	\$0.00	\$1,653.46
Pelham	0-14-3	\$438,966.00	\$0.00	\$438,966.00
Pelham	29-7-114-1-UBO	\$99,038.00	\$0.00	\$99,038.00
Plainfield	000233-000020-000000	\$49,876.00	\$0.00	\$49,876.00
Salem	67-9809	\$2,943.00	\$0.00	\$2,943.00
Salem	68-10101	\$493.00	\$0.00	\$493.00
Salem	68-10102	\$576.00	\$0.00	\$576.00
Salem	68-10103	\$311.00	\$0.00	\$311.00
Salem	89-1099	\$1,233.00	\$0.00	\$1,233.00
Salem	89-10115	\$1,920.00	\$0.00	\$1,920.00
Salem	99-12572	\$14,752.34	\$0.00	\$14,752.34
Salem	114-10116	\$0.00	\$0.00	\$0.00
Salem	116-9915	\$18,723.00	\$0.00	\$18,723.00
Salem	116-9915-2	\$1,395.00	\$0.00	\$1,395.00
Salem	136-9903	\$2,825.00	\$0.00	\$2,825.00
Salem	157-9715	\$100,277.00	\$0.00	\$100,277.00
Salem	157-9715-1	\$1,635,560.00	\$0.00	\$1,635,560.00
Salem	157-9715-2	\$0.00	\$0.00	\$0.00
Springfield	000000-000000-000003-0091-07	\$197.00	\$0.00	\$197.00
Surry	000UTL-000003-000GSE	\$1,813.00	\$0.00	\$1,813.00
Tilton	00UTL-000LIB-000GSE	\$276.00	\$0.00	\$276.00
Walpole	00UTIL-00UTIL-00001B	\$162,627.00	(\$21,546.00)	\$141,081.00
Walpole	00UTIL-00UTIL-00001A	\$50,055.00	(\$6,648.00)	\$43,407.00
Windham	00B-00000-02795	\$57,386.00	\$0.00	\$57,386.00
Windham	00A-00000-23658	\$694.00	\$237.00	\$931.00
TOTAL		\$4,816,969.97	(\$28,183.50)	\$4,788,786.47

Property Tax Year 2022 Adjustments

The Town of Charlestown's recommended total disallowance of \$226.50 is based on the 2nd tax bill, which included the State Education Property Tax being assessed to four of the parcels during the tax year 2022. Audit noted that the Company had included the State Education taxes in the second tax installment for the total amount reported—per Attachment HMT-5 Revised ii of the discovery. As such, Audit understands that through payment of the State Education taxes, the Company had overpaid. The Company should ensure that the municipal level property tax invoices are adjusted at the town level, for the purpose of discontinuing the State Education assessment. Audit acknowledged that in relation to the Town of Charlestown's first tax bills in 2022—with a billing date of 6/15/2022—the Company had properly excluded the State Education taxes from the amount reported in Attachment HMT-5 Revised ii of the discovery.

There was no tax expense reported on Attachment HMT-5 Revised ii for the Town of Hanover, Parcel 23-1-1. The Company explained that, *"Hanover, Parcel 23-1-1 has a property value of \$0, and therefore, the town does not send an invoice on this parcel. The town has combined this parcel with the invoice with Hanover, Parcel 0-0-11."*

Attachment HMT-5 Revised ii reported no tax expense for the City of Lebanon's parcel 157/1 and parcel 157/2. Audit reviewed the tax year 2022 bills and noted that the annual tax expense for parcel 157/1 and parcel 157/2 totaled \$67,438. Audit verified with the Company that the tax expense for these two parcels was not included in the PTAM because they are considered non-utility properties. The Company confirmed that, *"Per RSA 83-F:1, the land subject to taxation on those parcels does not meet the definition of utility property, and as such, was not included in Attachment HMT 5 Revised ii."*

There following two parcels in the Town of Londonderry received tax bills in 2022: Parcel 81-14-0 and Parcel 81-14-1. Audit reviewed the tax bills and noted that Attachment HMT-5 Revised ii of the discovery reported the two Londonderry parcels' tax expense amount as only 30% of the entire tax bill. The Company explained that, *"Both parcels 81-14-0 and 81-14-1 are related to our Londonderry office on Buttrick Road, which houses both Gas and Electric employees for NH operations. This is a shared service building; therefore, costs have historically been split 70/30 between EnergyNorth Natural Gas (8840) and Granite State Electric (8830). EnergyNorth Natural Gas pays 70% of the invoice and Granite State Electric pays the remaining 30%."* Audit reviewed the general ledger and confirmed the entries for the Granite State Electric portion, at 30% of the 2022 tax bill.

Audit noted that Attachment HMT-5 Revised ii listed no first installment tax expense in 2022 for the Town of Orange. The Company stated that, *"The property tax invoice for Orange, Parcel 00UTLS-000GSE-000000 includes both installments on a single invoice. The annual amount of property tax was included in Installment #2 of Attachment HMT-5 Revised ii."* Audit recalculated the 2022 tax bill for the Town of Orange and confirmed that the total \$1,653.46—as reported on Attachment HMT-5 Revised ii—was the annual amount of property tax.

