

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

DE 16-383
Distribution Service Rate Case

Staff Data Requests - Set 3

Date Request Received: 7/8/16
Request No. Staff 3-53

Date of Response: 7/22/16
Respondent: Joshua Nowak

REQUEST:

Reference Nowak testimony, Bates 611, lines 8-16. Regarding the lag for payroll expenses and “adding the mid-point of the service period...” Please see Bates 622, line 2. Is this information regarding regular payroll for bi-weekly included in the calculations for line 3? If so, please explain line 3 and how each number is determined.

RESPONSE:

The calculation provided on Bates 622 line 3 is incorrect as it does not include bi-weekly payroll in the calculation of the payroll lag. The correction has been made in Attachment Staff 3-53.xlsx (changes are highlighted). The corrected regular payroll lag is negative 10.31 days, and the corrected total payroll lag is negative 42.05 days. This changes the overall results of the study from 27.50 days to 26.82 days (7.53% to 7.35%). Any schedules using the 7.53% will be corrected when updates and corrections are filed later in the proceeding.

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

DE 16-383
Distribution Service Rate Case

Staff Data Requests - Set 10

Date Request Received: 10/14/16
Request No. Staff 10-26

Date of Response: 10/28/16
Respondent: Howard Gorman

REQUEST:

Reference Bates 166, Schedule RR-5-3: Line 1 Distribution, before adjustment is \$30,638,191. The source of the amount is Schedule RR-2, Line 18 (Bates 130) total expenses, which includes depreciation (a non-cash item). Please explain why a non-cash component like depreciation should be included within the cash working capital requirement?

RESPONSE:

Depreciation expense was included in the computation of Lead / Lag Days on Attachment JCN-2, and therefore was included in the computation of Cash Working Capital on Schedule RR-5-3.

On Attachment JCN-2, zero days were assigned to depreciation. If Depreciation expense had been excluded, the Lead / Lag days would have been 33.94 and the Cash Working Capital (applied to Distribution expense excluding Depreciation) computed on Schedule RR-5-3 would have been \$3,961,158, which is greater than the amount in the revenue requirement.

Granite State Electric Company
Lead-Lag Study
Cash Working Capital Requirement

Docket No. DE 16-384
Testimony of Richard Chagnon
Attachment RTC 3

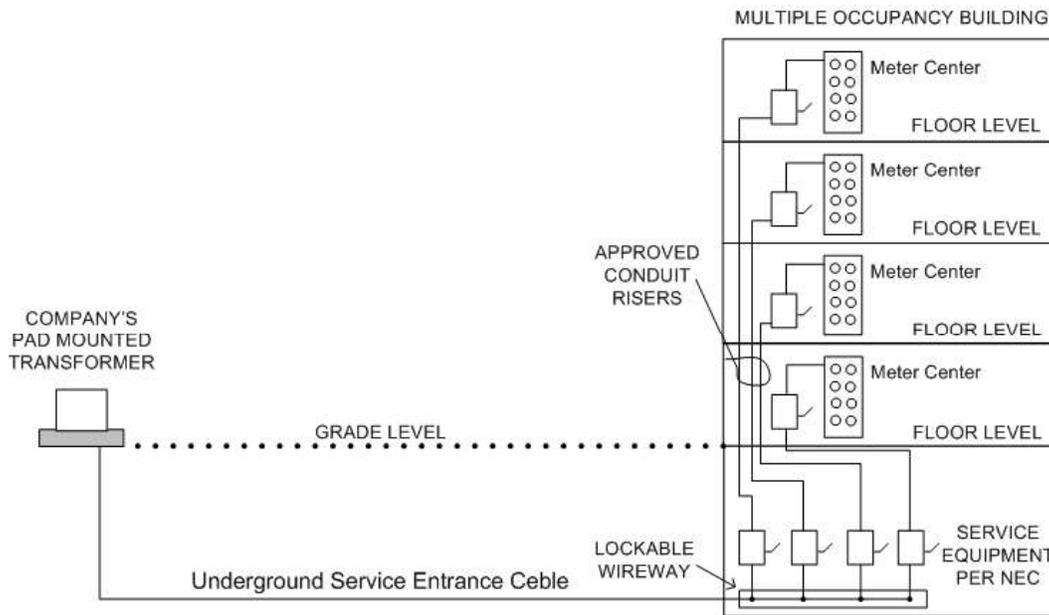
Line	Description	Test Year Amount	Average Daily Amount	Revenue Lag	Ref.	Expense Lag	Ref.	Net (Lead)/Lag Days	Working Capital Requirement
1	Operations and Maintenance Expenses								
2	Labor-Related (Payroll) O&M Expenses	\$ 11,294,348	\$ 30,943	63.43	A	(42.05)	B	21.38	\$ 661,687
3	Non-Labor O&M Expenses	7,419,166	20,326	63.43	A	(34.07)	B	29.36	596,816
4	Total O&M Expenses	\$ 18,713,514	\$ 51,270						\$ 1,258,503
5	Income Taxes								
6	Current Federal Income Taxes	\$ 1,510,273	\$ 4,138	63.43	A	(36.00)	C	27.43	\$ 113,503
7	Deferred Federal Income Taxes	-	-	0.00	A	0.00		0.00	-
8	Total Federal Income Taxes	\$ 1,510,273	\$ 4,138						\$ 113,503
9	Taxes Other Than Income Taxes								
10	Payroll Taxes	\$ 700,105	\$ 1,918	63.43	A	(20.03)	D	43.40	\$ 83,245
11	Ad Valorem Taxes	3,697,928	10,131	63.43	A	13.31	D	76.74	777,464
12	Taxes Other Than Income Taxes	\$ 4,398,033	\$ 12,049						\$ 860,709
13	Depreciation Expense	\$ -	\$ -	0.00	A	0.00		0.00	\$ -
14	Total	\$ 24,621,820	\$ 67,457					33.10	\$ 2,232,715

Unless otherwise exempt by the Company's tariff, the Company will provide underground distribution to a residential multiple occupancy building and the Customer will provide the necessary facilities for the padmounted transformer installation. Primary underground lines installed to serve these buildings are considered underground residential or commercial distribution extensions.

For services above 600 volts consult the Company.

Where there is an inquiry for supplying service to individual tenants within a building, the Customer shall install and maintain feeders from a Company designated service entrance location to connect each such tenant. The Customer shall provide transformation required for other utilization voltages within the building on the load side of the meter.

Figure 4.4.7.3-1 Typical Service to Multiple Occupancy Building



4.5 UNDERGROUND PRIMARY VOLTAGE SERVICE CONNECTION (FROM 2.4kV TO 15kV INCLUSIVE)

Refer to the Company's Electric System Bulletin 759B Section 7.0 Responsibility and Ownership and contact Liberty Utilities' Customer Care group, at least 6 months prior to your service requirement date, so that all details concerning the design and installation of an Underground Primary Radial Service located on private property can be initiated. The division of ownership and responsibility shall be as specified by the State of New Hampshire PUC Tariff for Retail Delivery Service. For Liberty Utilities NH the customer will provide, install, own, and maintain the primary cable and conduit system and transformer pad, reinforcement and grounding (per Company specifications). The Company will designate the riser pole and padmount transformer location, and provide, install, own and maintain the Padmounted Transformer, Current and Potential Transformers and Metering.

Also, see Section 7 for metering requirements.