

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 16, 2020
AT (OFFICE): NHPUC

FROM: Anthony Leone, Utility Analyst

SUBJECT: Liberty Utilities (EnergyNorth Natural Gas) Corp.
FY 2020 CIBS Replacement Program- DG 20-049
Fiscal Year 2020- April 1, 2019 – March 31, 2020
FINAL Audit Report

TO: Steve Frink, Director, Gas/Water Division NHPUC
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Introduction

Liberty Utilities (EnergyNorth Natural Gas) Corp. (Liberty or Company) filed its Fiscal Year (FY) 2020 Cast Iron/Bare Steel (CIBS) program results (April 1, 2019 through March 31, 2020) with the Commission on April 15, 2020 filed as Docket No. DG 20-049. These results and the subsequent request for recovery are filed pursuant to the settlement agreement in Order No. 25,370 (May 30, 2012) in Docket No. DG 11-040.

The costs associated with the FY 2020 CIBS program were reviewed and below is a summary of those costs from the RAM/BRF-1 & 2 Attachments. Specifically, the Company is requesting a \$1,612,633 increase in the annual revenue requirement based upon \$14,885,260 of eligible costs which included FY 2019 carryover costs at the maximum 5% of estimated FY 2020 costs.

FY 2020 Costs (Col. BE, line 51)	\$ 14,503,496
FY 2019 Carryover Costs @ 5% (RAM/BRF-1)	\$ 930,987
FY 2020 Sub-total Recoverable Costs	\$ 15,434,483
FY 2020 Adjusted CIBS Base Investment	\$ (549,222)
Total Recoverable Costs for FY 2020	\$ 14,885,260

Estimated Costs vs. Actual Costs

The FY 2020 estimated and actual loaded costs are compared in Column “BM” in Attachment A of Attachment RAM/BRF-2. An excel version of this schedule was provided for this audit to which the cost variance formula found was reviewed for accuracy and completeness. As indicated one Bates page 8 of the testimony of Mostone & Frost, the FY 2020 CIBS program anticipated 39 projects resulting in approximately 12.68 miles of cast iron/ bare steel main replaced or abandoned. The testimony further indicated the final amount was 29 projects completed in their entirety, 7 projects started but had reduced scopes, and 3 projects were deferred entirely. This resulted in 11.13 miles of cast iron/ bare steel main replaced or abandoned.

As indicated in Attachment A of Attachment RAM/BRF-2, the cost variance for the FY 2020 CIBS Program includes the original estimated cost for all projects, even those with reduced scopes. Therefore, the cost variances for the projects, which impact the overall program cost variance may not be accurately represented. In the absence of an approved method to reflect the cost variance of projects with reduced scopes and their impact to the overall cost variance, the analyst has prepared a chart comparing the cost variances per Division as found in Attachment A of Attachment RAM/BRF-2 and a recalculation removing, in their entirety, those projects that had reduced scopes. It is important to note that if and when these projects are completed, the overall cost may be under, at, or over budget.

	<u>Northern</u>	<u>Central</u>	<u>Southern</u>	<u>Overall</u>
Filed	+38%	+15%	+5%	+15%
Recalculated	+39%	+36%	+16%	+28%

Recoverable Costs - Work Order Review

Liberty provided the FY 2020 CIBS Program data, including estimated and actual costs, covering all 39 approved projects. The data was sent as Microsoft Excel spreadsheet (sheets) versions of Attachment RAM/BRF-2 and DBS/CAM-1 and CAM-2. The sheets provided work order numbers, locations, direct main and service costs as well as indirect/ loaded cost totals.¹ The loaded costs as identified on the sheets were comprised of items including benefits, overhead, and other indirect costs. The sheets also provided a short note describing any variance between the estimated and the final costs.

In addition, Liberty provided supporting data for each of the 6 projects chosen to review in depth for this report. Supporting data included detailed cost sheets for each project, the general ledger accounts where the costs were booked, what the cost was for, and when it was incurred. All of the initial supporting data reviewed indicated the costs were properly booked to at least Account #107-Construction Work In Progress (“CWIP”) and as explained later, a sample was verified to be booked to Account #106- Completed Construction but Not Classified as of March 31, 2020, as required by the CIBS program rules. The posting of completed CIBS jobs to

¹ The term “Loaded Cost” refers to the sum of the direct charges (outside contractors, materials, police, flaggers, etc.) and indirect charges (benefits, overheads, back office, burdens, etc.).

