

Exhibit A

7

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

ORIGINAL	
N.H.P.U.C. Case No.	DG-14-180
Exhibit No.	#5
Witness	Pana 121
DO NOT REMOVE FROM FILE	

RE: LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. D/B/A LIBERTY UTILITIES

DOCKET NO. DG 14-180

Stipulation and Settlement Agreement Regarding Permanent Rates

This Stipulation and Settlement Regarding Permanent Rates (the "Settlement Agreement") is entered into this 18th day of May, 2015 by Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities ("Liberty" or the "Company), the Office of Consumer Advocate ("OCA") and the Staff of the Public Utilities Commission ("Staff") (hereinafter referred to collectively as the "Settling Parties"). This Settlement Agreement resolves all issues regarding Liberty's request for permanent rates in this proceeding.

I. INTRODUCTION

On July 2, 2014, Liberty filed with the Commission its notice of intent to file rate schedules to seek an increase in its annual distribution revenues. The OCA notified the Commission on July 16, 2014 that it would participate in the docket on behalf of residential customers consistent with RSA 363:28. On August 1, 2014, Liberty filed its proposed rate schedules seeking a permanent increase of \$13,442,972 in annual distribution revenues based on a rate base of \$172,908,291. The Company also sought approval for a step increase to recover an annual revenue deficiency of \$2,649,554 based on additional capital spending of \$16,660,624 for the twelve month period ending March 31, 2015. The Company also filed direct testimony of the following witnesses: Daniel G. Saad, Christian P. Brouillard, Steven E. Mullen and Howard S.

Gorman, Kevin M. McCarthy, John Lowson, Ray Dusome, Stephen R. Hall and James D. Simpson, James D. Simpson (Marginal Cost and Decoupling), David A. Heintz, and Robert B. Hevert. On September 25, 2014, Iberdrola USA Enterprises, Inc. filed a petition to intervene which was granted at the prehearing conference on October 1, 2014, and on October 14, 2014, HotZero, LLC filed a petition to intervene which was granted by a November 6, 2014 Secretarial Letter.

In its filing, the Company also sought a temporary rate increase of \$8,379,060. The Company also moved for waivers from compliance with certain requirements of the Commission's rules and for confidential treatment relative to information about the compensation paid to its officers and directors. On August 28, 2014, the Commission issued Order No. 25,711 suspending the Company's proposed tariff revisions included in the Company's distribution rate filing.

After discovery by the parties on the Company's temporary rate filing, the Staff and Liberty reached a settlement agreement on temporary rates which was filed with the Commission on November 4, 2014. The temporary rate settlement provided for an annual increase in distribution revenue of \$7,394,075. After a hearing, the Commission approved the temporary rate settlement agreement in Order No. 25,737 dated November 21, 2014, which provided for temporary rates to take effect on December 1, 2014. Pursuant to the terms of the agreement, temporary rates were fully reconcilable as of November 1, 2014 with any permanent rates approved by the Commission.

The Company responded to data requests from Staff and parties, the Staff conducted an audit, and the Settling Parties conducted multiple settlement discussions. As a result of those actions, the Settling Parties have agreed to the terms of this Agreement, which is proposed to

resolve all of the issues in this case. The Settling Parties recommend that the Commission approve this Agreement without modification.

II. TERMS OF AGREEMENT

A. Revenue Requirement for Permanent Rates and Step Increase

The Settling Parties agree that the Commission should authorize an annual distribution revenue requirement increase of \$10.5 million effective July 1, 2015. The Settling Parties did not reach agreement on an overall rate of return with the exception of the Cast Iron Bare Steel Program as described in Section II.C below, but agree that the \$10.5 million permanent rate increase is a reasonable compromise of all issues relating to the revenue requirement pending before the Commission for the purpose of permanent rates. As the amount expressed above is the result of compromise and settlement, it is a liquidation of all revenue requirement issues. The Settling Parties agree that the revenue requirement recommended to the Commission in this Agreement results in permanent rates for Liberty's customers that are just and reasonable. The permanent rate increase described in this Paragraph A shall be reconcilable to November 1, 2014, consistent with the settlement agreement on temporary rates and Order No. 25,737, in accordance with Paragraph II.E below. The Company shall be permitted to recover an additional \$1.9 million in annual revenue in the form of a step increase in rates for capital additions and for increase in its operating costs. This step increase shall be effective July 1, 2015.

The Settling Parties agree that the revenue requirement for permanent rates and the step increase described in this Section II.A are a total liquidation of the Company's requested rate relief in this case, and is consistent with the limitations on cost recovery set forth in the Settlement Agreement in DG 11-040 and approved by Order 25,370. The Company further

agrees that it will not seek recovery in the future of any transaction and transition costs that are the subject of Section V(D) of the Settlement Agreement in DG 11-040.

B. Annual Revenue Increase

The Settling Parties agree to a total annual revenue increase of \$12,400,000, as described in Section II.A above, effective July 1, 2015. This increase will be collected within permanent distribution rates. There will be no increase in the revenues collected within the Cost of Gas Clause (“COGC”) as a component of indirect gas costs. Except as provided for specifically under this Settlement Agreement, the Settling Parties agree that the Company’s next filing of a distribution base rate case shall be based on an historic test year of no earlier than twelve months ending December 31, 2016.