There was no property tax listed on Attachment HMT-5 Revised ii for two parcels in the Town of Salem: Parcel 114-10116 and Parcel 157-9715-2. The Company verified that Parcel 114-10116 was sold on 7/22/2021 and that Parcel 157-9715-2 *“has a property value of \$0 and, therefore, the town does not send an invoice on this parcel.”*

The Town of Walpole’s recommended total disallowance of \$28,194 is based on the difference between the second installment total amount of \$100,829 for the two parcels 00UTIL-00UTIL-00001B and 00UTIL-00UTIL-00001A—per Attachment HMT-5 Revised ii—and the actual second installment tax bill total of \$72,635 for the same two parcels. The Company explained the variance in the following statement: *“The amounts reported in the filing differ from the amounts on the bill for the second installments because the property tax amounts provided for the filing were incorrect, but the incorrect amounts were not found until the audit was conducted. The information provided for the filing reflected the second installment of the 2021 tax year, instead of the 2022 tax year. The invoice for parcel 00UTIL-00UTIL-00001B was initially filed at \$77,092.00 instead of \$55,546.00. Parcel 00UTIL-00UTIL-00001A was initially filed at \$23,737.00 instead of \$17,089.00.”* In support of the revision, the Company provided a revised Tax Year 2022 schedule. Audit reviewed the revised schedule and confirmed the total of \$72,635 for the two parcels in the Town of Walpole.

The Town of Windham’s recommended total allowance of \$237 is based on the difference between Attachment HMT-5 Revised ii—Parcel 00A-00000-25000—total tax due of \$694 and the \$931 annual tax obligation reported on the actual tax bill. The Company explained that there was a decrease in the annual tax amount obligation and that, *“The decrease in the second installment is attributable to the change in the assessed value of the property. The annual tax amount obligation in the second invoice decreased from \$1,296 to \$931. Since the Company had already paid more than half of the revised annual tax amount in the first installment, the 2nd installment was less than the first.”* Audit understands that the Company paid more than half of the revised annual tax amount in the first installment payment—resulting in a credit of \$584 on the second tax bill; however, the reported total tax due of \$694, per Attachment HMT-5 Revised ii, is still \$237 less than the \$931 revised annual tax obligation that was billed. Audit concluded that the \$347 reported on Attachment HMT-5 Revised ii, for each of the first and second installments on Parcel 00A-00000-25000, is the amount calculated from a credit payment, and not half of the \$931 for the revised annual tax due:

<u>Actual 2nd Property Tax Bill</u>	
Total Tax	\$ 931
Payments	<u>\$(584)</u>
Balance Due	\$ 347

Audit recalculated the revised annual tax obligation of \$931 that was billed for the second installment and concluded that the Company’s reporting of \$694 in total taxes due for the Town of Windham, should be the revised total tax due of \$931; thereby, understating the amount to recover by \$237.

Audit noted that one of the Town of Windham’s two parcels received a tax bill for Parcel 00A-00000-25000; however, Attachment HMT-5 Revised ii of the discovery reported Parcel 00A-00000-23658. The Company explained the inconsistent parcel numbering in the following

statement: *“There are different parcel numbers due to the parcel number being labeled incorrectly on the data received regarding the payments towards this parcel, the correct parcel number should be listed as 00A-00000-25000.”* Audit also noted that the first tax bill for one of the parcels in the Town of Windham reported a State Education Tax rate of 1.85/\$1,000. Audit recalculated the bill and confirmed that the State Education tax was properly excluded from the tax bill total. Audit confirmed that the State Education Tax rate was properly excluded from the second tax bill.

Verification to the FERC Form 1 and General Ledger

The FERC Form 1 calendar year 2022 Annual Report income statement reflects Taxes Other than Income, account 408.1, on line 14 of \$6,549,124. The totals are comprised of the following general ledger expense accounts:

		<u>12/31/2022</u>
50011010408000	SS/CCP/Emp Pension	\$ 457,573
50012010408200	Tx Oth Inc. Tx Umemp	\$ 30,708
50015010408000	Medicare/Healthcare	\$ 125,786
50013010408000	FICA	\$ 237
85311210408000	As Prl Tx-Intrc	\$ 28,632
50260010408000	Property Taxes	<u>\$ 5,906,188</u>
	Taxes Other than Income FERC Form 1	\$ 6,549,124

Summary

Based on a review of the general ledger and the Liberty Utilities (Granite State Electric) Corporation’s 2022 municipal property tax year bills, the proposal to recover \$305,405 should be reduced by \$28,183.50, resulting in an adjusted figure of \$277,221.50.

Company Comment

The Company agrees with the audit recommendation. The Company will reduce the Property Tax Adjustment Mechanism of the Annual Retail Rate filing per DE 23-037 by \$28,183.50.

Audit Conclusion

Audit concurs with the Company.