Account #106 was reviewed in the prior audit and again verified in the current audit with no exceptions found.

The sheets provided for this review separated the costs of each work order by cost element which could then be grouped as main costs, service costs, direct costs or indirect costs. These totals were then traced to amounts in the RAM/BRF-2 schedule which tie out to the filing. The Analyst found no issues with verifying the data from the sheets to the schedule to the filing.

The CIBS program allows for the recovery of costs as long as the following requirements are met: The unprotected bare steel main replacement as determined by evaluation and selection process; cast iron main replacement as determined by evaluation and selection process; cast iron or bare steel main replacement requested by field operation personnel; and finally, bare steel services replaced as a result of a segment of bare steel main or cast iron main that is selected.

The following are not allowable recovery costs under the CIBS program: The costs of moving inside meters to the outside, costs of reconnecting existing plastic services or existing coated steel services from cast iron mains or bare steel mains to newly installed replacement main, costs of main replaced made of polyethylene or steel that have protective coating, mains that are abandoned, incremental costs of upsizing with exceptions unless approved by the Safety Division, costs of coated steel that act as bare steel mains such as poorly coated steel mains or disbanded steel mains unless approved by Safety Division, and carryover costs in aggregate exceeding 5% of the approved estimated total expenditures under the CIBS program for the construction year unless approved by the Safety Division. The carryover costs include items such as restoration costs not included during the construction year.

Degradation Fees

In June 2017, the New Hampshire State Supreme Court ruled that Manchester and other municipalities can charge fees to companies who dig up city streets to reach buried utility lines. According to Column AS of the RAM/BRF-2 file provided for this audit, the total degradation fees charged to Liberty in FY 2020 as a result of the CIBS Projects were:

Northern Division (Concord & Laconia areas)	\$158,097
Central Division (Manchester & Goffstown areas)	\$ 28,655
Southern Division (Nashua, Keene & Hudson areas)	\$ 0
	<u>\$186,752</u>

In the prior audit, it was explained that the City of Manchester did not bill the Company for the full amount of degradation fees that were calculated as being due. Accordingly, Liberty did not include those estimated degradation fees in the requested recovery amount. Those fees would therefore be eligible as “carry-over” costs which for which recovery in FY 2020 is limited to 5% unless specific approval is requested and received. According to the Notes column of Attachment A of RAM/BRF-2 there were a number of restoration costs for which the Company had yet to be billed by the City of Manchester.

For FY 2020, Liberty again excluded the estimated degradation fees of \$876,840 (col. W) from the requested recovery amount, including only the actual, billed amount of \$28,655. The remaining estimated amount of unbilled degradation fees from the City of Manchester would therefore be \$848,185.

Also explained in the prior audit report, the Company provided the FY 2019 Degradation Fee rates and calculation methods for Concord and Manchester. The Company explained that Concord bills on the size of the trench, typically 2 or 3 feet wide. Whereas Manchester also includes a 2 foot area on either side of the trench where applicable. Therefore, each linear foot of replaced main or service that costs approximately \$15 in Concord, could cost up to approximately \$35 in Manchester. The City of Nashua does not currently charge degradation fees.

Northern Division 8 Planned / 6 Completed / 1 with Reduced Scope / 1 Project Deferred

As detailed in the RAM/BRF-2 file provided for this review, the actual loaded cost for the Northern Division projects was \$3,543,939 (Col AY). This figure represents recoverable main and service charges of \$2,851,680 (col. BE), non-recoverable costs of \$692,259 (cols. BA+BB). This figure does NOT include the estimated, loaded, carryover costs of \$562,769 (col. BG) as those costs are neither in the recovery amount requested by the Company nor have they been incurred. The RAM/BRF-2 file provided for the review includes notes explaining the variances and lists such causes as: daily permit time restrictions, removal of steam pipes, ledge, extra depth, and installation greater than estimated.