C. Distribution Rates

The Settling Parties agree the Company’s annual distribution revenue requirement associated with the revenue increases described in Section A and B above shall be allocated to customer classes as indicated in Attachment 1, which is attached to this Settlement Agreement.

D. Rate of Return for Cast Iron/Bare Steel Replacement

For the purpose of determining the revenue requirement on assets placed into service under the Cast Iron/Bare Steel replacement program, the Company shall calculate its rate of return using a 9.25% return on equity and a 50% debt/50% equity capital structure.

E. Recoupment and Revenue Difference

The Settling Parties agree that recoupment of the revenue difference between temporary and permanent rates provided for in Section II.A, consistent with RSA 378:29, shall be recovered from all firm tariffed customers over an eighteen month period beginning July 1, 2015 through a

uniform charge per therm, in accordance with the provisions of Liberty's Local Delivery Adjustment Clause ("LDAC") in its tariff. The Reconciliation of Permanent Changes in Delivery Rates (the "RPC") for effect on July 1, 2015 is derived and designated in Attachment 2 which is attached to this Settlement Agreement. The RPC is calculated based on the difference between temporary rates and permanent rates using actual billing data from November 2014 through April 2015 and estimated billing data for May 2015 through June 2015. On or before September 30, 2015, Liberty shall file with the Commission, for its review and approval, a reconciliation of the RPC using actual billing data for November 2014 through June 2015. In its 2015 and 2016 Winter Cost of Gas Filings, Liberty shall file with the Commission, for its review and approval, a reconciliation of the approved RPC expense and revenues collected through the RPC based on actual and projected recoveries and a revised LDAC rate commensation to eliminate any projected under- or over-recovered at the end of the eighteen month period. The calculation of the LDAC rate for effect July 1, 2015 including both recoupment and rate case expenses (as discussed in Section II.F) is shown on Attachment 4.

F. Rate Case Expenses

The Settling Parties agree that Liberty's prudently incurred rate case expenses, as approved by the Commission, be recovered from all firm tariffed customers over an eighteen month period beginning July 1, 2015 through a uniform charge per therm, in accordance with the provisions of Liberty's Local Delivery Adjustment Clause ("LDAC") tariff. The Rate Case Expenses charge (the "RCE") for effect on July 1, 2015 is derived and designated in Attachment 3 which is attached to this Settlement Agreement. The RCE reflects actual rate case expenses incurred through April 2015 and estimated rate case expenses through the conclusion of the proceeding. On or before September 30, 2015, Liberty shall file with the Commission, for its

review and approval, the final actual amount of rate case expenses. In its 2015 and 2016 Winter Cost of Gas Filings, Liberty shall file with the Commission, for its review and approval, a reconciliation of the rate case expenses approved for recovery and revenues collected through the RCE based on actual and projected recoveries and a revised LDAC rate commendation to eliminate any projected under- or over-recovered at the end of the eighteen month period.

G. Rate Design

The Settling Parties agree that the rates for effect on July 1, 2015, as a result of this Agreement, shall be the rates shown in Attachment 5 hereto. The Company's rate design shall be fully reviewed in the Company's next general distribution rate case.

H. Pension and OPEB Regulatory Asset

Consistent with the settlement agreement in Docket No. DG 11-040, the Company established a regulatory asset to reflect the fair value of its pension and OPEBs as of the date of closing of the acquisition approved in that docket. The Company will commence amortization of that asset as of the effective date of permanent rates in the next distribution rate case.

I. Amortization of Costs to Achieve

The Company will continue to amortize the balance of the regulatory asset for the costs to achieve the National Grid/Keyspan merger that was the subject of Docket No. DG 06-107 at an annual rate of \$409,200, with \$181,327 included in the revenue requirement used for ratemaking purposes, consistent with determinations made in Docket No. DG 10-017, the Company's previous distribution rate case.

J. Soft-Off Policy

The Settling Parties agree that the Company will implement its revised Soft Off policy described in Attachment 6 hereto no later than September 1, 2015. Following implementation, the Company may modify the policy set forth in Attachment 6 as it deems appropriate and will notify the other Settling Parties in advance of any such modification. The occupant account management incentive originating from a Settlement Agreement in Dockets DG 07-129 and DG 09-050 that provides for a credit or charge to the summer and winter cost of gas calculations, as determined in the Liberty's annual summer COG filing based on occupant account usage during the prior year and compared to a predetermined benchmark will be discontinued. The Company will track and report to the Commission, within 60 days of calendar year end, the prior year's annual volume and costs attributable to usage by Occupant Accounts (costs shall be broken down by distribution and supply), the number of existing Occupant Accounts, the arrearages for Occupant Accounts (which shall be broken down by such aging categories as are tracked by the Company) and the number of Occupant Accounts opened and closed during the year.

K. Tariff Changes

The Company is authorized to make the following changes to its tariff: (i) eliminate Standby Service, 280 Day Sales Service, 280 Day Transportation Service, and Interruptible Transportation Service rates; (ii) close Outdoor Gas Lighting to new customers; (iii) eliminate its Environmental Surcharge – Relief Holder and Gas Restructuring Expense Calculation provisions from its Local Distribution Adjustment Clause.

L. Audit

The Settling Parties agree that a targeted audit shall be conducted by an independent consultant selected by the Commission following a competitive bid process. The scope of the

targeted audit is outlined in Attachment 7. If any of the Settling Parties has a difference of opinion about what constitutes a “related area” as that term is used in Attachment 7, such difference shall be brought to the Commission for its determination.

M. Bill Impact

The impacts on bill amounts resulting from the rates to be implemented under this Settlement Agreement are shown in Attachment 8.

III. CONDITIONS

This Agreement is expressly conditioned upon the Commission's acceptance of all its terms, without change or condition. If the Commission does not accept this Agreement in its entirety, without change or condition, or if the Commission makes any findings that go beyond the scope of this Agreement, and any of the Settling Parties notify the Commission within five business days of their disagreement with any such changes, conditions or findings, the Agreement shall be deemed to be withdrawn, in which event it shall be deemed to be null and void and without effect, shall not constitute any part of the record in this proceeding, shall not be relied upon by Staff or any party to this proceeding or by the Commission for any other purpose.

The Settling Parties agree that the Commission's approval of this Agreement will not constitute continuing approval of or precedent for, any particular principle or issue, but such acceptance does constitute a determination that the adjustments and provisions set forth herein in their totality are just and reasonable and consistent with the public interest and that the revenues contemplated will be just and reasonable under the circumstances.

The discussions that produced this Agreement have been conducted on the understanding that all offers of settlement and settlement discussions relating to this docket shall be confidential, shall not be admissible as evidence in this proceeding, shall be without prejudice to

the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

The information and testimony previously provided in this proceeding are not expected to be subject to cross-examination by the Settling Parties, which would normally occur in a fully litigated case. The Settling Parties agree that all direct testimony and supporting documentation should be admitted as full exhibits for purposes of consideration of this Agreement. Agreement to admit all direct testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony filed on behalf of Staff or the other parties is accurate or what weight, if any, should be given to the views of any witness. The identification of the resolution of any specific issue in this Agreement does not indicate any of the Settling Parties' agreement to such resolution for purposes of any future proceeding, nor does the reference to any other document bind the Settling Parties to the contents of, or recommendations in, such document for purposes of any future proceeding. The Commission's approval of the recommendations in this Agreement shall not constitute a determination or precedent with regard to any specific adjustments, but rather shall constitute only a determination that the revenue requirement and rates resulting from this Agreement are just and reasonable. Furthermore, in light of the fact that they have entered into this Agreement, the Settling Parties have agreed to forego cross-examining witnesses regarding their pre-filed testimony and, therefore, the admission into evidence of any witness's testimony or supporting documentation shall not be deemed in any respect to constitute an admission by any party to this Agreement that any allegation or contention in this proceeding is true or false, except that the sworn testimony of any witness shall constitute an admission by such witness.

This Agreement may be executed by facsimile and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all parties hereto.

Dated: May 18, 2015

LIBERTY UTILITIES (ENERGYNORTH
NATURAL GAS) CORP.
D/B/A LIBERTY UTILITIES



By its Attorney
Sarah B. Knowlton

Dated: May 19, 2015

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION



By its Attorney
Michael Sheehan

Dated: May __, 2015

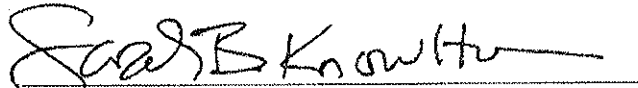
OFFICE OF CONSUMER ADVOCATE

By its Attorney
Susan Chamberlin

This Agreement may be executed by facsimile and in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute one agreement binding on all parties hereto.

Dated: May 18, 2015

LIBERTY UTILITIES (ENERGYNORTH
NATURAL GAS) CORP.
D/B/A LIBERTY UTILITIES



By its Attorney
Sarah B. Knowlton


Dated: May __, 2015

STAFF OF THE NEW HAMPSHIRE PUBLIC
UTILITIES COMMISSION

By its Attorney
Michael Sheehan

Dated: May __, 2015

OFFICE OF CONSUMER ADVOCATE



By its Attorney
Susan Chamberlin

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Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities
Scope for Targeted Audit
Docket No. DG 14-180

The following represents areas for review during the course of a targeted audit but does not limit the scope of the audit should the independent consultant, chosen by the Commission following a competitive bid process, determine a review of related areas is appropriate. In its review, the consultant shall consider the results of the Company's Meter-to-Cash audit that is currently being conducted.

A. Effectiveness and Efficiency of Account Creation and Management

1. Management of customer requests for new service
 - a. Timely transfer of information from the sales department
 - b. Confirmation of customer identity, proof of residency
 - c. Credit checks, processes to determine deposit requirements
 - d. Identification of previous outstanding accounts
 - e. Establishment of appropriate customer rate classification

B. Effectiveness and Efficiency of Meter Data Management

1. Effectiveness and efficiency of Meter readings (gas and electric)
 - a. Collection, measurement and validation of customer usage data
 - b. Automated, manual, and mobile meter readings
2. Storage and delivery of usage data to Customer Information System
3. Accuracy and reliability of meter readings
4. Storage and retention of meter usage data