W/O #401711-37605, 8-42 Center Street, Concord \$616,882

(Col. AT)	(Col. AU)	(Col. AY-AV)	(Col. BA+BB)	(Col. BE)	(Col. BG)
Direct	Direct	Indirect	Non-	Total	Estimated
<u>Main</u>	<u>Service</u>	<u>Costs</u>	<u>Recoverable</u>	<u>Recoverable</u>	<u>Carryover</u>
\$495,722	\$78,702	\$132,695	(\$90,237)	\$616,882	\$119,359

The Company provided a detailed work order report as well as other details from the fixed asset system, Wennsoft. The system breaks out projects by Division (Northern for the Concord area, Central for the Manchester area, and Southern for the Nashua area) then by “Parent” work order. Each parent work order can have multiple “Child” work orders that are associated with that specific job. Each child work order uses the parents’ work order # and affixes a number on the end usually starting with “001”. Each child work order usually represents the work done on service line replacements. An example of a parent and associated child work orders have been included below for reference:

Center Street Main Replacement Work Order # 401711-37605
Center Street Services Replacement #1 Work Order # 401711-37605-001
Center Street Services Replacement #2 Work Order # 401711-37605-002

The Company also presented a Capital Expenditure report listing the direct main and direct service charges as well as any charges that were determined to be non-recoverable as agreed upon in the CIBS Program Guidelines. These reports were in the form of Excel

spreadsheets. The spreadsheets and the costs listed were reconciled to the RAM/BRF-2 Attachment of the Filing total of \$14,503,496 (col. BE, Line 51).

This particular work order contained non-recoverable charges. Specifically, the Company indicated 110 feet of new main pipe was non-recoverable. To determine the cost that is non-recoverable the Company divided the actual main cost with degradation fees by the actual footage of main installed, or \$633,823 / 2,448 feet. The result, \$258.91 per foot, is then multiplied by the 110 feet of new main to arrive at the non-recoverable total of \$28,481 (Col. AH, Line 3).

Lastly, the Analyst reviewed multiple invoices for this work order. These included for the contractor, Midway Utility Contractors, inspection fees from the City of Concord, easement charges, flaggers, police details and county registry. The analyst noted no exceptions while reviewing the invoices.

W/O #401911-37609, 206-320 Messer St, Laconia \$17,943

(Col. AT)	(Col. AU)	(Col. AY-AV)	(Col. BA+BB)	(Col.BE)	(Col.BG)
Direct	Direct	Indirect	Non-	Total	Estimated
<u>Main</u>	<u>Service</u>	<u>Costs</u>	<u>Recoverable</u>	<u>Recoverable</u>	<u>Carryover</u>
\$0	\$37,025	\$8,944	(\$28,027)	\$17,943	\$0

The Company provided a detailed Work Order report as well as other details from the fixed asset system, Wennsoft. The Company also provided a breakdown of the Capital Expenditures listing the direct main and direct service charges as well as any charges that were determined to be non-recoverable as agreed upon in the CIBS Program Guidelines as described in the first work order reviewed. These reports were in the form of Excel files. The Analyst reviewed the files and the costs and reconciled them to RAM/BRF-2 total of \$14,503,496 (col. BE, Line 51).

The RAM/BRF-2 sheet detailed that this specific work order eliminated the last of the CIBS mains in Laconia. Further, that total was 1,360 feet of CIBS that was abandoned. The Company also indicated the 7 services were tied over. The Company further indicated that of a portion of the 7 services were not recoverable through the CIBS program due to being new, existing plastic or coated steel. Direct and Indirect Costs, including non-recoverable costs and the new services, as found in the General Ledger, consisted of the following:

<u>Direct Main and Service Costs</u>		<u>Indirect Main and Service Costs</u>	
Labor	\$ 0	Burdens	\$ 13,104
Materials	\$ 0	Cost of Removal	\$ (4,160)
Vouchers	<u>\$37,025</u>	AFUDC	<u>\$ 0</u>
	\$37,025		\$ 8,944

Lastly, the Analyst reviewed multiple invoices for this work order. These included for the contractor, Midway Utility Contractors, restotation fees from the City of Laconia, a crossing fee to the NHDOT, and fees from JDH Inspection Services. The analyst noted no exceptions while reviewing the invoices.

Central Division 16 Projects Approved / 12 Projects Completed / 4 with Scope Reduced

As detailed in the RAM/BRF-2 file provided for this review, the actual loaded cost for the Central Division projects was \$7,537,275 (Col AY). This figure represents recoverable main and service charges of \$6,208,963 (col. BE), non-recoverable costs of \$1,328,312 (cols. BA+BB). This figure does NOT include the estimated, loaded, carryover costs of \$1,733,955 (col. BG) as those costs are neither in the recovery amount requested by the Company nor have they been incurred. The RAM/BRF-2 file provided for the review includes notes explaining the variances and lists such causes as: daily permit time restrictions, removal of steam pipes, ledge, extra depth, and installation greater than estimated.