C. Effectiveness and Efficiency of Billing processes

1. Monthly invoices (20 gas cycles, 20 electric cycles)
2. Clean up of meter data to identify:
 - a. High, low, zero, negative readings
 - b. Non-readings; vacant with use reading; meter off with usage
3. Preparation, validation and distribution of customer bills:
 - a. Upload of data to Fiserv (third party) for billing processing
 - b. Rejections / exceptions received from Fiserv for cleansing
 - c. Validation of invoices for accuracy and completeness
 - d. Generation and transmittal of bills by Fiserv
4. Calculating and monitoring deposits, interest and late payment charges
5. Estimated vs actual billings
6. Verifying the appropriate rates are applied to customer usage

7. Verifying proration calculations
8. Transmittal of bills in a timely manner
 - a. Paper bills
 - b. Online bills and electronic delivery
9. Bill presentment
10. Processes for determining bills on hold; off cycle billings; final billings
11. Handling of bills with exceptions

D. Effectiveness and Efficiency of Payments and Collections Processes

1. Receipt and processing of customer payments
2. Management of late payments, overdue accounts and hardship cases
3. Timely disposition of credit balances on current and former customer accounts
4. Disconnections / termination of services
5. Processing of adjustments

E. Effectiveness and Efficiency of Call Center

F. Effectiveness and Efficiency Vendor relationships

1. Measuring and monitoring vendor performance
2. Change management
3. Incident / problem management
4. Communication processes with vendors

G. Effectiveness and Efficiency of Corporate Services / IT Support and Service

H. Effectiveness and Efficiency Staffing

1. Appropriateness of staffing levels within:
 - a. Billing groups
 - b. Credit and collections groups
 - c. Account initiation and management groups
 - d. Call center

I. Accounting

1. Policies and procedures
2. Accounting systems
3. Data collection
4. External & internal controls
5. Reporting Structure

J. Business planning

1. Budget Process
 - a. Operating expenses
 - b. Capital expenditures

K. Property Records

1. Plant accounting procedures
2. Work order procedures
3. Continuing property records

Exhibit B

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-141

Date of Response: 2/1/16
Respondent: Dan Gilpin

REQUEST:

Please provide copies of the quarterly audit reports from Internal Audit department to the Board of Directors - Audit Committee from July 3, 2012 through present.

RESPONSE:

Other than the Meter to Cash audit which was previously provided, there were no New Hampshire related audit reports provided from the Internal Audit department to the Audit Committee representing the Board of Directors. Quarterly reports do provide SOX compliance updates which only included minor internal control deficiencies pertaining to New Hampshire.

SUPPLEMENTAL RESPONSE:

On January 19, 2016, Liberty Consulting clarified that it seeks all quarterly audit reports from Algonquin Power & Utilities Corp.'s ("APUC") Internal Audit department to the APUC Board of Directors for the stated period.

This is a targeted audit of Liberty Utilities (EnergyNorth Natural Gas) Corp. ("EnergyNorth"). The purpose of the targeted audit of EnergyNorth is to "...focus on Liberty's financial processes and customer service as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6. EnergyNorth has already produced all New Hampshire-specific audit information. The APUC quarterly audit reports, which address non-New Hampshire matters, are outside the scope of EnergyNorth's financial processes and customer service, and thus are not being produced.

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-142

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the complete Algonquin final and approved Strategic Plans for 2013, 2014 and 2015. References: response to DR 92 and interview with Peter Eichler.

RESPONSE:

This response is subject to further discussion with Liberty Consulting Group.

SUPPLEMENTAL RESPONSE:

Pursuant to an e-mail communication received from Michael Antonuk on January 17, 2016, the Company understands that Liberty Consulting seeks Strategic Plans for both Algonquin Power & Utilities Corp. ("APUC") and Liberty Utilities Co.

This is a targeted audit of Liberty Utilities (EnergyNorth Natural Gas) Corp. ("EnergyNorth"). The purpose of the targeted audit of EnergyNorth is to "...focus on Liberty's financial processes and customer service as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6. The APUC and Liberty Utilities Co. Strategic Plans discuss APUC and Liberty Utilities Co.'s business activities (regulated and non-regulated) throughout the United States and in Canada, and are outside the scope of EnergyNorth's financial processes and customer service, and thus are not being produced.

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-143

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the complete Algonquin 'Strategy Books' for 2013, 2014 and 2015. Reference: interview with Peter Eichler.

RESPONSE:

This response is subject to further discussion with Liberty Consulting Group.

SUPPLEMENTAL RESPONSE:

Pursuant to an e-mail communication received from Michael Antonuk on January 17, 2016, the Company understands that Liberty Consulting seeks Strategy Books for both Algonquin Power & Utilities Corp. ("APUC") and Liberty Utilities Co.

While Mr. Eichler may have referred to "Strategy Books" during the interview, it was intended to be a reference to the Strategic Plans as there are no documents called "Strategy Books." See Supplemental Response Audit-142.

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-144

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the complete, approved Algonquin Annual 5-Year Plan for 2013, 2014 and 2015.
References: response to DR 92 and interview with Peter Eichler.

RESPONSE:

This response is subject to further discussion with Liberty Consulting Group.

SUPPLEMENTAL RESPONSE:

Pursuant to an e-mail communication received from Michael Antonuk on January 17, 2016, the Company understands that Liberty Consulting seeks Annual 5-Year Plans for both Algonquin Power & Utilities Corp. ("APUC") and Liberty Utilities Co.

This is a targeted audit of Liberty Utilities (EnergyNorth Natural Gas) Corp. ("EnergyNorth"). The purpose of the targeted audit of EnergyNorth is to "...focus on Liberty's financial processes and customer service as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6. The APUC and Liberty Utilities Co. Annual 5-Year Plans discuss APUC and Liberty Utilities Co.'s business plans (regulated and non-regulated) throughout the United States and in Canada, and are outside the scope of EnergyNorth's financial processes and customer service, and thus are not being produced.

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-145

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the complete Liberty Utilities final corporate Balanced Scorecard for 2013, 2014 and 2015, with metrics, results and performance measures for each year. References: response to DR 92 and interview with Peter Eichler.

RESPONSE:

This response is subject to further discussion with Liberty Consulting Group.

SUPPLEMENTAL RESPONSE:

The Company has produced the Balanced Scorecard for the New Hampshire operations of Liberty Utilities for 2015 in response to Audit-154. There is no Balanced Scorecard for Liberty Utilities Co., which is the indirect parent of EnergyNorth. The Balanced Scorecard for Liberty Utilities (Canada) Corp. consists of the aggregation of the results of each of the regulated utilities owned by Liberty Utilities Co. As a result, that Balanced Scorecard is not informative as to the "...financial processes and customer service [of EnergyNorth] as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6. As a result, they are not being produced.

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-146

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the Key Performance Indicators and results for Peter Eichler for 2015.

RESPONSE:

This response is subject to further discussion with Liberty Consulting Group.

SUPPLEMENTAL RESPONSE:

None of the Liberty Utilities entities use the term “Key Performance Indicators” to review the performance of individual employees. The performance of the utility in question (in this case, Liberty Utilities (EnergyNorth Natural Gas) Corp.) is measured by the Balanced Scorecard, which the Company produced in response to Audit-154. To the extent the request seeks the Balanced Scorecard of other entities, see the Supplemental Response to Audit-145.

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-147

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the approved capital expenditure plan included in the 5-year forecast for 2016-2020. Reference: interview with Gerald Tremblay

RESPONSE:

Please refer to Attachment AUDIT-147 for the New Hampshire capital expenditure plan.

SUPPLEMENTAL RESPONSE:

In response to the Company's production of the New Hampshire capital expenditure plan, on January 19, 2016, Liberty Consulting clarified that it seeks "the full forecast" which the Company understands to mean the capital expenditure plans for Liberty Utilities Co. Liberty Utilities Co. is the indirect parent of Liberty Utilities (EnergyNorth Natural Gas) Corp. ("EnergyNorth"), and other regulated utilities in the United States. The capital expenditure plans for the non-New Hampshire regulated utilities are outside the scope of the targeted audit of EnergyNorth approved by Order 25,797 in DG 14-180, which audit was intended to "...focus on Liberty's financial processes and customer service as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6. As a result, those plans are not being produced.

SUPPLEMENTAL

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 3

Date Request Received: 12/30/15
Request No. Audit-154

Date of Response: 2/1/16
Respondent: Gerald Tremblay
Kevin McCarthy

REQUEST:

Please provide the Balanced scorecards for each of the following executives: Gerald Tremblay, Peter Eichler, Kevin McCarthy and Paul Kinch.

RESPONSE:

The Balanced Scorecard relates to a business unit and not to specific individuals. Therefore, the above-named individuals do not have their own individual Balanced Scorecard. Please see Attachment AUDIT-154 for the 2015 Balanced Scorecard applicable to New Hampshire operations. Please also see Attachment AUDIT-93.2.

SUPPLEMENTAL RESPONSE:

In response to the Company's production of the New Hampshire Balanced Scorecard, on January 19, 2016, Liberty Consulting clarified that it seeks the Balanced Scorecards for "the others requested." The Company understands that Liberty Consulting seeks the Balanced Scorecards for all entities owned by Liberty Utilities Co. and Liberty Utilities Co. As the Company described in its supplemental response to Audit-145, there is no Balanced Scorecard for Liberty Utilities Co., which is the indirect parent of EnergyNorth. To the extent the request seeks Balanced Scorecards of other entities owned by Liberty Utilities Co., the Company is not producing them as they are outside the scope of the targeted audit of EnergyNorth, which audit was intended to "...focus on Liberty's financial processes and customer service as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 4

Date Request Received: 1/14/16
Request No. Audit-178

Date of Response: 2/2/16
Respondent: George Trisic

REQUEST:

During Interview #10 on Dec. 10, 2015, Mr. Trisic stated that LABS and other APUC corporate support organization use scorecards to monitor performance. Please (1) indicate the frequency with which these scorecards are created and (2) provide copies of all such scorecards from January 1, 2013 through December 31, 2015.

RESPONSE:

The statement during the interview was in reference to the Balanced Scorecard for Liberty Utilities (Canada) Corp. The Company has produced the Balanced Scorecard for the New Hampshire operations of Liberty Utilities for 2015 (see the response to AUDIT-154). The Balanced Scorecard for Liberty Utilities (Canada) Corp. consists of the aggregation of the results of each of the regulated utilities owned by Liberty Utilities Co. As a result, that Balanced Scorecard is not informative as to the "...financial processes and customer service [of EnergyNorth] as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6. As a result, it is not being produced.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 4

Date Request Received: 1/14/16
Request No. Audit-179

Date of Response: 2/1/16
Respondent: Stephen Hall

REQUEST:

Please provide the expenditures (budgeted and actual) made for support by corporate organizations (in LABS as well as other APUC corporate organizations) of Liberty Utilities' New Hampshire utilities for each year from January 1, 2013 through December 31, 2015 (aside from the numbers already provided in response to Data Request #72 for IT). Please break out the budgeted and actual expenditures by functional organization (Human Resources, Finance, EHS, Legal, etc.).