W/O #401911-37613, 123-396 Smyth Rd. Manchester \$104,544

(Col. AT)	(Col. AU)	(Col. AY-AV)	(Col. BA+BB)	(Col.BE)	(Col.BG)
Direct	Direct	Indirect	Non-	Total	Estimated
<u>Main</u>	<u>Service</u>	<u>Costs</u>	<u>Recoverable</u>	<u>Recoverable</u>	<u>Carryover</u>
\$106,387	\$60,788	(\$36,455)	(\$26,186)	\$104,544	\$-0-

The Company provided a detailed Work Order report as well as other details from the fixed asset system, Wennsoft. The Company also provided a breakdown of the Capital Expenditures listing the direct main and direct service charges as well as any charges that were determined to be non-recoverable as agreed upon in the CIBS Program Guidelines as described earlier. These reports were in the form of Excel spreadsheets. The Analyst reviewed the spreadsheets and the costs listed and reconciled them to the \$14,503,496 (col. BE, Line 51).

The non-recoverable total of (\$26,186) was comprised of (\$9,077) in coated steel and plastic relay and the laying of main beyond what is being replaced, which is not allowed to be recovered within the CIBS and (\$17,110) of non-recoverable services costs as they met the program guidelines for being non-recoverable. The method to calculate the cost of the new main was the same as reviewed in before, the total cost for the mains is divided by the total feet installed then multiplied by the additional feet.

\$71,932 (Col. AW) divided by 317 feet (Col. AG) = \$226.91 per foot
\$226.961 multiplied by 40 feet = \$9,077 of new main not-recoverable through CIBS

Regarding the net negative indirect costs of (\$36,455), the Company explained that this job appears to have incurred net negative burden/ Overhead (OH) charges simply due timing. More specifically, to the timing of reversing the accrued (estimated) invoices that had been posted to the job, the posting of the actual invoices and the charging of burden/ OH to the job which are calculated using the actual invoices and only posted the following month.

Specifically, the Company explained that as a policy, burden/ OH charges are calculated and charged in the month following the month of the charges for which the calculation is based upon. For example, April burden/ OH charges for Job #123 are calculated from contractor invoices received and posted to Job #123 in March. In this specific instance, the Company was unable to secure and post the actual invoices from the contractor/ vendor until March of 2020, and therefore the actual burdens/ OH were not calculated and charged until April 2020. April

2020, is after the March 31 cut-off date for inclusion in the current CIBS Fiscal Year and therefore the Company did not include the approximately \$26,000 that the job actually incurred. The posting of accrued (estimated) entries to a job is a common accounting procedure for properly capturing and recording costs in the correct time period which have been incurred but not yet billed for, and for Liberty, is also used to allocate burden/OH charges throughout the life of the projects that take months to complete. The Analyst has no issues with the posting of accrued entries to record estimated costs as it is a common accounting procedure.

The Direct and Indirect Costs, including non-recoverable costs and the new services, as found in the GL as of March 31, 2020, consisted of the following:

<u>Direct Main and Service Costs</u>		<u>Indirect Main and Service Costs</u>	
Labor	\$ 1,383		
Materials	\$ 2,337	Burdens	\$ (26,076)
Vouchers	\$134,574	Cost of Removal	\$ (11,387)
Accrued V.	\$ 28,882	AFUDC	\$ 1,018
	\$167,175		\$ (36,445)

Lastly, the Analyst reviewed multiple invoices for this work order. These included for the contractor, Midway Utility Contractors, inspection fees from the City of Manchester, police detail charges, and fees from JDH Inspection Services. The analyst noted no exceptions while reviewing the invoices.

W/O #401911-37624, 555-609 South Beech St. Manchester \$94,548

(Col. AT)	(Col. AU)	(Col. AY-AV)	(Col. BA+BB)	(Col.BE)	(Col.BG)
Direct	Direct	Indirect	Non-	Total	Estimated
<u>Main</u>	<u>Service</u>	<u>Costs</u>	<u>Recoverable</u>	<u>Recoverable</u>	<u>Carryover</u>
\$103,078	\$23,368	(\$18,528)	(\$13,370)	\$94,548	\$61,098

The Company provided a detailed Work Order report as well as other details from the fixed asset system, Wennsoft. The Company also provided a breakdown of the Capital Expenditures listing the direct main and direct service charges as well as any charges that were determined to be non-recoverable as agreed upon in the CIBS Program Guidelines as described in the first work order reviewed. These reports were in the form of Excel spreadsheets. The Analyst reviewed the spreadsheets and the costs listed and reconciled them to the \$14,503,496 (col. BE, Line 51).