RESPONSE:

Expense from Algonquin Power & Utilities Corp. and its affiliates are allocated to Liberty Utilities (EnergyNorth Natural Gas) Corp. ("EnergyNorth") pursuant to a Cost Allocation Manual. The Cost Allocation Manual was provided in response to Audit-118. In addition, Kevin McCarthy provided testimony on the Cost Allocation Manual and in particular, the allocations to EnergyNorth in DG 14-180. The amounts allocated to EnergyNorth were considered in that case and are included in the Company's revenue requirement that was the subject of the Stipulation and Settlement Agreement Regarding Permanent Rates. Liberty Utilities (Granite State Electric) Corp. will be seeking a distribution rate increase in early 2016 and that rate request will include amounts allocated pursuant to the Cost Allocation Manual.

To the extent the request seeks allocated amounts broken out by the functional organization, such as Human Resources, Legal, Finance, EHS, and other areas, the request seeks information that is outside the scope of this audit. The purpose of the targeted audit of EnergyNorth is to "...focus on Liberty's financial processes and customer service as detailed in Attachment 7 [to the Settlement Agreement in DG 14-180]." Order 25,797 at 6. A breakdown of allocated amounts is outside the scope of an examination of EnergyNorth's financial processes and customer service area, and thus are not being produced.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 4

Date Request Received: 1/14/16
Request No. Audit-180

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide for the years 2013, 2014, 2015, and 2016 (if available): (1) all strategic plans, (2) all business plans, and (3) all financial plans for each corporate organization (in LABS as well as other APUC corporate organizations) that provides support of Liberty Utilities' New Hampshire utilities.

RESPONSE:

Please see the response to Audit-142, Audit-144 and Audit-147.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 4

Date Request Received: 1/14/16
Request No. Audit-181

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide for the years 2013, 2014, and 2015: (1) all Key Performance Indicators and their results and (2) any other measures of the performance of each corporate organizations (in LABS as well as other APUC corporate organizations) that provide support of Liberty Utilities' New Hampshire utilities (aside from the numbers already provided in response to Data Request #79 for IT).

RESPONSE:

Please see the response to Audit-146 and Audit-154.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 5

Date Request Received: 1/22/16
Request No. Audit-185

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the Key Performance Indicators and results for Luisa Read, Kevin McCarthy, Paul Kinch, Natalie Aikens, Chantal VanStaveren and Dan Gilpin for 2015.

RESPONSE:

None of the Liberty Utilities entities use the term “Key Performance Indicators” to review the performance of individual employees. The performance of the utility in question (in this case, Liberty Utilities (EnergyNorth Natural Gas) Corp.) is measured by the Balanced Scorecard, which the Company produced in response to Audit-154. To the extent the request seeks the Balanced Scorecard of other entities, see the Supplemental Response to Audit-145.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 5

Date Request Received: 1/22/16
Request No. Audit-186

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the Balanced scorecards for each of the following executives: Luisa Read, Dan Gilpin, Natalie Aikens, and Chantal VanStaveren.

RESPONSE:

The Balanced Scorecard relates to a business unit and not to specific individuals. Therefore, the above-named individuals do not have their own individual Balanced Scorecard. Please see Attachment AUDIT-154 for the 2015 Balanced Scorecard applicable to New Hampshire operations.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 5

Date Request Received: 1/22/16
Request No. Audit-189

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the Key Performance Indicators and results for Katy Cook, Ray Dusome, Sue Fenton for 2015 and 2016 YTD.

RESPONSE:

None of the Liberty Utilities entities use the term “Key Performance Indicators” to review the performance of individual employees. The performance of the utility in question (in this case, Liberty Utilities (EnergyNorth Natural Gas) Corp.) is measured by the Balanced Scorecard, which the Company produced in response to Audit-154. To the extent the request seeks the Balanced Scorecard of other entities, see the Supplemental Response to Audit-145.

Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities

Independent Audit per DG 14-180 Settlement Agreement

Liberty Consulting - Set 5

Date Request Received: 1/22/16
Request No. Audit-190

Date of Response: 2/1/16
Respondent: Peter Eichler

REQUEST:

Please provide the Balanced scorecards for each of the following executives: Katy Cook, Ray Dusome, and Sue Fenton for 2015 and 2016 YTD.

RESPONSE:

The Balanced Scorecard relates to a business unit and not to specific individuals. Therefore, the above-named individuals do not have their own individual Balanced Scorecard. Please see Attachment AUDIT-93.2 or Attachment AUDIT-154 for the 2015 Balanced Scorecard applicable to New Hampshire operations. Please also see the responses to Audit-4 and Audit-20 for additional performance measures in the customer service areas.

Exhibit C

Auditor	Interview Request/Topics	Interviewee Name or Title	Task Area	Duration	Notes (if necessary):
Vickroy	Strategic plans, Strategy Book and Balanced Scorecard reviews, Board allocations and approval of CAPEX, forecast financial metrics.	Peter Eichler	Strategic Planning, Financial Forecasting and Budgeting	90 minutes	Please allow at least 30 minutes between interviews; spread over a 3-day period; no more than 4 interviews per day. Face-to-face interviews are preferred, including those in Oakville.
Vickroy	Customer Experience Strategy, impact on CAPEX/OPEX, business case origination, strategic initiatives, Liberty Way policies and procedures.	Katy Cook	Strategic Planning, Financial Forecasting and Budgeting	60 minutes	
Vickroy	Service delivery strategy, strategic initiatives from an engineering and systems perspective, GIS, service CAPEX impacts, service OPEX impacts.	Fei Chen Naden	Strategic Planning, Financial Forecasting and Budgeting	60 minutes	
Vickroy	CAPEX origination process; 5-year plan evaluation, analysis and prioritization; 2016 budget evaluation, analysis and prioritization; approval processes; CAPEX budget management.	Chris Broulliard	Strategic Planning, Financial Forecasting and Budgeting	90 minutes	
Vickroy	Gas CAPEX origination process, capital allocation and resource limits, building 5-year gas plan and prioritization, 2016 budget gas CAPEX origination, analysis and prioritization, gas CAPEX budget management.	Richard McDonald	Strategic Planning, Financial Forecasting and Budgeting	60 minutes	
Vickroy	Electric CAPEX origination process, capital guidance and limitations, building 5-year electric plan and prioritization, 2016 budget CAPEX origination, analysis and prioritization, CAPEX budget management.	Kurt Demmer	Strategic Planning, Financial Forecasting and Budgeting	60 minutes	
Vickroy	Involvement in LTM, 5-year plan and 2016 budget direction, approvals and iterations; proposals/presentations to Oakville group; Board approvals at the NH level; capital allocation for LU-NH.	David Swain	Strategic Planning, Financial Forecasting and Budgeting	60 minutes	
Vickroy	5-year financial forecasts, 2016 Budgets, state president and Board approvals on each, monthly management reports, operations calls with Oakville, review Balanced Scorecards and KPIs.	Kevin McCarthy	Strategic Planning, Financial Forecasting and Budgeting	90 minutes	
Vickroy	5-year financial forecasts, monthly adjustments and reporting, Balanced Scorecard, 2016 Budget processes and templates, review of budget reports and development, monthly Presidents report and P&Ls.	Paul Kinch	Strategic Planning, Financial Forecasting and Budgeting	60 minutes	
Vickroy	Budgeting and 5-year plan involvement, development of IT CAPEX and OPEX 5-year plans and budgets, job duties and responsibilities.	John Lowson	Strategic Planning, Financial Forecasting and Budgeting	45 minutes	

Auditor	Interview Request/Topics	Interviewee Name or Title	Task Area	Duration	Notes (if necessary):
Freda	1. Roles, responsibility, organization, resources of the LU-LABS Finance and Accounting group Interfaces and relationships with other parts of the organization; Training programs to support utilities finance and accounting personnel. 2. Overview discussion of the LU-LABS finance and accounting functions, processes and procedures that are used in the support, guidance and policy making for the Company's subsidiaries, specifically NH-Energy North 3. Discussion of any significant staffing changes from 7/3/2012 to present	Luisa Read LU-LABS, VP- Finance	Accounting	60 minutes	Phone Interview, week of January 13
King	<ul style="list-style-type: none">• Roles, responsibilities, and organizational size and structure• Nature and type of services provided and organizational resources devoted to each• Changes in the types of services provided since 2012• Changes in staffing levels since 2012• Description of the IT transition from National Grid• Description of the development and implementation of new IT applications after the acquisition of the NH utilities• Use of vendors and process for selecting, contracting with, managing, and monitoring vendors• IT application development and implementation processes• Processes for fixing IT troubles and defects• IT security and disaster recovery processes• IT change control processes• IT training processes• Measuring and assessing the effectiveness of services provided to Liberty Utilities	Ed Mohacsy (IT Director)	IT	60 minutes	Phone Interview
King	<ul style="list-style-type: none">• Roles, responsibilities, and organizational size and structure• Nature and type of services provided and organizational resources devoted to each• Description of the applications used, with specific emphasis on customer service applications• Process for supporting enterprise applications, with specific emphasis on customer service applications• Process for resolving trouble tickets and fixing defects• Use of vendors and process for selecting, contracting with, managing, and monitoring vendors• Process for managing the vendor relationship with Cogsdale, Wennsoft/KEY2ACT, and BDO Solutions• IT application development and implementation processes• IT change control processes• IT training processes, if applicable• Measuring and assessing the effectiveness of services provided to Liberty Utilities• Review of measurements provided in responses to Data Requests 79 and 90.	Garfield Neufville (Manager, Enterprise Application)	IT	90 minutes	Phone Interview
King	<ul style="list-style-type: none">• Roles, responsibilities, and organizational size and structure• Nature and type of services provided and organizational resources devoted to each• Changes in the types of services provided since 2012• Changes in staffing levels since 2012• Process for choosing end user equipment and providing support for NH operations, with specific focus on customer service applications• Desktop support process• Quality assurance process• IT training processes, if applicable• Measuring and assessing the effectiveness of services provided to Liberty Utilities <ul style="list-style-type: none">• Roles, responsibilities, and organizational size and structure• Nature and type of services provided and organizational resources devoted to each• Changes in the types of services provided since 2012• Changes in staffing levels since 2012• Process for choosing end user equipment and providing support for NH operations, with specific focus on customer service applications• Desktop support process• Quality assurance process• IT training processes, if applicable• Measuring and assessing the effectiveness of services provided to Liberty Utilities	Rob Ferrari (Manager, End User Services)	IT	60 minutes	Phone Interview
King	<ul style="list-style-type: none">• Roles, responsibilities, and organizational size and structure• Nature and type of services provided and organizational resources devoted to each• Changes in the types of services provided since 2012• Changes in staffing levels since 2012• Description of infrastructure provided to support NH operations, with specific focus on customer service applications• Process for selecting and maintain IT infrastructure• Measuring and assessing the effectiveness of services provided to Liberty Utilities	David Ormsby (Manager, Information Systems)	IT	60 minutes	Phone Interview