The non-recoverable main total of \$325 is comprised of 30 feet of main that was upsized. This differential is important due to the program guidelines not allowing for recovery through the CIBS of upgrading a 4-inch pipe a 6-inch pipe unless specifically designated by the Safety Director of the PUC. For FY 2020, this cost was calculated at \$10.84 per foot. The Company indicated the method of determining the cost of upsized pipe as: Each year for the CIBS program Liberty Utilities calculates the average project installed footage length for completed projects in the CIBS program. In FY 2020, Liberty indicated this was 1,548 feet. The company then places this average installed project length in the company's estimating tool to compare the cost difference of installing 4 inch and 6 inch pipe sizes. Paving and gas service costs are identical

regardless of pipe size therefore those factors are not included in the cost difference calculation. Specifically, based upon the above method, Liberty indicated that the average cost per foot is \$63.73 and \$74.57 for 4 inch and 6 inch pipes respectively.

Lastly, the Analyst reviewed multiple invoices for this work order. These included for the contractor, Midway Utility Contractors, inspection fees from the City of Manchester, police detail charges, and fees from JDH Inspection Services. The analyst noted no exceptions while reviewing the invoices.

Southern Division 15 Projects Approved / 11 Projects Completed / 2 with Scope Reduced / 2 Projects Deferred

As detailed in the RAM/BRF-2 file provided for this review, the actual loaded cost for the Southern Division projects was \$6,954,314 (Col AY). This figure represents recoverable main and service charges of \$5,442,853 (col. BE), non-recoverable costs of \$1,328,312 (cols. BA+BB). This figure does NOT include the estimated, loaded, carryover costs of \$1,511,461 (col. BG) as those costs are neither in the recovery amount requested by the Company nor have they been incurred. The RAM/BRF-2 file provided for the review includes notes explaining the variances and lists such causes as: daily permit time restrictions, removal of steam pipes, ledge, extra depth, and installation greater than estimated.

W/O #401911-37601, Baker St, Highland Ave. Nashua \$214,571

(Col. AT)	(Col. AU)	(Col. AY-AV)	(Col. BA+BB)	(Col.BE)	(Col.BG)
Direct	Direct	Indirect	Non-	Total	Estimated
<u>Main</u>	<u>Service</u>	<u>Costs</u>	<u>Recoverable</u>	<u>Recoverable</u>	<u>Carryover</u>
\$329,042	\$131,158	\$65,466	(\$311,094)	\$214,571	\$ -0-

The Company provided a detailed Work Order report as well as other details from the fixed asset system, Wennsoft. The Company also provided a breakdown of the Capital Expenditures listing the direct main and direct service charges as well as any charges that were determined to be non-recoverable as agreed upon in the CIBS Program Guidelines as described in the first work order reviewed. These reports were in the form of Excel spreadsheets. The Analyst reviewed the spreadsheets and the costs listed and reconciled them to the \$14,503,496 (col. BE, Line 51).

The non-recoverable total of \$311,094 was comprised of \$189,137 of main costs and \$121,957 in services costs, which the Analyst verified using supporting data, which backed up the RAM/BRF-2 attachment. The Direct and Indirect Costs, as found in the provided General Ledger, consisted of the following:

Lastly, the Analyst reviewed multiple invoices for this work order. These included for the contractor, Mears Construction. Mears also appeared to provide various other services including construction materials such as gravel and other specialized earth materials, inspection fees, police detail charges, and fees from JDH Inspection Services. The analyst noted no exceptions while reviewing the invoices.

Overhead

The total overhead (OH) incurred in FY 2020 was \$7,274,933. This total was spread over all of the FY 2020 and jobs according to Liberty's accounting policy. The Analyst has included the total OH figures since the 2016 FY below:

Type	2016	2017	2018	2019	2020
Pension	\$659,922	\$1,217,387	\$1,392,396	\$1,504,931	\$542,585
Benefits	\$691,386	\$305,910	\$669,772	\$846,579	\$1,695,448
Payroll Taxes	\$357,020	\$463,855	\$538,518	\$594,328	\$632,697
Other	\$2,810,000	\$3,385,272	\$3,007,551	\$2,941,980	\$4,404,203
Total	\$4,518,335	\$5,372,424	\$5,608,237	\$5,887,817	\$7,274,933
% growth in OH from previous FY:		19%	4.2%	4.7%	23%

Liberty describes the "Pension" category as all pension expenses and post-employment benefits. The "Benefits" category as described by Liberty consists of costs for employee health, life and disability. "Payroll Taxes" covered Liberty's portion of the FICA, Medicare, FUTA and SUTA; and the "Other" category as charges for rent, utilities, back office, company insurance, incentive awards, time not worked and a percentage of corporate allocations.