King	<ul style="list-style-type: none">• Roles, responsibilities, and organizational size and structure• Nature and type of services provided and organizational resources devoted to each• Changes in the types of services provided since 2012• Changes in staffing levels since 2012• Description of the PMO process• Description of the IT transition from National Grid and how this was managed• Description of the development and implementation of new IT applications after the acquisition of the NH utilities• Measuring and assessing the effectiveness of services provided to Liberty Utilities	Jennifer Watson (Senior Manager, IT Programs and Transitions)	IT	60 minutes	Phone Interview
King	<ul style="list-style-type: none">• Roles, responsibilities, and organizational size and structure• Nature and type of services provided and organizational resources devoted to each• Changes in the types of services provided since 2012• Changes in staffing levels since 2012• IT security and disaster recovery processes• Use of vendors and process for selecting, contracting with, managing, and monitoring vendors• Measuring and assessing the effectiveness of services provided to Liberty Utilities	Sanjay Chhillar (Security Manager)	IT	60 minutes	Phone Interview

Exhibit D

EXHIBIT A
SCOPE OF SERVICES

Gorham Gold Greenwich & Associates LLC (Contractor) will provide certain consulting services to assist the New Hampshire Public Utilities Commission (Commission) in monitoring the ongoing development, testing and deployment of the Information Technology (IT) systems that will facilitate the transfer of the works and operating systems of Granite State Electric and EnergyNorth Natural Gas from National Grid to Liberty Energy Utilities (New Hampshire) Corp. (Liberty). Through this contract, the Commission seeks to ensure Liberty fully satisfies the conditions delineated by the Commission in Docket No. DG 11-040 so that Liberty is reasonably able to assume its duties and obligations at such time as any support rendered by National Grid is withdrawn.

The Contractor will serve in a supervisory role and function at the direction of the Commission Staff. The Contractor's approved scope of work is targeted to those areas that afford the Commission the ability to observe the implementation process and attest that the actions of the principals involved in the IT migration meet the commitments contained in the Settlement Agreement in Docket DG 11-040 and do not threaten the public interest. Specifically, the tasks will be limited to Task 1 and Task 3 contained in the Commission's July 21, 2012 Request for Proposals and the Contractor's Revision 3.1 (dated October 22, 2012) to its August 10, 2012 proposal; i.e., inspection and audit.

The scope of work emphasizes inspection and audit of the IT migration related activities performed by or on behalf of Liberty and National Grid to ensure execution in a manner consistent with the commitments made in Docket No. DG 11-040. The Contractor shall observe the events that transpire over the course of the implementation phase and report its observations and evaluation to the Commission Staff. Observation and reporting to Staff preserves the authority of the Commission to take such action as it deems warranted. The Contractor will monitor scheduled activities to ensure that they are: completed in accordance with stated plans; managed in accordance with prescribed schedules; and found acceptable upon achievement of certain recognized standards.

The Contractor's scope of work will include, but not be limited to, observation and evaluation of Liberty's testing and cutover readiness processes as well as its methods for ensuring complete and accurate data conversion from National Grid to Liberty. Furthermore, the Contractor will include in its scope of work any observations and evaluations related to security and vendor performance that bear upon the above referenced subjects. All concerns and potential issues identified by the Contractor shall be noted and reported in writing to the Commission Staff as described below.

Contractor Initials [Signature]
Date 11/1/12
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The Contractor shall develop and deliver to Staff a monthly report that details the progress that Liberty is making in implementing its IT Migration Plan. The report shall consist of: comments on issues of importance and concern; the pace of progress toward short term and long term objectives within the IT Migration Plan; the processes Liberty employs to guide the development and implementation of the IT systems; resources assigned and needed; effective participation of partner organizations; risk assessment and mitigations; communications; and overall effectiveness of the transition to the self-sustaining status of Granite State Electric and EnergyNorth. Such matters of interest or concern that emerge from the monitoring efforts of the contract shall be immediately communicated in writing to Staff with any recommendations that might be appropriate to the subject.

The Commission reserves the right to direct the Contractor's activities and all personnel assignments as the Commission deems appropriate. The Commission must be notified in writing of any substitutions or changes in personnel available for assignment to the Commission.

The Contractor agrees to maintain confidential all information to which it has access until such time as it is instructed otherwise by the Commission.

The term of the contract will begin immediately upon approval of the contract by Governor and the Executive Council. The contract will terminate on February 28, 2014.

Contractor Initials
Date 11/1/13
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