The total amount of OH sought for recovery through the CIBS program should exclude OH applied to the portions of the jobs that are deemed unrecoverable per the program guidelines. From the jobs reviewed, the total amount of OH sought for recovery through the CIBS program did in fact exclude those portions of OH applied to the portions of each job that were deemed unrecoverable. Accordingly, relative to the files reviewed, most of the services costs, which include OH allocations as seen by the Analyst in the detail of expenses for each job, are not allowed for recovery through the CIBS Program, and therefore not all of the \$7,274,933 of incurred OH is included for recovery in the instant Docket.

Cost of Removal

The Analyst reviewed the Cost of Removal amounts found within the supporting materials sent by Liberty including the work order detail reports and supporting journal entries. The amount was 10% of the eligible original cost of each work order. A standard 10% Cost of Removal (COR) charge can also be found in use by other public utilities in the State of NH. The reason for using 10% is that most contractors may not separate the cost of removing the old pipe, main or service, from the overall cost of a project and therefore a typical amount of 10% has been used in numerous filings over many years. Accounting for the COR typically involves a Debit to Accumulated Depreciation and a Credit to Plant in Service for the same amounts.

Fiscal Year 2019 Carryover Projects

According to Bates page 10 of the testimony of Mostone & Frost, the total FY 2019 costs incurred in FY 2020 (carryover costs) were \$4,220,128. According to the FY 2019 CIBS Audit Report and testimony in DG 19-054 (FY 2019 CIBS program results), the estimated costs were

\$3,698,261, approximately 3%, or \$104,940, less than actual. As the carryover costs represent estimated and unknown amounts, a variance is most likely to occur from the final, known costs. According to the RAM/BRF-2 attachment, the carryover costs were for final paving restoration work and may be billed by third-party contractors/ vendors which is different than a Town or City who would bill for the degradation fee.

As stipulated in the CIBS Program Guidelines as originally agreed to in Docket DG 11-040, unless recommended by the Director of the (Gas) Safety Division of the PUC, the amount of costs carried over from one FY to a subsequent FY shall not exceed 5% of the approved budget for that subsequent FY. Liberty's FY 2020 CIBS filing indicates the Company is not requesting more than the 5% cap in the instant docket for recovery.

General Ledger Review

The Analyst was supplied with general ledger (GL) information covering a wide selection of projects. Specifically, the Analyst reviewed the entry that moves projects from Account #107-Construction Work in Process (CWIP) to either Account 106-Plant in Service but not Classified or the actual Plant accounts such as 3760-Distribution Mains.

This journal entry detailed below records the posting of several jobs, neither just CIBS nor the sample of CIBS reviewed for this report. With the entry below, Liberty forwarded a detailed breakdown of the specific entries, by work order, that makes up the \$29,712,077 total. Using this detailed report, the Analyst traced the recoverable amount for work order #401911-37613 of \$104,544 and the recoverable amount for work order #401911-37631 of \$176,160 to the detailed breakdown of this journal entry therefore verifying that at least the sample reviewed was no longer in CWIP.

Journal Entry 1,354,842 Posted on 4/5/2020 as of 3/31/2020

<u>Account # / Name</u>	<u>Debit</u>	<u>Credit</u>
8840-2-0000-10-1618-1070 CWIP		\$29,712,077
8840-2-0000-80-1655-1080 Acc. Prov. For Dep. ²		\$ 410,384
8840-2-0000-10-1615-1060 Plant in Service		
but not Classified		\$29,712,077
8840-2-0000-80-8610-4030 Depreciation Expense		\$ 410,384

Report Summary

In summary, the Analyst reviewed work orders, supporting documents, invoices, journal entries, excel spreadsheets of the FY 2020 CIBS Program and any other necessary supporting documentation, which accordingly, appear to substantiate the information presented in the Company's Filing.

² Accumulated Provision for Depreciation of Utility Plant